

30 April 2025

Portfolio Committee No. 1 - Premier and Finance
Parliament of New South Wales

Dear Committee,

Subject: Responses to the NSW Payroll Tax Inquiry questions

Question on Notice – 21 March 2025 (Transcript)

The Hon. DAMIEN TUDEHOPE: *In 2015 when they came to see you, they asked you for the brokers' records?*

SAM WHITE: Yes.

The Hon. DAMIEN TUDEHOPE: *And you queried that. What explanation did they give as to why they had formed the view that they wanted to see the brokers' records?*

SAM WHITE: *I can't recall. I can find out and come back to you.*

Response

On 7 October 2015, a Notice of Investigation was issued to Loan Market Group Pty Ltd by the investigating officer from Revenue NSW (New South Wales Office of State Revenue, as it was then known). The email attaching the Notice of Investigation provided the following:

Please be advised that our investigations are selected as a result of our research, data mining and data matching programs. Some cases are selected randomly from a particular industry or client group. The results of these investigations help us to identify client education needs or issues requiring improvements in policy and legislation.

On 16 December 2015, Revenue NSW emailed Loan Market requesting contractor details, including a breakdown of payments on a per contractor basis, along with their ABN and the services provided. On 23 December a response was provided which included the contractors operating in Loan Market's business but did not include the independent mortgage brokers. This was consistent with the industry view that mortgage brokers were not viewed as contractors for payroll tax purposes by aggregators.

As the investigation continued between March and November 2016, with further information requested, no further context was provided as to why Revenue NSW required mortgage broker data.

However, at a meeting with Revenue NSW on Wednesday 9 November 2016, Loan Market was advised to refer to the *Bridges* case. This was reiterated by Revenue NSW in an email from the investigation officer dated 9 December 2016 advising Loan Market that:

the authorised Brokers are representing Loan Market Group Pty Ltd in the same way as financial planners represent the AFSL [Australian Financial Service Licence]. As a result, the relevant contractor provisions apply.

In Bridges it was held that, subject to any exceptions, the agreements entered into by Bridges and its authorised representative were “relevant contracts” for the purpose of an equivalent provision to Section 32 (1) (b) of the Payroll Tax Act 2007 (NSW) (the Act).

Question 2 - Supplementary Question

What communications (including letters, emails and meetings) have you had with NSW Government Ministers and/or Ministerial staff on payroll tax issues since 2017?

Response

By way of background and context, on 12 December 2016, Sam White, then-Loan Market CEO, sent a letter to the NSW Treasurer Alex Schuman in respect of the audit being undertaken by Revenue NSW. On 14 December 2016, Mr White attended a meeting with Mr Schuman and other delegates to discuss the matter. After this meeting, Minister Monica Tudehope provided her contact details to Mr White.

Further email correspondence and phone calls occurred between Minister Tudehope and Sam White in December 2016 in relation to the matter.

In January 2017, Minister Tudehope arranged a meeting between Loan Market, Revenue NSW, and herself and another ministerial delegate, with the purpose of discussing the audit with the relevant Revenue NSW staff. That meeting was later cancelled due to ministerial changes occurring at the time.

On 9 February 2017, Mr White emailed Minister Tom Green, having obtained his contact details from Ms Tudehope, expressing his desire to meet with Revenue NSW, and a representative of the Minister, to discuss Loan Market's audit. Mr Green responded indicating a desire and intention to meet, but no further communications occurred with Mr Green.

On 6 March 2018, the investigations officer from Revenue NSW emailed Loan Market requesting availability for a meeting at the Minister's Office. That meeting was held in the Minister's Office on 22 March 2018. Two representatives from Revenue NSW were in attendance. Mr Green did not attend, but we recall that a ministerial staff member was in attendance.

I appreciate the committee's consideration of this important issue.

Sam White

Executive Chairman, LMG