

March 28, 2025

## **LIANZA RESPONSE TO OFFICIALS' ISSUE PAPER - TAXATION AND THE NOT-FOR-PROFIT SECTOR**

### **BACKGROUND INFORMATION**

- Te Rau Herenga o Aotearoa, The Library and Information Association of New Zealand Aotearoa ([LIANZA](#)) is a not-for-profit membership body for New Zealand's library and information profession.
- With a strong national network, active member communities and volunteer base, an established profile, and strong international connections, LIANZA spans all parts of the diverse library and information sector. This includes public, school, tertiary, health, prison, special libraries and information services. LIANZA is the peak body for the library and information sector.
- LIANZA is incorporated under the New Zealand Library Association Act 1939 but is not a registered charity.

### **COMMENTS ON TAXATION AND THE NOT-FOR-PROFIT SECTOR OFFICIALS' ISSUE PAPER**

- LIANZA's comments relate to *Chapter 4: Integrity and Simplification* of the Officials' Issue Paper.
- LIANZA provides various services to its members who pay a yearly [membership fee](#). Our members are institutional or personal (plus retired, overseas or student members). In addition, LIANZA charges fees for professional registration and professional development events including our biennial conference, which generate additional income.
- LIANZA files a yearly tax return and pays tax on its assessable activities. However, LIANZA has relied on Inland Revenue's current public view that not-for-profits do not need to include membership fees or subscriptions in annual income tax returns or pay tax on time.
- LIANZA receives just under \$300,000 in membership fees each year, which typically represent at least 75% of its revenue, excluding the years in which LIANZA hosts its biennial conference.

### **THE IMPACT OF POSSIBLE CHANGES TO CURRENT SETTINGS ON LIANZA**

- Membership fees support LIANZA in our mission to create a thriving library and information sector. We work alongside library and information staff and services to strengthen our sector to be innovative and responsive to New Zealanders' information needs.
- The environment that libraries work in is changing. They are at the apex of the communities they work within, and where there can often be challenges. Support from organisations such as ours is crucial so that libraries can better respond to the needs of their many community members. Libraries are at the forefront of enhancing wellbeing by:
  - providing trusted information and learning resources
  - supporting people who may have limited access to digital and other resources
  - and a safe space for those community members seeking connection.

- LIANZA's role is to support, guide, and provide leadership and skills development so that libraries can better support their communities and users. One-third of New Zealanders are library users. Their value to New Zealanders is seen in the increased use of libraries and their services, particularly after COVID, and because they are largely free to use.
- LIANZA and its predecessor's purposes have always been charitable. Over the years they have contributed to:
  - establishing programmes such as the National Library Service and the LIANZA Children's Book Awards
  - supporting library and information qualifications
  - implementing professional registration
  - working in partnership with Te Rōpū Whakahau, the organisation supporting tangata Māori library professionals
  - advocating for library and information professionals through pay equity, copyright, vocational education reforms.
- This means our members are supported in their professional growth and enjoy meaningful connections within the community. They are provided with tools, guidelines, and information to be supported in their work. These include:
  - Professional registration
  - Professional recognition
  - Workforce capability and workforce development
  - Professional development and training
  - Guidelines and information such as Māori subject headings (Ngā Upoko Tukutuku) and the Freedom to read toolkit
  - Information and publications.
- LIANZA's ongoing professional development supports members strengthen their skills and professional development to better respond to the needs of their many community members.
- A reduction in the membership fees, as a result of the imposition of tax, would have an extremely negative impact on LIANZA's ability to provide our valuable service to members and the wider library and information sector.
- This impact would have a flow-on effect on the profession's ability to provide services to the public and private sectors and the wider community. Libraries are already feeling the impact of reductions in funding with stretched local government funding affecting budgets in areas such as professional development.

**For certainty and consistency, LIANZA strongly suggests Inland Revenue confirm the application of its currently held position that incorporated not-for-profits do not need to include membership fees or subscriptions in annual income tax returns or pay tax on time.**