

**INQUIRY INTO APPLICATION OF THE CONTRACTOR  
AND EMPLOYMENT AGENT PROVISIONS IN THE  
PAYROLL TAX ACT 2007**

**Organisation:** Mable Technologies Pty Ltd

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**Mable Submission - Application of the contractor and employment agent provisions in the Payroll Tax Act 2007**

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**1. Executive Summary**

- Mable makes this submission with particular reference to “e” within the Committees Terms of Reference but does not accept the label of “gig economy”.
- Mable’s strong view is that under the current *Payroll Tax Act 2007* agreements established through its platform do not constitute a “relevant contract”.
- Further, Mable contends the NSW Government should not take any action to seek to capture independent contractors working via platforms, as any such action would harm workers, stifle competition and reduce safety for clients.
- Employment based platforms are able to charge higher margins to incorporate the cost of expenses including payroll tax, any proposal to treat non-employers in the same manner to employers disregards the significant differences between these companies.
- Like all companies, Mable pays payroll tax on behalf of its employees, including its backoffice staff. As of 31 December 2024, Mable employs 193 individuals in the state of NSW and 97 individuals in other states and territories. The Attain Group of which Mable is part, paid \$1.55 million in payroll tax in NSW for the 2024 Financial Year.
- Mable has a lower margin than employer platforms and the difference in margins enables independent contractors to benefit from the difference.
- As of the 2024 Financial Year, Mable remains a loss making enterprise and has sought to keep its fees as low as possible to enable contractors to earn more and clients to pay less.
- There is no ability for Mable to absorb a 5.45 per cent cost increase within its current margin of 16.6 per cent meaning that any move by the NSW Government to require platforms to pay payroll tax for independent contractors on platforms would come at the expense of either care workers or clients (older persons and people with disabilities).
- Mable’s primary competition comes from off-platform independent contractors and any move to compel Mable to pay payroll tax in relation to independent contractors would be anti-competitive and encourage more contractors to work without the protection of a platform.

## 2. About Mable

Mable is a health tech platform that offers a complementary approach to traditional aged care at home and disability support models. Mable gives older persons and people with disability more choice, control and flexibility to shape the care and support they receive in their own homes and communities. This choice is made possible by over 21,000 independent contractors providing valuable and necessary care and support services via the platform. Founded in 2014, Mable now operates at some scale with support providers on the platform providing care and support services to over 27,000 people with disability and older Australians.

## 3. Mable is not a part of the “gig economy”

Mable is best characterised as a horizontal platform, which is similar to Airtasker. On Mable, independent contractors set their own rate of remuneration, find their own clients and write their own contracts. Contractors on Mable are characterised by high bargaining power in negotiations relating to services contracts, are paid on average more than their employed counterparts and have a high degree of authority over how they perform work.

Many independent contractors on Mable find the term “gig worker” to be offensive, noting that the care and support that they provide is characterised by long term relationships. In the 2024 Financial Year on Mable, 58 per cent of client-support provider relations were 3 months or older and 41 per cent were 6 months or older. Even so, most contractors that operate on Mable also operate off-platform (working as an off-platform contractor, using another platform or as an employee elsewhere). The average number of hours worked on Mable by active independent contractors is 8 hours per week.

To this end, Mable makes this submission with particular reference to “e” within the Committees Terms of Reference.<sup>1</sup> At the same time, Mable asks its objection to being described as part of the “gig economy” to be noted.

## 4. Mable’s position on payroll tax

Mable’s strong view is that under the current *Payroll Tax Act 2007* agreements established through the platform do not constitute a “relevant contract”. Further, Mable contends the NSW Government should not take any action to seek to capture independent contractors working via platforms. In Mable’s view, any such action would harm workers, stifle competition and reduce safety for clients.

Mable has made a conscious decision not to employ the individuals that work via its platform and the individuals that work via its platform have consciously chosen to not be employees. Further, individuals that work via the Mable app, engage directly with contracts. The service

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<sup>1</sup> “Terms of Reference”, *Inquiry into the application of the contractor and employment agent provisions in the Payroll Tax Act 2007*, NSW Parliament, accessed: 16 December 2024, [link](#).

agreements which exist through the Mable app are between clients and support providers and Mable is not a party to these agreements. Mable acknowledges that other businesses use an employment model for platform workers. In exchange, these companies can secure much higher margins in return for their higher liabilities as employers. For example, one care platform employer charges clients a base rate of \$66.46<sup>2</sup> (Monday-Friday standard rate), while only paying its workers – who are casual employees – \$45.86 (including super).<sup>3</sup> This company, a competitor of Mable, thus has a margin on labour of 30.99 per cent, in comparison to Mable’s margin of 16.6 per cent. This higher margin enables the company to easily meet its higher payroll tax liabilities.

Further, employers can direct their employees and exert far greater control of outcomes for clients. Mable chose to remain a non-employer to give sole traders the benefits of platform protections, while remaining the freedom to be independent contractors. It also ensures that the service relationships that exist on its platform are between clients and support providers and Mable is not a party to those arrangements.

In Mable’s view, neither model is superior – different models work better for different workers and clients – however, the fundamental differences between the models should be acknowledged and respected. Any proposal to treat non-employers in the same manner to employers disregards the significant differences between these companies.

**5. Mable as an employer**

Mable does not employ or engage the individuals that work via its platform. However, as of 31 December 2024, Mable employs 193 individuals in the state of NSW and 97 individuals in other states and territories. Such employees are responsible for building the building platform, staffing the call centre, managing Trust & Safety and Incidents and Complaints and many other functions. As a result of this large employed workforce, the Attain Group of which Mable is part, paid \$1,555,770.11 in payroll tax in NSW for the 2024 Financial Year. This is a significant point that is often lost in these discussions, companies such as Mable are significant employers who have paid payroll tax on their employees, as is appropriate.

**6. Charging payroll tax would harm independent contractors and clients on Mable**

Mable charges two fees: the support engagement fee and the client platform fee. The support engagement fee comprises 10 per cent of the agreed rate input by the support provider into the platform. The client platform fee amounts to 7.95 per cent of the agreed rate. The following example uses a whole amount of \$100 to illustrate how this works.

Agreed rate ( <i>decided between the parties</i> )	\$100
Total paid by client	\$107.95

<sup>2</sup> See “Hourly cost for Hireup bookings”, Hireup, accessed: 16 December 2024, [link](#).

<sup>3</sup> See “Support worker pay rates”, Hireup, accessed: 16 December 2024, [link](#).

Total received by the support provider (independent contractor)	\$90
Client platform fee	\$7.95
Support engagement fee	\$10
Total Mable fee	\$17.95
Total Mable fee as a % of consumer payment	$\$17.95 / \$107.95 = 16.6\%$

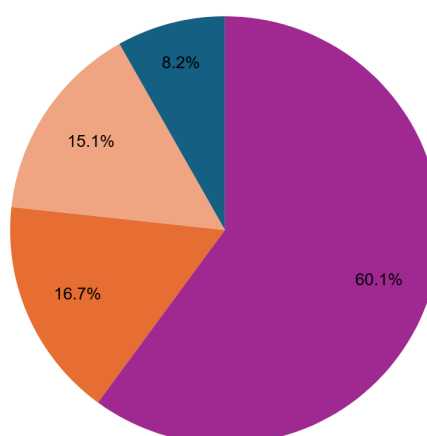
Mable's margin thus comprises 16.6 per cent of what the client pays. This is substantially lower than a margin in employment, because as a non-employer Mable has less financial obligations than employers. Put another way, the lack of payroll tax has already been priced into this model and the beneficiary from this lack of tax is overwhelmingly the independent contractor.

Mable has deliberately sought to keep its margin as low as possible, charging below several other platforms which use an equivalent model. As a consequence of this decision, Mable has yet to break even as of its last finalised accounts for financial year 2024. Mable's goal is to break even in the short term, however, the notion that additional cost can be met out of profit is erroneous when a company has yet to break even, let alone achieve a profit.

The 16.6 per cent margin charged on the Mable platform helps to support Mable's employed workforce, its data and technology costs, its lease and depreciation costs and many other costs. To this end, the following chart outlines how Mable has used revenue in the last financial year.

**Mable Technologies Expenses FY 24**

- Employee salaries, superannuation and entitlements
- Sales, advertising and marketing
- Operations and administrative expenses (including payroll, utilities, rent, subscriptions, consulting fees, accounting and insurance)
- Depreciation and amortisation



In NSW, the payroll tax rate is 5.45 per cent. There is no ability for Mable to absorb this level of cost increase in its current margin of 16.6 per cent. Therefore if the Government decides to impose, via legislation, a requirement to pay payroll tax, this increase can only come at the expense of the independent contractors that operate via the Mable platform most likely in the form of a special purpose fee.

For the Financial Year 2023-24, a NSW based support worker providing social support and domestic assistance referred to here as Richard<sup>4</sup> earned \$101,800 over the course of the year. At the current rate of payroll tax, Richard would have had a potential liability of \$5,548. Should the NSW Government change legislation to require the payment of payroll tax by independent contractors on platforms, then either Richard would have been \$5,548 per annum worse off, or would have had to pass this cost on to their client. On an hourly basis, this would equate to a \$3 per hour cost increase for Richard's clients who are primarily either people with disability on the NDIS or older persons on home care packages.

As the example demonstrates, independent contractors would have two choices. Either absorb the 5.45 per cent increased cost in reduced wages or, more likely, pass the cost on to their clients in increased rates.

## **7. Charging payroll tax on care platforms would be anti-competitive**

While Mable competes with platforms such as Hireup for business in the care economy, the predominant competition to contractors on Mable comes from off-platform contractors. Within the care economy, the scale of off-platform independent contracting vastly exceeds that which occurs through platforms, particularly in the NDIS. Analysis conducted by plan manager Leap in!<sup>5</sup> showed that 2 per cent of client funds were spent across multiple online platforms<sup>6</sup> while independent contractors that did not use a platform received 36.4 per cent of client funds.

The individuals that do not use a platform, then, compete with those contractors that do use a platform for the same work. Imposing an additional cost on those contractors that do use a platform, will just disadvantage this cohort and encourage more individuals to not use platforms, putting both workers and clients at risk. Individuals working off platform are less likely to have protections including Trust & Safety Frameworks, regulatory oversight, comprehensive insurance<sup>7</sup> and other protections.

Mable is grateful for the opportunity to provide feedback on this important issue and remains hopeful that a commonsense approach will be adopted which recognises that independent contractors should not be held liable for payroll tax simply because they choose to use a platform.

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<sup>4</sup> NB - Name has been changed to protect this individual's identity.

<sup>5</sup> A related entity of Mable Technologies, both Leap In! and Mable are part of the Attain Healthtech Group.

<sup>6</sup> Including Mable, HireUp, Kynd, Five Good Friends, Like Family, Careseekers and Find a Carer.

<sup>7</sup> All work undertaken through Mable is covered by personal accident insurance (including income protection), professional indemnity insurance (including medical malpractice coverage) and public liability insurance.