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MSC Fisheries Certification Programme

Fishery Surveillance Audit Report - Review of progress on Major CARs up to April 2004

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.
Contact:	Mr. Richard Cade – CEO
Address:	Fishing Industry House, Private Bag 24-901, 74 Cambridge Terrace, Wellington, Zealand
Phone:	+64-4-385-4005
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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:	7
Surveillance Period:	April 04 (Phase 2 completion on Major CARs)
Certificate Date of Issue:	14th March 2001
Certificate Lifetime:	5 years
MSC Registration Number:	SGS-NL-MSC-F-0004



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Summary Surveillance Audit Findings

This off site audit focused only on the completion of the second phase of requirements, specified in the December 2003 Surveillance Audit report that were needed to address the outstanding Major CARs 12 & 13.

Evidence relating to the action taken by HFMC was provided by mail and was reviewed off site by the audit team.

The main audit findings were:

- The HFMC Trust Deed has now been signed by the Directors and is being circulated to member companies for acceptance.
- The Hoki Target Trawling CoP has been approved by the HFMC Directors.
- An audit methodology/programme has been developed detailing how HFMC will monitor their members' compliance against the requirements of the code of practice.
- A plan for reviewing and updating the remaining CoPs has yet to be established.

Significant progress continues to be made by HFMC. HFMC are being requested to provide a more detailed audit methodology that defines exactly what reporting will be done and how raw data is collected, analysed, summarized and then reported back to members, directors and the audit team.

The condition for maintaining MSC certification is still dependent on the completion of all requirements of the Major CARs at each defined stage as detailed in this report. Further progress will be reviewed by on-site audits scheduled for 6, 7 September 2004 and 29, 30 November & 1, 2 December 2004.

Scope of the Surveillance Audit

The scope of this off site audit was to review the action taken to address the requirements specified in the December 2003 Surveillance Report up to the second milestone date of 30 April 2004.



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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. (This CAR 12 was not completed by this due date and was subsequently upgraded to Major. This resulted in a timetable for phased completion being established as noted below.)

Following the completion of the phase 1 requirement by 31st March 2004, there were no further requirements to be reviewed in relation to this CAR 12 within this period. The next requirements relating to this CAR will be reviewed after 31st August 2004.

The status on the required phased completion of Major CAR 12 is as follows:

1. HFMC Environmental Steering Group has identified a set of alternative mitigation techniques for evaluation (by 31 March 2004) – **COMPLETED**
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 bycatch (by 30 November 2004)

Phased completion of the remaining milestones for this CAR will continue to be verified by SGS as above.



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. (This CAR 13 was not completed by this due date and was subsequently upgraded to Major. This resulted in a timetable for phased completion being established as noted below.)

Phase 1 & 2: Requirements to be completed by 31 March 2004

- Deed amendment and signing by HFMC members
- Hoki Target Trawling Code of Practice updated including an appropriate set of performance indicators, and a plan developed for updating other Codes of practice.

Phase 3: Requirements to be completed by 30 April 2004

- HFMC Internal audit schedule and audit checklist developed.

Objective Evidence

The following objective evidence was sighted:

- Hoki Fishery Management Deed LEB793440.11 final version 11 signed by HFMC directors.
- Target Trawling Code of Practice, final version 5 signed by directors.
- Audit methodology/code of practice monitoring plan.
- Correspondence from the HFMC (by email and hard copy records) indicating that there is implementation of the Code of Practice by vessels from some members

Findings

- The Deed is now accepted by the Directors of the HFMC, and the process of securing the signatures of the individual HFMC member companies is underway. At the time of this audit report, no member companies have legally acceded to the Deed, but the acceptance by the Directors of the HFMC of the Deed, some of whom are also expected to be member parties to the deed, indicates that the formal accession of members holding at least the required 75% of quota will be secured in the near future. The Deed is not legally enforceable if the



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total quota represented by signed members to the deed is less than 75% of the quota in force at that time.

- The Deed now contains a commitment to independent auditing of compliance to verify compliance with the HFMC policy, procedures and Codes of Practice.
- The Hoki Target Trawling Code of Practice now contains Performance Indicators, as identified in the Deed, through which compliance with the Code will be determined and specific exceedances notified to the HFMC. The Performance Indicators in the Code specifically relate to the catching of small fish (less than 60 cm total length) and to the area/time closures in the fishery and the movement of vessels in such areas. The Code also contains specific 'move-on' provisions where the proportion of small (< 60 cm) fish exceeds 10% of any individual catch, the provision of Industry Observers to document information about each catch, and the types of data/information that will be provided to HFMC in order to ensure compliance with the Code. This information will also be auditable. Nonetheless, the Code still requires aggregation of these various matters into an explicit performance assessment section, including decision rules for specific compliance breaches, so that all parties to the Deed are clear about their obligations and that compliance assessment is fully auditable.
- Correspondence from the HFMC indicates that some member companies are already fishing in accordance with the Deed and providing relevant monitoring data to demonstrate compliance with the various aspects of the Code of Practice.
- A plan for updating other Codes of Practice has not yet been developed and provided for audit.
- An audit methodology/programme has been established with limited detail on how HFMC will monitor their members' compliance against the requirements of the code of practice. A fully detailed audit methodology is still required, that defines exactly what reporting will be done in relation to the code of practice requirements and how raw data is to be collected, analysed, summarized and then reported back to members, directors and the audit team.

The status on the required phased completion of Major CAR 13 is as follows:

1. Process of Deed amendment has been completed and signed by directors (due by 31 March 2004). This is indicative of member acceptance, but members have yet to formally accede to the Deed in writing. The process of member signatures has been protracted because of various logistical difficulties with HFMC meetings. Therefore this requirement is **PARTLY COMPLETED** and must be fully completed by 31 August 2004 for final verification at the September on-site audit.
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 (due by 31 March 2004). This is **PARTLY COMPLETED** and must be fully completed by 31 August 2004 for



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final verification at the September on-site audit.

3. HFMC Internal audit schedule and audit checklist developed (due by 30 April 2004). This is **PARTLY COMPLETED** and must be fully completed by 31st August 2004 for final verification at the September on-site audit.
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).

Phased completion of the remaining milestones for this CAR will continue to be verified by SGS as above.

While some of the requirements are yet to be fully completed, HFMC has made good progress towards achieving the requirements of Major CAR 13. HFMC must continue with phased completion of the requirements as shown above with all necessary evidence presented at the on-site Surveillance Audit, which is scheduled for September 2004.

The following Minor CARs and Appeal Panel Recommendations were not audited during this off site audit but will be reviewed at the next scheduled on site surveillance audit in September 2004.

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 Major CARs
- Verifying Minor CARs
- Vessel visit
- Stakeholder consultation
- Fisheries plan progress



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- Review of progress on outstanding Objections Panel Recommendations
- Review of stock status

Organisations consulted

All evidence relating to this off site audit was provided by Hoki Fishery Management Company (HFMC) – Wellington (Richard Cade)

Assessment team

Date

Mr. Michael van Uden – Lead Assessor
Dr. Jo Akroyd – Fishery management specialist
Dr. Trevor Ward – Marine ecosystem specialist
Mr. Aldin Hilbrands – MSC Programme Manager

8th June 2004