

Slater and Gordon Prepares to Cut Staff During Restructure



Summary: Slater and Gordon is undergoing big changes after facing financial problems that forced it to give up on its UK side of the firm.

Slater and Gordon announced they will be cutting some of their staff in Australia and a number of offices. They said around 7 percent of their Australian employees will be “impacted” by the transformation plan. This translates to about 85 employees from their total 1,210 staff members in Australia.

No official statements regarding who will be affected or which areas of the business are taking hits have been made. Slater and Gordon just said they are in “consultation” with those affected by the cuts. They also plan to close some of their offices in the country but most of their 54-office national network will remain the same.

Their announcement stated, “The company believes that the implementation of a business-wide transformation place, including cost reductions and structural changes, is necessary for the future sustainability of the Australian operations.”

The firm had announced last week that they were handing over all ownership of its UK business to lenders so they could focus on the Australian side of the firm. They reported a net loss after tax of \$546.8 million for last year. Despite a recent class action win on behalf of Manus Island detainees will help their cash flow problems but only for a bit.

Ever since Slater and Gordon’s acquisition of Quindell in 2015, the firm has experienced problems. Managing director Andrew Grech stepped down in June. Three litigation leaders left to start their own boutique firm in Melbourne called Phi Finney McDonald. Slater and Gordon also lost the head of general law James Higgins, national head of industrial relations and employment Marcus Clayton, and national union relationship manager Emma Walters. With those losses went a number of Slater and Gordon’s main clients, especially in the labor and union sectors.

As UNSW associate professor of finance, Mark Humphrey-Jenner noted, “Slater and Gordon will have suffered some staff losses as a result [of their ongoing issues], potentially from some of their capable lawyers, and rebuilding that morale and the staff body within the law firm could take some time. They’re going to need to rebuild that human resources capability. They’ll need to rebuild the board and it will take time for their reputation to recover, in part in the consumer litigation space, but also with respect of investors. That is, to get money to go forward and continue to invest, they need to give the market confidence that the mistakes they made won’t be repeated.”

Others blame Slater and Gordon’s problems on being a publicly listed law firm. Do you think being a publicly listed law firm is a problem that will eventually lead to their failure? Tell us in the comments below.

To learn more about Slater and Gordon, read these articles:

- [Australia’s Slater Gordon to Acquire Arm of Britain’s Quindell](#)
- [Slater & Gordon Makes History – But Not Good History](#)
- [Slater and Gordon Faces Less Than Ideal Numbers](#)
- [Slater & Gordon Stock Drops after Inquiry Announced](#)

Photo: legalweek.com