CASE STUDY

The Town of Walkerville

Delivering better community outcomes with predictive modelling

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Balancing Council decisions with community expectations

The Town of Walkerville is a local government area in the northeast of the city of Adelaide, approximately six kilometres from the Adelaide GPO. Home to almost 8,000 residents, it is the smallest council in inner metropolitan Adelaide spanning just 3.5 km².

Walkerville is also one of the most affluent suburbs in South Australia, with its community taking pride in the quality and availability of the area's infrastructure and services. As such, the community has high expectations of the level of service the Council provides in keeping the town's roads, buildings, footpaths, parks and amenities in excellent condition.

Like other local government areas, the Council must try and balance decisions around what the community wants and what the Council can afford while keeping rates as low as possible. To help the Council make the best budget allocation decisions to service today's residents and those in decades time, it decided to implement Siemens Strategic Asset Management (SAM) software.

Optimising future spend leads to major new redevelopment project

The Town of Walkerville has an infrastructure asset profile valued at $220 million which includes 35km of road network, 55 buildings, 80km of footpath network as well as parks and other facilities.

To fund future projects, the Council recognised it only had a few options to consider: 1) raise rates, which would not be popular with the community; 2) borrow money from the government, which has to be paid back and is not sustainable over the long term; 3) reduce services, which is not always possible; or 4) extend the life of its existing assets by optimising future spend.

It was this fourth option that the Council wanted to explore. According to James Kelly, Group Manager, Assets & Infrastructure at the Town of Walkerville, if the Council had a way of knowing when to intervene at the right point, it could extend the life of its assets while making better, more timely decisions around what to invest in and when.

"With the help of Siemens Asset Management Software, we were able to capture data on the condition of our roads and footpaths and analyse how they would be impacted by varying budget levels and intervention times for replacement. It allowed us to clearly identify that the roads were in excellent shape and not in any immediate need of maintenance in the near future – giving us the flexibility to use the funds elsewhere.

TOWN OF WALKERVILLE

Customer: Town of Walkerville, South Australia

Vitals:

- Infrastructure asset profile valued at $220 million (total replacement cost)
- Infrastructure includes a 35km road network, 55 buildings and an 80km footpath network
- Has a population of 8,000 residents within an area of approximately 3.5 km²

Challenges: As one of the most affluent suburbs in South Australia, there are high expectations on the level of service provided. The town must balance the wants of the community while keeping rates as low as possible.

Results: With the help of Siemens Asset Management Software, the town was able to determine they could reduce the road capital budget and invest that money into a new key project.

"The data evidence gave our elected Council Members and executives the confidence to reduce our road capital budget without detrimentally impacting the quality of the roads for ratepayers, and reinvest it to deliver other key projects."

The Council reinvested $300,000 a year from the road budget towards major strategic projects across Council. The additional funding allowed the Council to begin the once in-a-generation opportunity to deliver the upgrade of community facilities and showcase the town as a key inner-city precinct, leading to many positive flow-on effects for Walkerville.

Supporting long-term decision making

As part of the process of deciding to reinvest its road budget, the Council needed to understand the impact of its investment decisions over a much longer term.

"We're trying to remain as independent as we can, so we wanted to ensure financial and generational equity by making evidence-based decisions backed by real data.

"We didn't want to end up with a situation in a decade's time, whereby community members had to pay for bad decisions made today. Or, for the Council to be in a position where it is forced into unsustainable decisions in the future."

A key aspect of Siemens Asset Management Software is being able to support long-term decision-making by offering modelling well beyond the first few years.

"We have a 50-year model which allows us to see if we continue with our investment plan, that we're still looking good. We can look at various what-if scenarios, such as taking funds from one area and investing it in another, and see what that will look like in 20,30, 50 years, rather than just the next few years."

Understanding the long-term picture also helps elected members to look beyond their elected cycle.

"They can see what impact the decisions they make now will have in the next five years, so they know with confidence they can deliver on their promises."

The benefits of enabling trade-offs between asset classes

Kelly says enabling trade-offs between asset classes enables the Council to make much smarter, decisions for the future.

"If you have multiple asset classes that you can model, you can start to overlay decisions. For example, if the plan is to fix a road this year, but stormwater maintenance on that road is due in two years, you may decide to delay the road works and bring the stormwater job forward. There's nothing worse than fixing a road and a year later you digging it up – you can be sure complaints will come in hard and fast.

"The more we look longer-term across our suite of assets, the better decisions we can make and it costs us less in the long run – all while keeping our residents safe and happy.

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> **James Kelly,** Group Manager, Assets & Infrastructure at the Town of Walkerville

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