

Wednesday, 25 June 2025

Commissioner
Inland Revenue Department
PO Box 2198
Wellington 6140

By Email: Public.Consultation@ird.govt.nz

Dear Commissioner

Re: ED0265 Mutual Transactions of Associations (including clubs and societies)

I am writing regarding the draft operational statement on mutual transactions of associations.

Business Canterbury is the home and voice of Canterbury's business community. Since 1859, we have represented the interests of local businesses, and today with more than 2,800 members, we are the largest business support organisation in the South Island. We exist to provide our members with the connections, advice, advocacy, and resources they need to thrive.

We endorse the submission made by BusinessNZ and share its concern that proposals in ED0265 represent an unnecessary and burdensome intervention. We are particularly concerned that the proposed changes will lead to higher compliance costs, without achieving a material increase in tax revenue.

I would also like to highlight that Business Canterbury – like many associations across New Zealand – reinvests any surpluses directly into programmes and services that support the wellbeing and success of the business community. This includes initiatives to enable innovation, improve productivity, and drive sustainable economic growth across the region.

It would be both counterproductive and unjust for such reinvestment in public good outcomes to be treated as taxable income under the proposed interpretation, particularly given the work we do has benefits for the wider business community and not just our members. Much like exemptions already granted to sporting clubs and other societies, organisations like Business Canterbury should be recognised for their role in advancing the public good.

We therefore submit that the draft operational statement should not take effect.

Kind regards,



Leeann Watson
Chief Executive Officer | Business Canterbury

Business Canterbury
57 Kilmore Street, Christchurch
0800 50 50 96 | 03 366 5096
info@businesscanterbury.co.nz | businesscanterbury.co.nz