

# Catholic Archdiocese of Perth – Frequently Asked Questions

## Understanding the Issue

### What is the Issue?

Potential payment management errors were revealed in 2022 as part of a review initiated by the Archbishop. The Transition Team, responsible for overseeing a holistic organisational improvement program, first identified the 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 employment positions. The result was that a number of current and former employees have been underpaid award entitlements by varying amounts.

The Catholic Archdiocese of Perth immediately engaged EY (Ernst and Young) - one of Australia's recognised big four accounting and consulting firms – to review the Archdiocese's systems, accounts and all employee records for the period 1 July 2017 – 30 June 2023 (consistent with legal obligations), to identify and qualify any and all current and former employees who may have been underpaid, and by what amounts.

### Are all employees affected by this issue?

No. The Catholic Archdiocese of Perth has determined only some employees were underpaid during the period 1 July 2017 to 30 June 2023.

### How many employees have been affected?

The Catholic Archdiocese of Perth regrettably confirms that it has identified seventy-six (76) former staff members and thirty-five (35) current staff members have been underpaid various amounts over a six-year period.

### How did this issue occur?

The Catholic Archdiocese of Perth misinterpreted the coverage of industrial instruments. Unfortunately, all staff were inaccurately classified as 'Award free'. This management and procedural oversight resulted in underpayments of Award entitlements to a number of current and former employees.

### What is the total of the underpayments?

The total amount of the underpayments over the six-year period is \$1.6 million.

### Why were current and former employees not made aware of this issue sooner?

The Catholic Archdioceses of Perth sincerely apologises to current and former employees who have been impacted as a result of its management and procedural oversight. It has taken considerable resources and time to review complex matters spanning a six-year period to ensure that every current and former employee impacted by these payment errors receive all owed entitlements.

## Catholic Archdiocese of Perth – Frequently Asked Questions

### Understanding the Issue – page 2

#### **What does the Archdiocese mean when it refers to “wage integrity”?**

The Archdiocese is absolutely 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 mission commits us to treating every human person with fairness, dignity and respect. This is about doing the right thing to address the underpayments issue, both in terms of what we do, and how we do it.

It is also important that this be done in an open, honest and transparent manner, as dictated by the Archbishop’s Operational Policy.

#### **Has the Archdiocese engaged in what is often referred to as “wage theft”?**

No. Wage theft occurs where there is a systematic and deliberate underpayment of wages and entitlements.

The Catholic Archdiocese of Perth incorrectly interpreted the application of industrial instruments to some positions. These management and procedural oversights resulted in unintentional underpayments to some current and former employees.

The Catholic Archdiocese of Perth at no time intended to underpay its employees. It sincerely apologises to all current and former staff members impacted by these errors. The Archdiocese is committed to ensuring all cases of underpayment be appropriately reimbursed as a matter of priority.

## Catholic Archdiocese of Perth – Frequently Asked Questions

### Our Priority – Resolution, Restitution and Support.

#### How will I know whether I have been impacted by this payments issue?

Commencing Thursday 15 February 2024, former and current employees impacted as a result of these payment issues will receive, by email, personalised correspondence from:

The Executive Director - Finance and Administration  
Catholic Archdiocese of Perth

This correspondence will provide specific details of an individual employee's financial underpayments for the period 1 July 2017 and 30 June 2023, and confirmation of the Archdiocese's resolution and restitution plan and process.

#### What if I don't agree with or accept the Archdiocese's calculation of the restitution payments?

All former and current employees impacted by this matter are invited to arrange a priority meeting with the Executive Director, Finance and Administration, Catholic Archdiocese of Perth. This will provide the opportunity for any queries or concerns to be discussed.

Should agreement not be reached as a result of these direct discussions, former and current employees may seek whatever professional assistance they feel is required.

#### When will restitution payments commence?

Impacted employees will commence receiving full and final payments to their nominated banking account from Friday 16 February 2024 onwards, until completed.

#### How will tax and superannuation be calculated?

Restitution payments will be taxed at the appropriate marginal rate. The ATO will be provided with data in relation to the underpayments.

Superannuation contributions in respect of underpayments will be made at the current rate of 11%. Employees should refer to the Australian Taxation Office (ATO) website if they are concerned they may exceed the superannuation concessional contributions cap.

## Catholic Archdiocese of Perth – Frequently Asked Questions

### Our Priority – Resolution, Restitution and Support - page 2

#### Have any employees been overpaid in relation to their Award?

Yes. However, they will not be required to return any overpayments and will continue to receive their existing agreed entitlements.

#### Is the Archdiocese offering employees additional support and assistance?

Yes. Former and current employees of the Catholic Archdiocese of Perth can access the Archdiocese's **Employee Assistance Programme (EAP)** by contacting Access Wellbeing on 1300 66 77 00.

## Catholic Archdiocese of Perth – Frequently Asked Questions

### General Questions & Contact Information.

#### What actions has the Catholic Archdiocese of Perth taken to ensure similar errors do not occur in the future?

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

#### What Awards are relevant to the Catholic Archdiocese of Perth?

- The Social and Community Services Award.
- The Clerks Award (Commercial, Social, and Professional Services);
- The Cleaners and Caretakers Award; and
- The Restaurant, Tearoom, and Catering Workers' Award.

#### Can I choose to be covered or not to be covered by an Award?

Neither an Employee, nor an Employer, can opt in or opt out of an Award that otherwise covers the employment relationship. If an Award has coverage, it applies unless an industrial agreement made under the *Industrial Relations Act 1979 (WA)* is in place.

#### How may I seek further information or assistance?

Please contact the Catholic Archdiocese of Perth.

Telephone: (08) 6104-3630

Email: [Resolution@perthcatholic.org.au](mailto:Resolution@perthcatholic.org.au)