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New Zealand Agricultural &
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**The Role of ASM in Meeting Outcome Targets:
A Perspective from the Coal Face**

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Paper presented at the 2011 NZARES Conference

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The role of ASM in meeting outcome targets

A perspective from the coal face

Ian Brown
26 August 2011

Outline

- The CWMS opportunity & challenge
- What is ASM?
- Coal face issues
- The NOIC & MGI examples
- ASM and the CWMS fit

CWMS opportunities and challenge

Opportunities

- Improved environmental outcomes
- New water, more irrigated land, new developments
- Gains across all ten CWMS target areas.

Challenge

How to realise the opportunities that additional development provides while meeting community agreed environmental outcomes for water quality

ASM is one tool that will help us meet this challenge

Audited Self Management – what is it?

- *“Used in conjunction with good management practices (GMP), ASM is an established audit system designed to verify adherence to GMP requirements.*
- *Used with regulatory compliance, ASM schemes transfer day-to-day resource management responsibilities to users under agreed terms, and subject to transparent audit.*
- *Commonly, an auditor approved by the regulator is engaged to undertake a compliance audit, which is then accepted by the regulator as proof of regulatory compliance by the consent holder.”*

Ref: Modified definition from LWF report

Audited Self Management – what is it?

- *Management of an industry by that industry towards outcomes desired by that industry and others, with an audit of performance to provide credibility and verification of reported results*

Ref: John Hutchings (Fonterra)

Self Management – A Challenge!

- Recent examples of industry self-management
 - Building industry – leaky homes
 - Mining industry – Pike River
- What are the essential ingredients to ensure that self management is neither unduly onerous yet is effective?
- ***ASM is not a 'soft' option***



ASM – what is required?

1. Clearly defined boundaries
2. Transparency
3. Accountability
4. Monitoring
5. Independent Audit
6. Graduated sanctions
7. Adaptability/flexibility



What do we want?

- Farmers are looking for
 - equity and certainty and to do the “right thing”
 - systems that help improve management and outcomes including financial
 - less intrusion, regulation, transaction cost, unintended consequences
 - access to information, ownership of the issues, accountability for performance
- Industry are looking for
 - sustainable practices for greater confidence in market and local community
 - less litigious, solution based, issues focused processes
- Regional Councils are wanting
 - assurance that good practice is implemented
 - environmental outcomes to be achieved
- NGOs are wanting
 - confidence that environmental outcomes will be achieved

Some coal face issues

A regional council perspective

- Achieving the balance between protecting the public good and allowing the freedom for self management
- Capability & capacity – ASM needs people with the right skills in the right place
- ASM is part of a package Integrating the different LUWQ components

Some coal face issues

industry perspective

- How far do we go with this? Do we want to be the policemen?
- Key issue is people i.e. capacity and capability
- Avoiding cost or “expectation” creep
- Is ASM “lower cost” than straight regulation or does it simply move more cost to industry?

Some coal face issues

farmer perspective

- What is in it for me – feeling good about it is not enough?
- People, skills and staff turnover
- Keeping records is a pain in the butt
- One size does not fit all
- If I am going to have to do this I only want to do it once.
- Cost

NOIC & MGI Overviews

NOIC

- Resource consent to take 8 cumecs from the Waitaki River granted in 2002.
- Stages 1 & 2 - 10,000 + 10,000 hectares
- Over 100 shareholders.
- Farm plan system in place since 2006 – required by resource consent.

Morven Glenavy

- Formed 1989 – consent to take 20.3cumecs from Waitaki
- Consent granted in 2009 to increase command area to 26400ha
- Farm plans required on all new area. Scheme decision to extend requirement to whole scheme area

NOIC ASM Components

- Environmental Policy
- Water supply agreement
- Farm Plans
- Farm Plan Procedure
- Farm Plan Audit Procedure
- Annual on-farm audit
- Environmental co-ordinator to administer system.

How have NOIC & MGI grappled with the coal face issues?

- Farm plans that are practical and tailored to the need
- Have developed a very close working relationship with the ORC/Ecan
- Procedures in place
- Farmers are fully aware of their obligations
- Good education/information awareness programmes
- Audit process with support for those that fail the audit (NOIC)
- Consequences for non-compliance
- Public reporting – providing confidence to the wider community

How good are these models?

- The models are pretty good but they could be improved
 - Public reporting
 - Automating data collection. (e.g. soil moisture)
 - Both could accommodate the introduction of catchment nutrient load limits
- Will they deliver on the environmental outcomes
 - There is always an assumption – GMP = good environmental outcomes.
 - ASM provides the assurance that the necessary change is happening

Conclusions and where to from here – the CWMS fit

- CWMS - opportunities and challenge
- ASM provides a way of addressing the challenge
- A number of pieces need to come together for it to work.
- Its all about people, people and people.

Thank you