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Committee Secretariat
Joint Standing Committee on Foreign Affairs, Defence and Trade
PO Box 6021
CANBERRA ACT 2600

TOWNSVILLE ENTERPRISE LIMITED INQUIRY INTO TRANSITIONING FROM THE AUSTRALIAN DEFENCE FORCE (ADF)

Dear Secretariat

Townsville Enterprise Limited (TEL) welcomes the opportunity to provide a submission in response to the Parliamentary Inquiry into transitioning from the Australian Defence Force (ADF).

Townsville Enterprise is the principal economic peak body and regional tourism organisation (RTO) representing Townsville North Queensland, which includes the five Local Government Areas of Townsville, Charters Towers, Hinchinbrook, the Burdekin and Palm Island. Townsville Enterprise is the primary engine for economic development, charged with leveraging the region's assets and strengths to drive jobs, growth, infrastructure investment and quality of life.

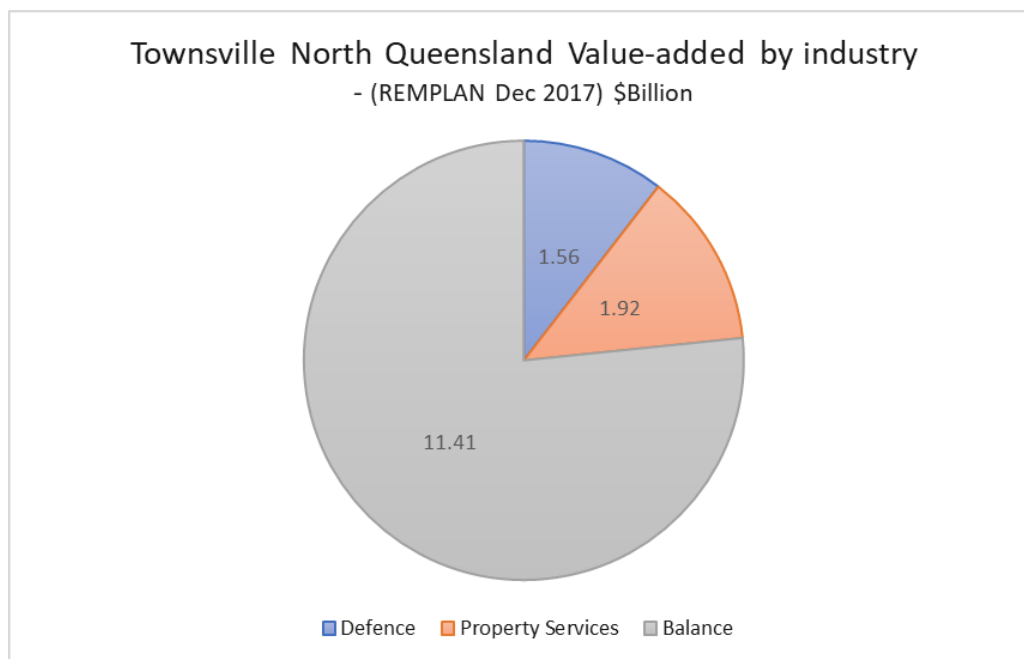
Townsville Enterprise supports the Government's priority to improving the processes for transitioning defence personnel and wishes to raise some concerns affecting the Townsville veteran community regarding employment opportunities. As the peak economic body, Townsville Enterprise wishes to endorse the significant importance of providing long-term, meaningful and sustainable employment opportunities to veterans as they transition into civilian life. Therefore, these recommendations will primarily focus upon job creation and employment support. Recommendations include:

- The Oasis Townsville
- Transitioning Veterans Pilot Program
- Local procurement strategy
- Manage veteran employment expectations post Australian Defence Force
- Manage local firms' expectations regarding employment of veterans

TOWNSVILLE DEFENCE ECONOMY

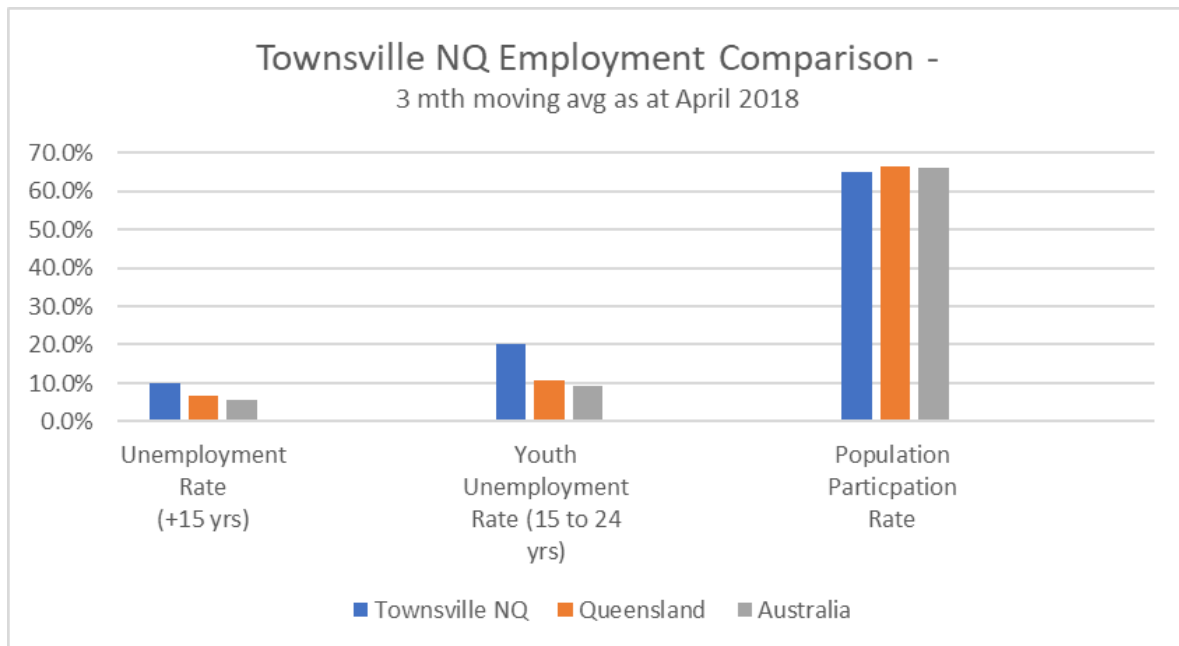
Townsville's employment total peaked at 125,500 in December 2010 (ABS, RM1), 82% of the total working age population during that period. Since this peak, Townsville has experienced a significant population decrease and an alarmingly reduced number of businesses registered in the local government area. Townsville (North Queensland) has a proud military history and maintains the mantle of one of our

nation's true garrison cities. The North Queensland region's major Defence establishments including Lavarack Barracks (home of 3rd Brigade and 11th Brigade (11 Bde - Reserves)), RAAF Base Townsville and the Townsville Field Training Area (TFTA) represent the largest combined Defence presence in Queensland. The collective influence of this Defence presence in Townsville contributes \$1.56 billion in value-added economic benefit, second only to the property services industry, reinforcing the critical importance of the Defence industry to the North Queensland economy (*Remplan 2017*).



Presently, there are approximately 7,850 service men and women based in Townsville. In all, Defence personnel and their dependents represent over 18,000 people. Additionally, 10% of Australia's transitioning Defence personnel, go through this process in Townsville, many of whom choose to remain in Townsville post their military service (in excess of 15,000 residents), who, combined with existing serving families constitute approximately 20% of North Queensland's total population (40,000+ citizens). In addition, approximately 600 personnel complete their military careers and transition into civilian life in North Queensland each year, many of whom choose to continue living in the region (*DVA 2017*).

The generation of long-term sustainable/meaningful employment opportunities supportive of transitioning personnel and their dependents remains a key economic and societal challenge for the North Queensland region. Local economic setbacks and challenges of the past decade, including the impact of rising electricity prices, the conclusion of the construction phase of large scale resource sector projects, the volatility of global commodity prices and the closure of the Yabulu Nickel Refinery have placed significant pressure upon North Queensland's ability to generate sustainable economic growth, attract investment and create jobs. North Queensland's current employment statistics present a bleak picture with general unemployment close to 9% and youth unemployment over 20%. These circumstances present a challenging employment environment not only for transitioning ADF personnel, but the North Queensland population generally.



VETERAN EMPLOYMENT

The majority of those discharging from the ADF are deemed an extremely valuable asset to the community and broader economy. The vast range of skills and experience they have gained in the ADF make them readily employable. A small proportion of those who discharge from the ADF are in the category of wounded, injured and ill. Some of these are obliged to take discharge due to the nature of their injuries, either physical or psychological or both. The task of finding sustainable employment and appropriate community support is even more complex in these circumstances.

Failings in the existing transition system and a lack of continuity in service provision have intensified an already daunting process for many veterans, prompting some individuals to withdraw from the system completely. Figures suggest that 70% of those transitioning in Townsville do not access Department of Veteran Affairs (DVA) services. Soldiers who have served a minimum service are less likely to consider DVA services a priority and often these are the most common category that transitioning personnel in Townsville fall into. This outcome compounds North Queensland's existing economic and social challenges, contributing further to the pressure already imposed upon the region's health, policing and social services. The implications for individuals and their families is greater, with extreme cases resulting in a deterioration of mental health, self-harm and anti-social behaviour; including alcohol, drug and substance abuse, domestic violence, homelessness, 'Post-Traumatic Stress Disorder' (PTSD), depression and suicide.

Due to its large composition of ex-military residents, Townsville is dealing with the repercussions of being unable to generate appropriate employment opportunities supportive of its veteran community. The valued skills, attributes and experience that our veterans possess should be capitalised upon by regional employers and communities. In order to provide relevant individual support through the transition process, suitable consideration must be given to the existing system's limitations and where efficiencies can be realised.

RECOMMENDATIONS

The Townsville economy is significantly impacted by its military presence, with 20% of the total population constituting a direct or secondary link to the Australian Defence Force. Social issues affecting transitioned personnel are having an impact on veteran's abilities to secure employment. These social issues are intrinsically linked with the overall health of the economy. Without improvements in the transition process from the ADF, Townsville will continue to feel the impact of veterans not participating in the Townsville labour market. Townsville is affected by the ADF's social and economic implications more than other communities and has had to take a proactive approach to address its consequences.

The following recommendations will support the foundations of a considered and sophisticated ADF transition program to complete the cycle of support that the men and women contributing to the nation's defence capabilities depend on. By leveraging the presence of ex-defence personnel and supporting their contribution to the North Queensland economy, the region will prosper.

1. *The Oasis Townsville*

The Townsville community has been proactive in its approach to supporting transitioning Defence personnel. The Oasis Townsville is an initiative of Ex-Service Organisations (ESOs) and veteran leaders in Townsville, seeking to improve the general health and wellbeing of the ex-ADF community. The physical facility, to be established in Townsville, will be a concierge service for all current serving members and their families to transition into the Townsville Community. By centralising services for ex-servicemembers, support is more accessible and readily available, making it more likely that veterans will be willing to access the resources available to them. A similar initiative is being led by ESOs in Newcastle, demonstrating that there is an urgent need for veteran's wellbeing to be seriously considered and dealt with effectively across the nation.

The Oasis facility is to be run by volunteers, many of whom will be veterans to benefit from the team environment post their military service. This model is likely to succeed due to the endorsement received by the Brigadier of Lavarack Barracks, who will act as Patron to the facility. The mission statement adopted by The Oasis Board is '*Transition, Connect, Integrate*'. This organisation is operating as a non-profit entity, relying on fundraising and donations to function successfully. It is recommended that The Oasis is endorsed by the Federal Government as a necessary measure to improve the Australian Defence Force transition process in Townsville North Queensland.

2. *Transitioning Veterans Pilot Program*

A simplified conduit process that works to effectively diagnose transitioning veteran's skills and link them to relevant employers and job opportunities needs to be a priority for the ADF to effectively support transitioning Defence personnel into meaningful employment. Importantly, this proposed model not only seeks to serve individual's needs but also provide employers with the necessary resources and training supportive of long-term employee retention and development. Due to its large veteran community, Townsville was identified by the Prime Minister's Veterans' Employment Committee as the appropriate location to develop a Defence transition 'pilot program'. RSL QLD began delivery of the pilot program in 2017 and since then, more than 80 people have been referred to the initiative. The benefits of this program need to be heavily supported and promoted by the Federal Government so that

all transitioning personnel have access to the support that is provided beyond the Department of Veterans Affairs and the Australian Defence Force.

3. Local procurement strategy

The development of ADF procurement policies that deliver greater opportunities to and prioritise direct engagement of regional North Queensland businesses will generate economic prosperity and greater employment opportunities in North Queensland. This policy would need to establish targets that address employment opportunities for transitioning personnel and traditional owners as well as support increased 'legacy' opportunities for traineeships and apprentices.

The ADF's Integrated Investment Program (IIP) and procurement policies should be adjusted to allow for better and direct engagement with local Townsville SMEs. Pressure must be placed on Defence Prime contractors to consider the impact that their operations have on the local economies they are active in. Unless there are enforceable 'local outcome' performance measures imposed on prime contractors, these organisations will not change their behaviour and job opportunities for veterans and the broader community will not be realised. Defence, in Townsville, should have the capacity to deal directly with local suppliers and businesses, creating 'legacy outcomes' for local industries and the people of North Queensland. There are opportunities for greater public/ private partnerships that deliver direct economic and employment results for North Queensland, generating jobs specifically for the 600+ transitioned personnel in Townsville annually. Considering North Queensland's unique situation, supporting one of the largest veteran communities in the country, and the unprecedented opportunity associated with the Australia Singapore Military Training Initiative, a pilot program should be established within the region to directly address these concerns.

4. Manage veteran employment expectations post Australian Defence Force - Education Program

Transitioning Defence personnel require a greater understanding of civilian living and employment standards so they can make an informed decision regarding their departure from the Australian Defence Force. Many sympathetic North Queensland businesses promote veteran engagement as a proactive community responsibility they institute through their recruitment process. However, feedback provided to Townsville Enterprise, suggests that not all veterans are conscious of award entitlements and conditions associated with civilian employment standards across various industry sectors. Accustomed to Defence payment standards; in association with, additional benefits/ allowances including rental assistance, health, uniform and deployment bonuses can contribute to unrealistic expectations of civilian salary levels. Therefore, expectation management needs to be embedded into ADF employee personal/professional development and transition processes through an education program. This will ensure that ex-ADF are aware of civilian salary levels and take a proactive approach to securing appropriate accreditation and training in order to meet individual expectations and broaden employment options.

5. Manage local firms' expectations regarding employment of veterans

Similar to the expectation management of veterans, local businesses need to be made aware of the capabilities and in some instances limitations of veterans as employees. Veterans offer a diverse range of skills that translate well into civilian operations across a broad range of industries. Valuable attributes and skills include, but are not limited to, maintenance and supply chains, project delivery to senior level management and strategic thinking. Feedback from North Queensland businesses suggest that they assume veterans lack initiative and rely too heavily upon direction delivered by hierarchy. A campaign that promotes the skills and attributes of transitioned personnel should be implemented across North Queensland, encouraging the employment of veterans within local business.

Furthermore, a proactive program that works with sympathetic employers to institute processes supporting the engagement of veterans with mental health challenges must be considered if sustainable employment is to be achieved. Organisations should be able to access support when employing a transitioned person to understand the circumstances that may be impacting upon the employee. Additionally, relevant services should be available to the employee throughout their employment in the civilian world to ensure that any underlying mental health conditions are not impacting their ability to work. An employer wishing to employ a veteran will experience relief in understanding that their employee has access to these services and are less likely to perceive that the employee will become a liability to the business.

Although the development of a 'one system fits all' national solution to the transitional dilemma seems insurmountable, Townsville North Queensland has experienced progress through a proactive approach which draws equally upon established program support while developing tailored resources that work to directly addresses the needs of individuals. Supporting this agenda, regional stakeholders have developed policy proposals that advocate for a change in the way Defence interacts with local communities and its integration with local economies. An emphasis by Government upon the growth of strong industry networks and the support of local services within Defence communities would prove a significant regional job creator for generations to come, benefiting not only transitioning and ex-military personnel but also providing opportunity for the broader community, local business and neighbouring regions.

Kind regards



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