



MSC PROGRAMME
ASSOCIATED DOCUMENTS

Number AD 43
Title Fishery Surveillance Report
Page 1 of 12
Issue 1
Date 10-02-04

MSC Fisheries Certification Programme
Fishery Surveillance Audit Report

MSC Accredited Certification Body:	SGS Product & Process Certification PO Box 200, 3200 AE Spijkenisse, The Netherlands
Project Number:	M5004
Certificate Holder:	Hoki Fishery Management Company (HFMC) Ltd.
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E-mail:	info@hokinz.com
Website:	http://www.hokinz.com
Country:	New Zealand
Fishery Name:	New Zealand Commercial Hoki Fishery
Fishing Area:	New Zealand Exclusive Economic Zone
Management Authority:	Ministry of Fisheries, Wellington
Main Species:	<i>Macruronus novaezelandiae</i>
Fishing Methods:	Mid water and bottom-trawl
Total Allowable Commercial Catch:	180,000 tonnes for 2003/2004 fishing season
Surveillance Number:	Five
Surveillance Period:	December 2003
Certificate Date of Issue:	14th March 2001
Certificate Lifetime:	5 years
MSC Registration Number:	SGS-NL-MSC-F-0004



Summary Surveillance Audit Findings

This surveillance audit was primarily focused on the verification of objective evidence relating to requested corrective actions taken by the Hoki Fishery Management Company (HFMC) in relation to:

- The non-conformances (Corrective Action Requests or CARs) outstanding from the last audit in April 2003.
- Addressing the Appeal Panel recommendations that were raised in December 2002 as a result of the appeal sent to the MSC by the Royal Forest and Bird Protection Society.
- Review of the ongoing compliance of the normal fishery operations with the MSC Principles & Criteria for a well-managed and sustainable fishery.

All known stakeholders and interested parties were contacted and invited to participate in the audit process, and this resulted in a high level of active participation. The audit included on-site visits to three fishing companies in Nelson.

The main audit findings were:

- The drafting of the HFMC Trust Deed (civil contract between the HFMC and its members) is a major advance in compliance and enforcement management and highlights the commitment of the HFMC members to the MSC process.
- The consulted stakeholders and interested parties demonstrated a high level of support for the MSC fishery certification process and its implementation in the New Zealand hoki fishery.
- Progress on CAR 12 (seal by-catch) and CAR 13 (management system) was found to be inadequate. As a result both are upgraded to Major CARs. This means that immediate corrective action must be taken by the HFMC to achieve critical milestones and to ensure the continuation of certification. A phased program of audit verification by SGS has been established to monitor the completion of these CARs.
- Two new Minor CARs were raised because of lack of adequate progress on the MSC Appeal Panel Recommendations (APRs) 4 and 5 (CAR 15: benthic impacts and CAR 16: ecosystem objectives).
- A new Minor CAR was raised because of lack of progress on development of a Fishery Plan, an overall strategy for managing the environmental impacts of the fishery (CAR 17 strategic planning and stakeholder engagement).
- Progress on APRs 2, 3 and 6 continues to be monitored.

The condition for maintaining MSC certification is now dependent on the completion of all requirements of the Major CARs at each defined stage as detailed in this report. A corrective action plan addressing the raised Major CARs it to be submitted to SGS for



approval no later than 27 February 2004. Progress will be reviewed by on-site audit at 31 August 2004 and at 30 November 2004. The other milestones will be reviewed by document submission.

Scope of the Surveillance Audit

This Surveillance Audit was required to assess progress by HFMC against the 2 Corrective Action Requests (CARs) and the 5 recommendations arising out of the MSC Appeal Panel Recommendations (APRs) that remained outstanding from the April 2003 surveillance audit.

This was also a scheduled surveillance audit to verify continued compliance to MSC requirements for progress on continual improvements and structured implementation of the HFMC CAP.

Assessment of Progress with Outstanding Non-Conformances (CARs)

Major CAR No. 012 Ecological Risk Assessment, Indicator 2H

Details of Non-compliance

The assessment programme for developing techniques to mitigate seal by-catch in the hoki fishery requires an earlier completion.

To be completed by November 2003.

Objective Evidence

The following objective evidence was sighted:

- Draft AEWG Report: Estimation of the incidental capture of NZ Fur Seals 2001-02. S.J. Baird, NIWA Report for ENV2001/03
- Minutes of the CSP Marine Mammal Technical Working Group, October 02, 2003
- The HFMC Business Plan for 2003/2004 (11 December 2003). P21 (Table 3)
- Video footage of Sea Lion Excluder Devices (SLED) sea trials
- HFMC Corrective Action Plan status report November 2003
- HFMC Appeal Compliance Report 7 August 2003
- Draft Summary report – Camera operations. Martin Cawthorn (2 July 2003)

- SLEDs – Technical description, MW Cawthorn (November 2003)
- HFMC Environmental Technical Working Group, Meeting Minutes, 24 September 2003
- WWF Project Summary: ‘A qualitative analysis of seal/sea lion fisheries interactions 1999-2001’; Nov 03 to Apr 04

Findings

- The sea trials for the SLEDs appear to have not been effective, and are unlikely to be continued, although the final report has yet to be provided.
- Stage 2 of the Marine Mammal impacts work programme (scheduled for completion in October 2003) has not been completed, although important aspects are underway.
- The progress towards assessment and implementation of the other mitigation and management options is inadequate.

Alternative strategies for mitigating the seal bycatch need to be determined and evaluated. Designs and procedures for technical assessment of management and mitigation strategies need to be peer-reviewed to determine the most effective and efficient strategy for mitigating seal bycatch for subsequent implementation by all HFMC member company vessels. There also is a need to review the HFMC Code of Practice for Mitigating Seal and Sea Lion Bycatch to ensure that the code is updated to require an implementation of the most effective seal mitigation strategies and techniques across all HFMC member companies.

As progress on this CAR is insufficient it is now upgraded to Major CAR 12.

Phased completion of this CAR is now required and will be verified by SGS as follows:

1. HFMC Environmental Steering Group has identified a set of alternative mitigation techniques for evaluation (by 31 March 2004)
2. Completion of data collection phase including sea trials as necessary (by 31 August 2004)
3. Completion of technical and scientific evaluation (peer review) of each alternative mitigation technique (by 31 October 2004)
4. Completion of the integration of the appropriate mitigation technique(s) into the HFMC Code of Practice for mitigating Seal and Sea Lion bycatch (by 30 November 2004)

Failure to achieve any of the above actions within the timeframe specified will lead to the process of MSC certificate suspension.



Major CAR No. 013 Management System, Indicator 3D

Details of Non-compliance

The management system does not yet include a suitable internal audit and corrective action process to verify compliance with HFMC requirements.

Civil contracts have not yet been developed between HFMC and its member companies to ensure compliance with HFMC requirements.

To be completed by November 2003.

Objective Evidence

- The HFMC Deed (unsigned) Ref 793440.08
- HFMC Business Plan 2003/2004
- HFMC Corrective Action Plan November 2003
- Completed Sealord Vessel Audit checklists for 5 vessels (25-27 November 2003)
- Fishery compliance vessel audit checklists for deepwater/factory vessel and trawler (8 December 2003)

Findings

- The Deed does not define the means by which compliance with the HFMC policy, procedures and Codes of Practice will be verified and reported (i.e. audited).
- The methodology for scheduling and conducting audits has not been established (including suitable checklists).
- Audits have not yet been conducted.
- Codes of Practice have not yet been sufficiently developed to define performance criteria.

As progress on this CAR is insufficient it is now upgraded to Major CAR 13.

Phased completion of this CAR is now required and will be verified by SGS as follows:

1. Process of Deed amendment and signing by HFMC members completed (by 31 March 2004)
2. Hoki Target Trawling Code of Practice updated including an appropriate set of performance indicators, and a plan developed for updating other Codes of practice (by 31 March 2004)
3. HFMC Internal audit schedule and audit checklist developed (by 30 April 2004)



4. HFMC Internal audits completed according to schedule (must include completion of 30% of the annual audit programme with a representative number of HFMC members) (by 31 August 2004)
5. Review and update of all Codes of Practice integrated into the Deed (by 30 November 2004)

Failure to achieve any of the above actions within the timeframe specified will lead to the process of MSC certificate suspension.

Minor CAR No. 015 Benthic Impacts

Details of Non-compliance

- A strategic approach for the mitigation of benthic impacts has not been established.
- There is a lack of project design and commitment to conduct research to assess the impact of the fishery on benthic habitats.

Objective Evidence

- The minutes of the HFMC Environmental Steering Group (September 2003, November 2003)
- The HFMC Business Plan 2003/04 (Table 2)
- HFMC CAP Status Report November 2003

Findings

- To be completed by 31 August 2004.

Minor CAR No 16: Ecosystem Objectives

Details of Non-compliance

There has been no progress towards development of measurable objectives for key ecosystem components as defined by OPR 5.

Objective evidence



- No evidence of progress provided.

Findings

- To be completed by 31 August 2004.

Minor CAR No 17: Strategic Planning and stakeholder input

Details of non-compliance

- There is a lack of progress on the Hoki Fishery Plan
- The management system lacks an overall strategy for managing the environmental impacts of the hoki fishery
- Resources need to be dedicated to improve the involvement of stakeholders and interested parties in a more systematic approach in order to assist with the development of the fishery plan and environmental strategies

Objective evidence

- No evidence of progress provided.

Findings

- To be completed by 31 August 2004.

Assessment of Progress on Outstanding Appeal Panel Recommendations (APRs)

Appeal Panel Recommendation 2

“Seal excluding devices be tested in New Zealand waters as a complement to the trials off Western Tasmania.”

Objective Evidence

- Draft summary Report Camera Operations, Martin Cawthorn 2003
- SLEDs – Technical Description. MW Cawthorn. November 2003
- Video footage of trials.

Findings

- A limited series of SLED trials has been conducted.
- Final report on conclusions and recommendations has not been made available.
- **Final report of the SLED trials is required in order to close this APR 2. Further aspects of seal bycatch mitigation are considered under CAR 12.**
- **APR stays open and is subject to future surveillance.**

Appeal Panel Recommendation 3

“The trawl grounds should be mapped, especially those areas where trawls impact on the seabed.”

Objective Evidence

- The project ENV2003/03 has been tendered by the Ministry of Fisheries to determine the spatial extent, nature and time between disturbances of mobile bottom fishing methods in the Chatham Rise trawl fisheries. NIWA commenced this work in October 2003 to be completed in December 2004
- Stakeholders advise that the Ministry for the Environment is currently classifying marine areas.

Findings

- The project ENV2003/03 will assist by helping to clarify the nature of benthic fishing effort in the hoki fishery in the Chatham Rise area.
- Evidence of technical analysis and design of suitable mapping studies as input to the determination of benthic impacts of the fishery will be needed, in order to meet the intentions of this recommendation.

- **Evidence of progress towards this will be the subject of the next surveillance audit.**
- **APR stays open and is subject to future surveillance.**

Appeal Panel Recommendation 4

“A preliminary ecological risk assessment of the Impact of the Fishery on benthic habitats should be undertaken as a priority, even if the full ecological risk assessment proposed in the CAP requires several years to complete”

Objective Evidence

- Draft report on Hoki Risk Characterization Workshop 28th January 2003
- Report on Hoki Impact Characterization Workshop December 2002

Findings

- The preliminary ERA process is complete but there has been little progress with follow up action since the last audit in relation to management responses.
- **The APR has been addressed however refer to CAR 15 for research programmes related to benthic habitats.**

Appeal Panel Recommendation 5

“Interim but measurable management objectives for key ecosystem components should be set using existing knowledge, consistent with the principles of the Precautionary Approach, and with the full understanding that these objectives would be revised as the Ecological Risk Assessment is completed”.

Objective Evidence

No evidence of working towards establishing management objectives for key ecosystem components was provided



Findings

- There has been no progress on this recommendation and CAR 16 has been raised to ensure progress.
- **Evidence relating to this recommendation will be the subject of the next surveillance audit.**
- **APR stays open and is subject to future surveillance.**

Appeal Panel Recommendation 6

“The fishery observer programme and the procedures manual be reviewed for effectiveness and efficiency.”

Objective Evidence

- Discussions with relevant parties identified that the Industry observer programme is currently being reviewed with particular emphasis on the process for collecting data. It is understood that vessel profiling may also be considered
- Discussions with MFish and stakeholder groups identified that the MFish fisheries observation programme is under review with input from stakeholder groups and interested parties
- Documented evidence was not made available during the audit.

Findings

- Objective evidence must be provided on the scope and contents and timelines of these reviews
- **Evidence of progress towards this will be the subject of the next surveillance audit.**
- **APR stays open and is subject to future surveillance.**

Other issues assessed

HFMC Corrective Action Plan (CAP) – November 2003



MSC PROGRAMME
ASSOCIATED DOCUMENTS

Number	AD 43
Title	Fishery Surveillance Report
Page	11 of 12
Issue	1
Date	10-02-04

The HFMC Corrective Action Plan sets out the basis for how HFMC responds to the requirements for corrective actions established by the assessment process and the ongoing program of surveillance. The document is an important part of the planning framework for both the MSC process and the approach to fishery management, and provides stakeholders and interested parties with a summary view of the HFMC approach to the requested corrective actions for raised non-compliances. The November 2003 CAP (available from HFMC) does not contain enough information to enable stakeholders and other interested parties to be well informed about plans and progress towards resolving the key issues that have been identified. An update should be prepared that better responds to the need for current information about the HFMC work program for dealing with the corrective actions.

Status of Stock

The 2003 Ministry of Fisheries (MFish) stock assessment and fishers' observations on catch rates in the 2002-03 season indicates that the western Hoki stock is in decline following several years of poor recruitment. Although there does not appear to be an imminent sustainability threat to the Western stock continued fishing at current levels may, in the absence of improved stock recruitment to this population, deplete it further. The eastern Hoki stock has experienced above average recruitment in recent years and it is unlikely that continued fishing at current levels will deplete this stock.

Following MFish's advice, with input from relevant stakeholders, the Minister of Fisheries has reduced the Hoki 1 quota from 200,000 tonnes to 180,000 tonnes for the 2003/2004 fishing year. Within this 180,000 tonnes the Minister has asked the industry to voluntarily agree to limit the catch from the western stock to 61.1% with the remaining 39.9 % to come from the eastern stock.

The Hoki Fisheries Management Company (HFMC) and stakeholders support this reduction.

HFMC Environmental Steering Group

The Steering Group is an important aspect of the fishery management system, and provides the opportunity for technical and other input to HFMC environmental issues from a range of stakeholders and other interested parties. At present, the Steering Group does not appear to have a systematic basis for its operations, including resource provisions for adequate forward planning, consistency of meeting issues, or the capacity to secure small amounts of specific high quality technical support when required. HFMC should ensure that the Steering Group is established for a medium term with an independent chair, and is enabled to function as a central vehicle for stakeholder and government agency contribution to the management of



HFMC environmental issues.

Observations

Matters raised by stakeholders and interested parties

- The stakeholders and interested parties involved in this audit continued to indicate endorsement and support for the HFMC's commitment and progress on the MSC requirements.
- The regulatory agencies continue to have a substantial involvement and interest in the issues raised by the MSC process, recognizing their separate technical and regulatory roles and the constraints this may impose.
- Several stakeholders and interested parties expressed concern about the lack of technical quality of research projects conducted by industry, and pointed out several prospective mechanisms for providing better technical input.
- Several stakeholders and interested parties expressed overall support for the HFMC activities but were concerned about the lack of progress in some specific areas, particularly the fishery plan.
- There appears to be a need to develop mechanisms for a senior level of engagement between the HFMC and the regulatory agencies to improve the coordination between government and private sector activities.
- Some stakeholders/interested parties consider that the CARs have promoted an MSC-focused approach to dealing with issues in the fishery, as opposed to a broader strategic approach, of which the MSC issues represent one set of matters.
- The HFMC should continue to advocate for a precautionary level of TACC to ensure the continued sustainability of the stocks.
- The ecological risks appear to be adequately identified in a preliminary manner, but the focus has now to be on achieving actual mitigation of impacts after implementing trials and an evaluation of all reasonable alternative mitigating strategies.
- Many stakeholders/interested parties are seeking a more systematic and structured process of communication and meeting organisation, including information and updates on progress

at meeting the MSC requirements. This may include regular updates of the HFMC website with information about progress on key issues, regular email distribution of minutes of important meetings, and a systematic distribution of the agendas and minutes from the Environmental Steering Group meetings.

Planning and focus for next surveillance audits

The focus of the next on-site audit (September 2004) will be verifying the Major CARs and a vessel visit.

The following on-site audit (December 2004) will be:

- Verifying progress on outstanding Minor CARs
- Verifying of progress on outstanding APRs
- Vessel visit
- Stakeholder consultation
- Fisheries plan progress
-

Organisations consulted

- Hoki Fishery Management Company (HFMC) – Wellington (Richard Cade)
- Enfocuss Consulting Ltd. – Wellington (Jane Gunn)
- Ministry of Fisheries (MFish) – Wellington (Chris O'Brien, Susan Waugh, Andrew France, Kevin Sullivan), Nelson (Rob Tinkler)
- World Wildlife Fund (WWF) New Zealand – Wellington (Chris Howe, Caren Schroder)
- Department of Conservation (DOC) – Wellington (Felicity Wong, Jim Nicholson, Murray Hosking, Bob Zuur, Rob Suisted, Johanna Pierre)
- NIWA – Wellington (John McKoy, Mary Livingston, Alistair Dunn, Rosie Hurst, Chris Francis)
- Endurance Fishing – Nelson (Craig Boote)
- Sealord Group – Nelson (John Ayers)



MSC PROGRAMME
ASSOCIATED DOCUMENTS

Number	AD 43
Title	Fishery Surveillance Report
Page	14 of 12
Issue	1
Date	10-02-04

- Amaltal – Nelson (John Cleal)
- SeaFIC – Wellington (Kevin Stokes)

Assessment team

Date

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Dr. Jo Akroyd – Fishery management specialist
Dr. Trevor Ward – Marine ecosystem specialist
Mr. Aldin Hilbrands – MSC Programme Manager

10 February 2004