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**ARCHDIOCESAN MEDIA OFFICE**

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**Date:** Thursday, 15 February 2024

**Subject:** **Statement of Information – Catholic Archdiocese of Perth**

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“The Catholic Archdiocese of Perth wishes to provide the following ‘Statement of Information’ in regard to underpayments to identified current and former members of staff.

In full compliance with the Archbishop’s mandate that the operations of the Church within the Catholic Archdiocese of Perth be conducted ‘with transparency and accountability at all times’, the Archdiocese wishes to publicly report that it has, regrettably, identified instances where it has incorrectly interpreted that the Western Australian industrial Awards (Awards) did not apply to some employees of the Catholic Archdiocese of Perth.

This meant that some staff were incorrectly classified as being “Award free”.

The Catholic Archdiocese of Perth has undertaken a comprehensive review process which has:

- Determined the correct Award coverage and classification of staff working for the Catholic Archdiocese of Perth; and
- Identified that as a result of the incorrect Award interpretation, some staff members have been underpaid.

**This management and procedural oversight resulted in salary payment errors to a number of current and former employees between 1 July 2017 and 30 June 2023.**

The Catholic Archdiocese of Perth sincerely apologises to all current and former staff members impacted by these errors and confirms all cases of underpayment will be appropriately reimbursed as a matter of priority.

The Catholic Archdiocese of Perth is committed to wage integrity, in accordance not only with its legal obligations, but also its dedication to upholding the principles of Catholic Social Teaching. Our shared mission commits us to treating every human person with fairness, dignity and respect.

### **What occurred and how?**

Potential payroll management errors were revealed in 2022 as part of a review initiated by the Archbishop. The internal Transition Team, responsible for overseeing a holistic organisational improvement program, first identified this issue.

The Catholic Archdiocese of Perth discovered it had been operating under an incorrect understanding that Western Australian Industrial Awards did not apply to various positions, which in some instances has resulted in an underpayment of Award entitlements. **The Archdiocese acknowledges and accepts it inadvertently failed to meet required standards of policy, procedure and governance in regard to this matter.**

## **Archbishop's Statement and Commitment**

Archbishop Timothy Costelloe SDB said today: *"I am disappointed that these salary payment errors occurred, and I extend my sincere and personal apology to all current and former employees who have been impacted as a result of this administrative oversight. We simply should have done better.*

*I have instructed that every priority and resource be assigned to ensure the successful resolution of this matter, as quickly as possible. I assure each and every current and former employee who has been underpaid during the period 1 July 2017 to 30 June 2023, that restitution will be made as soon as can possibly be arranged.*

*The Archdiocese is now reviewing and establishing new protocols and procedures to ensure that the Archdiocese's operations achieve 'best practice' standards in all that we do".*

## **Professional Review and Result**

To provide professional support and assistance to the Archdiocese so that it could identify, qualify and quantify which current and former employees may have been impacted as a result of said payment errors, and to ensure it received accurate advice on current and complex Industrial Relations requirements, the Catholic Archdiocese of Perth engaged **EY (Ernst and Young)** - one of Australia's recognised big four accounting and consulting firms.

**EY**, initially engaged to assist the Transition process with the payroll platform analysis, confirmed the accuracy of the errors provisionally identified by the Archdiocese. **EY**, supported by the Archdiocese's Finance and Administration personnel, has since undertaken an exhaustive review of employment requirements and payments to all former and current members of staff from 1 July 2017 to 30 June 2023 – a period of six (6) years, consistent with legal obligations.

**EY's** detailed findings, together with other external legal and professional advice, was completed and available to the Catholic Archdiocese of Perth in late 2023. The Catholic Archdiocese of Perth regrettably confirms that it has identified seventy-six (76) former staff members and thirty-five (35) current staff members who have been negatively impacted and underpaid various amounts during this six-year period.

The identification of (impacted) current and former employees working for the Catholic Archdiocese of Perth and its agencies has been the primary objective. Catholic parishes are responsible for the employment of personnel within each individual parish.

The Catholic Archdiocese of Perth will now offer assistance to parishes in relation to Award compliance.

## **The Catholic Archdiocese of Perth's Priority - Resolution and Restitution**

Today, the Catholic Archdiocese of Perth has dispatched confidential correspondence to all impacted current and former employees advising each of how they have been impacted as a result of the stated payment issues, presenting detailed information for their consideration of the Archdiocese's resolution and restitution plan and process.

The Catholic Archdiocese of Perth has confirmed that impacted former and current employees will receive all underpaid salary and superannuation contributions to which they are entitled for the period 1 July 2017 to 30 June 2023. The Archdiocese will also add 10% of the total underpaid salary owed as compensation for any inconvenience to affected employees.

The Catholic Archdiocese of Perth will commence making restitution payments from Friday 16 February 2024 until all cases have been successfully resolved.

The Catholic Archdiocese of Perth sincerely apologises to all current and former staff members impacted and assures them that they will be fully reimbursed for any loss/losses as a matter of priority.

The Catholic Archdiocese of Perth has made, and will continue to make, procedural and policy changes required to ensure a similar situation does not occur in the future, and that it strives at all times to achieve 'world's best practice'."

#### **End Statement**

**For further information or comment, please contact:**

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