
COLLABORATE!
HOW CHARITIES CAN
ADVANCE THEIR PURPOSE BY
WORKING TOGETHER

PARRY FIELD LAWYERS



ParryField
Lawyers

To the heart of what matters.



***Waiho i te
toipoto, kauda i te
toiroa.***

***Let us keep close
together, not
wide apart.***



COLLABORATE!

*HOW CHARITIES CAN ADVANCE
THEIR PURPOSE BY WORKING
TOGETHER AND THE LEGAL
OPTIONS TO ENABLE THAT*

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About Parry Field Lawyers

We are one of New Zealand's leading law firms supporting purpose-led and mission focused organisations that range from charities to companies, entrepreneurs, and impact investors, as well as those with hybrid structures that combine approaches.

Our Impact Team works across the country providing free training, resources, articles, and videos to empower the 'for purpose' sector and we have almost 100 staff across five offices that can support with legal set ups, charity questions, governance, property, disputes, employment, IP, and more.

Find out more at parryfield.com

Compiled by the Parry Field Lawyers Impact Team

parryfield.com

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"To go fast, go alone. To go far, go together."

Collaboration is our future. It has to be.

Here in Aotearoa New Zealand, we have around 29,000 registered charities. That's roughly one charity for every 183 New Zealanders, one of the highest charity-to-population ratios in the world.

While this is a positive reflection of a generous and community-minded culture, saturation may harm the ability of some charities to make an impact. Many charities report providing services in overlapping areas. Duplication in providing a particular service, or focus on the same communities or geographic areas, can confuse both beneficiaries and donors.

This also brings potential for fragmentation of donors, with funds spread thinly across multiple organisations trying to achieve the same purpose. This is of particular concern as the funding pool stagnates, the cost to fundraise increases, and the same large organisations receive the large proportion of funds. This fragmentation of funding can reduce capacity to take on bigger projects.

Furthermore, New Zealand donors are motivated to see funds go towards direct impact rather than administrative overheads. This creates a funding gap, with charities unable to survive without these overheads.

In addition, charities often have duplicated costs. Most charities have a need to spend on accounting, IT, websites, human resources, and other areas where some sharing of costs might be beneficial.

These challenges make it clear that collaboration is not only desirable but potentially necessary across the sector.

Why not consider sharing this with a Board you are on?

NGĀ MIHI NUI



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Join the Discussion

Steven will be hosting a webinar discussing the themes of this paper on Wednesday 26 August 2026. Register to join for free [here](#), or scan the QR code.



PART 1

WHY THIS PAPER, NOW?

This paper is a call to action, not just an esoteric thought piece.

We help hundreds of charities and for-purpose organisations who are all about advancing purpose sustainably. As a result, we see just about every permutation which is possible when it comes to the ways that these groups can approach this question of collaboration.

This paper is being released now because with constrained funding and a need to operate efficiently, there is a real opportunity for charities to do things differently.

To do this, we will set out some of the key barriers to collaboration and then outline the different ways that we see it happen along a broad spectrum that runs from “simple” to more “complex”.

Why not share this with a Board you are on and talk about it at your next gathering?

In our recent book *Changing Paradigms* (a [free download](#)), the key theme of the 25 essays was to approach the mission of an organisation with a fresh perspective. We hope this paper will be a challenge to you to consider how your organisation operates and maybe even do things differently.

Should it be of help to talk through this, we offer a free short call at no cost and are happy to join a Board meeting for a short introduction to these concepts.

My thanks to Lucy Walton in the Parry Field Lawyers Impact Team who has helped create this paper.



PART 2

BARRIERS TO COLLABORATION

No one is going to openly say “we won’t collaborate”, yet collaboration is surprisingly rare. Why is that? Let’s unpack some key issues.

Founders syndrome

Often, we see that founders may resist necessary change and adaption, struggling to relinquish control as they fear their vision may be compromised. These fears are understandable, particularly given the personal investment and passion poured into the set up of the organisation. As a result, founders may conflate their personal legacy with that of the organisation. This, however, can stagnate growth. There needs to be an ability to see beyond the individual founder’s involvement to the greater future of the organisation.

Losing sight of the mission

We often meet people in charities and purpose driven organisations who talk about the great work their organisation is doing. It is all too often focused on the organisation, materials and publicity. In doing this, they appear to have lost sight of the fact that it should not be about them at all. Rather, it should be about the people they are serving and how they can best advance the mission. A symptom of this can be seen in annual reports which don’t highlight the people being served. It is understandable how it happens but the point is simple; organisations that lose sight of their ‘why’ are less likely to be open to collaboration.

Organisational egos

This is a step beyond losing sight of the mission. This can be seen when people within an organisation become so focused on keeping it alive – because of its history, legacy, and the good it has done – that they can no longer see beyond its survival. They struggle to consider that, perhaps, the best way to advance the mission is to wind the organisation up and transfer its assets to another entity

better positioned to advance the mission. This is a difficult conversation to have, especially when life members, a patron, and significant legacy are involved. But we need to get beyond our organisation egos and ask if we can better advance the purpose by doing things differently.

Hard questions we need to be asking

In the paper, *Charting the Future*, Craig Fisher and I looked into several hard questions that organisations should be asking. These include the following:

1. What is our Purpose?
2. Do we have a right to exist?
3. Do we still need to exist?
4. Should we have an end date?
5. Should we continue to try and go it alone?
6. Are we thinking broadly enough about who we can collaborate with?
7. Can we reimagine the future?

As you can tell there are clear links to the themes in this paper. We are not going to replicate the content but instead urge you to go and read it for yourself.

Let’s now turn from barriers to collaborations and consider the types of collaboration that are possible.



Watch a 5 minute video where Steven discusses collaboration and what prevents it [here](#), or scan the QR code.



PART 3

SPECTRUM OF COLLABORATION?

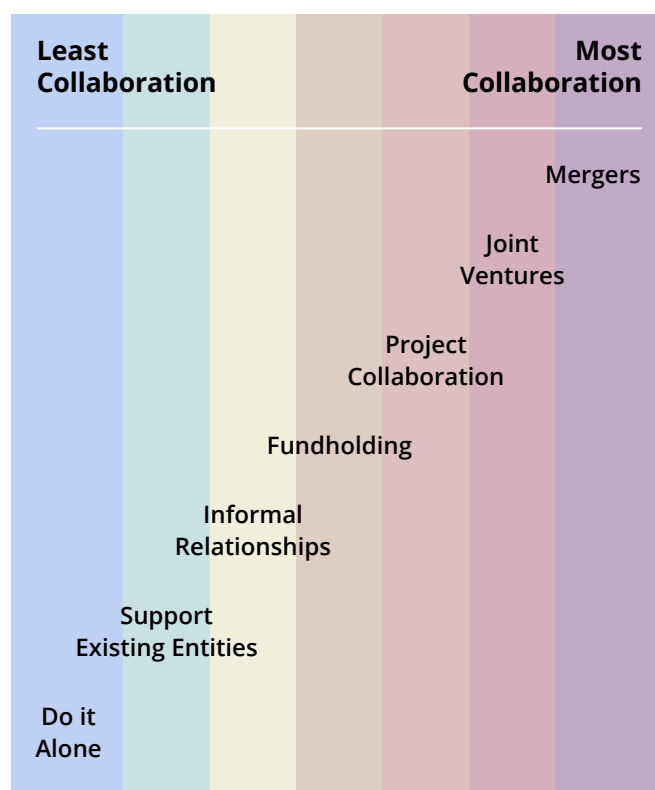
Collaboration can be visualised as a spectrum depending on the vision or goals of the entities involved. The rest of this paper will outline the different options we have seen and when they might match your situation best.

At one end of the spectrum, you can maintain the status quo and do it alone. In the middle there are options for some collaboration, and at the other end of the spectrum are more extreme options like merging or winding up.

Temporary options that maintain an entity's autonomy also exist, such as working on individual projects and initiatives, and information or resource sharing. These arrangements can remain informal and flexible or be formalised through legally binding agreements.

Finally, the highest level of collaboration entities could consider is amalgamating (or "merging"). This may seem an extreme and potentially uncomfortable option, particularly in how it is perceived in the for-purpose sector. However, as we will explain, under the right circumstances, amalgamation may be an option worth considering for some entities.

On the right is a diagram that shows this spectrum, with explanations for each option on the following pages.



PART 4 OPTIONS FOR COLLABORATION

1. Do it Alone

I worry the “number 8 wire” mentality is a negative here, as it can create a culture where groups tend to do things on their own rather than working together. Let’s not dwell on this!

2. Supporting Existing Entities

We wish that more founders had a moment to consider whether they actually need to set up a new charity. There are already about 29,000 registered charities and this doesn’t include groups who exist but haven’t registered formally.

Sometimes, the better way of dealing with this issue is to ask:

- Who is already involved in this?
- Can I come alongside them and offer support instead of launching something new, which would end up competing for the same limited resources?
- What is unique about what we want to do?
- Does this work as a programme under the umbrella of an existing group, rather than as a new entity?
- Is my new entity offering something distinctive, or would it simply duplicate what already exists?

Perhaps, establishing a brand new charity is not the best way of solving the problem and it might be better dealt with by supporting one that already exists?

3. Informal Relationships

For some groups, it will be appropriate not to have a formal project collaboration but simply to come alongside each other and see how you can support one another. As a simple example, this might be amplifying their messages by cross-referencing their courses in your organisation’s newsletter.

Perhaps you could learn from another group by having them come and speak to your Board about what it is that they do. Another good example we have seen is where two Boards get together to do some joint activity, which could be as simple as having a lunch or dinner with each other.

The point here is that the organisation is proactive about reaching out to others in the sector and learning more about what they do.

One simple way to get out of your silo of thought and meet others is to listen in on our Seeds Impact Conferences (or watch back later) as we often get many hundreds attending those. It is a chance to learn from others, at no cost. More info is here: seedsconference.nz. We had 920 register for the May 2026 conference, with 25 speakers on 6 panels.



4. Fundholding

Fundholding is where a charity accepts and manages the charitable funds and other tax deductible contributions from funders on behalf of another group. A fundholding arrangement usually occurs when a group has the opportunity to receive funding but may lack the formal arrangements, capacity or reputation. The fundholding charity essentially acts as a stabiliser for these projects or groups. When setting up a fundholding arrangement there should always be a written agreement.

We could say a lot more about this but we have already written a guide which is focused on everything involved.

For more information, see our guide on [Fundholding for Charities in Aotearoa New Zealand](#). We also highlight the work of the Gift Collective and suggest looking at what they provide, if you are interested in this topic.



5. Project Collaboration

Charity collaboration often involves working towards a particular goal or purpose while maintaining each organisation's separate identity. Commonly, collaboration may be used to work on a particular project or initiative, facilitating information and resource sharing (such as sharing costs of services like IT, HR, legal services or accounting), or to fulfill some other purpose.

These objectives can be achieved through various means, ranging from informal and temporary arrangements to more formal and long-term solutions. Here are some examples on what collaboration can achieve:

- **Expanding reach:** collaboration can enable an organisation to connect with new people and communities, opening the door to addressing interconnected issues or pursuing larger scale projects with broader impact.
- **Increasing funding opportunities:** funders may be more motivated to support collaborative projects which present potential for wider impact.
- **Enhancing credibility:** working with trusted partners could increase an organisation's image and reputation, which may be particularly beneficial for smaller, less established organisations.

ISSUES TO CONSIDER WHEN COLLABORATING

- **Maintaining focus on charitable purposes:** to ensure continued compliance with the Charities Act and maintain charitable status, all organisations should ensure that the collaboration aligns with their stated charitable purposes.
- **Due diligence:** it is important to have a clear picture of the legal, financial and reputation risks that may arise as a result of the collaboration. The level of due diligence undertaken may differ depending on the scale of collaboration or the existing trust and relationship with the collaborator.

STRUCTURING COLLABORATION

Collaboration may be structured through many different formal and informal arrangements. The best arrangement should be based on the circumstances of the charity.

Options include:

A Memorandum of Understanding can be used to form a legal basis of understanding between two organisations to assist in defining and guiding collaboration. This document would commonly set out the purposes and principles of the collaboration, agreed outcomes (i.e. the completion of a particular project) and any defined duration and other terms. Importantly, a Memorandum

of Understanding is typically not legally binding but it can assist in making sure expectations and intentions between parties are explored and aligned.

6. Joint Ventures

A joint venture is a more formal arrangement than simply working on a project together. It can involve creating a new legal entity where two (or more) charities each have a stake.

It might be relevant where you have different skill sets but want to do something new. One example might be an education-focused charity and a youth-focused charity collaborating via a joint venture to run a new school or education hub.

If you explore this, it is important to consider the legal structure that is best suited including; unincorporated joint ventures, company structures with shareholdings, and limited partnership options which have tax benefits.

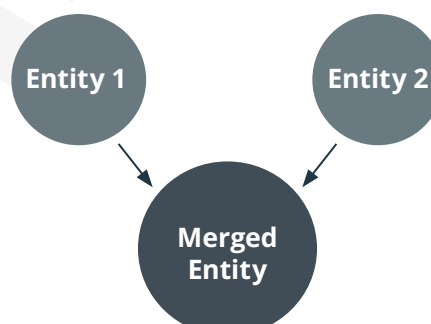
If you'd like to know more, please reach out or view our free resources on these options such as ["Key issues to watch out for in your joint venture"](#).

7. Mergers and Amalgamations

An amalgamation is the merging of two entities, resulting in either one entity being merged into another, or the creation of a new entity. Amalgamations are a common place in cooperative settings, but in the for-purpose and charity sectors these approaches are rarely considered. Furthermore, when thinking of mergers in this sector we picture financial failures, leadership breakdowns or mismanagement.

We need to reframe things here. Some perceive a merger as a "failure", which is simply not helpful. Instead, where there is strong alignment in objectives and purpose, a merger is not a failure or a desperate measure, but a strategic move to ensure strong future growth.

In practice, a well considered and structured merger can provide answers to the funding and overlap challenges faced across the sector.



Before proceeding, we recommend getting legal advice on what is actually possible based on your rules as well as accounting and tax input. Potential benefits might include:

- **Preventing service duplication:** which may fragment funding and donation opportunities.
- **Reducing administrative overheads:** consolidating HR, IT, finance and other administrative systems may reduce costs.
- **Assist in attracting and retaining skilled leadership:** with so many organisations it can be difficult to find qualified leaders who align with an organisation's purpose.

As an example of a recent legal change that provoked some thinking about mergers, the Incorporated Societies Act 2022 provides specific processes for the amalgamation of two or more incorporated societies. The outcome either being the complete merging of two or more societies into one new society, or the merging of one society into another which continues operating. We have a lot of information for incorporated societies which you can find on our [website](#).

If you'd like to read about a group we supported, you can read about our work with CCS Disability Action [here](#).

"We have recently been privileged to work with Steven Moe at Parry Field Lawyers as we work through the changes required by the Incorporated Societies Act.

This provided CCS Disability Action with an opportunity to assess whether our governance arrangements and legal structure are still set up in the best way possible to meet our needs, and whether there are improvements that can be made.

In addition to working to assess our current legal structure and provide us with a range of options to consider, Steven worked to understand our vision and values. This allowed us to form an authentic partnership with Steven, focused on our potential to serve disabled people and families now and into the future. As well as feeling like Steven was committed to using his knowledge to make a positive difference for our organisation, we appreciated his ability to bring legal concepts to life through clear and effective communication. Thank you, Steven and Parry Field Lawyers, for your support." - CCS Disability

One of the most beautiful examples I've seen of a charity doing this well was when a group came to me who had an average age of 80. They had identified another charity doing the same thing as them where the average age was 50 years younger and they chose to give away all their property and funds to the other group and wind up. It takes a big vision and a lot of humility to be able to do this rather than perpetuating a group that really should take stock.

There can be different ways to do this and there is no one perfect way. For example, it could be two established charities merging with one continuing on, or it could be a number of smaller ones coming together to create one larger entity.

The legal structure and process is important to get right and this is where we can add value. For a charity the way to go about an amalgamation or merger will differ depending on the structure of the organisations involved and the objective of the amalgamation.

CASE STUDY:

Snapshot of Innovation – Community Foundations of Aotearoa NZ

Local collaboration is made possible by the regional focus of New Zealand's 18 Community Foundations. A Trust or a Donor can establish a fund with their local Community Foundation to oversee and implement their wishes in a region (instead of setting up a separate charity). This means that all the administration and compliance is managed by the local Community Foundation and, when funds are consolidated together with others, this gives the Foundation the scope and size to implement meaningful change in a region. Community Foundations also resettle funds from historical Trusts, enabling their purpose to continue on into the future. For further details visit the website here: communityfoundations.org.nz



CONCLUSION

We hope this paper has given you and your organisation some food for thought.

What might collaboration look like in your context and where might you fit on the spectrum outlined in this paper? A great starting point is to talk others.

If you would like support on the journey and know about your options then feel free to reach out. Collaboration is our future.

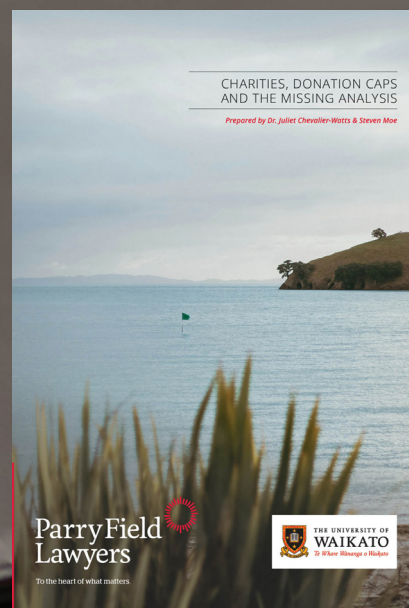
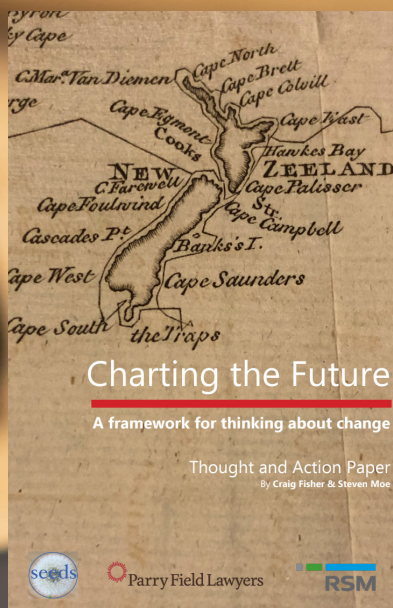
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Steven Moe, Partner

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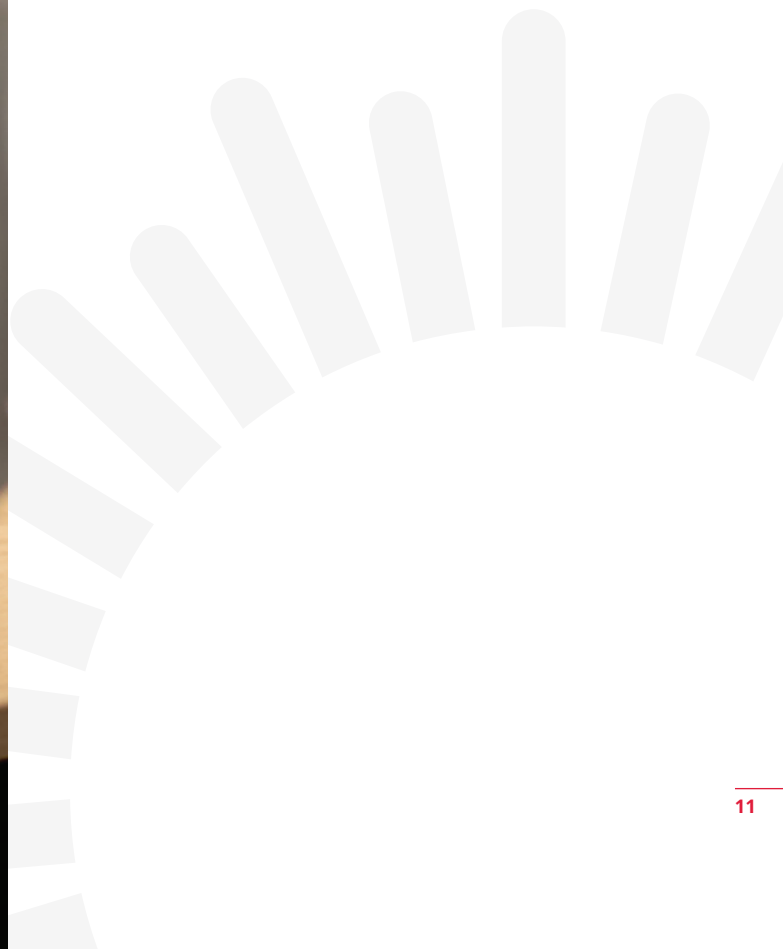
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