



# NEXT STORIES



## The pre-NEXT story and getting started

Looking back to look forward

‘Mā te rangitāmiro i ngā  
weu e torokaha ake ai’

*By twisting the fibres together  
they are strengthened*



‘Neal and I hope that  
by sharing our story, it  
may encourage others  
in a similar situation to  
think about giving to  
the causes they care  
about.’

Annette Plowman  
NEXT FOUNDATION

Neal and Annette Plowman. CREDIT Renee Harbers.

## Our story

- Neal and Annette Plowman are the founders of NEXT Foundation. Their philanthropy began long before the formation of NEXT
- Education and environment have always been focus areas
- Giving is easy, but giving well and having impact is harder
- The thinking in the original strategic plan contains the elements that have come alive under NEXT
- Being a learning organisation has been a feature of NEXT from the get-go

# Looking back

To understand the NEXT story, it is necessary to first look back.

Annette and Neal Plowman have always been generous. Their philanthropy pre-dates NEXT and is a marker of their lives together. They believe that everyone with enough disposable income should give something to the causes they care about. They have a heart for transformative projects in New Zealand, in the areas of environment and education.

## WEALTH CREATION, INVESTMENT AND GIVING BACK

In the early 1980's Neal and Annette led the buy-out of Endeavour Services. Neal was the managing director and his family had a large stake in the business. It was at this time that Neal met Chris Liddell, who was the junior analyst on the initiative to privatise the company. Over the following decades, Chris became a dear friend, confidante and worked alongside the family - supporting in the growth and eventual sale of the business, investment of funds and their desire to give back.

Neal and Annette's philanthropy began long before the formation of NEXT. They wanted to make a difference for New Zealand, without any personal credit, and without having their lives impacted by publicity. For many years their generosity was kept under wraps, managed discretely in a charitable trust. Barrie Brown, Chris Liddell and Geoff Harley were trustees and were asked to not disclose where the philanthropic gifting was coming from (although this was to become necessary in time).

The Trust found a granting niche - catalytic projects requiring large amounts of capital, where governance and management support were required for success. Neal and the other trustees (and their networks) had business skills they could contribute. This capacity building became an early point of difference and a trait that would carry over to NEXT.

Rotoroa Island was the first significant project and involved the long-term leasing of the island from The Salvation Army, putting it under a trust structure and coming up with an island conservation plan and implementing it. This was a shift in approach from the Plowman's previous granting, to being hands on in governance and management. This approach was

to step up another level with Project Janszoon in Abel Tasman National Park. Janszoon was the first significant partnership with the Department of Conservation (DOC).

As the philanthropy grew in size and complexity, it became clear dedicated resource was needed, and more structure. Neal and Annette wanted to take a step back from the decision-making and the opportunity existed to institutionalise and record what was being learnt along the way. The decision to establish the NEXT Foundation was a natural progression.

'I couldn't tell people where the money was coming from with Rotoroa Island and there were all sorts of stories circulating. We said Neal, 'You have to say something'. Neal wouldn't allow an interview, he just came out and said, 'It's us' and that is all. New Zealand has a tall poppy syndrome. Neal and Annette just wanted to get on with their life but at the same time to have their wealth used responsibly for the benefit of New Zealand. They didn't want their life affected by any publicity ... There was always interesting discussion at board meetings ... We had an accountant, a barrister and an engineer (plus input from Neal and Annette). We all looked at projects from a different perspective but in the end we all had to be 100% in agreement otherwise it would not proceed ... progress was too slow ... The three of us then realised we have got to put some structure around this. Chris came up with the idea of forming the NEXT Foundation ... We met at Neal and Annette's place in Kerikeri and drafted all the documentation.'

Barrie Brown  
TRUSTEE

# Pre-NEXT supported initiatives

Some of the Plowman's pre-NEXT philanthropic activity included grants to

## 2003 – 2012 University of Auckland Business School

Establishment of an endowment fund for The University of Auckland Foundation and provision of financial assistance to establish the Chair in Entrepreneurship

## 2005 – 2010 Auckland City Mission Foundation

Establishment of an endowment fund to provide an ongoing source of annual funding for the Auckland City Mission

## 2005 – 2012 Lifeline

Financial help to enable Lifeline to own its own premises, together with funding to the Lifeline Foundation

## 2006 – 2010 The Salvation Army

Matching funding with The Salvation Army to build the Booth College of Mission in Wellington

## 2007 – ONGOING Rotoroa Island

The purchase of a 99 year lease for the island from The Salvation Army, with subsequent restoration and establishment as a wildlife sanctuary and public conservation park for the people of Auckland

## 2007 – ONGOING Auckland University of Technology

Funding 10 scholarships a year for students undertaking an international business degree

## 2007 – 2012 Young Enterprise Trust

Help to fund a business programme run through Auckland secondary schools, teaching business principles to students

## 2011 – 2013 Project Crimson

Funding to help Project Crimson deliver a tree planting programme in schools

## 2011 – ONGOING Teach First NZ: Ako Mātātupu

Attracting and developing outstanding university graduates and career changers to teach in secondary schools serving low income communities

## 2012 – ONGOING Project Janszoon

Restoration of the Abel Tasman National Park - removing predators, restoring biodiversity and reintroducing native birds

'We leased Rotoroa Island off The Salvation Army, put it into a Trust, came up with a plan, did all the deforestation, put in natives, birds and so forth. We came up with the overall plan for the Island, so not just the money. That was the first significant project. We expanded that model to Project Janszoon ... We started off with single island, single governance and then into a partnership model with a multi-year approach. Then we had a discussion ... we thought there was an opportunity to institutionalise the knowledge and approach, hence the creation of the NEXT Foundation.'

Chris Liddell  
FOUNDING NEXT CHAIR

# Early influences

Chris Liddell offered to take a cut at what a Foundation may look like. Early influences on NEXT thinking included:

- Giving is easy, but giving well and having impact is hard
- Philanthropy is uniquely placed to incubate innovation, focus on root causes and empower those most vulnerable
- A good strategy can multiply impact - many wealthy philanthropists (Rockefeller, Gates and others) have chosen to strategically focus and partner with others for greater impact
- Financial grants, capacity building and sharing knowledge are all valuable forms of support
- Effective grantees have clear goals and plans to achieve them - supporting organisations to develop a strong business plan can be a sensible investment
- Due diligence matters, as does tracking performance and evaluation
- Failure is an avenue for learning
- Networks are powerful

'I did what I always do when I enter a new situation - I read everything I could on the topic. I read half a dozen books on philanthropy, primarily US based. I took a lot of what I thought were the best practices from that and combined it in to the thinking ... This included for example structured processes, large multi-year grants and getting involved (beyond writing a cheque) for example in governance and management. A lot of what we are doing is not path finding - it's just picking up ideas from others and applying it.'

Chris Liddell  
FOUNDING NEXT CHAIR



Annette and Neal Plowman with Chris Liddell - they met in the 1980s.

# Drafting strategy

'NEXT has already become significantly richer and deeper than first envisaged. But a lot of the elements are the same - set up a \$100 million foundation, with a ten year life, run a series of calls for applications, focus on large scale projects that required multiple millions of dollars and multiple years to do. The elements that have subsequently come alive at NEXT were in that original thinking ... Neal and Annette quite consciously did not want their name front and centre. That is the nature of the people. They are very modest good people, who just want to get some wonderful things done.'

Chris Liddell  
FOUNDING NEXT CHAIR

The thinking in the original strategic plan contains many of the elements that have come alive under NEXT, including an intent to:

- Deliver a 10-year \$100 million spend down programme
- Focus in the areas of education and the environment
- Invest in high impact meaningful projects that focus on underlying causes
- Act as a role model for strategic philanthropy and inspire others to give
- When selecting partners, place emphasis on the importance of a plan - including governance and project management (and on occasion assist with the plan)

- Invest in the millions, but remain flexible on amounts
- Establish an advisory panel, including specialists in the focus areas of environment and education, to assist in project selection
- Establish a high profile trust, with an emphasis on the intent of the trust (not on the donors)
- Appoint a full time CEO

Additionally, some of the early thinking was that NEXT be positioned to innovate, take risks and fund change, to run the Foundation in a business-like way and support capacity building.

'We will fund change. We are not there forever. I remember walking at Abel Tasman one day with Nick Smith, we said to Nick, 'We will put our money where our mouth is, but we are not a government subsidy and we expect government to pick this up'. We don't want to see this go backwards. We are not afraid to make mistakes and government can't do that. That is how the Tomorrow Accord came about ... We run NEXT as a business, but we just don't have the financial outcomes. We have KPI's. We have all the same business disciplines ... There are some projects we want to support, where we think they have a good idea but they are not in a form that we can help them, so we have provided funding for a consultant.'

Barrie Brown  
TRUSTEE

# Why a limited life foundation?



Neal and Annette were clear when it came to structure. Their preference was for a fixed term, spend down foundation, with clear strategic focus. The rationale was with focus and a fixed term you can achieve significant impact; there are pressing issues facing New Zealand requiring immediate attention; with a perpetual fund energy can dissipate with time (and the amount you are putting to work can be small); and \$100 million spent down over ten years can make a real difference.

'Neal really wanted that - he felt you achieve the best results by having a fixed term. You just get in, make a difference and move on. Rather than something that is perpetual and the energy dissipates over time. You start with the best of intentions, lots of energy, but then you get institutional rigidity. The big institutions can often be the most disappointing ones, the ones that have been around a long time. All of Neal's instincts were to have a short life, get in, do something substantial and move on.'

Chris Liddell  
FOUNDING NEXT CHAIR

For further information refer to the article  
**'WHY A LIMITED LIFE FOUNDATION'**

LEFT: NEXT supports education equality initiative Manaiaakalani - which these girls at Panmure Bridge School in Auckland are part of.

# Why environment & education?

Environment and education are both areas the Plowmans care deeply about.

'Environment and education are areas that Neal and Annette were interested in and passionate about. We tried things and that is what resonated, so we built on them. Annette was a teacher so education is important to her. The environment is an area they both felt passionate about and an area we thought we could really make a difference ... If you invest \$100 million without focus, you're not going to get anything done. These focus areas felt manageable and right. We felt there was a balance - enough focus to get something done - but not so broad that we were spread too thin. We had a theory of change. We said if the money is well spent and we focus on specific areas, and use the expertise of the management and trustees well, and bring people together - we can have vastly more impact than the dollars ... There are huge opportunities but we are only scratching the surface.'

Chris Liddell  
FOUNDING NEXT CHAIR

# Building the team

While the trustees knew about running trusts, they realised they had knowledge gaps in the focus areas of environment and education. The decision was made to appoint a specialist advisory board. This included Sir Rob Fenwick and Devon McLean as advisors on conservation; and Margaret Bendall and John Taylor on education. Three commercial advisers were also appointed - Roger France, Geoff Ricketts and Pip Dunphy.

The next step was to appoint a CEO. The team was looking for someone smart, passionate about Aotearoa New Zealand and able to work at all levels in the chain of influence. Chris had a beer with Bill Kermode after the NEXT launch, who agreed to look at the role and decided it was something he would love to do. Bill fitted all the criteria and was appointed NEXT CEO.

'We were looking for someone smart, passionate about New Zealand causes, who could work with people from the Prime Minister to people on the ground ... And someone with their heart in the right place. Bill fitted all of those criteria ... he was a standout. We've also known each other 37 years, it was easy personally and professionally.'

Chris Liddell  
FOUNDING NEXT CHAIR

# Early lessons

From day one, NEXT was aware there would be lessons on the journey. NEXT view these lessons as an opportunity to learn, strengthen it's own practice and support others who may be considering embarking on a philanthropy journey.

## EARLY LEARNINGS INCLUDE

- Projects always take longer and cost more than you expect
- Sustainable funding is tricky and it's important to think about your transition (exit) strategy from the beginning (NEXT hasn't cracked this yet!)
- Sometimes projects will fail - especially when you are experimenting and trying out new stuff - accepting a degree of failure is just part of it
- Systems thinking can be powerful, and is an area philanthropy can contribute to
- Don't underestimate the power of networks. The NEXT community is growing into something much bigger than was anticipated
- Different networks have real value and convening can increase impact

'We had a vision of NEXT being a series of impactful projects and what it has turned out to be is a community of people. It's much more powerful than we initially envisaged. We gave it structure and Bill and the team have given it life. It's a living and breathing thing that we could never have described at the start ... The concept has evolved. If I cast my mind back, we thought more about isolated projects. Bill has subsequently done incredibly well in convening people across the projects.'

Chris Liddell  
FOUNDING NEXT CHAIR

'We have to find a transition strategy for our projects without losing the benefit of what we have achieved ... this is a work in progress.'

Barrie Brown  
TRUSTEE

# Seeds of the future

The early strategic thinking was in place and CEO appointed. Now it was time to get started and initiate a first call for expressions of interest. The NEXT journey was about to begin – building on the strengths of the past and planting seeds for the future.



Rotoroa Island - one of the first big environmental projects the Plowman's invested in. *CREDIT NZ Herald.*

'Annette and Neal Plowman are such a wonderful generous couple, we owe it to them to spend their money wisely and have an impact ... I am very proud of what we did on Rotoroa Island. We had 2,000 kids out there over summer learning about conservation. That is a wonderful project. I am pleased with the way that Project Janszoon has gone under Devon's leadership and now we have NEXT up and running. There are so many milestones that we have achieved. I just like to get on with it. Try and do something ... people come here to New Zealand for our beauty. We need to do our best to preserve our forests and bird life.'

Barrie Brown  
TRUSTEE

'I see NEXT as part of an evolution of what is going on in New Zealand ... If we can share the NEXT story and perhaps help others consider philanthropy as a vehicle for impact, that would be a great legacy ... There are all of these people who have made an enormous amount of money out of New Zealand subsequent to the 80's deregulation. I am hopeful they are starting to think about their personal legacies and giving back. If we can help facilitate or encourage them to think about their legacy and implementing that in a strategic way ... That would be tremendous for the whole country.'

Chris Liddell  
FOUNDING NEXT CHAIR

The takahē is a native New Zealand bird, believed to be extinct until it was rediscovered in the Murchison Mountains in Fiordland in 1948.

The takahē population had diminished to just over 100 birds in the early 1980s, but is now up to around 400 thanks to a captive breeding programme that the Rotoroa Island Trust is proud to be part of.

*COVER IMAGE CREDIT James Gow.*

For more information go to the NEXT website

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