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New Zealand Agricultural &  
Resource Economics Society (Inc.)

## **The Role of ASM in Meeting Outcome Targets: A Perspective from the Coal Face**

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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



**Environment  
Canterbury**  
Regional Council  
*Kaunihera Taiao ki Wairarapa*

# 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