

NEXT FOUNDERS NEAL AND ANNETTE PLOWMAN recognised for outstanding contribution to New Zealand



NEXT founders Neal and Annette Plowman – 2018 Kea World Class New Zealand Supreme Award Winners

NEXT founders Neal and Annette Plowman, two of New Zealand's most private philanthropists, have been awarded the 2018 Kea World Class New Zealand Supreme Award.

Neal and Annette have agreed to briefly step into the spotlight to accept the award and tell their story – because they want to encourage other wealthy New Zealanders to give back.

And they believe the strategic philanthropic model the \$100 million NEXT Foundation uses is one effective way of gifting substantial funds. But just as important is to build an approach and a team that makes a difference.

The Plowmans established NEXT four years ago – with a gift of \$100 million and instructions to its Trustees to commit it all in ten years. Not an endowment fund where the capital remains invested and the interest is distributed every year – but the funds to enable a big cash injection for impact now. Its agenda: to tackle some of New Zealand's most pressing issues in the environment and education.

NEXT invests in New Zealand's most important assets, our land and our people. Its vision is to create a legacy of environmental and educational excellence for future generations of New Zealanders, addressing problems including creating a Predator Free New Zealand, and inequality in our education system.

To give away wealth, though, you firstly have to make it. Neal and Annette have done that as a team – in a private and professional relationship that spans more than five decades.

Neal's original success in business came through the family textile rental business New Zealand Towel Supply, which had been founded by his grandfather.

After he left school Neal began training as a chemist, but his father encouraged him to leave and join the family business, otherwise he would spend the rest of his life "counting pills". Neal initially resisted – but after several approaches, finally acquiesced.

He went to the United States to learn business management at American Linen Supply Company, ALSCO – a two year apprenticeship that taught him skills he brought back to New Zealand and applied to the family textile rental business.

Neal and his father turned the small family business in New Zealand into a multi-million-dollar operation, taking it public to finance expansion and then buying it back. They then expanded into Australia – before finally selling it to the very company with which Neal had done his business apprenticeship, ALSCO.

As a team the Plowmans then invested in new business ventures – they established the multiplex cinema chain Hoyts in New Zealand in partnership with Hoyts Australia, and diversified into property investment. They also purchased and expanded nationally waste collection business Waste Care – which was later purchased by multinational group Waste Management.

Fellow kiwi Chris Liddell was a key influence throughout their business journey. Chris trained as an engineer at The University of Auckland – then turned investment banker, CFO and CEO, later becoming CFO of global behemoths Microsoft and General Motors. He is currently Deputy Chief of Staff for the United States Government.

Neal and Annette met Chris in 1984 and Neal mentored him early in his career. Chris became a pivotal adviser and friend, who shared their values on making a difference in a meaningful way. Chris was the adviser on the sale of the family business in the late 1990's – a sale that positioned Annette and Neal to amplify the impact they could have on New Zealand by gifting much of the proceeds back.

After that sale Neal, Annette and Chris turned their energies and talent more strongly to philanthropy.

They focus on areas of interest to them that they think can be of greatest long term benefit to New Zealand. Neal's passions are business and conservation, and Annette, a former teacher and counsellor, likes supporting education and social issues.

They started making substantial donations to The Salvation Army and the Auckland City Mission, Lifeline and The University of Auckland Business School. Donations were initially anonymous, not even the recipient knew the source.

As a team, they shifted their philanthropic focus to bigger projects. They acquired a 99 year lease of Rotoroa Island in the Hauraki Gulf from The Salvation Army, and embarked on a massive restoration project. They replanted the island with native vegetation, developed a predator free wildlife sanctuary for endangered species, and opened it up to the public of New Zealand for the very first time, as a conservation park.



Neal and Annette Plowman at Dusky Sound.
Credit: Lou Sanson.

Project Janszoon in the Abel Tasman National Park was next. They supported a 30-year project aimed at restoring the National Park to the original state Abel Janszoon Tasman found it in nearly 400 years ago. This project has become a blueprint for the restoration of other New Zealand national parks.

Annette and Neal wanted to create maximum impact with their philanthropic investments. Annette in particular was always challenging Neal and Chris and other trustees on whether they were making the most effective use of the money.

They applied their combined business acumen to analyse the most effective way of giving back. Together with other trustees they became the architects of a new philanthropic foundation called NEXT. With \$100 million capital and a spend-down period of 10 years, NEXT is supporting organisations capable of bringing step change solutions to some of New Zealand's most challenging problems.

Part of Neal and Annette's philosophy and success is surrounding themselves with a small team of trusted advisers and friends, and NEXT became an extension of that. Chris Liddell became founding Chair, while Bill Kermode was headhunted from private equity to lead the executive as CEO. Bill brought with him a very disciplined approach to selecting and then managing large scale projects over multiple years and building leadership teams to make them happen. A small team of trustees – Barrie Brown, Geoff Harley, Carol Campbell and later Scott St John formed the rest of the Board. Whilst heavily involved, neither Neal or Annette took a seat at the Board table – based on a high level of trust, and a belief in the importance of the independence of the Board.

NEXT attracted an advisory panel bringing together talented thinkers and leading education and environment experts – then went about finding impactful initiatives to invest in. Inspirational leaders were as important as the projects themselves. The inquiry and due diligence was intense and robust. To win financial support the projects had to be transformational, scalable and sustainable – and run in a business-like manner.

NEXT is now four years into its ten year life and has invested in environmental initiatives like Zero Invasive Predators (ZIP), Taranaki Mounga and The Cacophony Project, and educational initiatives such as Talking Matters, Manaikalani, The Mind Lab, Springboard Trust and Teach First NZ. Its investment focus is clearly defined. In the environment it supports a Predator Free New Zealand and healthy rivers. In education it focuses on a baby's first 1,000 days of life and teacher and leadership excellence.

NEXT's reach is wide. Its investments are already bringing positive change for hundreds of thousands of New Zealanders – and significant areas of our land. Parents are learning the value of rich communication with their babies, teachers are being upskilled in technology and passing those learnings onto their students, and digital and collaborative learning is helping address inequality in low income communities. In the environment, world class innovative technology is being developed to help New Zealand become predator free – potentially saving 25 million birds a year and millions of hectares of our native forest. Biodiversity is being restored in some of our key national parks.

The NEXT investment portfolio is currently thirteen environmental and education initiatives – plus it manages three investments made pre-NEXT. As well as financial support, it offers mentoring and business advice – and is often instrumental in collaborating with Government, iwi and business to build greater impact for the investments. There is also an agreement in place in the environment space for the Government to continue funding when key performance indicators are met.

Through NEXT Foundation Annette and Neal Plowman's legacy will benefit our land and our people for future generations of New Zealanders.

They hope by sharing their story other New Zealanders may also be inspired to give back to Aotearoa – the country and people they love.