Submission: Leveraging Digital

To   Select Committee on Regional Development
         and Decentralisation, Australian Parliament

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Contents

Select Committee Terms of Reference

Inquire and report on the following:

1. best practice approaches to regional development, considering Australian and international examples, that support:
    a) growing and sustaining the rural and regional population base;
    b) the benefits of economic growth and opportunity being shared right across Australia;
    c) developing the capabilities of regional Australians;
    d) growing and diversifying of the regional economic and employment base;
    e) an improved quality of life for regional Australians;
    f) vibrant, more cohesive and engaged regional communities;
    g) leveraging long-term private investment; and;
    h) a place-based approach that considers local circumstances, competitive advantages and involves collective governance;

2. decentralisation of Commonwealth entities or functions, as a mechanism to increase growth and prosperity in regional areas, considering Australian and international examples, including:
    a) examining the potential for decentralisation to improve governance and service delivery for all Australians, considering the administrative arrangements required for good government;
    b) identifying the characteristics of entities that would be suited to decentralisation without impacting on the ability to perform their functions;
    c) identifying the characteristics of locations suitable to support decentralised entities or functions, including consideration of infrastructure and communication connectivity requirements;
    d) considering different models of decentralisation, including:
        o relocation of all or part of a Commonwealth entity to a regional area;
        o decentralisation of specific positions, with individual employees telecommuting, considering any limitations to this in current Australian Public Service employment conditions and rules; and
        o co-location of decentralised Commonwealth entities or employees in existing regionally based Commonwealth or State Government offices; and
    e) examining the family, social and community impacts of decentralising;

3. actions of the Commonwealth that would encourage greater corporate decentralisation and what can be learned from corporate decentralisation approaches, including:
    a) considering the role of the private sector in sustainably driving employment and growth opportunities in regional areas in both existing and new industries;
    b) comparing the access to early stage equity and or debt finance of metropolitan and regional businesses for both start up and established businesses;
    c) examining access to capital for regional business, including agribusiness, manufacturing and technology;

       d) considering the adequacy of regional businesses access to early stage accelerators and incubators, including access to business mentors, business networks and capital (debt or equity);

       e) considering the adequacy to support the private sector to attract and retain skilled labour to regional areas; and

       f) examining the extent to which employment and growth can be supported by growing existing and new industries in regional areas, leveraging strong transport and communications connectivity; and

4. any related matters.

Blue Mountains Living Lab

Blue Mountains Living Lab (BMLL), part of the newly formed Australian Living Labs Innovation Network (ALIN),[1] is a virtual innovation 'community of practice' that seeks to profile and connect up innovative projects that serve the community of the Blue Mountains. Through its Member Projects, Innovation Champion organisations, blog posts and monthly Big Ideas Futures Forum, BMLL aims to:

- support the development of a vibrant, creative, sustainable and resilient Blue Mountains community and local economy able to meet the challenges and capture the opportunities of the transformative changes impacting society and the economy
- meet the challenges and opportunities of digital disruption of existing businesses, government services, health informatics and community services, with the progressive rollout of high speed broadband with the NBN
- develop new sharing/collaborative economy initiatives
- increase local collaboration and integration of innovation initiatives
- work with young people to focus skills and capabilities, including social and economic entrepreneurship, to capture new opportunities and challenges arising from disruptive changes
- work through the Australian Living Labs Innovation Network (ALLIN) with other Living Lab initiatives in Australia and around the world to raise awareness about challenges requiring innovative solutions and form collaborative partnerships to capture opportunities arising from the forces of change coming down the line.

The Blue Mountains, the land of the Gundungurra and Darug peoples, is a peri-urban community of 80,000 people, clustered in 25 urban villages within a World Heritage Wilderness Area, whose whole community is a 'living lab' working to meet the challenges and opportunities of the disruptive and transformative changes impacting our society. Although only two hours from the Sydney CBD, it experiences many of the same issues as smaller regional towns. There are few local employment opportunities and for the 60 per cent of the workforce who do commute for work and tertiary education, it can involve commutes of over 4 hours per day, placing

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[1] ALLIN is, in turn, part of the European Network of Living Labs (ENoLL) which acts as a global coordinator of developing citizen-driven innovation networks built around collaborative partnerships and co-design.

immense health and social strain on individuals and their families and limiting employment opportunities for working parents, particularly women.

Preamble

The Digital Economy

Australia, like the rest of the world, is rapidly moving to a digitally enabled economy and society with Internet connections across Australia via fixed line, wireless, mobile and satellite to take advantage of digitally delivered services:

- Governments at Federal and State level are adopting a 'digital first' strategy to deliver their services to the community, supported by new investments in data management and the MyGov portal as a 'one stop shop' point of access, including support for an e-health record for all Australians.
- E-commerce is growing at a rapid rate, reducing barriers to entry for small business to service customers on a global as well as a local basis.
- Education service providers in the tertiary, secondary and primary sectors are using online services to meet the needs of today's and tomorrow's students.
- Health service providers are using online tele-health services and advanced robotics in surgery to deliver specialised health services to people over distance.
- Increasingly the agriculture, mining and pastoral sectors are using advanced, digitally enabled technologies to increase their productivity and satisfy customer demands.
- Streaming of video on demand (VOD) is becoming the norm in the way that Australian households are consuming television, interactive video gaming is now becoming a mainstream form of family entertainment, and the online streaming of music is becoming the norm for music consumers.

The digital transformation of the financial services sector is well underway, promising extensive disruption to the way we manage our finances and do our banking and insurance and the institutions we are used to dealing with. Fintech developments, such as blockchain, robo-advisorys, B2B fintechs, digital only banks and insurtech, have the potential to transform important areas of the financial services industry like:

- Retail banking
- Lending and Financing
- Payments and Transfers
- Wealth and Asset Management
- Markets and Exchanges
- Insurance
- Blockchain Transactions.

All of these developments should inform the way the Select Committee considers regional development and decentralisation of Government entities.

Broadband Investments

The Commonwealth Government, both under the previous Labor Government and current Coalition Government has invested in the rollout of high-speed broadband connectivity to enable regional Australians to participate in the digital economy. In line with this, more and more Australians are signing up for broadband connection. Broadband connection is now considered a utility, as basic as water, electricity and gas for Australian households, raising the stakes about its reliability, speed and cost.

The broadband infrastructure is supporting:
- The use of smart, digitally enabled technologies in the agriculture and mining sectors in regional Australia
- The provision of e-Learning opportunities for the delivery of enhanced education and training opportunities to regional Australia
- The improvement in the delivery of health services, in particularly specialist health services, through tele-health services, using bio and nano-technology point-of-care devices and robotic surgery to regional Australia
- Increased uptake of remote working opportunities in the private sector through the growth in virtual organisations that meet F2F when and where as needed, the use of co-working centres for freelancers, and the requirement for 24/7 customer service support in many industries.

Preparing for the Fourth Industrial Revolution

The First Industrial Revolution was mechanisation, the age of the machine. The Second Industrial Revolution occurred through the arrival of electricity as energy. The Third Industrial Revolution occurred through information technologies and the Internet, the so-called Digital Revolution, which is where we are right now. Immersive virtual reality technologies as consumer devices are already on our doorstep.

The Fourth Industrial Revolution is based on a range of new technologies that are fusing the physical, digital and biological worlds, and impacting all disciplines, economies and industries. It is being fuelled by synergies between AI (artificial intelligence) and bio-engineering at the level of molecules to alter and create new life forms for use in agriculture, environmental management, medicine and prosthetics. Other developments include the much heralded potential of 3D printing for customised production of things, bio-computing, quantum computing and nanotechnologies that leverage the mysterious world of nano-particles in a quantum universe.

These developments are expected to exert continued major disruptive changes to the way our society and economic activities are organised, particularly in the linkages between public institutions, business, primary industries and the community.

Immediate and Future Challenges

These disruptions are not only economic; they are social and political, including rapid changes to workforce participation and the new 'geography of jobs' that is concentrating high worth jobs in the inner city areas of major capital cities, especially Sydney, Melbourne and Canberra, where housing is the least affordable for the next generation of knowledge and service workers needed to fill these jobs. Seek CEO, Andrew Bassat, whose company is one of the world's largest global online employment marketplaces, says Australian companies are shaping up to be the 'losers'' in an age when threats and opportunities from disruption, such as the impact of AI (artificial intelligence) on jobs and value chains, are challenging every industry. Mr Bassat has also urged policy-makers and the media to start a long-term discussion about what we will do if jobs disappear. He suggests this needs to happen at every level of our society as its tentacles will be deep and wide[2]. This discussion also needs to inform the deliberations of the Select Committee on Regional Development and Decentralisation.

There is a political 'storm' growing in Australia as people confront flat wages growth and the prospect of disappearing jobs, the rise in underemployment, the increasing cost of energy (electricity and gas) and need to factor in broadband connectivity costs, not just a telephone connection, as a basic household utility. Coupled with this is the rising cost of housing, both rental and home ownership. The basic human need for secure shelter is becoming unaffordable in our capital cities for a significant proportion of low income families, particularly those dependent on pensions and other welfare payments.[3] At the same time, mental wellbeing has become a major concern, particularly among youth and other vulnerable groups. A focus on wellbeing is likely to be a central concern of education leaders as schools and universities, responsible for preparing our future generations for a productive adult life, respond to these challenges.

Australians have a long history of mutual community support and resilience in times of natural disasters such as floods, drought and fires. This spirit of strong community collaboration and mutual support will become more and more significant in meeting the challenges of this growing 'storm' of community anxiety. Strong, vibrant regional towns could make a major contribution to the development of community resilience and cohesion in dealing with these anxieties, particularly as more and more Australians are looking at regional towns as alternatives to the financial and social stress of life in our major capital cities.

The Centre of Activity for Regional Towns

In the pre-industrial towns of Europe, the local church and cathedral provided the 'anchor' of social and political activity. After the 18th century Industrial Revolution, as factories replaced farming for many and towns grew, the cathedral was replaced

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[2] Reported by Damon Kitney, The Australian, 4 July 2017
[3] The recent report by the Australian Housing and Urban Research Institute (AHURI), August 2017, estimates 373,000 NSW households are in housing stress, rising to 678,000 in 2025

by the Municipal Town Hall and the retail High Street. More recently the High Street has given way to the drive-in retail shopping centre, anchored by large department stores, as the meeting place for town social life, particularly for young people.

As retail and other services move online, the centrepiece of townships will become the fast broadband connected Smart Work Hub. This will provide the co-location of a range of services that support a local innovation cluster of activities and support services that are capable of helping communities meet the transformative changes of the Fourth Industrial Revolution, which is promising a whole new level of disruption to the way we live, learn, work and play.

Already many universities, like Western Sydney University, are moving away from dispersed university campuses on large land holdings to highrise buildings in major urban centres, as part of a search for a greater degree of interface and collaboration between universities, industry and the community, as well as public transport access. While some regional towns have the good fortune of having a regional university campus, this is not available to many. Furthermore, the past model of university campuses on the edge of town no longer supports the dynamic of knowledge clustering that is vital to drive partnerships with business and community, and to lifelong learning by people in the workforce.

Internationally, according to most reports on innovation performance, while Australia scores high on research output, it scores extremely low on collaboration and the absorptive capacity of industry and business to make use of the R&D that universities are producing. We need to address this issue as a matter of urgency if Australia is to maintain its standard of living in the face of increasing global competitiveness based on innovation capacity and geo-political changes. The search for joined-up policy is not merely a question of creating mega departments reporting to one minister. It is a question of the development of workplace cultures that support networking and collaboration across silo and institutional boundaries.

Town centres form a vital role in the cultural and social vitality of towns, impacting the local quality of life and its ability to sustain high levels of social and cultural capital through the density of interpersonal networking and volunteering that indicates the health of social capital in any particular location.

With the projection of significant disruption from the impact of AI on existing jobs, community, social and cultural capital will become vital to the future of the Australian way of life and its largely harmonious multiculturalism. Without this Australian communities are likely to see significant fracturing of society and threats to our democratic institutions, as is already apparent in many OECD countries.

Proposal

1. Leverage Digital – Bits to Bytes

In an environment of pervasive and increasingly ubiquitous digital connectivity, regional development and the decentralisation of government entities must be viewed through the lens of digital. Past approaches to decentralisation involving the development of 'new towns' or moving whole or part government entities from Canberra and capital cities to regional towns - involving the expenditure of high levels of human, financial, social and political capital - has achieved disappointing results. The gaining of one government entity to one town does not provide a regional development through decentralisation outcome for the whole of Regional Australia, and merely increases the clunkiness of access to certain jobs in certain locations. It has particularly negative implications given the predominance of two income working families and job mobility across a career.

Therefore, instead of thinking of regional development and decentralisation in terms of moving people, bricks and mortar from Canberra and other capital cities to select regional towns, many of the matters identified in the Select Committee's Terms of Reference can leverage the broadband investment made by the current and former Commonwealth Governments to achieve the identified goals:

- improved economic development
- development of the capabilities of regional Australians
- employment opportunities
- regional access to knowledge and innovation clustering
- vibrant, more cohesive and engaged regional communities
- retention of skilled workers in regional locations.

In particular this approach has the greatest ability to deliver the goal of co-location of Commonwealth entities and employees of different Commonwealth entities. The following ideas show a comparatively low-cost and more equitable way to support the achievement of these outcomes.

2. Mandate 'Anywhere Working' in the Australian Public Service

Following the example of the provision of telework opportunities to Federal public servants in the US under the *Telework Enhancement Act 2010*, the Australian Government should pass legislation that mandates all employees of Commonwealth Government entities should be entitled to work remotely under a flexible *Anywhere Working Policy*, unless there are proven reasons by way of the job they perform or their work history, that would provide a reason for this not being granted. Management should have to prove 'why not' rather than 'why'.

For example, the Commonwealth Department of Communications and the Arts is developing a new Flexible Work Policy, in consultation with staff and the Public Sector Union, that includes the ability to undertake work from a location other than a Department of Communications and the Arts office, which may include but is not limited to the home. The Department's Corporate Plan 2016-2020 adopts an 'if not,

why not' approach to flexible work as part of its Diversity and Inclusion Strategy, and actively encourages managers to promote a work-life balance for all staff.

With the rapid growth of two-income and single parent families, there is an increasing demand for flexible work options that not only vary hours worked, but which also allow people to work closer to where they live in order to reduce the time, stress and cost of long commutes to work, particularly negatively impacting women with young children. If, as in the US, anywhere working policies were mandated across the Australian Public Service, including the right to work remotely, this would provide the human resources (HR) support for leveraging digital to enable more and more people living in regional towns to work for the Australian Public Service (APS). Individual employees would be assessed on their suitability for remote working according the operational requirements of their job, their capability and performance history, and agreed outcomes and deliverables for their particular role and responsibilities. Such work arrangements support the required shift in managerial practice to managing for outcomes, not time at the desk, otherwise known as presenteeism, in terms of performance assessment. It also requires upskilling managers to respond to the needs of remote workers via digital connection, not just employees sitting physically adjacent to their offices.

The public sector, across all levels of government, is one of the largest employers in Australia. According to the ABS (Cat: 6248.0.55.002), as at June 2016 the APS had 243,300 employees. A further 1,495,100 people were employed by state governments and 186,500 by local governments. Thus public sector employees comprised nearly 2 million employees (1,924.8) in total. It should also be noted that, as is the case in the private sector, there has been an increasing use of short term contracted employees in the public sector, both to take advantage of short term demand for specialist skills, and to create more flexibility in hire and fire arrangements outside those that apply to fulltime ongoing public servants. Thus even in the public sector we are seeing the growth of insecure employment and its flow-on impact on housing and family life, which is contributing to workforce anxiety.

3. Establish Australian Government Hubs in Select Regional Towns

Establish Australian Government Hubs, as a cluster of different government entities, in all major regional towns. Under the umbrella of a mandated APS 'anywhere working' policy, this would provide the opportunity for employees to work remotely (telework) to their managers, whether located in Canberra or other capital cities, or other regional towns, under individualised employed agreements with their managers in government entities. The Australian Government Hubs would include telepresence video conferencing facilities as standard fit-out to enable high quality video conferencing across the Australian Public Service between all entities and community and industry stakeholders on a local and global basis, and across agencies in different levels of government. These telepresence video conferencing facilities could also be made available for hire by a range of local business and community organisations, and form part of a town conferencing facility for a wide range of uses.

Telepresence video conference

Such Australian Government Hubs would encourage greater communication between the policy and institutional 'silos' that inhibit the levels of convergence across portfolios and agencies involved in increasingly complex and often wicked public policy challenges facing Government. It would leverage the place-based identity that unites employees in a particular regional location and build closer relations between public servants and the wider Australian community whose taxes fund their employment.

Research has shown that workers highly value the social aspect of working alongside colleagues who share their professional interests and workplace culture. One of the challenges of teleworking and remote working, particularly from home, is that workers gain flexibility but lose collegiate companionship and often feel isolated. That is why the optimum arrangement is to spend some time of the week in the office. If Australian Government Hubs were established in select regional towns, then this would provide remote workers with a collegiate work environment that met this social need, while at the same time bringing employment opportunities closer to where people live. This in turn would have the spillover effect of stimulating economic activity among local service providers meeting the needs of this workforce, and enable more engagement in local community and volunteer activity by skilled public sector employees.

Initiatives in the US that leverage digital include the Maine Centre for Business and Economic Research partnering with the University of Southern Maine to study Maine's growing telecommuting workforce as a way to encourage economic growth and employment in the state. It also includes the work of Teleworks USA, based in eastern Kentucky, which was launched as a part of the American Recovery and Reinvestment Act (ARRA) to help connect job seekers in rural areas and small towns

with remote job opportunities. It aims to bring high-demand, high-growth telecommuting jobs to workers in eastern Kentucky. Montana's "Come Home and Bring Your Job With You" campaign encourages Montanans who've left the state to find jobs to return to Montana and telecommute instead. This effort includes a partnership with the Montana Chamber of Commerce.

The 2017 *State of Telecommuting in the U.S. Employee Workforce* report suggests that: "while technology enabled telecommuting, it is people that are driving the trend forward. Across every age group, what they want—and increasingly demand—is the flexibility to work how, when, and where they want. And smart employers are finally coming to understand, what's good for their people is good for them."

4. Co-locate Co-working Hubs for Private and NFP Sectors

Establish private sector operated/not-for-profit co-working hubs adjacent to these Australian Government Hubs, for freelancers and members of the community. The future workforce is expected to comprise a greater proportion of people working as freelancers in the gig economy, as project-based contract workers, or as micro-businesses operating in networks with other micro-businesses providing specialised services to client companies, and government – on a local, national and global basis.

Currently the greatest concentration of private sector co-working centres are clustered around the CBD of our largest cities, reflecting the related concentration of jobs in the knowledge economy, but where housing is increasingly unaffordable to the next generation of knowledge workers graduating from our universities today.

One of the lessons from the experience of private sector co-working hubs is that they need to be 'curated'. A fulltime hub coordinator is required to facilitate relationships and networks among freelancers and bring in value-added services that make the cost of renting space in a co-working hub better than working in isolation from a home office. A way to address the 'market failure' to promote co-working opportunities in outer urban, regional and rural towns, is to use the Australian Government Hub as the anchor around which a community of freelancers and contract workers can cluster.[4] The advantages of this approach to smart work hub clustering can be seen in The Netherlands.

> Starting in 2008, the Netherlands has developed a network of Smart Work Centres which combine elements of co-working, teleworking, innovation accelerators, business support services, child care centres and cafes to support decentralisation and reduce urban congestion in major cities like Amsterdam. By 2011 the network had growth to over 120 centres across the Netherlands. They report that what started out as an urban congestion initiative, has created an engine of 'systematic serendipity' that has fired innovation and creativity across the network.

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[4] As a result of a pilot project by the NSW Government, co-working hubs have been established at Gosford, Penrith and Oran Park – outer urban and peri-urban areas of Sydney.

Smart Work Hub in the Netherlands

5. Co-locate Innovation Hubs

Establish adjacent Innovation Hubs for access to early stage accelerators and incubators, including access to business mentors, business networks and capital (debt or equity) as part of the Commonwealth Government and State Government support for regional innovation.

While, for example the NSW Government has set aside $57 million to help startups and SMEs in regional areas, it is concentrating its resources in Sydney's inner city for tech startups with a $35 million investment in one Sydney Startup Hub in the central business district, which will house more than 2,500 founders and entrepreneurs and hundreds of startup businesses, as well as a host of other ecosystem supports like venture capital companies. Similar hubs are being fostered in Sydney at the Australian Technology Park, anchored by the Commonwealth Bank of Australia.

While meeting the market trends of the new geography of jobs that is concentrating knowledge jobs in the inner city of major capital cities, it is exacerbating the negative relationship between housing affordability, work and transport congestion that is reducing the liveability and productivity of our major cities, particularly Sydney and Melbourne, each predicted to be home to more than 8 million residents by 2050.

If regional cities are to compete in the innovation stakes, they also need support for the sort of clustering that is being government supported in our capital cities, although on a smaller scale. High quality telepresence video conferencing facilities, together with the sort of physical travel that is part of the life of entrepreneurial innovators in the global economy, will enable them to interact seamlessly with colleagues in cities around Australia and the world.

Fishburners Innovation Hub in Sydney

One of Sydney's most successful Innovation Hubs is Fishburners, established close to the University of Technology Sydney and Sydney CBD, with new branches being established in Brisbane and Shanghai. On its website, encouraging new members, Fishburners states:

> When asking our members what the biggest benefit of Fishburners is, 'community' is always at the top of the list. By joining Fishburners you are joining a highly-collaborative community where members actively volunteer their time to help another Burner out. Our members have a wide range of skills and have overcome the same challenges you're likely to face - the Fishburners culture is built on sharing that experience and advice with burners in need.
>
> To help burners meet, we run regular community activities like our weekly lunch group, member-run workshops, Friday night pitches, sport groups, in-house movie nights, out-of-office weekend trips and more!

Innovation hubs include collaboration areas, practical boardrooms, buzzing event spaces, fast internet, flexible desk terms and catering supplies to celebrate wins. Membership brings with it access to extensive networks of mentors, investors, media contacts, funding sources and collaborators.

It is these sorts of connections which need to be replicated in regional towns if Regional Australia is to be able to participate in this new way of generating opportunity through collaborative entrepreneurship.

6. Co-locate Digital Learning Hubs with Australian Government Hubs

Universities are major economic and cultural accelerators for areas where their campuses are located, and represent a significant investment by the public in tertiary education to grow the future workforce and research capacity to generate knowledge of economic, social and cultural value. Universities are also global institutions involved in global knowledge networks and have access to high quality digital connectivity.

All this can be leveraged to create digital learning hubs in regional towns, whereby local citizens can enrol in a variety of university courses and at the same time enjoy F2F support from locally employed tutors, and engage in local real life learning projects that are connected to activities associated with the Australian Government Hubs and Innovation Hubs.

A Digital Learning Hub

Cisco has been one of the leaders in the field of leveraging digital to enable learning, connecting up a range of facilities that meet the needs of people in a trajectory of the demand for lifelong learning across changing multiple careers.

> A learning hub is a technology-rich learning environment with both physical and virtual components that provide formal and informal opportunities for learners to come together with peers, teachers, and other experts in their field. Here, individuals can access relevant knowledge and information, enlist support from educators and other learners, and, in so doing, develop new opportunities to improve… Furthermore, learning hubs enable students to meet with experts and mentors virtually or join a class remotely (from one or more learning hubs) via high-definition video conferencing or Cisco TelePresence® facilities (Selinger, M., 2013).

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Many municipal libraries are already becoming a vital part of the education sector. They currently act as informal digital learning hubs for freelancers and tertiary education students. They also act as safe after-hours learning spaces for secondary students, particularly those of fulltime working parents. Consideration should be given to incorporating municipal libraries in the digital learning hubs that are part of the proposed smart work hub cluster that includes the Australian Government Hub, co-working centres and innovation support services.

The biggest challenge facing town planning in regional towns is how to co-locate these activities so that they form a supportive innovation cluster of social, business and cultural synergies rather than stand alone facilities attached to legacy buildings. It is not enough to attach a café and gallery to a municipal library. Rather they need to be reconfigured as part of digital learning hubs that form an integral part of a town innovation cluster, anchored by Australian Government Hubs.

Conclusion

While no one is arguing that there is not a high demand for face-to-face (F2F) contact in the generation of innovation, which is driving the investment in innovation hubs in the inner city areas of Sydney and Melbourne, the reality is that many innovation clusters actually happen globally. Academic researchers frequently work more closely with colleagues around the world than the people sitting in offices nearby in their physical corridor. Global corporations assemble teams that span the globe, making use of specialised talents and closeness to different market conditions. Research on the remote working experience is that what works best for many people is the ability to work closer to home, either in the home office or a nearby smart work hub or a combination thereof, in order to access the companionship of work colleagues. Similarly global corporations often use F2F kickstart meetings for a new global team project, and follow this with virtual communication systems and protocols.

If the Government merely takes a people, bricks and mortar approach to the decentralisation of government, it will do nothing to overcome the persistent problem of thinking in silos that is undermining our ability to increase productivity through innovation. If instead the regional development-decentralisation strategy was to use the APS as an anchor to create a whole new concept of flexible work and innovation support, it would make a major contribution to Australia's ability to create the joined-up linkages that are crucial to success in today and tomorrow's economy and society.

Taking a digital approach to regional development and decentralisation, as opposed to a focus on physically relocating Commonwealth entities and their employees, would:
• reduce the significant infrastructure costs, potential negative social impact on employees and their families, and loss of skills and capabilities for the entities required to relocate from their current location.
• utilise the government investment in digital technologies and broadband connectivity across Australia

- make the public feel that the APS is not just a Canberra 'bubble' divorced from the life experience and concerns of the rest of the nation
- provide a branded Australian Government Hub in regional towns that would provide a highly visible physical presence in major regional towns, that 'flew the flag' of the Government and the Australian Public Service, thus increasing confidence that the Government is serving the community
- demonstrate a public service engaged with the broadest cross section of the population, especially in the regions
- spread the employment opportunities of working in the APS to people outside the capital cities and meet some of the employment concerns of leaders in rural and regional electorates
- demonstrate a drive to innovation in use of ICT to achieve flexible workplace practices in the APS as a major employer in Australia that delivers on productivity and work-life balance
- remove the political and human expense and disruption involved in relocating departments and/or sections thereof to centres outside Canberra and other capital cities.

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