



MSC PROGRAMME
ASSOCIATED DOCUMENTS

Number	AD 43
Title	Fishery Surveillance Report
Page	1 of 12
Issue	1
Date	04-05-03

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.
Contact:	Mr. Richard Cade – CEO
Address:	Fishing Industry House, Private Bag 24-901, 74 Cambridge Terrace, Wellington, Zealand
Phone:	+64-4-385-4005
Fax:	+64-4-385-0030
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:	200,000 tonnes for 2002/2003 fishing season
Surveillance Number:	Four
Surveillance Period:	April – May 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 actions taken by the Hoki Fishery Management Company (HFMC) in relation to:

- The non-conformances (Corrective Action Requests or CARs) outstanding at the last audit in December 2002.
- 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.

This audit had a specific focus which was to sight and review the evidence relating to the outstanding corrective action requests and the appeal panel findings. For SGS to do this, it was determined that it was necessary to speak to the Ministry of Fisheries (MFish) and the Department of Conservation (DOC). These people were contacted formally with a letter to inform them of the scope of the audit and to agree a meeting. At the same time, all other stakeholders that have been involved in the past were sent an e-mail to advise them that SGS would be conducting the audit and if they had anything that they wished to discuss or put forward they were most welcome and were invited to do so. SGS did not allow too much time on this audit for additional meetings for the above reason. As such WWF were the only organization that wished to meet with the assessment team and so a meeting was scheduled. All other stakeholders will have the opportunity to meet with the team during the next scheduled audit because that is when SGS will undertake a full planned surveillance audit.

The main audit findings were:

- Satisfactory action has been taken on the implementation and further planning of the Environmental Risk Assessment (ERA), resulting in CAR 14 being closed;
- Progress on CARs 12 (seal by-catch) and 13 (management system) has been consistent, however there is still a considerable amount of work to be achieved in order to meet the required completion date of November 2003.
- The HFMC has responded promptly to the recommendations from the Appeal Panel. It was determined that no further action was required in relation to stock genetic research (Recommendation 1). The remaining Recommendations require additional work, although progress was found to be suitable at this stage.

The next surveillance audit is scheduled for December 2003.

Scope of the Surveillance Audit

This Surveillance Audit was required to assess progress by HFMC against the outstanding Corrective Action requests from the December 2002 Audit and to assess progress on the Recommendations arising out of the Objections Panel findings. The Audit therefore focused only on the 10 specific performance issues (3 CARs, the Fishery Plan, and 6 Objections Panel Recommendations).

The Audit was changed from an off-site (as envisaged in the December 2002 audit) to an on-site audit to ensure that all suitable evidence in relation to the Objections Panel Recommendations could be sighted and properly assessed in this Audit.

Assessment of Progress on Outstanding Corrective Action Requests

Structured Implementation of the HFMC Corrective Action Plan (CAP)

The audit team continues to review progress on the implementation of the CAP (version November 2002 — available from the HFMC website or by direct request). This includes the:

- Fisheries Plan
- Seal interactions (see below CAR 12)
- Compliance assessment (see below CAR 13)
- ERA (see below CAR 14)
- Seabird bafflers (not included in the scope of this audit).

Objective Evidence (related to Fisheries Plan)

A plan for developing the Fisheries Plan was provided at the last audit; the timetable is summarized in the Corrective Action Plan (CAP) of November 2002; the timetable includes a milestone for HFMC to submit the form and structure for the plan to Minister for approval by October 2003.

The Ministry of Fisheries is developing a 'map' of internal processes; it is anticipated that this will be used as a basis for developing a map of industry management processes, including the hoki fishery plan processes.

Evidence of development of issue-based committees to deal with major planning areas was presented: Compliance Group (Terms of Reference, Compliance Review, Draft 12 October 2002); Harvesting Group; and Sustainability (ecosystems) Group.

Findings

- There continues to be structured progress on implementing the Corrective Actions Plan.
- Progress on the Fisheries Plan is satisfactory, however the timetable for development has proved to be optimistic, and will need to be reviewed and updated before the next surveillance audit.
- The development and functions of these steering groups, given appropriate terms of reference and adequate resources, should encourage stakeholders to contribute to the process of development of the Fisheries Plan (as well as the ERA matters).
- Progress on other CAP matters is considered below.



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:

- First Quarter Report on Business Plan 2002/2003 — Summary of flume tank trials of Sea Lion Excluder Devices (SLEDS) in 2002; plans to translate design of SLEDS to Seal Excluder Devices (SEDS) suitable for fur seals in the NZ hoki fishery. The outcomes of NZ hoki sea trials are planned for reporting to HFMC in November 2003.
- Video footage on seal ejector designs, outcomes from sea trials in the NZ squid fishery and in the Australian hoki fishery.
- Planning has commenced for the design and implementation of sea trials of a Seal Excluder Device (SED) in the NZ hoki fishery. This includes consultation with the government Department of Conservation (DOC) in the development of a research design. Communication between DOC and HFMC was sighted, in relation to a workshop on 6 May 2003 where the design of research projects relating to mammals will be discussed.
- Issues of safely deploying and recovering the SEDS in the hoki fishery trawlers are apparently resolved, and it appears unlikely that the operational safety of crew would be an issue that would impede adoption of SEDs in the fishery. However, no documentation on this was available during the audit.

Findings

Development of techniques for an effective seal excluder device for the NZ hoki fishery is progressing. Trials of a seal excluder device in the NZ Hoki fishery are being discussed but so far there are no finalized plans for trials developed by the HFMC nor is there agreement amongst stakeholders for a proposed design for trials in NZ hoki fishery. Therefore, at this stage, it appears that urgent attention is needed from the HFMC and the involved stakeholders to progress these trials with agreed designs in order to meet the November 2003 deadline for fulfilling this CAR.

In addition to the SED trials, the effectiveness of SEDs in the hoki fishery compared to alternative strategies needs to be evaluated and peer-reviewed, and the most effective and efficient strategy for mitigating seal bycatch determined 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.



CAR 12 remains open; to be completed by the previously November 2003 deadline

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

- Final report from Fisheries Audit Services (FAS) (dated 23rd May, 2002), contracted to manage the HFMC internal audit programme on members' compliance to agreements such as the Codes of Practice.
- The HFMC Agreement (East-West Split of catches) contract (one signed example was sighted).

Findings

- The report from FAS does not contain detailed information on implementation of an internal audit plan; for example it does not have a methodology for implementation.
- The FAS report has limited focus as it only involves Codes of Practice and not all of the activities of the HFMC that may need to be binding on member companies.
- All Codes of Practice need to be reviewed in order to develop an appropriate set of performance indicators for each set of objectives, set within a performance assessment and compliance reporting system. In particular, the Performance Indicators for each Code of Practice need to better match the objectives and actions that are the identified focus of each Code.

The requirements in relation to Codes of Practice are a good start, but there is insufficient detail on audit and corrective action methodology in light of the planned timetable to start auditing by June 2003, as identified in the amended CAP. This matter needs to have early and major attention to be able to meet the timetable identified in the amended CAP (Status Report of 18 November 2002).

CAR 13 remains open; to be completed by the previously set November 2003 deadline



CAR No. 14: Ecological Risk Assessment, Indicator 2C

Details of non-compliance

Phase 4 of the ERA has not been completed, and detailed planning for Phase 5 and 6 is incomplete. To be completed by March 2003.

Objective Evidence

- Phase 4 ERA — Reports from Risk Characterization Workshop (28 January 2003) and Impact Characterization Workshop (December 2002) contain details or risk priorities, and identify gaps and weaknesses. Stakeholders who participated appear to be in broad agreement with outputs, and the ERA appears to have a broad and appropriate basis.
- Phase 5 ERA — Management responses:
 - (a) context and scope for mitigation is contained in report from Risk Characterization Workshop;
 - (b) establishment of an environmental impacts steering group (“Hoki Fishery Sustainability Steering Group”) consisting of stakeholders and the HFMC to oversee the development/delivery of specific environmental projects, including mitigation response action plans;
 - (c) confirmed contract for consultant to coordinate stakeholder engagement in environmental effects of fishing steering group (“Hoki Fishery Sustainability Steering Group”) to 30 June 2003, covering design of process for implementing ERA mitigation responses, overseeing implementation of the specific projects, guiding development of the environmental aspects of the hoki fishery plan, preparing aspects of the fisheries plan as required, convening and facilitating steering group meetings, working with steering group members, and liaison with other steering groups.
- Phase 6 ERA — Terms of reference for ERA steering group:
 - (a) Draft Terms of Reference April 2003, in report “Hoki Fishery Sustainability Steering Group”;
 - (b) consultant contract: finalizing Terms of Reference for the Steering Group;
 - (c) minutes of meeting of Sustainability Steering Group (9 April 2003) determining method of operation for the Steering Group, considering appointment of an independent chair, summarizing progress on specific projects (catch mapping, genetics, fur seal interactions and seabird interactions) and a possible involvement with the work programs of the government agencies.

Findings

Progress on meeting the requirements of this CAR is acceptable. The composition and effectiveness of the Steering Group, and progress in mitigating impacts of the fishery, will be monitored in further surveillance audits.

This CAR is now closed.

Assessment of Progress on Appeal Panel Recommendations

Objections Panel Recommendation 1

“Ensure that the research programme being pursued by the HFMC includes a genetic component.”

Objective Evidence

- Contract with NIWA to review genetic studies on NZ and Australian hoki.
- Draft Report from NIWA on genetic studies review (26 March 2003). Findings indicate that there is no genetic evidence to identify distinct hoki stocks in NZ waters; there is some evidence of a distinction between NZ and Australian stocks of hoki (Australian hoki stocks are not MSC certified). The NIWA report indicates that further genetic analysis is unlikely to reveal an underlying stock structure in the NZ hoki population.

Findings

Genetic analysis is unlikely to further assist in stock differentiation in NZ hoki.

The Objections Panel recommendation has been suitably addressed.

Objections Panel Recommendation 2

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

Objective Evidence

For objective evidence see CAR 12 above.

Findings

Considering the detail of CAR 12 (above), the Objections Panel recommendation is being suitably addressed.

Objections Panel Recommendation 3

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

Objective Evidence

- Video presentation of hoki catch mapping (1990 to 2002) conducted by NIWA, summarizing all catches, bottom trawl only, midwater trawl only, midwater trawls greater than 1 tonne, catches more than 9 tows per 0.5 degree square.
- Planning has commenced to initiate studies of benthic fishing impacts on selected parts of the fishing grounds (minutes of meeting of Sustainability Steering Group, 9 April 2003)
- Planned stakeholder involvement in design of mapping projects (minutes of meeting of Sustainability Steering Group, 9 April 2003)
- The project ENV2003/03 proposed by the Ministry of Fisheries (to be tendered) on determining the spatial extent, nature and time between disturbances of mobile bottom fishing methods in the Chatham Rise trawl fisheries.

Findings

- There has been satisfactory progress on developing an overall approach to engaging stakeholders to assist with the mapping of benthic impacts (Sustainability Steering Group);
- the catch mapping is a useful starting point for the design of studies to investigate the benthic impacts of the fishery;
- The project ENV2003/03 proposed by the Ministry of Fisheries 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.

Objections 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

- Risks have been identified in relation to benthic ecosystems and are prioritized (see the Risk Characterization Report).
- Planned stakeholder involvement in design of benthic projects.
- The Ministry of Fisheries proposed project ENV2003/04 on the implications for productivity of selected fish stocks of the modification of marine benthic ecosystems.

Findings

- Planning is in the conceptual stages to implement relevant research projects to gather appropriate information.
- The proposed Ministry of Fisheries project (ENV 2003/04) may assist to clarify the nature and extent of benthic impacts.
- Project design and a commitment to conduct research to assess the impact of the fishery on benthic impacts should be implemented by November 2003.

Evidence of progress towards this will be the subject of the next surveillance audit.

Objections 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

Discussions with HFMC contractor about anticipated scope of work in ‘coordination of environmental effects of fishing’ project.

Findings

The ecosystem objectives have yet to be established. This is expected to be part of the activities of the Sustainability Steering Group.



Evidence of this will be the subject of the next surveillance audit.

Objections Panel Recommendation 6

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

Objective Evidence

- A review of the industry fishery observers programme and the procedures manual is currently part of the long term objectives of the compliance section of the intended Fisheries Plan (First Quarter Report on Business Plan 2002-2003).
- Discussions with the Ministry of Fisheries (MFish) indicate that there is an intention to review the current structure and functions of the MFish fisheries observation programme.
- Discussions with DOC indicate general satisfaction with observer (Ministry of Fisheries program) coverage, reporting, data collection and information reliability.

Findings

There is an agreed need to review the efficiency and effectiveness of all observer programmes.

Evidence of progress towards this will be the subject of the next surveillance audit.

Observations

Matters raised by stakeholders

- The stakeholders involved in this audit showed broad endorsement and support for the HFMC's commitment and progress on the MSC requirements.
- The ecological risks appear to be adequately identified, but the focus has now to be on achieving actual mitigation of impacts, not only implementing trials without an evaluation of all reasonable alternative mitigating strategies.
- The credibility of the HFMC SED trials and other scientific research projects may be limited without stakeholder input and thus need to be formal, structured and independent (peer reviewed). In addition, the concern of some stakeholders is that the HFMC has focused too much on SED trials



MSC PROGRAMME
ASSOCIATED DOCUMENTS

Number	AD 43
Title	Fishery Surveillance Report
Page	11 of 12
Issue	1
Date	04-05-03

and is not considering other mitigation methods to decrease the bycatch of NZ fur seals.

- Some stakeholders are seeking a more systematic and structured process of communication, 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.

Planning and focus for next surveillance audits

The focus of the December 2003 audit will be:

- Random company and vessel visit
- Stakeholder consultation
- CAR 12 verification and close out
- CAR 13 verification and close out
- Fisheries plan progress
- Review progress on Objections Panel recommendations

Organisations consulted

- Hoki Fishery Management Company (HFMC) – Wellington (Richard Cade, Sally Pulley)
- URS Ltd. – Wellington (Jane Gunn)
- Ministry of Fisheries (MFish) – Wellington (Mike Arbuckle, Chris O'Brien, Jim Cornelius)
- World Wildlife Fund (WWF) New Zealand – Wellington (Chris Howe)
- Department of Conservation (DOC) – Wellington (Jim Nicholson)
- Martin Cawthorn and Associates (Martin Cawthorn)

Assessment team

Date

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

4th May 2003



MSC PROGRAMME
ASSOCIATED DOCUMENTS

Number	AD 43
Title	Fishery Surveillance Report
Page	12 of 12
Issue	1
Date	04-05-03