



GOVERNMENT OF SAMOA POLICY

INFRASTRUCTURE ASSET MANAGEMENT	Document No:	MWTI-2017- IAM-01
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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 and resilience.
- Defines how climate, disaster and natural hazard risks and resilience needs integrate into the asset management planning processes and tools.

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;
5. State Owned Enterprises, other state owned corporate bodies and subsidiaries.

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 specialized plant and equipment such as used in healthcare, education, construction and manufacturing industries.
- (xi) high value and/or specialized large vehicles, ships and boats
- (xii) critical early warning and weather monitoring systems

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, climate change and disaster resilient philosophies are embedded throughout Government.

These may include but not be limited to the Government's proposed 75 year long-term plan to incorporate all long-term infrastructure developments for Samoa, the Pathway for the Development of Samoa, Samoa Public Sector Investment Program, Infrastructure Plans including the Transport and Infrastructure Sector Plan, Samoa Climate Change Policy 2020, Sector Plans, 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.

Climate Change. A change in the state of the climate that can be identified (for example, through use of statistical tests). This includes changes or trends in the mean and/or the variability of its properties which persist for an extended period (typically decades to centuries).

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.

Resilience. The ability of a system and its parts to anticipate, absorb, accommodate, or recover from the effects of a hazardous event in a timely and efficient manner, including through ensuring the preservation, restoration, or improvement of its essential basic structures and functions.

Asset Custodian. The party who is responsible for maintaining an accurate record of inventory and asset information, tracking regulatory compliance, tracking financial information such as depreciation of all assets governed under this policy.

6. ASSET MANAGEMENT PRINCIPLES

Under this Policy, Government is committed to achieving sustainable performance resilience, 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 asset evaluation of alternative options that take into account lifecycle costs.
3. Use Asset Management to make decisions for increased resilient infrastructure by understanding the risks related to natural hazards and impact on infrastructure service delivery and applying a framework to prioritise resilience improvements. Asset vulnerability management will form part of resilient infrastructure management.
4. 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.
5. Asset Planning and management has a direct link with Governments corporate and business plans, budgets and reporting process.
6. Medium and long term financial planning shall reference the Asset Funding Gap.
7. Asset depreciation shall also be used to fund asset renewal or rehabilitation.
8. 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.
9. New or upgrade infrastructure assets (regardless of funding source) are to include full lifecycle costs as part of project evaluation.
10. 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.
11. Asset Management practices are to be developed by Government Ministries for their respective infrastructure assets, and included in their Sector Plans. The asset management practices will be 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.

12. Financial and Asset Management reporting shall be categorised in terms of operational, maintenance, renewal, upgrade, resilience improvements and new expenditure classification to enable sound Asset Management decisions.
13. 'Maintenance before Renewal' and 'Renewal before New or Upgrade' philosophy shall generally be applied (where it is cost effective to do so).
14. Staff with infrastructure asset and financial responsibilities shall be appropriately briefed in relevant asset and financial management principles, practices and processes.
15. 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, government ministries 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 and government ministries to promote the successful implementation of their Asset Management Plans, Asset Management practices and to ensure compliance with this Policy.

MWTI shall actively engage with state entities and government ministries in Asset Management capacity development and staff training on asset management.

MWTI will establish an Asset Management and Resilience Office (AMRO) to deliver these roles and responsibilities.

7.2 Asset Management and Resilience Office (AMRO)

The Asset Management and Resilience Office (AMRO), within Ministry of Works Transport and Infrastructure (MWTI) holds division role and responsibility for the Infrastructure Asset Management function of the Samoan Government. It is responsible for ongoing coordination, development, and implementation of asset management practice. The AMRO shall provide secretariat support for the AMSC and technical and administrative facilitation for the Samoa Infrastructure Asset Management (SIAM) framework.

The AMRO roles include:

Leadership for asset management practice and relationship building across all the sectors (Ministries and State Entities), and from national level to local level

Supporting development and implementation of the Asset Management Policy, SIAM framework, asset management plans and sector plans

Liaise and assist AMSC member agencies and sectors in the performance of their roles and responsibilities in accordance with the SIAM framework and or directives of the AMSC/Cabinet
Develop and undertake monitoring, evaluation and reporting with suitable performance indicators to measure and monitor achievements and progress against the SIAM and against Sector Plans and State Entities' Asset Management Plans

Support continual improvement of the performance and capacity and capability development (including development of competency frameworks) of each of the Ministries and State Entity's with asset management responsibilities

Administration of the activities of the AMSC, including secretariat support

Provide quarterly reporting to the AMSC on Strategy and Policy implementation progress, asset management achievements and progress against the National Sustainable Development Goals (SDG's)

7.3 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
- Ministry of Education, Sports and Culture
- Ministry of Health
- Public Service Commission
- Electric Power Corporation
- Samoa Water Authority
- Office of the 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) the Samoa 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 and Resilience 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 as on an agreed timeframe 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 meet at least quarterly and shall report on an annual basis as is required to the Cabinet via the Minister of Works, Transport and Infrastructure.

7.4 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 one 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 approved by the AMSC.

7.5 Government Ministries

In addition to the mandatory corporate and financial reporting required by legislation, Government Ministries 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 Practices section of their Sector Plan
- (ii) Maintenance Investment Program (MIP)
- (iii) Capital Investment Program (CIP)

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

All information provided by the Government Ministries in relation to this Policy shall be in templated formats determined by MWTI and approved by 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.