

# TRANSITIONING FROM DEFENCE



## 3 PATHWAYS TO CIVILIAN EMPLOYMENT

BY ALAN RANKINS

# THE DEFENCE INDUSTRY OPPORTUNITY

Eventually, most ADF members will look to transition into civilian life and will look to utilise their unique experience by continuing to support Defence in a civilian capacity.

The good news is that there are some excellent career opportunities for ex-ADF members.

Defence is a multi-billion-dollar industry (\$44.6 billion budget for 2021) and heavily supported by companies ranging from Small to Medium Enterprises (SMEs) through to multi-national companies who are managing major contracts.

Choosing the right pathway can allow you to develop a career as part of this vibrant sector.

## Pathways to Consider

The biggest challenge for ADF members looking to transition is identifying the best pathway. A wrong decision can lead to frustration and missed opportunities.

There are a number of decisions you will need to make about this next stage of your career, and one of the big ones is, how do you want to be engaged for that work?

In this short guide we are covering the 3 main engagement types and discussing the good, the bad and even the ugly of each option to help you make the best decision.





# PATHWAY 1: SOLE TRADER

A sole trader is the simplest form of business structure and is relatively easy and inexpensive to set up. As a sole trader you will be legally responsible for all aspects of the business. You'll generally make all the decisions about starting and running your business and you can employ people.

## THE GOOD

- ✓ Fewer set up costs than a company
- ✓ Simple book work and no need to lodge a separate tax return, your income is treated as 'personal services' income and dealt with the same as PAYG earnings.
- ✓ More control over your income



## THE BAD

- ✗ You will need to provide your own insurance cover. You can't cover yourself for Workers Compensation so it is recommended you have personal income insurance to cover loss of income.
- ✗ You will need to provide Professional Indemnity and Public Liability insurance.
- ✗ While being a sole trader is a less complex business structure, you still need to be very disciplined. You need to make sure you are invoicing for your work, tracking expenses and keeping control of your tax liabilities. If you hire people, you'll need to ensure you comply with legal obligations of being an employer. For more information visit: [Sole trader | Australian Taxation Office \(ato.gov.au\)](#)
- ✗ Inconsistent income. Once a contract ends, so does your income. You need to allow for some down time while you find another contract or to cover the risk that the contract will be cut short.
- ✗ Career development and training is self-funded.
- ✗ It's tempting to spend all that lovely money sitting in your account but make sure you have put away enough to keep the tax man away from your doorstep.
- ✗ No benefits for sick leave or any other non-working days that crop up unexpectedly.
- ✗ Difficult to schedule time off. You only get paid for the days you work so when work is available, you need to take it.

# PATHWAY 1: SOLE TRADER CONT.

## THE UGLY

- ⊖ You will need to submit invoices for the work you have done and most companies expect these at the end of each month. With standard payment terms being 30 days, you could end up being paid 60 days after the work was actually done i.e. work completed 1st May, invoiced 31st May, paid 30 June.
- ⊖ Many SMEs (small & medium-sized enterprises) or agencies are hesitant or unwilling to work with Sole Traders due to issues of liability and reliability. If you bail on a contract early you are not likely to be in a position to offer a replacement which can have a serious impact on the project.
- ⊖ It can be difficult to get loans or financing when you are 'self employed'.



## PATHWAY 2: SUBCONTRACTOR WITH OWN COMPANY

The second option is to set up a company; a business structure that is a separate legal entity.

### THE GOOD

- ✓ Earn higher income with greater flexibility around how your money is distributed and taxed.
- ✓ Flexibility, though you do have to fit in with the client's requirements.
- ✓ Be your own boss.
- ✓ More variety with the roles you choose to do.



### THE BAD

- ✗ Costs involved in setting up a company, some of which are ongoing. This includes the requirement for you to provide your own insurances such as Professional Indemnity, Public Liability and Workers Compensation (depending on state laws).
- ✗ You need to be disciplined with your account keeping. If you don't keep a track of your expenses and submit invoices on time, you can quickly find yourself with a cash flow problem.
- ✗ While this can be the most tax effective option, you do need to track your tax carefully, submit Business Activity Statements (BAS) on time and make sure you have put aside enough money to cover your tax bill.
- ✗ Inconsistent income. Once a contract ends so does your income. You need to allow for some down time while you find another contract or to cover the risk that the contract will be cut short.
- ✗ No benefits for sick leave or any other non-working days that crop up unexpectedly.
- ✗ Difficult to schedule time off. You only get paid for the days you work so when work is available, you need to take it.

### THE UGLY

- ⊖ You will need to submit invoices for the work you have done and most companies expect these at the end of each month. With standard payment terms being 30 days, you could end up being paid 60 days (or longer) after the work was actually done.
- ⊖ It can be difficult to get loans or financing when you are 'self employed'.

# PATHWAY 3: BECOME AN EMPLOYEE WITH A COMPANY IN THE DEFENCE INDUSTRY

## THE GOOD

- ✓ Financial stability. You will receive a regular salary plus Superannuation paid on your behalf.
- ✓ No need to worry about taxes, insurance or keeping your own account records.
- ✓ Job security. If the contract you are working on ends, most companies will find you other work while keeping you employed.
- ✓ Standard employee benefits such as paid annual leave, sick leave and public holidays.
- ✓ Additional employee benefits, such as training & career development.
- ✓ Opportunity for salary increases or bonuses.
- ✓ With ongoing employment you can schedule your holidays in advance.



## THE BAD

- ✗ Some loss of flexibility. You don't get to choose when you want to work though sometimes as a contractor your flexibility is ruled by your need to earn income.
- ✗ You may not have as much variety in the work offered to you.

## THE UGLY

- You could be earning less than you would as a contractor. Though you have to decide if the potential extra income is worth the additional work and inconsistent income.

# WOULD YOU LIKE A CAREER WITH GOAL GROUP?

Goal Group operates Australia's largest complimentary SME Model helping the defence sector optimise Capabilities and Assets.

We are keen to assist talented ADF members with their next career within the civilian domain, utilising their unique skills and knowledge on large, exciting Defence projects.

We take pride in the relationships we form with the people who work for us and strive to offer our team the most rewarding working experience that we can. As much as possible, we treat our contractors as part of the Goal family and offer benefits to reward the contribution our employees make.

If you would like to explore the opportunities on offer at Goal Group, we invite you to book an appointment with Eve, our Talent Acquisition Specialist to discuss your career options and find out how we can help you start the next chapter of your career path.

 **SPEAK TO EVE**

**You can also see the benefits of joining the Goal Group team and view some of the roles we currently have on offer at our [Careers Page](#).**



## EMPLOYEE TESTIMONIAL



*My name is Kevin Cheney and I am Goal's Defence Export Control Consultant and Lead. I left the Navy at the end of 2012 to venture into the big wide world. Between three roles across the Maritime and Defence industry, I felt undervalued and misunderstood as to the value I could bring to those roles and organisations. Since joining Goal in late 2017, I have established myself in a role that I feel I will retain and maintain for many years to come. The power of a team that values contributions, respects your achievements, and most importantly, connects with you on a personal level, is all that any veteran can ask for. I highly recommend Goal, it was the best work move I have ever made.*





## AUTHORSHIP - ALAN RANKINS

After serving for 21 years in the Royal Australian Navy, Alan moved into a number of civilian roles before deciding to start his own company in 2006. Initially, Goal Professional Services was born in partnership with his brother Geoff and offered mainly project management training services.

While training was, and still is, a core part of Goal, the brothers decided to go in separate directions with Geoff continuing his mentoring services while Alan concentrated more on consulting.

Alan quickly realised the drawbacks faced by smaller companies when trying to compete against the 'big boys' and formed the Goal Group, which is a network of complementary businesses who work together to offer clients superior consultancy services. Geoff remains a member of Goal Group, providing a superior mentoring offering via his company, Aspire Australasia.

Alan is coming up on 50 years of direct involvement and contribution to Defence and the Defence Industry. He is passionate about supporting Defence and helping other small businesses find their own pathway into this billion-dollar industry.

After 14.5 years as CEO of Goal, Alan has moved to the role of Managing Director, giving him the space to concentrate on specific projects that challenge and delight him. Bret Barton was appointed the role of CEO in January 2021 and Goal is already experiencing new growth and focused direction under his leadership.

