



**ASSET
ENGINE**

Whitepaper

**5 key reasons Local Governments need to start
their digital transformation**

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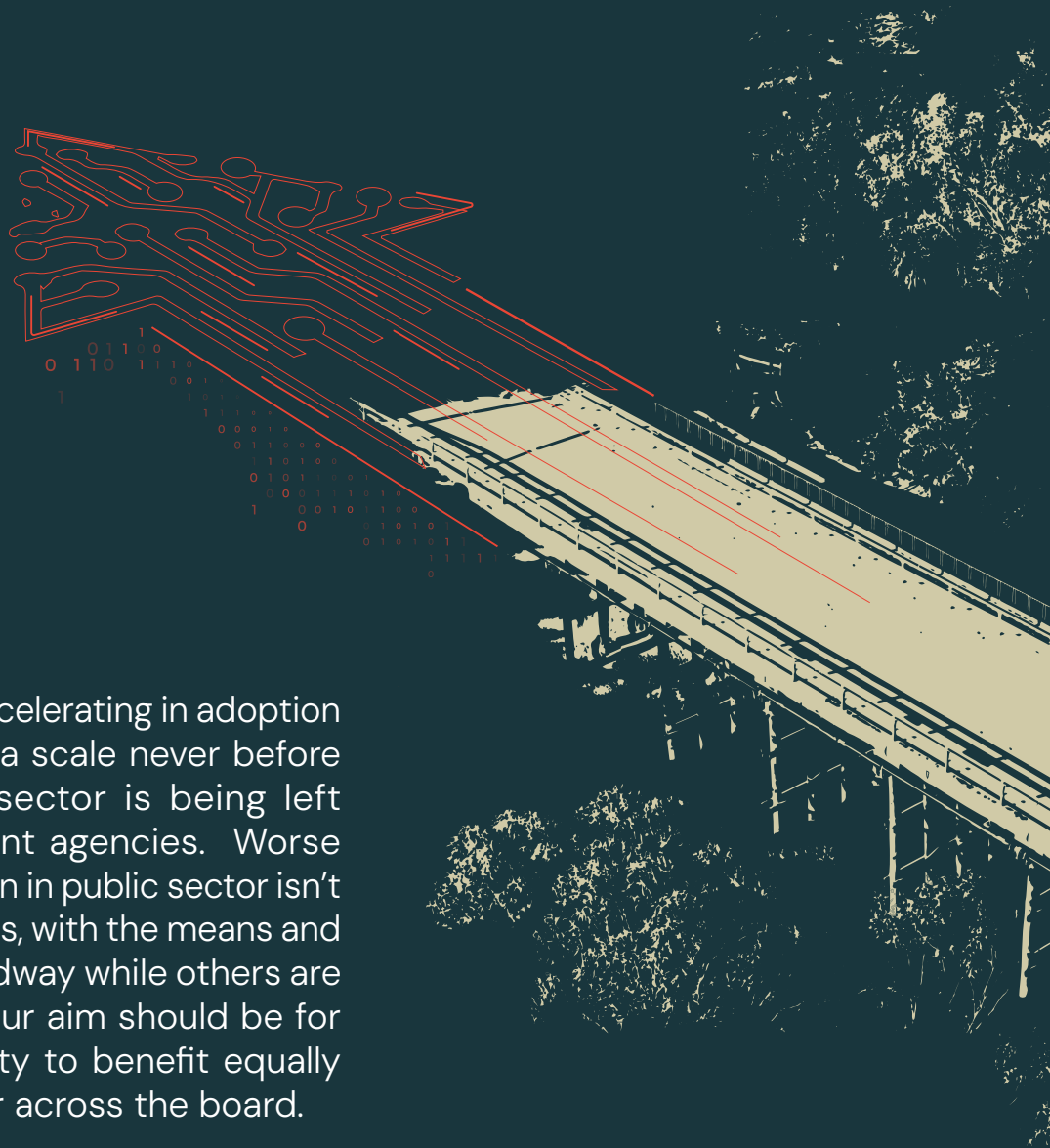


5 key reasons Local Governments need to start their digital transformation

There has never been a more urgent time to stop “making do” and start “making progress” in digital asset management practices in WA. Learn about the reasons why and how you can Bridge The Gap.

Globally, our society is accelerating in adoption of new technologies on a scale never before seen but one critical sector is being left behind – our government agencies. Worse still, progress and adoption in public sector isn't consistent; some agencies, with the means and support, are making headway while others are falling further behind. Our aim should be for the Australian community to benefit equally and to help raise the bar across the board.

Investment in new technology is often fraught with risk, complexity and cost, things public sector, quite rightly, approaches cautiously. However, due to increased adoption, there are growing examples of where technology has been applied successfully in private and public sector. For local government, the ability implement new solutions easily and see tangible impacts quickly is now within reach. This means limited impact on the organisation while still realising improvements in productivity and value back to the communities they serve.





According to recent studyⁱ by [IBRS](#) and [Insight Economics](#) (on behalf of Technology One), there are substantial savings available if government could drive a huge shift to [Software as a Service](#) (SaaS) solutions across all sectors. Savings which, it is proposed, could be used for critical investment in infrastructure, services and newly created job roles that would ensure resilience across the Australian public sector landscape long into the future.

The evidence suggests that SaaS has the potential to deliver substantial cost savings to organisations. The savings come from reductions in the cost of Information and Communications Technology (ICT) ownership and maintenance, and productivity improvements associated with the automation and simplification of business processes. The afore mentioned study suggests that there could be **savings of around 14%** of operating costs for small – medium sized government organisations.

ⁱ [“The Economic Impact Of Software As A Service In State & Federal Government”](#)

By Technology One

1. Aging infrastructure

We are reaching a critical juncture in the history of many Australian regions where much of our post war infrastructure is coming to the end of its useful life. Further more, many areas have suffered from poor preventative maintenance routines meaning many assets are not in optimal condition and can represent a genuine risk to public safety.

Adherence to best practice measures can extend the useful life of assets long enough to allow for adequate planning and budgeting for larger capital investments in upgrade or replacement. Shifting from reactive attention of aging assets to a robust regime of preventative maintenance can be challenging without modern techniques to assist.





Solution:

Start by developing an accurate and simple Asset Register that can easily be updated and interrogated. Keeping a clear record of all older assets and their current condition allows for more strategic approach to their management, allowing for planned maintenance and upgrades that are integrated into a 10 year budget plan.

2. Financial Strain

The cost of servicing local communities escalates every year yet rates rarely go up in line and additional state or federal support can be hard to obtain. Unplanned costs linked to emergency repairs or urgent upgrades can derail LGA budgets putting key community projects in jeopardy.

When faced with these scenarios there aren't many levers local government can pull to balance the budget. Lifting rates is never popular but finding new ways to save costs is part of the solution. There are clear cost benefits to investing in building solid Asset Management processes that ensure financial resilience of the LGA into the future.

Commissioning bespoke ICT projects to deliver in-house systems is no longer a viable approach for most small-medium organisations. Therefore the rise of SaaS solutions with subscription options means that they can finally tap into an affordable solutions that will scale and evolve with their business needs without the costs associated with owning and developing the solution.





Solution:

Find a low cost way of building a digital asset register and begin tracking the health and cost of your most critical assets; a fit-for-purpose, cloud based third party software with subscription options (and good data security) is a clear consideration. Over time, you will build enough data to allow for long range financial planning around your asset base providing **valuable insight to the budgeting process, proactively saving cost on the management of your asset portfolios.**

3. The longer you wait the harder it is to start

Like any big transformations, it can be daunting to take on a transition to digital and cloud-based practices. Lack of budget and resource to manage new systems are often cited as key concerns that prevent leaders of local government from making a start.

The digital world, especially in areas of complexity like Asset Management, is evolving rapidly and affordable solutions are now readily available. Cloud based SaaS, "Internet of Things" and Artificial Intelligence are just some of the recent developments that are changing the game. However, it's impossible to leverage the benefit of these opportunities without good, foundational habits on data management.

Infrastructure Western Australia conducted a significant body of work to produce the State Infrastructure Strategyⁱⁱ in 2022 which has been largely adopted by the state government. A key finding from this report stated that:

"Issues associated with a lack of overall maturity and capability in asset management across the public sector – in particular, the robustness of data capture and analysis, and prioritisation based on asset performance, risk and need... Reported expenditure is also highly variable over time, suggesting reactive or breakdown maintenance is a larger component than routine and preventative maintenance."

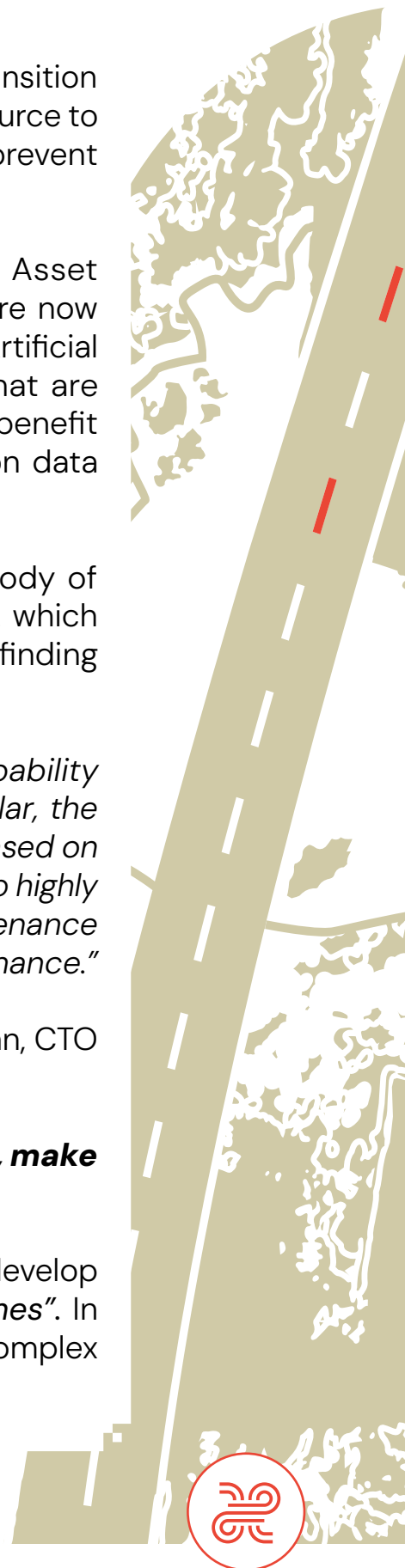
In a recent, insightful webinar by Symphony 3ⁱⁱⁱ Michael Fagan, CTO Village Roadshow (formerly Kmart) urged LGA's to

"Think big but start small and optimise in your own area, make it work and then scale..."

and also to ensure that first element or process you want to develop in into a digital world has *"Good, tangible business outcomes"*. In his experience at Kmart they went too big with an overly complex use case so it ran

ⁱⁱ Infrastructure Western Australia - [State Infrastructure Strategy](#)

ⁱⁱⁱ Symphony 3 Webinar "How Disruptive Technologies Will Have A Seismic Effect On Local Government"





Solution:

Start small. There is no need to solve all your organisations data issues and processes in one hit. Pick an area where there are bottlenecks and complexities that would most benefit from digitalisation and focus on delivering a win in that space. Working with the right, flexible partner and service providers will mean there is flexibility to scale over time, bringing in other business areas and processes as and when budget allows.

4. Knowledge Transfer and Productivity Struggles

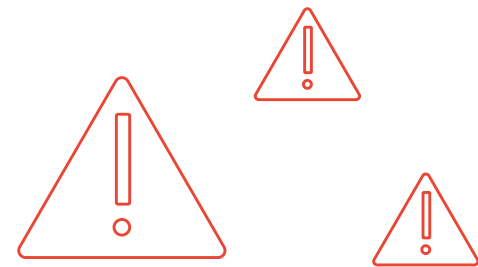
Every organisation struggles with issues related to human resources; staff productivity and turnover being especially challenging. Processes that are admin intensive and lack basic automation create issues with transfer of data due to the risk that data can be incomplete, disparate or lost.

Managing with a gap in the team and onboarding new starters is harder when data isn't easy to access. Modern organisations recognise the need to abandon manual processes and spreadsheets traditionally used to manage important tasks and work flows.

In the previously mentioned study^{iv} by IBRS and Insight Economics they had this to say about the impact of SaaS on tangible productivity in small-medium government organisations:

*“An unexpected productivity gain comes from better analytics and reporting... It stemmed from dramatically reducing the need for periodic, manual preparation of reports from different data sets and different solutions. Instead, reporting and visualisation of key information is fully automated...Agencies report that from **one to four people can be redeployed as a result of more efficient reporting processes**. In addition, these agencies have also reported significant **improvements in accuracy and currency of the reports generated**”.*

iv [The Economic Impact Of Software As A Service In State & Federal Government](#)” By Technology One





Solution:

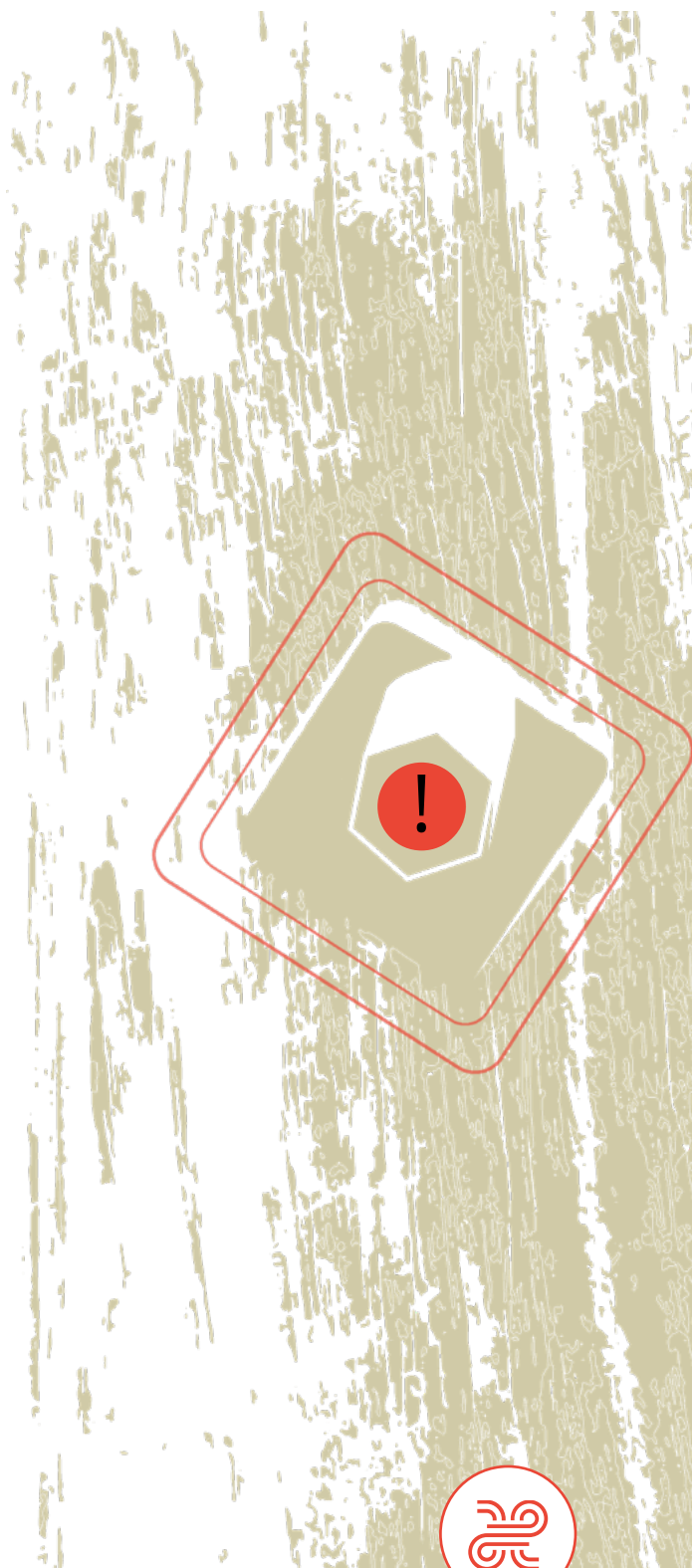
Integrate SaaS solutions into key processes where accurate, shared data is critical to the smooth running of the organisation. Areas of high complexity that are overly reliant on human intervention for administration and reporting are perfect opportunities for a SaaS solution that will free up time and reduce risk across your organisation.

5. Evolving regulatory environment

As our infrastructure ages and with an inconsistent approach to preventative maintenance we are entering a period of high risk in key infrastructure assets. It is expected that state government will begin to put further pressure on government agencies who are associated with the ownership and accountability of said assets.

The previously mentioned IWA Strategy from 2022 makes strong recommendations to WA state government on applying further penalties and incentives to guide the development of asset management compliance.

Judging by recommendations from the State Infrastructure Strategy, we could see further penalties for poor asset maintenance or lack of effective data management in relation to managed assets. Equally, there could be further investment and financial incentives for those local governments who have established good processes and practices. Either way, getting ahead of the game today is the best bet.





Solution:

With regulations in a constant state of flux it's essential that organisations stay abreast of the trends and direction of federal and state government initiatives related to infrastructure. It is important to regularly collaborate with external experts who can assist in supplying services or solutions to aid in planning for and meeting future regulatory changes. In short, ensuring your organisation has excellent and effective levels of compliance across all critical asset management routines is the best way to proactively prepare for coming changes and effectively spread risk and investment over time (avoiding unplanned and reactive spending).

In Summary

There is a pressing need for Western Australian government agencies to modernize their digital asset management practices to bridge the gap between current methods and contemporary standards. The challenges posed by aging infrastructure and resource constraints mean a pathway toward more strategic asset management is needed to ensure the safety and financial resilience of our communities. There needs to be a fundamental shift in approach to asset management however the availability of accessible SaaS solutions now provides options and tools to support this shift. Additionally, the challenges of productivity and knowledge transfer issues within organisations mean the deployment of SaaS solutions can streamline processes and enhance efficiency. Finally, the evolving regulatory environment, stresses the importance of staying informed, collaborating with experts, and ensuring compliance to effectively manage risks and investments over time.

The Solutions: Look no further than Asset Engine.

Bridging the gap can be easier than you think, if you want to know more about where to start then the team at Asset Engine would be happy to set up a short session to explain their solution and determine if it could be the right next step for your organisation's digital journey.

Reach to us today:

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