

Skills Tasmania

EMPLOYMENT HUB: GUIDELINES

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These Guidelines can be found at: <http://www.skills.tas.gov.au/employersindustry/workforceplans>



OUTLINE OF THE GUIDE

Many Tasmanian regions are interested in the potential of local (community based) employment hubs to support workforce security and business needs in their region, and to strengthen community and economic resilience.

This guide has been developed to assist stakeholders who are considering creating such responses to local workforce development needs.

The guidelines are presented in sections:

1. Section one provides some context into what regional employment hubs do;
2. Section two provides a checklist of items to determine if your region is ready to establish an employment hub;
3. Section three outlines the key building blocks required to establish an employment hub;
4. Section four provides some learnings and processes from Huon Valley Works (the Huon Valley Employment Hub, HVW) and TasWorks. This section covers the operational aspects of establishing an employment hub including a social enterprise labour hire;
5. The appendix provides templates and sample documents for reference.



SECTION ONE: WHAT IS A REGIONAL EMPLOYMENT HUB?

Regional employment hubs are community-based organisations that support local businesses and workforce. Their broad purpose is to ensure the continued integrity of a regional economy through linking local employers and job seekers. Regional economic stagnation leads to the local workforce gravitating towards high-growth areas (such as metropolitan centres), thus heightening regional economic inequality.¹

Regional employment hubs are a 'place-based approach' to providing employment solutions, in contrast to a 'people-based' approach.² The latter approach focuses on worker training and education to enhance a workers' mobility allowing "an escape from stagnant and declining areas to expanding areas where job opportunities are readily available".³ The former approach "looks at the systemic nature of locality decline, and explores local economic innovations, particularly local business development, which can generate employment in place".⁴

Ensuring that local businesses have access to an appropriately skilled and available workforce is one part of what a regional employment hub does. This is achieved through the skill development associated with hub programs and activities, and the networking, matching and introduction services of a hub, which can extend to and be formalised into an employment contract, or a labour hire arrangement. A hub also supports the local workforce to obtain enough employment to make continued living in the regional area a viable option.

Buy-in from the region or community supported by the regional employment hub is essential for success. Huon Valley Works, a regional employment hub in Tasmania, states its goal as being "a Huon Valley service, run by members of the Huon Valley community".⁵

¹ Alleviating the Lagging Performance of Economically Depressed Communities and Regions (Bates, 2008)

² Entrepreneurship in Low and Moderate Income Communities (Edmiston, 2008)

³ Entrepreneurship in Low and Moderate Income Communities (Edmiston, 2008)

⁴ Placed-Based Impact Investment in Australia (2012)

⁵ <http://huonvalleyworks.com/about/>



WHAT ARE SOME EXAMPLES OF REGIONAL EMPLOYMENT HUBS?

Regional employment hubs have been implemented nationally and internationally. The regions that these hubs support differ in both size and population. The following organisations are national and international examples.

Table 1: Example Regional Employment Hubs

Name	Region	Country	Estimated Population ⁶
Huon Valley Works	Huon Valley, TAS	Australia	16,000
Community Hub Inc	Colac Otway, VIC	Australia	21,000
Southern Forests' Employment Hub	Southern Forest Region, WA	Australia	37,000
CHESS	Coffs Harbour, NSW	Australia	68,000
Gippsland East Local Learning and Employment Network (LLEN)	East Gippsland and Wellington, VIC	Australia	86,000
NQEmployment	North Queensland, QLD	Australia	231,000
Labour Cooperative Group (part of cluster called Hunternet)	Newcastle, Hunter Valley	Australia	308,000
Northern Futures	Northern Adelaide, SA	Australia	554,000
Opportunity Canterbury	Canterbury	New Zealand	600,000 ⁷
Talent Pool	Alberta	Canada	4,000,000 ⁸
Business and Employment Co-operatives	various	Belgium (SMart), France (Coopaname)	75,000 members ⁹

How did these organisations start?

Huon Valley Works was established by members of the community centre who sought to address issues of unemployment and social disadvantage within the local community.¹⁰ Their goal was to create a sustainable employment hub, run by the local community for the local community.⁹ Huon Valley Works (HVW) has since become a successful link between job-seekers and employers, but additionally provides training courses and work readiness programs, as well as social networks for those experiencing social isolation in low socio-economic status areas.⁹

⁶ Australian Demographics Statistics, various (Australian Bureau of Statistics)

⁷ Subnational Population Estimates (Statistics New Zealand, 2016)

⁸ Estimates of population, Canada, provinces and territories (Statistics Canada)

⁹ http://wiki.p2pfoundation.net/Business_and_Employment_Cooperatives

¹⁰ <http://huonvalleyworks.com/about/even-more/>



The concept brings together a wide range of employment focussed services under one community-based roof. HWW offers a one-stop employment and business support service, improving employment opportunities and capacity in business and the workforce. The Neighbourhood House network, of which Geeveston Community Centre is a member, is well placed to tackle such a project. Neighbourhood Houses are flexible, have strong and direct links to their communities and can readily incorporate complementary funded programs for maximum effect.

Community Hub Inc. was established in 2007 as a non-for-profit, volunteer-based organisation aimed at providing a platform for members of the community to voice their opinions and provide input into what happens in the community.¹¹ Community Hub Inc. claims that by harnessing resources, building strong partnerships, providing meaningful information and gaining community support, they have empowered the community by facilitating them in addressing local issues in a sustainable manner.¹⁰

Southern Forests' Employment Hub is a new initiative based at the Manjimup Community Resource Centre. Managed by the Manjimup Community Resource Centre, the 'Southern Forests Employment Hub' intends to be the "must-go" destination for Employers to post, and recruit quality workers any time, any place worldwide. Manjimup Community Resource Centre, "Your Local Connection", was determined to be a natural fit to respond to the needs of the rich and diverse needs of local farmers. With over 50 different fruit, vegetable and nut crops including table staples such as potatoes and apples, and niche market high end food products such as truffles and pickled walnuts, the seasonal labour needs of the region are complex and variable and best served by an agency "on the ground".

CHESS (NSW) was established to provide support to those with mental health issues and disabilities.¹² The organisation provides support to employees and job seekers through mentoring, job placement and training, case management and co-ordination of services.

Gippsland East LLEN is a community managed, not-for-profit regional network in the East Gippsland and Wellington Shires aimed at the improvement of opportunities for young people by tackling regional issues in the complex process of getting young people into post-school education, training and work by addressing gaps in existing services or pilot self-sustaining new initiatives.

NQ Employment is a not-for-profit organisation servicing the North Queensland region. Target job seekers include people with a disability, injury, disadvantage and Indigenous Australians. NQ Employment services the entire Employment Service Area via consortium, which also includes the Ingham area. NQ Employment is involved in a number of partnerships in Townsville and Ayr. The partnerships are between NQ Employment and employers for the provision of human resources and include the following industries: Asset Management; Land Care and Horticulture; Recycling; Car detailing; and Administration

The Labour Cooperative¹³ (NSW) is a not-for-profit, self-funded, co-operative founded on 7 April 1986 (as Hunter Labour Co-op) by a group of metal trades workers, members of the Australian Metal Workers Union (AMWU). They devised the concept of establishing a co-operative to assist with the out-placement of like-minded workers retrenched by the closure of the Newcastle based State Dockyard, through creating a labour hire service. The goal of the labour hire service is to achieve secure employment for the workers, often involving re-skilling. The Labour Co-op now operates in Wollongong, Tamworth and Newcastle, placing both blue collar and administrative workers.

Northern Futures is a community based not for profit organisation which has been operating for over 12 years. Originally based in the Northern Adelaide region, they have recently expanded to provide services to other parts of the Adelaide metropolitan area. Northern Futures have Career Workforce Development Centres at Elizabeth and Salisbury with outreach locations at Tea Tree Gully, Woodville and Warradale.

Northern Futures collaborates to know and respond to the needs of the broader community, including

¹¹ <https://www.communityhubinc.org.au/>

¹² <http://chessemployment.com.au/>

¹³ <http://labourcooperative.com.au/our-history.htm>



industry and business. Their staff and Board members aim to bring diversity of interests, extensive experience and include representation from across business and government.

The Career and Workforce Development Centre was established to assist people living in Northern Adelaide to identify and enhance skills, strengths and experiences to develop a SMART Career Plan to achieve their employment and career goals.

Opportunity Canterbury - the (Canterbury) Hub provides job-matching, information-sharing, and immigration facilitation services, with a dedicated team of Skills Brokers to help clients.

Their focus is on matching job seekers in Canterbury, and then from the rest of New Zealand with employment opportunities in the Canterbury region. Where there is a domestic shortage of suitable workers, the Hub can help employers access international labour markets through a streamlined immigration process.

Designed to help employers and job seekers, the Hub is a collaboration between the Ministry of Business, Innovation and Employment, the Canterbury Earthquake Recovery Authority, the Ministry of Social Development and the Tertiary Education Commission.

The Talent Pool (Canada) was formed in 2003 with the intention of providing better links between employers and job-seekers.¹⁴ The Talent Pool responds to approaches from businesses and seeks out suitable jobseekers to fill the identified position. They work specifically with youth, older workers, immigrants, Aboriginal people, women, and people with disabilities.

SMart Business and Employment Co-operative (Belgium)¹⁵ was formed in 1998 and supports workers to enter and sustain work in the 'gig economy'. Originally created to protect creative professionals from being overwhelmed by administrative burdens and unpredictable cash flow, SMart now caters to the needs of autonomous workers across a wide array of economic sectors and professions. SMart and CAE offer a shared structure for autonomous workers to become employees for the duration of their job, and therefore to have access to social protection, like insurance, guaranteed payment etc., as well as resources like office space, shared equipment, back office services, debt collection, marketing.

Coopaname Business and Employment Co-operative (France)¹⁶ was founded in 2004 and allows self-employed workers to bring their economic activity together and Coopaname pays them salaries and provides social protections. The worker signs a permanent contract of employment with Coopaname – and benefits from the social protection and the same rights as any employed individual. The worker pays their own salary from their own revenue. Outcome statistics detail the positive influence Coopaname has had on individuals' employment statuses and incomes. Although the initiative is open to everyone, 95% of Coopaname's users were previously unemployed or benefiting from basic income support.

WHAT SERVICES DO EMPLOYMENT HUBS OFFER?

The services offered by regional employment hubs include:

- providing links to local employment services
- career coaching
- assisting jobseekers achieve job readiness
- matching employers with jobseekers

¹⁴ <http://www.talentpoolhub.com/about-us>

¹⁵ <http://smart-eu.org/>

¹⁶ <http://wiki.p2pfoundation.net/Coopaname>



- listing employee vacancies
- supporting jobseeker and employer training
- providing labour hire/partnering with a labour hire company
- provide employment placement services
- access to business support and social protection for self-employed

What are labour hire services?

A labour hire organisation provides a service for businesses to source skilled and unskilled workers on an 'as needs basis' without the need for direct employment. Workers from labour hire companies can be referred to as contractors, temps, field employees, on-hired employees, or sometimes just employees.

The two fundamental components of a labour hire organisation are the concepts of pay and charge rates. The pay rate is usually a per-hour wage paid to the employee. The charge rate is the fee levied on a client (business) to whom the labour is provided. Labour hire workers are not employed by the business, but are a service provided to the business, that the business is paying for. The labour hire workers are employees of the labour hire company. This is an important distinction as it can determine who has legislative responsibilities, for example, when ensuring a safe working environment, or to whom the worker seeks advice about their pay and conditions.

What is a Business and Employment Co-operative¹⁷?

Business and Employment Co-operatives (BECs) offer entrepreneurs the chance to develop their business and move towards self-employment in a sheltered and supported environment.

Dating from 1996 in France, BECs offer a potential entrepreneur the chance to create their business within the sheltered environment of a larger social enterprise. They reduce the financial risk facing people starting a new business, and provide a half-way house between employment and self-employment. Many BECs target services to unemployed people or disadvantaged groups, or specialise in certain sectors that present specific barriers to start-ups.

What is social protection?

Social protection includes access to guaranteed payment for work, income insurance, superannuation, as well as the collegial environment of a workplace. All of these can be missing in the 'gig economy' and impact on a person's ability to succeed if they choose self-employment as a path out of unemployment.

¹⁷ <https://jobsinnovators.org/2013/03/26/business-and-employment-co-operatives/>

SECTION TWO: IS YOUR REGION READY?

Employment hubs evolve in response to an identified problem. These problems are diverse and include examples such as, downturn of an industry like forestry in the Huon Valley or the closure of the Newcastle Dockyard, and the resulting increase in unemployment; overcoming barriers such as disability and mental health problems; youth unemployment; agricultural and other labour shortages; and responding to casualisation and insecurity of work that is outsourced to self-employed workers.

Whilst all projects differ in context and scope the Standing Committee on Training, Education, Skills and Employment (SCOTESE)¹⁸ developed a best practice framework for regional workforce development activity and noted that projects should be informed by the following:

1. deduce a workforce development need
2. identify a regional contribution
3. align with other plans
4. probe stakeholder investment
5. validate goals through analysis of data and modelling
6. refine the goals with stakeholder input
7. stocktake all current and recent workforce planning and development activities
8. identify solutions to goals not currently being addressed
9. implement solutions
10. evaluate initiatives and review workforce needs

These items are further expanded below:

The division of states or territories into workforce planning and development regions should be organised around commonly understood areas of economic and workforce activity. Although the regional structure need not be exhaustive, local workforce planning and development should be supported in all regions that meet the lead agency's mission. Metropolitan areas should not be ignored as sites for regional workforce planning and development.

Workforce planning and development regions should be intertwined with other regional structures. Local government areas (LGAs) and Regional Development Australia (RDA) regions are the most active and embedded regional structures in most states and territories.

Regional workforce plans should set goals that are correlated with state/territory and national workforce goals. Regional workforce goals should support state/territory and national goals but be determined primarily by local workforce needs.

Regional workforce planning and development should be integrated with other regional planning and development activities. Regional workforce plans should support and take account of regional economic development, social inclusion, education and planning policies. Policies as well as plans can be integrated, such as through the use of social enterprises in local procurement and tying employment and training outcomes to local development processes.

¹⁸ SCOTESE, National Regional Workforce Planning and Development Report 2 (2013)



Regional workforce planning and development should be led by local stakeholders, particularly local employers requiring labour. This requires a high level of commitment from stakeholders. Central workforce planning and development agencies have a responsibility to develop stakeholders' awareness of workforce planning and development as well as their capacity to participate in these processes where it is not already present.

Regional workforce planning and development should encompass a broad cross-section of stakeholders, including representatives from multiple industry sectors, education and training, local government and employment services, and representatives from local disadvantaged populations. To sustain this requires the championing of local coordinators.

Regional workforce planning networks and alliances should be resourced with data from a single contact point. Regional workforce networks and alliances should have access to data that spans workforce demand, workforce supply and projections for future local population and workforce needs.

Regional workforce planning should be informed by reliable and tailored data, including projections of future supply and demand. Where reliable quantitative data are not available at the regional level, data at the state or territory level should be used alongside local intelligence. Regional workforce planning networks and alliances should be supported and resourced to conduct their own data collection where that would assist decision-making.

Regional workforce planning and development should be resourced adequately. Ongoing resources should be available to support planning and network coordination activities. The implementation of regional workforce development activities should be funded primarily through existing programs but support should be available on a targeted basis to provide mentoring, program coordination and evaluation.



SECTION THREE: THE BUILDING BLOCKS OF AN EMPLOYMENT HUB

COMMUNITY COLLABORATION

A common feature of employment hubs is community ownership and collaboration. This needs to be purposely designed and managed. Huon Valley Works, the Community Hub, Gippsland East LLN, NQ Employment are all examples of specific community collaboration.

Collective Impact is a framework to tackle deeply entrenched and complex social problems. It is an innovative and structured approach to making collaboration work across government, business, philanthropy, non-profit organisations and citizens to achieve significant and lasting social change.

John Kania & Mark Kramer first wrote about collective impact in the Stanford Social Innovation Review¹⁹ in 2011 and identified five key elements:

1. All participants have a common agenda for change including a shared understanding of the problem and a joint approach to solving it through agreed upon actions.
2. Collecting data and measuring results consistently across all the participants ensures shared measurement for alignment and accountability.
3. A plan of action that outlines and coordinates mutually reinforcing activities for each participant.
4. Open and continuous communication is needed across the many players to build trust, assure mutual objectives, and create common motivation.
5. A backbone organisation(s) with staff and specific set of skills to serve the entire initiative and coordinate participating organisations and agencies.

GOVERNANCE

Regional employment hubs tend to be not-for-profit organisations and operate, initially, with funding from the government.

Their scope of operations is a mix of services aimed at:

- attracting and retaining new sources of skilled labour, and/or
- increasing the labour market participation of disadvantaged people within the region by improving the qualifications and skills utilisation of the region's current workforce.

There are a range of legal structures for not-for-profits. A non-trading not-for-profit is often structured as an incorporated association. Common models for trading not-for-profits are a company limited by guarantee, or a co-operative.

Employment hubs are generally governed by a steering committee comprising representatives of the business, social and education sectors, with the management of the operation reporting to the committee structure. Several also have union involvement, e.g. the Labour Co-op in NSW, and the Business and Employment Co-operatives in Europe. An example from the HWW Terms of Reference for committee members is provided in the appendix.

HWW employment hub is owned by the Geeveston Community Centre. HWW is accessible through a front

¹⁹ http://www.ssireview.org/articles/entry/collective_impact

facing operation consisting of a physical shop and web presence. It is supported by a back-office facility (predominantly payroll and HR systems) provided by Tasmania Works Ltd – a registered not-for-profit, company limited by guarantee (TasWorks) also owned by the Geeveston Community Centre. TasWorks' constitution is provided as an example in the appendix.

KEY RESOURCES

This is an example from the HVW operation:

Table 2: HVW Operation Resources

Physical	Intellectual	Human	Financial
Office space and admin support	Branding, Promotion, web interface	Passionate, skilled staff	Model development funding
Access to vehicle	Studies, research, skills need analyses etc.	Community, celebrity champion	Pilot funding
	Stakeholder and community input	Key partners and stakeholders	Subsidies, incentives and grants
	Backend Payroll Services	Engaged job seekers	Income from trading

KEY PARTNERSHIPS

Community ownership and participation in employment hubs mandates open, inclusive and well maintained relationships. These relationships include partnerships within the ecosystem of businesses, industry representatives and service providers in education, support services and job agencies. The partnerships should be viewed as the Hub's asset and used to drive, support and benefit from the services that the Hub provides.

The table below lists the extensive partnerships maintained by HVW.

Table 3: HVW Partnerships

Who	What
Aquaculture industry	Large local employer, large international visitor employee cohort, difficulty sourcing local workforce, supporter of community employment hub model
Department of Employment (Australian Government)	Access to high level partnerships regarding jobactives
Department of State Growth, Skills Tasmania	Resources and support regarding regional workforce planning and development; provision of funding, through RTOs, to deliver relevant training.



Department of State Growth	Background to project, resources, networks, links to stakeholders and funding sources
Fruit Growers Tasmania (FGT)	Understanding of industry needs, skills needs, sector growth, future trends
Geeveston Community Centre	Provision of office and admin support, access to a vehicle, support from manager
Geeveston Community Development Association (GCDA)	Potential community champion, networks, links to business community
Group Training Australia	Networks, links to industry and small businesses
Huon Producers Network	Employer and potential training venues
Huon Valley Business Enterprise Centre (HVBECS)	Networks, links to business community
Huon Valley Council	Potential casual employer, resources, support, promotion
Institute for Regional Development (UTas)	Potential research partner
Jobactive and Disability Employment Services	Access to job seekers, possible income stream from incentives/subsidies
Neighbourhood Houses Tasmania	Emphasis on training needs, skill development, social inclusion. NHT's focus is on providing opportunities for those community members that are disengaged from the economy. NHT has a wealth of experience, large networks and a lot of respect across business, NGO's, local and state government, and developers of the evaluation system of the HVWs.
Large employers in the region	Bulk Nutrients, Huon Aquaculture, Tassal, Reids Fruit, Hansons, Ta Ann Tasmania, Neville Smith Forest Products
Learning and Information Network Centre Huonville (LINC)	Support, resources, training provision, office/meeting/conference space
Other industries in the area	Some large employers, like aquaculture industry have difficulty sourcing local labour. Growth areas include aquaculture support industries, agriculture, aged services, tourism and the service sector.
PCYC	Potential office space, access to community transport, potential training venue, strong links to the local community.
Regional Development Australia	Resources, studies, networks, funding sources, state wide scale economic development advisory capacity.
RTO's and TAFE Tasmania	Workforce development and job readiness training, training providers, particular RTO's for specific industries.
STEPS	Indigenous employment support service
Tasmanian Small Business Council	Similar to Business Enterprise Centres but state wide scale. Understanding of barriers to employment etc



TCCI	Employment pathway programs, links to industry, industry trends, promotion
TFGA	Skills needs analysis, support, resources, including industry-wide workforce planning and workforce development projects, links to employers.
Trade Training Centre	Training courses and venue
Key Growth Sector Peak Bodies	For example: Destination Southern Tasmania

Resources are required for the concerted effort of maintaining relationships with such a broad range of stakeholders. This relationship management is key to the success of an Employment Hub.

SECTION FOUR: OPERATIONS

Example: Huon Valley Works

HOW IT WORKS

HVW's approach to removing barriers is to focus at a local level. HVW initiated the development of "a 'community based' labour hire company (TasWorks) that forms the link between employers and job seekers"²⁰, complemented by delivering appropriate training. HVW started small and adapted their model to achieve their goals, using available workforce development funding supplements, maximised development impact by researching and leveraging the latest community, industry and government programs. Future programs and services offered by HVW will be subsidised by TasWorks.

Initially Huon Valley Works explored partnering with an existing labour hire company to provide the employment contracting aspect of the project. An existing company prepared to work in a community directed manner was unable to be identified and so TasWorks, a not-for-profit company owned by the Geeveston Community Centre, was formed.

Buy-in from the region or community is important to the success of the hub. The community needs to invest in the project, creating a collective responsibility for the community. The community jobseekers provide the needs, and the hubs in turn provide links to local employers, career coaching, assistance to help achieve job readiness, matching employers with job seekers, listing of available vacancies, supporting job seekers, employer training, and more.

The 'place-based' approach to employment hubs strengthens connections between local employers and job seekers. It creates initial starting points for both the job seeker and employer, and helps put names to faces. An employer approaching a hub looking for labour assistance can quickly begin to network with local community members, and plans can be designed to overcome employment barriers by linking with members of the community who are already skilled, or by developing training to upskill job seekers to fulfil skilled roles.

A key differentiator is HVW's community based approach and return of value back to community. This creates a motivation for local employers to support the hub, through using the associated labour hire company.

MARKETING

Broadly, there are two customer segments, employers and employees. HVW creates value by facilitating the interaction of these two segments. The stakeholders are actively and carefully managed to maximise community ownership and input. This occurs at a number of levels, through governance and the establishment of a reference group, through networks developed to provide a person centric range of services and products, to public fronted service offering.

HVW has a physical presence in Geeveston Community Centre. Its notice boards and staff advertise training events and provides direct contact with Job Seekers and employers. HVW also employs a recruitment and support worker who visits employers, develops community relationships and support employees employed by HVW.

It also has a strong web presence with:

- Web-based jobs board for employer direct and local labour hire positions.
- Web-based interface for employer input and program evaluation.

²⁰ Huon Valley Works Business Plan



- Web-based training schedule/calendar.
- Web-based work for the dole opportunities.

It is branded, marketed and promoted throughout the Huon region as 'A one stop employment shop'.

The components of service delivery are:

- the local labour hire component of the business is focused upon the workforce needs of the employers within the Huon Valley local government area
- the training and skill development component is focussed on the needs of the employee/job seeker

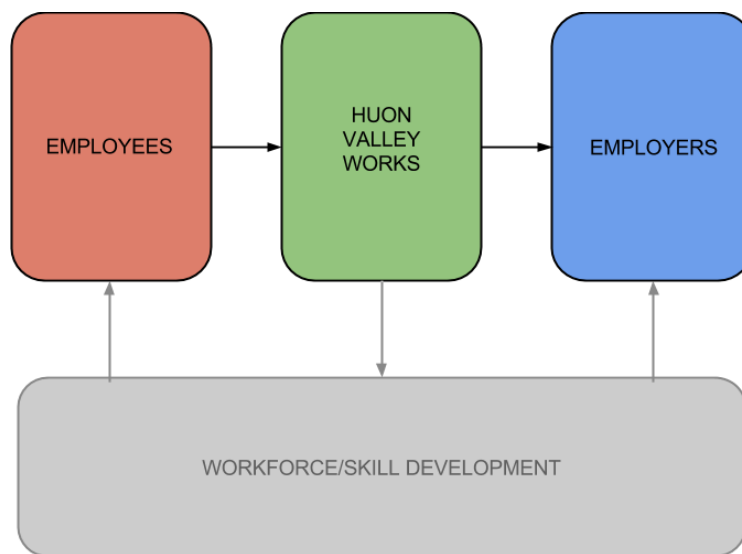


Figure 1: HVW Service Delivery Flow

Where skill development is involved, funding subsidies or collaboration with support organisations is sought. Where labour hire is involved, a fee is charged for the service.

The following narratives from HVW illustrate the 'product' and exemplify the inter-relationship between the employer, the employee and the support provided.

CASE STUDY 1: THE PAYMENT BENEFITS

The difference in cost between paying cash and paying TasWorks is less than you think! Let's take a market stall worker employed under the fast food award. Working 8 hours on a Sunday they may have been paid \$25/hour cash - a \$200 cost to the market stallholder. If the employee is employed through TasWorks and paid the award rate of \$34.02 and charged at \$45, this becomes - a \$360 cost to the market stallholder. However, this \$360 is deductible from taxable income which, if you are a small business below GST threshold, most likely equates to 32.5c per dollar. This means a reduction of \$117 in tax bringing the difference down to \$43. And that \$43 gives the employee superannuation, work cover and \$72 more in their pocket if it's their primary income.

CASE STUDY 2: LOCAL TOURISM BUSINESS

The business has transitioned its four casual employees to Huon Valley / TasWorks. A benefit to the business is less administrative work as TasWorks manages the employment / compliance of the workers.



The benefit to the workers is the opportunity to access other employment that Huon Valley Works can provide. An example of this is Jari²¹.

CASE STUDY 3: JARI²¹

Jari was introduced to HVW by his employer. Jari had some casual work where he was mainly responsible for general maintenance and Landcare. He was also often tasked with the management and monitoring of the composting toilets.

The employer described Jari as a capable and diligent worker and was being provided with as much work as practicable. The employer didn't want to lose Jari as a staff member, but was keenly aware Jari was in need of more hours in a week that the employer was not in a position to offer. With this in mind and a view to assist the employer to retain Jari, and Jari to reach FTE, hours, Jenni set about looking for some additional work for Jari. Jenni approached a local food supplement manufacturer about some manufacturing work for Jari. It was not initially as simple as asking them to give him a chance, there was a lot of 'to and fro' discussing the requirements of an entry level role and the need for Jari to feel supported and appreciated. It turned out this business was wholly supportive and really wanted the chance to help Jari grow and learn. with some mentoring from Jenni and the business owner taking a personal interest, Jari commenced a trial week of work where he was exposed to all facets of the business. He commenced work the next week.

This is not where the story ends though. Jari was again only employed as a casual, and was not able to obtain the full-time hours he was seeking. This is where he was able to continue to work for the original employer as well as in his new role. Jari is well respected by both businesses and when there is sufficient work for him in one role, he will wholly transition, until then he's happy doing work for both.

CASE STUDY 4: LARRY²¹

Another case is Larry, he is truly a great example of the ability of the employment hub to work across industries and break down what may have been barriers for other business models.

Larry is 43 and a long-time resident of the Huon Valley with a good work history. He left about 8 years ago to pursue a career in the mining industry interstate, where he gained a great many more skills and entered into an adult apprenticeship as a Boiler Maker/Welder. This went by the wayside when his employer was unable to support him anymore, and he eventually came back to the Valley. This is where he heard about a Community Employment Hub running out of the Geeveston Community Centre (GeCo). Larry met with Jenni and, as they had previously worked together, Jenni was able to attest to his quality as a worker. But he needed work now, and was willing to do anything Jenni presented.

Initially Larry went to work for a local builder who hosted him through TasWorks, he was able to utilise engineering skills gained from his previous employment. This work was steady to begin with but, as happens with the best laid plans, it began to drop off. Larry came back to Jenni looking for something else to fill in the days that he was not on the building site. Jenni spoke with a local manufacturing company and Larry went to work there for a few days per week. Yet again he was able to bring his previous experience to this Host, and was offered additional work on the maintenance crew. At this stage, Larry was achieving full time hours in three separate roles.

After a period of time the Builder advised he no longer required Larry and Jenni went looking for more hours. Larry was introduced to a pallet making business, again in the local area, and coincidentally this business supplies the manufacturing business Larry was also working for. This made for a beautiful match as Larry had first-hand knowledge of how the pallets would be used. This gave him the instant skills to

²¹ Not real name



meet quality standards based on his use of this product post production. Larry has now secured 4 days/38 hours per week with this host and still works each Friday in a maintenance capacity for the manufacturing host.

CASE STUDY 5: JACOB²¹

Jacob is a local, he is a young adult and has lived in the area all his life, with the exception of a period of time in Western Australia. Upon his returned to Tasmania, he had a relationship breakdown and went off the rails a little.

When Jacob came to GeCo he demonstrated a good work ethic and an eagerness to better himself.

After much discussion with both parties Jenni signed Jacob on as a casual staff member and hosted him with a new employer, for a trial period. During the first 4 weeks of labouring Jacob was able to demonstrate his absolute ability to be the staff member, and apprentice, the employer was looking for. Jacob is learning a trade that will hold him for life and he knows it, this is the chance he needed to change his life.

It's not just the obvious opportunity Jacob has gained however. He has engaged with a literacy coordinator and is being mentored by Jenni in several aspects of his life. This is something Jacob needs to help him achieve the capacity to function as a capable adult and tradesperson. The work Jenni does with Jacob takes an enormous load off the host employer, and allows Jacob a degree of separation to discuss sensitive issues without feeling embarrassed in front of his boss. Jacob intends to continue his career in the Valley and will one-day work beside his employer as an equal in skill and qualification, and may eventually have an apprentice of his own.

FINANCE

Revenue Streams

Employment Hubs are generally established with Government support and will likely take at least two years to become self-sustaining. The breakeven point for TasWorks to be able to fund its own operations and provide adequate financial support to HVW, is to employ 36 FTEs. With the uptake of the labour hire service from local employers, after 14 months it is one third on track. Working capital requirements need to be carefully planned to ensure sufficient coverage of payroll, particularly on establishment.

TasWorks charges competitive fees for its services in order to cover its operating costs and provide ongoing funding for HVW workforce and skill development.

Workforce and skill development services are supported and supplemented by available resources. Incentives, subsidies and training courses are developed by training providers to meet the needs of the employers and employees.

The back-office facilities of systems, payroll and finance are provided by TasWorks who provide their service on a % of operations as follows²²:

- superannuation = 9.5%
- workers compensation insurance = 5.51%
- payroll tax = 6.1%
- administration fee = 3% (2% on payroll figure, 1% on invoicing)
- Initial Revenue Streams
- start-up funding
- labour Hire margin
- back to work employer subsidies

²² These costs are predominantly based on employing casual employees



- fee for employer advertising on Jobs Board
- fee from training providers for services provided by the Hub (venue, recruitment, contextualisation, materials etc.)

Potential Future Revenue Streams

- packaged data
- jobactive subsidy share
- employment placement fees
- human resource support services
- licensing/Sale of business model to other regions
- income generated from training-related social enterprise/s

Since April 2016 HVW (through TasWorks or direct employment) has succeeded in securing employment for 71 different people. This has included labour hire placements across 13 local businesses. At the end of April 2017 there were 35 employees averaging 15 FTE per week. With their current total of 13,000 employee hours and income in excess of \$350,000 TasWorks has generated an operating surplus of over \$40,000.²³

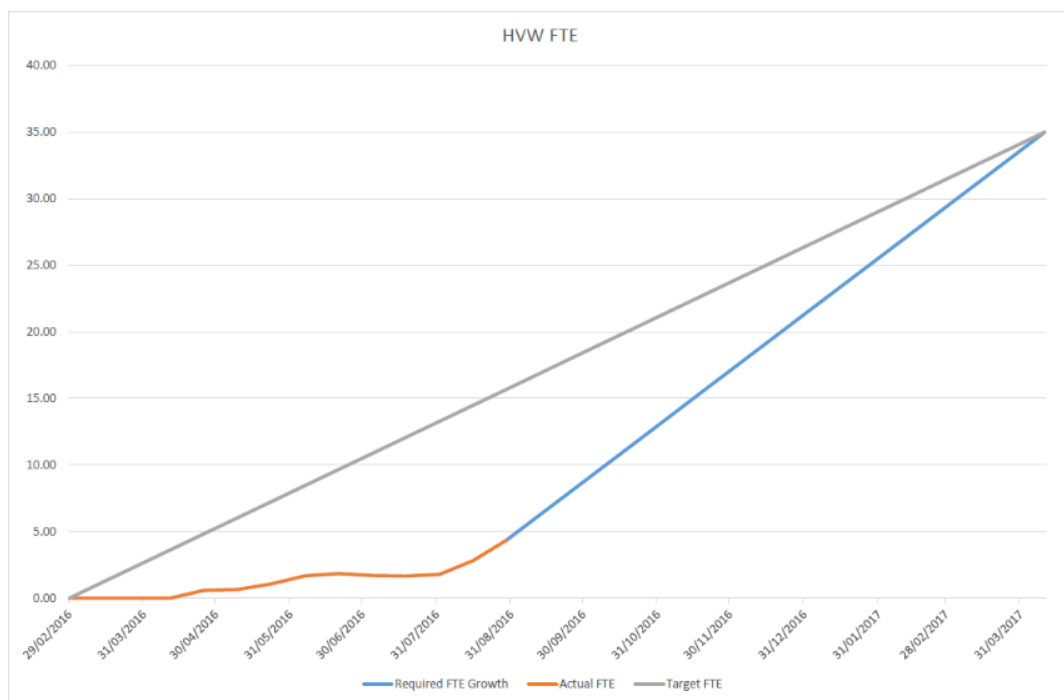


Figure 2: HVW Fulltime Employment Chart²⁴

²³ __Final HVW request for funding 2017 __.docx (note: not all surplus is from income, it includes wage subsidies. Currently the surplus provides a reserve to manage payroll fluctuation)

²⁴ HVW FTE Chart.pdf



Table 4: HVW 12-month Operating Costs²⁵

Item	Total
Wages - Manager	\$57,720
Wages - HR/Customer Support	\$79,040
Bookkeeping - 8Hrs/week	\$15,392
Supervision	\$500
Admin to GeCo	\$4,888
Staff Training	\$5,000
Insurance - Broadform	\$6,000
Insurance - Directors Liability	\$2,000
Office Space ²⁶	\$1,300
Subscription Services	\$7,400
Transport	\$5,200
Equipment	\$6,200
Communications	\$2,880
Website support	\$5,200
Marketing/Sales	\$5,400
Misc.	\$5,200
Backend support	\$45,500
Employee Assistance Package Support	\$2,800
Employer Background Checks	\$3,000
TOTAL	\$260,620

HUMAN RESOURCES

Staffing levels of an employment hub will obviously differ in size and requirements depending on the operational model. HVW has a 'front facing' operation provided through physical office facilities at Geeveston Community Centre and now provides outreach functions to Dover, Cygnet and Huonville. This is staffed by a full-time recruitment and support worker, and a part time manager. Three volunteers also work in the centre and provide assistance with induction and job readiness training.

The critical operational role for any employment hub is the facilitator (HVW recruitment and support) who creates the connection between the local business community, job seekers and host employees.

HVW position description for this role is provided in the appendix.

It can be expected that once established and operational, an employment hub is likely to require a refocus of its operations and structure to meet real market conditions and finance requirements.

ESTABLISHMENT PLANS

A standard management tool to guide the operations of an employment hub is a project plan. A project plan should cover the following elements and act as a working document to reference and track progress

²⁵ As of 5th of April, 2017

²⁶ Includes significant in-kind contribution for Geeveston Community Centre



during establishment and operational phases of an employment hub. The example below is from HWV and would need to be recast for a different context.

Project Title

Huon Valley Works Community Employment Hub - Bringing job seekers and employers together to build the prosperity of the Huon region

Project Background

Geeveston is home to more than 1,400 people with a Huon wide population of close to 16,000. Compared with the rest of Australia and Tasmania, Geeveston experiences relatively high levels of socio-economic disadvantage, with greater unemployment, lower household incomes, and lower levels of education (ABS Census 2011). The table below gives some indication of this disadvantage in comparison to Australia.

Table 5: Huon Region Employment Comparison

15 Years and Over	Geeveston-Dover	Huon-Bruny	Australia
Employed Total	46%	51%	58%
Employed Full Time	25%	27%	37%
Not in the Labour Force	46%	42%	33%

With funding from the Tasmania Medicare Local Social Determinants of Health Program Geeveston Community Centre identified that the lack of local employment, particularly low skilled and entry level jobs, was the major impediment to the long-term health and wellbeing of the community.

The concept for Huon Valley Works came about through further surveys and discussions over the past year which identified, amongst other factors that:

- local employers, both large and small, struggle to find suitable local workers, especially for seasonal and casual work (This is supported by the Tasmanian Agriculture Skills Plan).
- local job seekers have a range of barriers that limit their ability to secure seasonal and casual employment opportunities.

The reasons include the unreliable and inconsistent nature of the work, and the low skill level and lack of work readiness in the labour pool. There is a clear gap between the employer and the employees. This problem exists not only in Geeveston and the Huon, but across the State.

Initial discussions with the Department of State Growth, regarding a local, community based employment hub took place in mid to late 2014. During further discussions in early 2015 with representatives from Skills Tasmania, the Department of State Growth and Geeveston Community Centre (GeCo), a verbal agreement was reached that the concept was viable and worth pursuing. In February 2015 Skills Tasmania agreed to fund the development of a business plan. GeCo undertook this work from March to June 2015 and submitted the resulting business plan to Skills Tasmania in July 2015.

Objective(s)

Huon Valley Works will assist with:

- addressing the relatively high unemployment and lack of local job seekers meeting local employment needs.
- reducing the employee and employer barriers
- integrating support with employment opportunities
- connecting seasonal and short term employment opportunities
- providing support to disengaged job seekers

Huon Valley Works will link job seekers to employers; help reduce existing barriers to employment and coordinate and resource workforce and skill development to support the economic development of the region.

Huon Valley Works (HVW) Community Employment Hub will include a not for profit, ethical, local labour hire company working within the Huon Valley local government area. It will be a social enterprise with the mission of growing local employment opportunities through a holistic approach to the unemployment problem. HVW will fund relevant training as determined through consultation with local employers, job seekers and organisations working in the employment and workforce development sectors in Tasmania. Initially based at Geeveston Community Centre, it will be overseen (governed) by the Geeveston Community Centre Inc. (GCCCI) board, staffed by local workers, supported and informed by a range of community and workforce development organisations.



Table 6: Target Outcomes

Target Outcome	Measure	Accountability
1. Increased employment in the region, reduced unemployment and underemployment.	Employment, unemployment and underemployment figures for region	Project management team and employers
2. Increase in local labour meeting local needs, particularly regarding seasonal horticultural work.	Number of local people working in roles that were previously visitor employees Number of local people in seasonal horticultural roles	Project management team and employers
3. Increased satisfaction for local employers in securing labour with the right skills, at the right time.	Set baseline, record info (qualitative)	The project management team and VET training organisation
4. Increased social networks, social capital.	Set baseline, record info (qualitative)	GCCI and the project management team
5. Increased local ownership of the unemployment problem and a means to directly improve outcomes for the disadvantaged in the community.	Volume of info available. Usage of available info. Number of local people involved	The project management team in consultation with the reference group and GCCI management committee
6. Improve outcomes for the long-term unemployed in the community. Increase the opportunities for marginalised job seekers to participate in the local economy.		
7. Employee Satisfaction.	Opinion of employees Improved life circumstances (qualitative)	
8. Increasing the opportunities for the marginalised to participate in the local economy.	Set baseline, record info (qualitative)	GCCI and the project management team
9. Employee Satisfaction with process and outcomes.	Opinion of employees Improved life circumstances (qualitative)	

Output(s)

The Outputs to be delivered by Huon Valley Works are:

- a system that links job seekers to available employment opportunities
- a system that both determines and provides training and workforce development to meet the needs of both the employer and job seeker
- a system that can be implemented in other regions for lower start-up costs.
- ongoing consultation mechanisms
- a map of seasonal and casual employment in the Huon Valley
- a coordinated network of stakeholders that support the program and/or provide support and

training for the participants

A comprehensive web based interface that includes:

- a jobs board for employer direct and local labour hire positions
- a training schedule/calendar
- a means for employer input and program evaluation
- a means to submit and validate employee time sheets
- an office for direct contact with Job seekers and employers.
- branding, marketing and promotion throughout the Huon as a one stop employment shop.

Evaluation plans to monitor:

- the impact of the system, and
- the performance of the project.

A model that is developed utilising the collective impact framework and allowing for co-design principles.



Table 7: SWOT analysis²⁷

STRENGTHS	WEAKNESSES
Strong stakeholder buy in - Community Buy-in & support	High proportion of job seekers requiring support
Untapped labour	GeCo seen as a place for those in need of support and not for all in the community - stigmatised
Unmet demand for labour	Requires funding to Pilot
Low cost	Ongoing sustainability without funding
Regional focus	Pilot, untested
Locally owned	Ability to propagate opportunity to business
Not for profit	
GeCo commitment to project	
Understanding of the needs of the disengaged	
Vast resource of research and data	
OPPORTUNITIES	THREATS
New JSA contracts - partner/support jobactive providers	Requires funding to Pilot
Increased community buy-in & support as program succeeds in filling work placements	Competition from other labour hire companies
Build a scalable model to expand program to other regions	Unsuitable labour force, difficulty engaging the long term unemployed
Continue to reduce local unemployment	Lack of critical mass, market traction
Develop career pathways in local industries in partnership with employers	Too much success leads to a high proportion of employees transitioning to direct employment
Help grow existing and new business	Economic downturn
Establish training centres as social enterprise - Work for the dole participants help establish	
Build specific teams for cleaning/gardening/firewood etc.	
Opportunity for innovative training - HVW can purchase training without seeking funding	
Regional / Population growth	
Adapt quickly to new employment opportunities	
Embed literacy through the job seeker/employer use of web based interface	
Large seasonal employment needs	

²⁷ Huon Valley Works Business Plan Final.docx

Table 8: Establishment Schedule

Id	Description	Who
1	Formal approval to commence project obtained	
2	Establish Reference Group	Project Team
3	Establish separate entity to provide employment backend services for labour hire	Project Team
4	Design and begin the implementation of a collective impact model and evaluation framework	Project Team and the relevant experienced professional
5	Set up office and infrastructure	Project Team
6	Establish policies and procedures	Project Team
7	Establish front and back end interfaces	Project Team
8	Establish processes	Project Team
9	Update Project Plan to include methodology for Outcome Measurement	Project Team
10	Progress report prior to funding	Project Team
11	Funding Instalment	
12	Employ HR worker	Project Team
13	10 Employers Participating in Project	Project Team/ HR Worker
14	First 4 Employees	Project Team/ HR Worker
15	Update Project Plan including Risk Register	
16	10 Full Time Equivalent Positions	Project Team/ HR Worker
17	Progress report prior to funding instalment	Project Team
18	Funding Instalment	
19	16 Full Time Equivalent Positions	Project Team/ HR Worker
20	Progress report prior to funding instalment	Project Team
21	Funding Instalment	
22	24 Full Time Equivalent Positions	Project Team/ HR Worker
23	Progress report prior to funding instalment	Project Team
24	Funding Instalment	
25	35 Full Time Equivalent Positions	Project Team/ HR Worker
26	Project Closure Report	
27	Funding Instalment	
28	Evaluation and Acquittal	

Assumptions and Constraints

Assumptions:

That the procurement of employment backend services is successful.

We can source/produce and deliver effective training and support for the most disadvantaged job seeker to enable their engagement with the local employers.

We can arrange and source suitable employment for 30-35 FTE positions by project closure.

We can source the necessary inputs from key stakeholders. E.g. Training, participants, project support.

Constraints:

The budget relies upon a steadily increasing pool of workers being placed in employment and generating income through the labour hire component.

Any non-budgeted additional costs incurred for the establishment of HVW will have to be met within budget constraints with the potential reduction in funds for other aspects of the project.

Governance of HVW

Project Sponsor - Geeveston Community Centre Inc. Management Committee

Business Owner - Geeveston Community Centre Inc.

Project Managers - Chris Devenish and Michael Higgins

Reference Group comprising members from a range of key and non-key stakeholders.

Separate to this is the governance of TasWorks, who provide the backend payroll services to HVW.



Stakeholder Management & Communication

A range of stakeholders will be invited to participate in the project as members of the reference group. These stakeholders can be broadly categorised as shown in the following table.

The management and communication strategies for this reference group²⁸ will be clarified during the initial meetings. It is expected that key members of this reference group will continue to inform the project into the future.

Table 9: Communications Management Plan

Stakeholder/ Audience	Purpose of Communication	What Information are you giving?	What information are you seeking? (if applicable)	When/ Frequency?	How? (Format/ Medium)
Reference group	Inform reference group and draw on expertise to support success of the project	Project update	Helpful suggestions Warnings about potential pitfalls	monthly	meeting
Employees	Invite participation in the project	Benefits of project	Anecdotal feedback on what works well and what could be improved	2015 Dec. 2016 March 2016 August	Forum, leaflets, webpage
Employers	Understand the effectiveness of the program	Measures and info we have about the program	Information about business needs re: employees	Jan 2016, June 2016	Forum, PowerPoint presentation
Employment Support Category	Invite participation in the project to provide input	Benefits of project	Referral of jobseeker participants and training support	Ongoing	Verbal, written
Training Category	Invite participation in the project	Benefits of project	Partner in the provision of relevant training, venues and support	Ongoing	Verbal, written
Employer Bodies Category	Inform and support project	Benefits of project	Information and resources to support project particularly around the workforce development needs of the employer bodies members	Ongoing	Verbal, written
Local Government Category	Invite support of project	Benefits of project	Promotion of project and potential placements	Ongoing	Verbal, written
Community organisations Category	Invite support and participation in project	Benefits of project	Inform, promote and support project, community feedback	Ongoing	Verbal, written

²⁸ See appendix for terms of reference for membership



RISK MANAGEMENT

A risk register needs to be developed and actively managed.

Possible risks identified by HVW that are likely applicable to other employment hubs include²⁹:

- managing cash flow
- high proportion of job seekers requiring support
- Geeveston Community Centre seen as a place for those in need of support and not for all the community – Stigmatised
- ongoing sustainability without funding
- pilot, untested – lack of confidence in the market
- dependence on business backend provider
- competition from for-profit labour hire companies
- unsuitable labour force, difficulty engaging the long term unemployed
- lack of critical mass, market traction
- difficulty engaging with key stakeholders
- lack of appropriate WHS compliance at host's site
- poor support from job active providers
- lack of business buy-in due to extra costs incurred transitioning from a cash based casual employee workforce to an award and regulatory compliant workplace

²⁹ HVW Risk Register 201611.pdf (latest risk register versions)



EVALUATION

Achieving and Measuring Outcomes

The expected outcomes of an employment hub include:

- increased employment in the region reducing unemployment and underemployment
- increase in local labour meeting local needs, particularly regarding seasonal horticultural work
- increased satisfaction for local employers in securing labour with the right skills, at the right time
- increased social networks, social capital. Increasing the opportunities for the marginalised to participate in the local economy
- increased local ownership of the unemployment problem and a means to directly improve outcomes for the disadvantaged in the community
- employee satisfaction

These outcomes can be measured through employer and employee surveys, by direct data analysis in house and from other organisations that collect data from the region. The measurement framework is provided in the following table.

Table 10: HVW Measurement Framework

Outcome	How will we know if we have achieved it?	measure?
Increased employment in the region reducing unemployment and underemployment	Transition of HVW employees to outside permanent employment.	Record all relevant data (quantitative)
Increase in local labour meeting local needs, particularly regarding seasonal horticultural work	Employer surveys, increased number of local people employed	Set baseline, record data (quantitative)
Increased satisfaction for local employers in securing labour with the right skills, at the right time	Employer surveys, growth in employment	Set baseline, record data (qualitative)
Increased social networks, social capital. Increasing the opportunities for the marginalised to participate in the local economy	Increased participation at community events, new business, new social/community groups,	Set baseline, record data
Increased local ownership of the unemployment problem and a means to directly improve outcomes for the disadvantaged in the community	information from the project will be available to stakeholders for use in planning	volume of data available usage of available data
Employee satisfaction	Employer and employee surveys, increased employment participation levels, reduction in employment barriers, career path	(qualitative)



LIST OF APPENDICES

1. Social Enterprises
2. Sample Governance Documents – TasWorks constitution
3. Terms of reference for HVW Management Committee
4. TasWorks Workplace Health and Safety Policy
5. TasWorks Credit Terms and Conditions
6. TasWorks Labour Hire terms and conditions
7. Sample Position Description – Recruitment and support worker (Geeveston Community Centre)
8. Huon Valley Works - Candidate Information
9. TasWorks Terms of casual employment
10. TasWorks Ltd - Employment Declaration

