

IN THE NAME OF THE FATHER

Global business giant, philanthropist, king of recycling — Anthony Pratt is creating his own legacy



AARON LANGMAID

ANTHONY Pratt remembers the last words from his father.

Richard Pratt, 74, was losing his fight with cancer but not his will for success.

The global financial crisis had hit and he was worried.

"Don't let the Ebitdar drop below \$40 million a month," he told his son — a reference to the big-business acronym for earnings before interest, taxes, depreciation, amortisation and rent/restructuring costs.

"Don't let \$30 million become the new normal ... and stay private."

As a farewell between a father and son, Anthony Pratt knows it was far from traditional. Even Kerry Packer used his final breath to wish James a good life. But he beams a little as he shares the story, because there is poignancy to it.

"I squeezed his hand and he squeezed mine. And then he was gone."

It's an anecdote about the final moments of his father's life Mr Pratt has never shared publicly.

He does so not to showcase the sterile final thoughts of a shrewd businessman, rather a last stand from a patriarch who was determined to ensure his family could still make a difference long after he was gone.

But Dick Pratt needn't have worried. Eight years on from his death, son Anthony and daughters Fiona and Heloise have expanded the footprint of the cardboard company he founded in Australia after fleeing Nazi Germany.

At a time in the manufacturing industry when costs are up and profits down, Visy now has 120 plants across Australia, New Zealand and Southeast Asia.

Business is booming. But it's what Mr Pratt has achieved as the owner of the American arm of the company that has made other CEOs sit up.

Pratt USA is now the largest Australian employer on American soil. Built from scratch in 1987, Richard Pratt gave his son the job of expanding business there a few years later. They had just one paper mill in Georgia. Now there are 68 nationally

and Pratt USA is one of only 20 private companies with annual sales of more than \$2 billion.

On any given day you'll spot a waste barge steaming past the Statue of Liberty toward a Pratt mill where more than 1000 tons of New York City waste paper is recycled.

His ambition for the business has earned credit from political figures of all persuasions.

George Bush Sr called him a role model for America. Former British prime minister Tony Blair described him as an industry pioneer.

In 2007, as part of the Clinton Global Initiative, Mr Pratt promised to invest \$1 billion over 10 years in recycling initiatives to tackle global warming and boost his bottom line.

He knocked it over in five.

In May this year, he committed to

spending \$2 billion to expand his US manufacturing arm even further.

On Wednesday, he was joined by PM Malcolm Turnbull at Visy's plant in Tumut, NSW to announce a duplicate strategy on home soil.

This year the Pratt empire raked in \$12 billion dollars in total earnings, lodging the chief executive into the top spot of Australia's rich list.

Not bad for a bloke who on any other weekend is just another face in the crowd at the MCG.

Mr Pratt says he prefers to spend his time in Melbourne. He tries to keep things normal. He'll head to a movie once a week with his wife. His kids go to school here. That, he says, is important for them.

He doesn't seek out personal endorsement, though he attracts plenty. He has only really let all the

attention get to him once. Mr Pratt said it was at the lavish New York dinner this year where he formally declared his long-term willingness to invest in the US.

Standing at a lectern emblazoned with the presidential seal, Mr Pratt squinted into the light as he finished his speech. It was a who's who. Mr Turnbull had made the trip. Aussie billionaires Gina Rinehart and Frank Lowy were among the crowd.

"I looked out across the hazy room with everybody applauding and noticed one person giving me a standing ovation."

Mr Pratt thought it might have been his mum. Then he realised it was the President. Donald Trump later joked that the financial commitment was "peanuts" for his good friend. Their relationship dates

back to a chance meeting at the Kentucky Derby in 2000.

Mr Pratt isn't bothered by the fog of divisiveness that follows the American leader. He admires him, but not just because the politician has paved the way for big business.

President Trump is one of the few men in history who has conquered almost everything he has set out to achieve, Mr Pratt says.

"He has a big heart that more people need to know about. There are very few people in the history of the world who have been extremely successful in two different fields to that level. He is an amazing man."

He read Mr Trump's book, *The Art Of The Deal*, in the late 1980s and once shared a conversation with him about the parallels with their parents.

Fred Trump started brick by brick

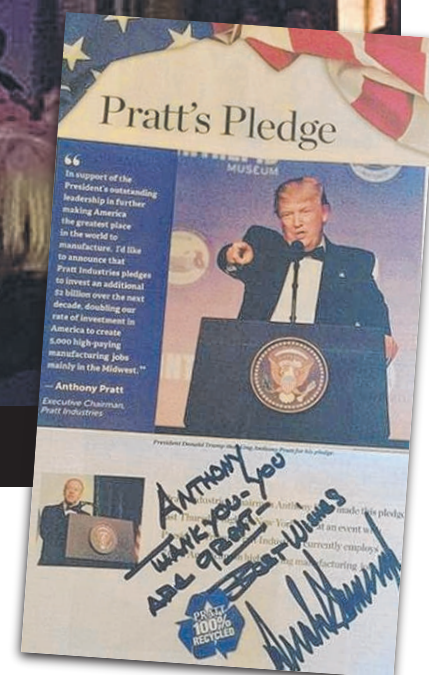




Trump giving Pratt a standing ovation during his address in New York City announcing a pledge to invest \$2b in the US manufacturing industry.

“
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ANTHONY PRATT



government of the day is in power,” he says. “We decided that Australia and the United States were the two great countries to invest in.

“We made a conscious decision to not invest in Asia or make our next big leap into Europe.”

TO SAY the company took America by storm isn't too much of a stretch.

If there was a takeoff point for the business it followed the devastation caused by Hurricane Katrina in 2005, especially in New Orleans.

By the time Al Gore released the biting documentary movie *An Inconvenient Truth*, America's environmental conscience had kicked in.

Such was the shift in sentiment, businesses spotted an advantage in advertising that they were buying products from recycled material.

Brands like Heinz and Campbell's Soup started purchasing Visy boxes. It resulted in Pratt USA's sales jumping from \$A200 million per annum from 1990 to 2000 to a staggering \$3 billion from 2004 until now.

But Mr Pratt's passion for recycling isn't just tied to profits.

Four of his five clean-energy plants are in Australia and he says the nation could lead the way when it comes to initiatives to revolutionise the industry.

He continues to explore the kind of grassroots concepts that can often fall away amid business expansion. Things like turning off the lights at night, switching off pumps and ensuring machinery doesn't stop and start too much.

His energy-efficient plants generate their own electricity by recycling

Pratt stays on message and throws around key phrases.

He navigates around tricky questions like a seasoned Cabinet minister, careful not to align to any theory or agenda.

“The best social program is a job,” he offers more than once.

But when it comes to political relationships, he knows when to show his hand.

Last year, at the height of the US election campaign, Mr Pratt guided then governor of Indiana Mike Pence, soon to be Mr Trump's Vice-President, through the company's fourth “100 per cent recycled” paper mill in the state.

Pratt USA had plants in 19 of the 22 states that would help seal Mr Trump's victory.

The packaging boss felt the groundswell of support in the working-class heartland seemingly long before anybody else.

So certain was he that Mr Trump would win, he bet on it — putting down \$100,000 at odds of \$4.50.

He later told a business summit that he did so simply because he didn't think people would believe him.

But Mr Pratt stops short of suggesting his business outlook might have been different under a Hillary Clinton administration.

“We deal with whatever

Anthony Pratt ponders his company's growing success here and in the US, following the ethical path of his father Dick (top) and continuing the generosity of his mother Jeanne (with him, below). Main pictures: DAVID CAIRD

in Brooklyn, mass-producing residential homes before his empire expanded across the Hudson. He remained cautious to the end, once telling son Donald he should have finished his Manhattan tower in red bricks to save cash.

Mr Pratt told the President his father was like that too.

“President Trump and I are kindred spirits in that respect,” he said. “I think he's doing a great job. He has created a great sense that America is open for business.

“The stock market is at a record high, unemployment is at a record low. There is a lot of confidence in the US economy.”

Mr Pratt concedes the formula is harder in Australia, but not impossible. While the market share here is larger, the costs are greater.

Just as energy bills are taking their toll on ordinary Aussies, it is also factored into Visy's bottom line.

“Every dollar we make as a private company, we have to reinvest and then borrow on top of that to keep buying new machines to create jobs.”

Mr Pratt remains as determined as the man who ran the company before him. “There are a number of companies that have closed operations and gone offshore. But we are doubling down ...”

ANTHONY Pratt would make a good politician. He flashes his straight white teeth and swipes a hand at the suggestion but, after two decades trying to build relationships at every level, he has the credentials. In TV interviews following his business pledge to

reject products. Instead of heading to landfill sites, fibres that can't be used are put through a gasification process to generate heat.

Mr Pratt says Australia is a leader in other ways too.

Economically, he says, the country is capable of running off its own steam. It survived the GFC relatively unscathed and he notes the nation is still enjoying its longest stretch of uninterrupted growth in history.

He forecasts Australia will face its next downturn in about a decade. In the meantime, he says, the key to growth lies in our export markets.

ANTHONY Pratt last topped the list of Australia's wealthiest businessmen just months after his father died.

He has now emerged from his father's shadow, having set the business on a new path of dominance thousands of kilometres from where it all began.

But he clings to his father's spirit of giving.

The Pratts sit among just the very few of Australia's 50 billionaire families who regularly give back to the community.

Richard and Jeanne Pratt established the family-named philanthropic foundation in 1978, propping up all manner of initiatives.

Now chaired by Heloise Pratt — once described by Bob Geldof as a “living saint” — the foundation has given away more than \$500 million.

Mr Pratt's other sister, Fiona Geminder, and his mother remain heavily involved in the foundation's activities, while Jeanne continues to entertain thousands through her popular musical theatre operation The Production Company.

But the success of the business remains key to the longstanding generosity, and now America offers untapped opportunity.

Mr Pratt sums it up in larrikin Aussie terms.

“There are a thousand Johnny Farnhams in America,” he laughs.

“It's the biggest market in the world.”

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