

CREATING A Community

Following years of mining activity and subsequent growth, the Pilbara region has become the scene of thriving urban centres with the invaluable assistance of the Pilbara Regional Council.

Images courtesy of Pilbara Regional Council

Tony Friday, CEO of Pilbara Regional Council, comes from a background of education, technology, property development, and start-up investment. He also has passion for community and contributing to the betterment of communities through not-for-profit and government roles.

Although many consider the public sector as a sideways or backward step for corporate CEOs, Tony believes the public sector offers exposure to numerous challenges unheard of in the corporate environment, especially that of meeting the expectations of the community. “As a government CEO, I am accountable to a board of elected members, each representing the interests of a ward—a subsection of a local government region. Councillors may or may not have any formal training in governance, strategy, or risk. Indeed, they may not even have any background in business at all.

“Armed with only a passion for their constituency, many are responsible for setting the strategic direction for organisations with a

turnover of hundreds of millions of dollars. This offers local government CEOs some interesting challenges in establishing an appropriate distance for good governance, while remaining ever vigilant for issues around compliance and risk that would otherwise be the purview of the board in a corporate setting.

“At a more functional level, there are also some interesting lessons to be learned around social licence to operate, and working within a non-traditional corporate KPI structure. Over and above the personal development element, there is little doubt that the business of government is now completely corporatised. The traditional view of a senior public servant complete with cardigan and elbow patches has long ago been replaced by deep levels of domain expertise managed by leadership teams skilled in executing against a detailed strategic plan.”

Coming into the role to head up the Pilbara Regional Council was a challenge, as Tony tried to determine whether he could add value to the organisation while

balancing this with scope for his own personal and professional development. “The initial brief from the council chairperson was to determine a new strategic direction for the organisation, reinvigorate its leadership team, and clearly demonstrate value for the four member local governments through advocacy and regional efficiencies. This was an attractive professional challenge: both to rebuild stakeholder confidence and to establish relationships at all tiers of government and industry for the benefit of the region.”

Working within the Pilbara region, Tony has seen Karratha grow and evolve, transforming from a mining town into a vibrant and contemporary city. According to Tony, Karratha offers a level of amenity comparable with any regional city on Australia’s east coast, and is supported by sophisticated infrastructure and a thriving multicultural population. “The Pilbara Regional Council has worked closely with the City of Karratha through this transition into Australia’s newest city, bolstering industry development in terms of land deconstraint, coastal access management, tourism >



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development, and the provision of community infrastructure such as free public wi-fi.

“Karratha has not evolved ‘by accident’. While mining dollars have certainly helped as an enabler, there has been an enormous level of planning by all tiers of government to execute against the Pilbara Cities vision. In an unusual display of continuity and accountability for the development plans of Australia’s newest city, the previous State Minister for Regional Development has resigned his front bench post to reside in the City of Karratha, and then erstwhile state government Pilbara Cities CEO, Chris Adams, has moved across into a local government role as the CEO of the City of Karratha. This is a resounding vote of confidence in both the region and in the continuing development of the City of Karratha.”

Despite negative media attention related to the use of FIFO

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workforces in the Pilbara, Tony has no doubt that the region could not have grown at such an exponential rate without the use of this labour mechanism. “The Pilbara host communities would have been unable to cope with such a huge population influx, and it would have devastated community infrastructure. The resources industry has spearheaded the use of FIFO in the region for the construction of new projects, and this makes both commercial and community sense.

“Where common sense leaves the building is in maintaining this

workforce practice after transitioning to an operational workforce. There is no sustainable ‘community driven’ argument for retaining FIFO workforces beyond the construction phase. Where a project moves into production, and there is a proximate permanent population, then the operational workforce should reside in that location. The Western Australia Premier is on record as saying, ‘Let’s let people make their own choices and not dictate from Canberra as to how you should live your life’. While I agree with this philosophy, in practice all of

the companies using FIFO workforces are incentivised to do so via federal tax structures. Companies are beholden to their shareholders, and, hopefully, working with the constraints of a moral-social contract, must seek to maximise returns for shareholders at every possible opportunity.

“Current fringe benefits tax exemptions and zone tax offsets make a powerful argument for companies using FIFO workforces to continue these practices. In this circumstance, it is not about people making their own choices; it is about a company dictating the preferred employment practice based on a federally supported financial incentive. The FIFO question is one that challenged a House of Representatives Standing Committee on Regional Australia, and will no doubt cause similar challenges for a current state government parliamentary inquiry into FIFO suicides. It is disheartening that the report prepared by the House of Representatives Standing Committee on Regional Australia is simply gathering dust, with very few of the well-structured recommendations being implemented. Hopefully, the Abbott government will pick up the reins and show some real leadership in addressing these issues, particularly in light of its broader commitments towards the development of northern Australia.

“At a personal level, I worry that we may look back on this work practice in half a century with disbelief—asking ourselves, ‘As a nation, how could we have allowed this to happen?’ It may be decades before the true impact of large-scale FIFO practices can be measured in terms of mental health, family devastation, and the knock-on effects of part-time parenting. As an extreme perspective, will we see a time in

“KPMG are proud to be working with the Pilbara Regional Council in the planning and development of immigration strategies including a Designated Area Migration Agreement, to help future proof their workforce from the boom and bust cycles they experience.” - Michael Wall, National Leader, Immigration Services, KPMG Australia

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the future when the children of FIFO parents who have been materially impacted by these employment practices commence class-action litigation for redress?”

While the Pilbara Regional Council has a great deal of influence within the community, it is still an SME by corporate standards, so it must be selective in its partnerships. “A recent example of this is working with national accounting firm KPMG towards the development of a proposed Designated Area Migration Agreement. Positioned as a ‘family friendly’ migration agreement, it seeks to welcome not just workers but also their spouses and children to become active members of the Pilbara communities during times of peak economic activity.

“While the Pilbara Regional Council has been actively engaged in its own federal and state advocacy initiatives, it has drawn heavily on the expertise and experience of the KPMG’s Immigration Services practice area to conduct regional labour market testing, and to structure the proposed agreement for the consideration of the federal government. The resulting proposed agreement has been strongly supported by Senator Michaelia Cash, and will serve to dampen the impact of new mining projects on local businesses in addition to contributing towards regional population growth. This clearly demonstrates the value of collaborative partnerships between government and industry in pursuing community outcomes.”

The future of the Pilbara Regional Council is intimately linked to the future of the region. “The federal government has demonstrated a once-in-a-century commitment towards the development of northern Australia, and is underpinning this commitment with action. I am meeting regularly with senators and senior industry leaders who are making significant investments into the region, and not just in traditional industries.

“Agribusiness is emerging as a promising industry for the



north-west. The pastoral industry has long existed in the Pilbara; however, the increasing difficulty for Indonesia to generate enough protein for its own people, coupled with recent substantial investments by larger players, indicates a renewed focus on cattle and other livestock in the region. I foresee a near-term future where we have Indonesian-owned-and-operated facilities on our shores. Recent discussions in Indonesia clearly indicated that there is willingness to engage in integrated supply-chain arrangements with Australian suppliers.

“Tourism is flourishing right across the region, and it is fast attracting a reputation as an adventure destination. During 2013, the Pilbara Regional Council ran a social media marketing campaign to come and see ‘nothing’ in the Pilbara. The campaign went viral, attracting more than 10 million impressions across China and Korea. In December this year, representatives from the Pilbara Regional Council will visit Baoshan in China to promote the Pilbara as an adventure-walking destination, promoting opportunities for engagement with Aboriginal communities throughout the region.”

With a committed leadership team and strong links into Indonesia, China, and the Philippines, the Pilbara Regional Council will continue to work on behalf of its member governments, and to play a strategic role in furthering the capability and reputation of the Pilbara as the engine room of the Australian economy. ●



Immigration agility

Navigating the complex minefield of immigration to secure skills from overseas is increasingly tough, particularly with constant changes in immigration legislation and policy.

Often it can be regional areas of Australia, like the Pilbara, where attracting the skills you need can be the most challenging. This is where KPMG can help businesses tap into efficient migration programs to supplement local employment and training initiatives.

Our clients depend on us for our deep technical immigration knowledge. We help them go beyond the obvious and discover new ways to efficiently manage immigration risk and different ways to administer mobility programs to deliver fundamentally better results.

Contact KPMG.

kpmg.com/au/immigration