


GOVERNMENT OF SAMOA POLICY

 INFRASTRUCTURE ASSET MANAGEMENT	Document No:	MWTI-2017-IAM-01
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Responsible Agency: MINISTRY OF WORKS TRANSPORT AND INFRASTRUCTURE	Approved By:	FK (17) 22
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Associate Coordinating Body: GOVT ASSET MANAGEMENT STEERING COMMITTEE	Version No.	1.0

1. PURPOSE

The Government of Samoa (Government) acknowledges that assets (particularly infrastructure assets) support its core business of delivering services to the community. Government is committed to ensuring that infrastructure and services are provided in a sustainable manner, with appropriate levels of service to residents and visitors and taking due regard of the environment.

Safe, secure and sustainable infrastructure assets are the cornerstone of public health and safety and are necessary to meet the social, economic and recreational needs of the community.

Therefore, Government is committed to the adoption of sound asset management practices and processes which will significantly contribute to the achievement of Government's vision.

This policy:

- Specifies Government's overarching intentions and guiding principles for asset management.
- Provides a governance framework for Government to undertake the management of its physical infrastructure assets.
- Promotes sustainable development and accountability for prudent whole-of-life management and maintenance of physical infrastructure.
- Includes commitments to funding infrastructure renewal requirements, legislative compliance and to the continual improvement of infrastructure performance.

2. EXTENT OF INFRASTRUCTURE COVERED UNDER THIS POLICY

This policy is a whole-of-government policy and applies to all state entities, defined as:

1. All Ministries;
2. Public Bodies;
3. Constitutional Authorities;
4. Statutory Bodies and others.

This policy applies to all physical assets owned or controlled by Government, however the primary focus will be given to long life infrastructure assets, including:

- (i) road transport network inclusive of roads, bridges, fords and drainages;
- (ii) sea and air transport networks;
- (iii) water and waste water systems;
- (iv) energy supply systems; (gas/electricity/oil production, transmission and distribution);

- (v) information and communication technology networks;
- (vi) coastal protection, flood protection and storm-water systems;
- (vii) parks, playing fields, recreation facilities and cemeteries;
- (viii) solid waste facilities;
- (ix) buildings including community facilities and civic buildings;
- (x) high value and/or specialised plant and equipment such as used in healthcare, education, construction and manufacturing industries.

Note: This policy does not include intangible assets, people, intellectual property and financial instruments.

A change in scope of assets to be included or excluded shall be at the direction of Cabinet and as recommended to Cabinet via the Government Asset Management Steering Committee outlined in Section 7 of this Policy.

3. LEGISLATIVE AUTHORITY AND GUIDANCE

This policy is developed in line with the legislative mandate vested in the Ministry of Works, Transport and Infrastructure through the Ministry of Works Act 2002, Part 2 Clause 4, to develop policies for the management of all public assets.

Associated governing legislation and codes to be observed include:

- National Building Code 2017
- Ministerial & Departmental Arrangements Act 2003
- Ministry of Works Act 2002 (all other relevant clauses)
- Public Bodies (Performance & Accountability) Act 2001
- Public Finance Management Act 2001
- Public Service Act 2004
- Treasury Instructions 2013

The guiding principles for asset management will be aligned with:

- International Infrastructure Management Manual (IIMM)
- ISO Standards for Asset Management (ISO55001/55002)

4. LINKAGE TO OTHER GOVERNMENT POLICY AND PLANNING INSTRUMENTS

It is intended that the development and implementation of any new or amended planning policies, consider the principles outlined herein to ensure safe, secure and sustainable asset management philosophies are embedded throughout Government.

These may include but not limited to the National Strategy for the Development of Samoa, Samoa Public Sector Investment Programme, Infrastructure Plans including the National Infrastructure Strategic Plan, Transport Sector Plan, Community Integrated Management Plans, Apia Waterfront Development Plan, Government Asset Management Strategy, agency Corporate Plans, Asset Management and Financial Management Plans.

5. KEY DEFINITIONS

Infrastructure Assets. Infrastructure assets are the facilities and physical networks which deliver critical services to our communities supporting quality of life and economic development. Encompasses all assets outlined in Section 2 of this Policy.

Asset Management. Asset management is taking a systematic approach to manage infrastructure assets through all lifecycle phases. This involves applying a combination of engineering, financial and other technical practices to the management of infrastructure; costs; opportunities; risks; and performance.

Asset Management Plan. An asset management plan defines the implementation of activities necessary to realise an organisation's asset management objectives which translate the strategic intent of that organisation.

Asset Maintenance. Maintaining an asset refers to all operational actions necessary for retaining an asset as near as practicable to its original condition, but excluding rehabilitation or renewal. Maintenance does not increase the service potential of the asset or keep it in its original condition, it slows down deterioration and delays when rehabilitation or replacement is necessary

Asset Renewal. Restores, rehabilitates, or refurbishes an existing asset to its original capacity. Returns service capability of the asset up to that which it had originally.

Capital Asset Improvement. Enhancements to an existing asset or creation of a new asset to provide higher service levels, or new service level/output that did not exist beforehand. Also includes the extension/expansion of an existing asset to provide benefits to a new user group. May also increase the life of the asset beyond that which it had originally.

Asset Funding Gap. The difference between the investment required for the renewal of an asset over the life of that asset class, and the amount of funds currently being spent on renewing that asset class annually. Underinvestment in maintenance and renewal of infrastructure increases this gap.

6. ASSET MANAGEMENT PRINCIPLES

Under this Policy, Government is committed to achieving sustainable performance, risk and funding of its infrastructure assets. All state entities shall adhere to core asset management principles by:

1. Service delivery drives Asset Management practices and decisions;
2. Asset Management decisions shall be based on service delivery needs and the benefits and risks of assets, with an evaluation of alternative options that take into account lifecycle costs;
3. A strong safety culture and capability to deliver a safe, zero-harm service and workplace, shall be a cornerstone of asset management decisions and practices;
4. Asset Planning and management has a direct link with Governments corporate and business plans, budgets and reporting process;
5. Medium and long term financial planning shall reference the Asset Funding Gap;
6. Asset depreciation shall also be used to fund asset renewal or rehabilitation.

7. A Capital Works priority evaluation process shall be used for all new or upgrade projects involving infrastructure assets. A business case shall be prepared as part of the initial formulation of capital works proposals over a nominated threshold as outlined in the Capital Works Evaluation Framework;
8. New or upgrade infrastructure assets (regardless of funding source) are to include full lifecycle costs as part of project evaluation;
9. Asset Management plans are to be developed by State Entities for their respective infrastructure assets in compliance with the principles and guidelines of this policy and submitted for endorsement by MWTI and the Asset Management Steering Committee. These plans shall be informed by community needs, and integrated with government financial reporting frameworks;
10. Financial and Asset Management reporting shall be categorised in terms of operational, maintenance, renewal, upgrade and new expenditure classification to enable sound Asset Management decisions;
11. 'Maintenance before Renewal' and 'Renewal before New or Upgrade' philosophy shall generally be applied (where it is cost effective to do so);
12. Staff with infrastructure asset and financial responsibilities shall be appropriately briefed in relevant asset and financial management principles, practices and processes;
13. After establishment, the condition or structural integrity of infrastructure assets will be managed by application of appropriate lifecycle activity i.e. operations, maintenance, renewal or upgrade and disposal.

7. ROLES AND RESPONSIBILITIES

7.1 Ministry of Works, Transport and Infrastructure (MWTI)

The Government through MWTI will develop and operate a National Infrastructure Asset Management Strategy with objectives which are aligned with this Policy. A monitoring, evaluation and reporting system with suitable performance indicators shall also be developed to measure and monitor achievements and progress against the Strategy and against state entities' Asset Management Plans. The feedback from monitoring will be used to achieve continual improvement of the performance and effectiveness of each state entity's infrastructure asset management framework.

MWTI will actively engage with state entities and the community, to ensure adequate levels of service and performance are agreed upon and specified within Asset Management Plans. Customer satisfaction will be monitored against these levels of service.

MWTI shall actively engage with state entities to promote the successful implementation of their Asset Management Plans, and to ensure compliance with this Policy.

7.2 Asset Management Steering Committee (AMSC)

An Asset Management Steering Committee shall operate to provide oversight and advice, support coordination and facilitate the implementation of the adopted Infrastructure Asset

Management Policy and other key components comprising Government's Infrastructure Asset Management Governance Framework.

Membership of the AMSC shall consist of the Chief Executive Officers of the

- Ministry of Works, Transport & Infrastructure (Chairperson)
- Ministry of Finance
- Ministry of the Prime Minister and Cabinet
- Ministry of Public Enterprises
- Ministry of Natural Resources and Environment
- Ministry of Women, Community & Social Development
- Ministry of Communication & Information Technology
- Electric Power Corporation
- Attorney General

The role of the AMSC shall be to:

- (1) Ensure Government's Infrastructure Asset Management Framework is in place, appropriate and pursued. Key framework instruments being (i) this Policy; (ii) a National Infrastructure Asset Management Strategy; (iii) a National Capital Works Program (in line with and eventually guiding and feeding into the PSIP); (iv) a Capital Works Evaluation Framework (allowing appropriate selection of what should go into the National Capital Works Program); (v) state entity Asset Management Plans inclusive of (vi) specific Maintenance, Asset Improvement and Risk Management plans; (vii) agreed Service Levels and accepted standards; (viii) a National Infrastructure Asset Management System (database) and (ix) a Monitoring Evaluation and Reporting framework;
- (2) Reviewing state entity Asset Management Plans and other Asset Management framework instruments submitted by state entities, for completeness and compliance with overall government policy and strategy.
- (3) Reviewing and providing comment on audit and other monitoring reports on state entity compliance and progress;
- (4) Ensuring close collaboration and linkage between MWTI, Ministry of Finance, Chief Auditor's Office, Ministry of Public Enterprises and other key stakeholders in the governance and financing roles, as well as the implementing state entities.
- (5) Reporting to Cabinet at least once a year on the State of Infrastructure in Samoa and covering Strategy and Policy implementation progress and improvement aspects.

MWTI via its division responsible for the Infrastructure Asset Management function shall provide the secretariat support role for the AMSC and the technical and administrative facilitation for the Samoa Infrastructure Asset Management (SIAM) framework.

The AMSC shall be convened at least quarterly and shall report on an annual basis to the Cabinet via the Minister of Works, Transport and Infrastructure.

7.3 State Entities

In addition to the mandatory corporate and financial reporting required by legislation, state entities must submit the following to MWTI taking into account the policy principles outlined in Section 6 (for review, inspection and report to the AMSC), 3 months before the end of each financial year;

- (i) Asset Management Plan (AMP)
- (ii) Maintenance Investment Program (MIP)
- (iii) Capital Investment Program (CIP)

Changes to a state entity's MIP/CIP as a result of funding confirmations (local budget or development partner supported) must be made and relayed no more than 1 month after the relevant negotiations are finalised.

All information provided by state entities in relation to this Policy shall be in templated formats determined by MWTI and the AMSC.

8. POLICY REVIEW

MWTI shall review this policy annually and as required. Any review and recommendations shall be tabled for endorsement by the AMSC for Cabinet approval.