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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
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Website:	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:	100,000 tonnes for 2006/2007 fishing season
Surveillance Number:	Twelve
Surveillance Period:	August 2007
Certificate Date of Issue:	14th March 2001
Certificate Lifetime:	5 years (extended to 31 October 2007)
MSC Registration Number:	SGS-NL-MSC-F-0004

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Scope of the Surveillance Audit

This scheduled Surveillance Audit was conducted to assess the performance of the Deepwater Group (DWG) on the ten selected aspects of the hoki fishery as shown below in relation to the MSC standard and the certificate issued in 2001. These include randomly selected aspects of the condition of the hoki fishery in relation to the MSC standard and matters identified during earlier surveillances as matters to be kept under surveillance. The surveillance audit was conducted by interview, document inspection and consultation with the client, stakeholders, and interested parties in Wellington, New Zealand. Procedures and methodologies were directed by Fisheries Certification Methodology version 6, issued September 2006.

Summary of the Surveillance Audit Findings

The subject fishery remains in compliance with the MSC standard across all the areas audited except for one non-conformance that has been identified that requires a corrective action. CAR 07/01 refers.

CAR 07/01: Rebuilding plan

A rebuilding plan for the western stock is required.

Two areas of performance weakness were identified, and these are submitted as recommendations to the client fishery for action.


Recommendation: Fishery Environment Strategic Plan

It is strongly recommended that:

- (1) DWG take action to consider updating the ERA in respect of benthic and ecosystem issues in the near future (one year) as part of developing and maintaining a contemporary overview of key environmental risks in the fishery; and
- (2) the DWG consult with stakeholders and interested parties to evaluate the need for, and likely level of collaborative interest in, developing a new and more effective form of FESP for 2008 to 2011 as a vehicle for continuing engagement with stakeholders, and helping to establish acceptable and operational environmental objectives for the fishery.

Background

The hoki fishery is currently undergoing a re-assessment to determine if it meets the MSC standard and can be re-certified. At present, the proposal by SGS (issued in 2006) to re-certify the fishery is under objection by two parties. The objections are being considered by an MSC Independent Objections Panel. While the objections are being considered, the existing certificate for the hoki fishery has been extended to 31 October 2007 to permit a final decision to be reached about the re-assessment.

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This annual surveillance is conducted under the auspices of the certificate issued in 2001, and is conducted to determine if the hoki fishery continues to be in compliance with the MSC standard under the 2001-issued certificate.

In October 2005, the Hoki Fishery Management Company, the Squid Fishery Management Company and the Orange Roughy Fishery Management Company merged to become the Deepwater Stakeholder Group Ltd, later (August 2006) renamed as the Deepwater Group Ltd. All the legal requirements and obligations of the shareholders of the Hoki Fishery Management Company were transferred to the Deepwater Group Ltd (DWG) and remain in place within the DWG management systems. The MSC certificate for the hoki fishery is now held by DWG.

Matters for Surveillance

This surveillance audit assessed the following matters:

Principle 1

1. Condition of the east and west components of the stock in relation to the limit and target reference points (as used by MFish and any others used by the fishery)
2. Response of the fishery to the current status of the stock - measures that are in place to ensure a reasonable probability of recovery to a target reference point
3. Response of the fishery to avoid overcatch; the 2005/06 catch exceeded the TACC and more of the catch was taken from the western stock than appeared to be agreed

Principle 2

4. Progress towards development of measurable objectives for key ecosystem components, including the progress by DG in development and implementation of the outcomes of the stakeholder workshops proposed to be conducted in late 2005
5. Monitoring data on catch of seal and seabirds, with evidence that the Code of Practice is effectively implemented and achieving reduced bycatch numbers
6. Evidence of effective implementation of 'The Hoki Fishery Environmental Strategic Plan July 2004 – 2006'
7. Evidence of vessel/skipper awareness of ongoing environmental requirements under the Code of Practice

Principle 3

8. Details of the proposed operational hoki Fishery Plan, under which the hoki fishery is being managed
9. Evidence of continuing sign-up of member companies to the Civil Contract governing DWG hoki fishing operations
10. Evidence of continuing engagement with stakeholders over environmental issues.



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Findings of the Audit


1. Stock Status

The 2005 stock assessment of hoki was conducted using the CASAL framework. The results of this assessment suggested that both stocks are at, or close to, their lowest point ever, that the western stock is more depleted than the eastern stock, and that the western stock had experienced seven years of below-average recruitment (1995-2001) although there was some evidence of improvement in the most recent two years. Projections were made under two recruitment scenarios: (a) future recruitment is selected from the estimated levels for 1975-2001, and (b) future recruitment is selected from the estimated levels for 1995-2001 (recent years only). The second recruitment scenario was examined because of concern that the recent period of below-average recruitment for the western stock may be driven by environmental changes, which could persist in the short term. An increase in spawning biomass was predicted for both stocks under three of the four scenarios (two sets of model specifications and two scenarios regarding recruitment) for a continuation of the 100,000 t TACC for 2005-06. The exception was that little change in biomass was expected if run 4.3 reflected reality and recruitment remained low. There was some evidence in the 2005 assessment that recruitment had returned to average levels and hence that a TACC of 100,000 t would (in expectation from the models) lead to recovery.

The 2006 stock assessment was an update on the 2005 assessment and the results from the 2006 assessment largely confirmed those from the 2005 assessment, and the TACC was essentially rolled-over for 2006-07.

The results from the 2007 stock assessment are qualitatively different from those from the 2004, 2005 and 2006 assessments. Although the eastern stock is still considered to be close to, or above, the target biomass of B_{MSY} (B_{MSY} for hoki is assumed to be lie between $0.3B_0$ and $0.4B_0$) and the western stock is still estimated to be depleted to $0.20-0.24 B_0$ (runs 4.4 and 4.5; the runs which assume natal fidelity), the most recent recruitments for the western stock are now considered to be below average, which leads to less optimistic projections for the western stock and that the "recent recruitment" scenario is more likely. The lack of recovery since the implementation of the 100,000 t TACC, the continuing sequence of poor recruitments, and the increased likelihood of continuing poor recruitment means that the biological consequences of different management arrangements differ from those implied by the 2004, 2005 and 2006 assessments.

The 2007 Initial Position Paper includes three options (Option 1- 100,000 t TACC with 40,000 t from the western stock, Option 2 - 80,000 t with 20,000 t from the western stock, and Option 3 - 100,000 t with 35,000 t from the western stock). Under the more likely scenario that recruitment will remain at its current levels, all three of these options are projected to leave the eastern stock above $0.4 B_0$ (the upper end of the assumed range for B_{MSY}), but they differ substantially in the rate at which the western stock is predicted to recover toward $0.4 B_0$. In particular, although all three options meet the legal obligations of the Minister of Fisheries in relation to moving the stock towards B_{MSY} , only Option 2 leads to an appreciable increase in the spawning biomass of the western stock of hoki compared to that under zero removals from the western stock (the increase in biomass under this option is close to half of that under zero removals if recent recruitment best approximates future recruitment).

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DWG provided a submission to MFish regarding options for hoki management arrangements for the 2007-08 fishing season. There was no consensus among hoki quota holders for a single option, with quota holders who collectively own 9% of the quota supporting Option 1, 37% supporting Option 3, and 54% supporting Option 2, i.e. over 90% of shareholders supported a TACC reduction.

The catch of hoki exceeded the TACC in both 2004-05 and 2005-06 and more of the catch was taken from the western stock than the desired 40,000 t (i.e. 43,000 t in 2004-05 and 45,000 t in 2005-06). The reasons for this includes east ACE being taken in the west and that the New Zealand Fisheries Act 1996 provides for retrospective balancing of catch with ACE, allowing fishers to take hoki without first holding ACE. While this overcatch is legal and the west:east split is a voluntary management measure, both of these effects increased the fishing mortality on the western stock of hoki. The DWG is managing the west:east split by monitoring monthly catches throughout the fishing year based on reports from HOK1 ACE holders and reconciling these catches against reported landings from FishServe. Starting with this year's spawning season fishery, the DWG has implemented additional procedures aimed at keeping the catches to the agreed west:east split. ACE holders advised DWG regarding their holdings and catches at 1 July, as well as their anticipated west:east split. Hoki fishers are reporting their catches on a weekly basis, which is then being used to forecast the likely availability of uncaught ACE. This information is being provided to ACE holders to assist them to plan their operations and self-manage towards achievement of the agreed west:east split. The actual effectiveness of these measures in keeping catches from the west within the 40,000 t limit depends on the ACE holders complying with the overall intent of aligning catches with the agreed limits from the west and the east.

The possibility of high grading in the hoki fishery cannot be ignored. MFish and DWG are therefore implementing a program to profile the length-frequency of catches using an at-sea catch sampling program based on MFish and contracted observers and supplemented by MFish fishery officers at quay-side. The additional observers will increase MFish coverage of hoki catches in terms of number of days observed.

Findings


The western stock of hoki is considered to be well below B_{MSY} and is hence classified as "depleted" under the MSC standard. The fishery therefore needs to be executed such that recovery and rebuilding is allowed to occur to a specified level consistent with the precautionary approach and the ability of the populations to produce long-term potential yields within a specified time frame (MSC Criterion 1.2).

A rebuilding plan needs to be developed and incorporated into an appropriately structured Fishery Plan.

Of the three options included in the 2007 Initial Position Paper, only Option 2 (80,000 t TACC, with 20,000 t from the western stock) will be consistent with the intent of MSC Criterion 1.2.

Performance Non-conformance: the western stock is depleted and does not have a rebuilding program.

Based on Performance Indicator 1E (2001 certificate) and MSC Criterion 1.2 (the 2001 assessment tree did not include PIs for Criterion 1.2 because neither the western or eastern stocks were considered depleted at the time of certification), the hoki fishery is out of compliance with the standard, and corrective action is required.

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Corrective Action Request (CAR) No 07/01 is raised to here to address this issue.

Corrective Action Request (CAR) 07/01: Rebuilding plan

The fishery needs to develop a rebuilding plan for the western stock of hoki, including a rebuilding target, a desired rate of rebuilding and a desired time to recovery. Evidence of satisfactory progress in this regard could be the funding and initiation of a Management Strategy Evaluation exercise for hoki that has commenced by March 2008.

The fishery will be determined to be in compliance with the MSC standard when it achieves the level of performance established in PI 1E (*Stocks are not depleted and harvest rates are sustainable - The intent of this performance indicator is to evaluate whether the target species is currently overfished, and whether current harvest levels are appropriate*) and MSC Criterion 1.2 (*The fishery needs to be executed such that recovery and rebuilding is allowed to occur to a specified level consistent with the precautionary approach and the ability of the populations to produce long-term potential yields within a specified time frame*), and as expressed in the 80 SG for PI 1E:

- A biomass limit reference point has been chosen that is appropriate for the species and is above levels for which major declines in recruitment have been observed or are expected.
- The stock is assessed to have a high probability of being above the limit reference point.
- A limit reference point has been chosen for the exploitation rate that is appropriate for the species.
- There is a high probability that the current exploitation rate is below the limit reference point.

Objective evidence sighted

- Review of Sustainability Measures and Other Management Controls for the 2007-08 (1 October) Fishing Season. Final Advice Paper, 14 Sept 2005.
- Review of Sustainability Measures and Other Management Controls for the 2007-08 (1 October) Fishing Season. Final Advice Paper, 4 Sept 2006.
- Review of Sustainability Measures and Other Management Controls for the 2007-08 (1 October) Fishing Season. Initial Position Paper, 19 June 2007.
- Additional projection results for hoki, Chris Francis, NIWA, 35-6-07
- Hoki, Fishery Assessment Plenary Report for 2005.
- Hoki, Fishery Assessment Plenary Report for 2006.
- Hoki, Fishery Assessment Plenary Report for 2007.
- Submission to the Ministry of Fisheries on the Initial Position Paper for 2007-08 Fishing Year. Deepwater Group Ltd, document dated 27 July 2007.
- Hoki Fishery Management 2007 Hoki Season July 1 – Sept 30, Briefing to Operators, 13 & 14 June 2007.
- Observer Coverage (05-06, 06-07 and 07-08); e-mail from MFish (Stefan Leslie, 14 Aug, 2007).



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2. Key Ecosystem Objectives

DWG conducted two workshops (18+19 October 2005, 23 March 2006) to address the issues of how to develop key ecosystem objectives for the hoki fishery. These workshops provided important approaches for how to assist with the development and operationalisation of ecosystem objectives, particularly in respect of benthic ecosystems, in the fishery. These included the possibility of restricting the fishery to the existing trawled grounds graded within classes of previous trawling impact. Trawl paths from the history of the fishery have been mapped in more detail, and the evidence indicates that the fishery has focused in areas that have been historically the core of the fishing grounds in recent years. In order to protect various areas of the deepwater ecosystems, the fishing industry has proposed that the Government establish and protect a series of areas known as Benthic Protection Areas (BPAs). This has now been accepted by the government. In addition, DoC and MFish are collaborating in a process to identify and select Marine Protected Areas in the EEZ, but not to be finalized until beyond 2013. Other voluntary closed areas also provide some protection for various smaller areas.

The main progress in this area is the further development of the EEZ Marine Environment Classification, and the proposal to develop protection standards as the precursor to MPAs in deep waters after 2013. This work, jointly undertaken by DoC and MFish is likely to lead to an objectives-based approach to the identification and selection of MPAs in areas currently fished for hoki, and will provide a possibly significant measure of protection to offset the existing impacts of benthic trawling.

Findings

The workshops were expected, within the guidance provided by the FESP, to address ecosystem objectives. The workshops took the view that, for benthic systems, this would be operationalised through an analysis of trawl history, and future management of trawl paths to meet constraints on the areas that could be trawled. The evidence is that the current pattern of trawling is reasonably constrained to the historic trawl paths. However, this is only one part of the ecosystem being impacted by the hoki fishery. In particular, consideration of the trophic and ecological impacts of the fishery in the midwater ecosystem seems to have been postponed, pending further resolution of a conceptual framework within which objectives for such ecosystems can be developed. The further development of all of these possible measures, or other similar measures designed to either develop or implement ecosystem objectives, do not appear to have been progressed since the workshops. In respect of benthic impacts, the standard setting processes presently being developed by DoC and MFish may make important contributions to the matter of offsetting the benthic impacts of the hoki fishery. The trophic/ecosystem midwater issues are being subjected to continuing research.

Objective Evidence Sighted

- 2005 Benthic Effects Workshop Report, DSG
- Deepwater Stakeholder Group, Hoki MSC Benthic Impact workshop; Thursday 23 March 2006 Seafood Industry House, Wellington
- Government agreement to implement BPAs after 2013; page 15 in Draft Marine Classification, May 2007, op cit.



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- Marine Protected Areas: Draft Classification and Protection Standard. Issued for public consultation in June 2007.
- Record of Meeting between DSG and WWF-NZ, 27 July 2006; Jo Breese, Chris Howe, Nathan Walker, George Clement, Jane Gunn: Matters relating to WWF-NZ objection to 2006 MSC Recertification
- Fisheries Environmental Strategic Plan (FESP)

3. Bycatch of seals and seabirds

Seals

The bycatch of fur seals in the 2005-06 fishing season in the WCSI area has been estimated to be 386 animals (2007 IPP), which is considerably higher than that of recent years. The 2005-06 data on seal bycatch in WCSI indicates that the rate of bycatch was more than double that of the previous years (Baird and Smith: ENV2005/02, preliminary data). This ongoing level of bycatch in the WCSI area is of concern, where it may be contributing to unacceptable suppression of the recovery of the fur seal population.

The DWG has developed an updated operational procedure (Marine Mammal Operational Procedures - OP) for mitigating marine mammal bycatch. This operating procedure provides trigger levels for reporting of seal bycatch (in addition to the regulatory requirements), and all deepwater vessels are required to adhere to the OP. MFish observers will be monitoring vessel performance against this OP throughout the current hoki winter fishery, and this procedure is expected to continue beyond 2007-08 and apply year-round to all vessels in the DWG fleet.

A research project is proposed to undertake population assessment of fur seals along the west coast of the South Island, to update historic records of the size and distribution of the population.


Seabirds

The most recent data on seabird bycatch indicate that a total of 394 birds were caught in 2004-05 (Baird and Smith, ENV2005/01) and about 385 birds are estimated to have been caught in 2005-06.

The DWG has developed vessel management plans (VMPs) for all vessels operating in the 2007 winter hoki fishery, and to be subsequently applied year-round to all vessels in the fishery. In addition to the mandatory bird mitigation devices in place, these VMPs set out vessel-specific measures to improve sea bird mitigation through improved offal management practices. MFish observers are also provided with each vessel's VMP before starting an observed trip and they audit vessel performance against VMPs as part of management measures for the winter hoki fishery.

Hoki vessels are required to adhere to agreed offal management practices as part of the voluntary management measures for the 2007 winter fishery. This is in addition to the regulatory requirements for vessels to use bird mitigation devices.

The DWG has implemented a short term response system that requires vessel operators to report exceptions directly to DWG on the basis of each incident. An exception is defined as a number of birds taken that exceeds the trigger level defined for that specific vessel within the VMP. DWG expects to take immediate responsive action when advised of such incidents so that vessel operators may take immediate corrective action as appropriate. In addition to this, MFish has implemented a system of weekly reporting

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for bycatch of birds.

Research trials of different strategies and mitigation approaches have been undertaken, including trials of mincing of discards to reduce the attraction of vessels for birds, and of factors affecting warpstrikes.

Findings

Seals

The apparent substantial increase in bycatch rate and bycatch numbers in the WCSI area in 2005-06 indicates that the marine mammal COP used in the fishery has been only of variable effectiveness. The COP has clearly been difficult to implement across the fleet in an effective manner, judging by the great range of vessel bycatch rates across the fleet (Baird and Smith, op cit). The DWG has now developed what appears to be a more effective mammal OP, and this new version appears to have much stronger verification procedures that are expected to provide for a much more consistent application of the OP. Overall, this OP is considerably more consistent with the MSC standard in this fishery. This can only be verified by analysis of data on the bycatch from the current winter fishery, although the implementation of the intent of the agreement with MFish for monitoring should be able to provide a much stronger basis for both audit verification and management response. The effectiveness of the new OP remains to be assessed.

Seabirds

The data on bird bycatch for 2004-05 and 2005-06 are within expectations and the seabird bycatch is currently at satisfactory levels of performance across the fishery. The improved VMPs currently being implemented in the fishery, and the increased robustness of verification procedures, are likely to make good contributions to continuing reductions in bird bycatch, and this is consistent with the MSC standard. The commitment to research on potentially very effective mitigation responses such as mincing trials is an important signal of ongoing commitment to reducing bycatch numbers. The implementation of weekly reporting should improve the basis for audit verification and management response.

Objective Evidence Sighted

Seals

- Incidental capture of marine mammals 2005-06; summary of observed data, S.J. Baird (PRO2006/05)
- Incidental capture of marine mammals (03-04, 04-05), S.J. Baird & M.H. Smith (ENV2005/02)
- DWG: Operational Procedure for Mitigating Marine Mammal Incidental Catch. 30 May 2007, Version 5.0, A Marine Mammal Incidental Catch Mitigation Procedure
- Best, H. (7 August 2007) New Zealand fur seal demography study, West Coast South Island, 1991-2007. Status report for the Marine Stewardship Council: Hoki Fishery Surveillance Audit, 08 & 09 August 2007

Seabirds

- Baird and Smith, Incidental capture of seabird species in commercial fisheries in New Zealand waters, 2004-05. ENV2005/01
- Baird SJ Incidental capture of seabirds, 2005-06. PRO2006/04.
- DSG; Squid Season Seabird Report. From the: Seabird Liaison Officer, 16 July 2007
- DOC; Mincing and mealing: a test of offal management strategies to reduce interactions between seabirds and trawl vessels. Edward Abraham, Dragonfly. (Advisory Group: John Cleal, David

- Middleton, Nathan Walker, Susan Waugh) May, 2007.
- SEAFIC; The Efficacy Of Warp Strike Mitigation Devices: Trials In The 2006 Squid Fishery. David Middleton and Edward R. Abraham. (Advisory Group: Susan Waugh, Johanna Pierre, Nathan Walker, Caren Schröder). Final Report, 11 February 2007.

4. Implementation of the Fishery Strategic Environmental Plan 2004-2006

The term of the Fishery Environmental Strategic Plan term has now expired (in December 2006). The focus of the Plan was on seabirds, seals, benthic systems, and ecosystem issues. Seals and seabirds are currently being addressed in management measures discussed above and the risks are being managed effectively through a range of other management measures. The benthic and ecosystem issues have proven most difficult to address. The benthic issues are currently being addressed through recognition that the fishery is currently operating within the historic trawl paths, which limits the current sets of impacts of trawling. Ecosystem issues are being addressed through research projects. Both of these matters are likely to be influenced by the medium term process of establishment of MPAs, which may protect representative samples of the deeper waters and seabed from the impacts of fishing, including hoki fishing, in due course.

All of these areas of focus are being followed in the current management arrangements, although they are not formulated into a single strategic plan. MFish and DWG have agreed to develop a single Fishery Plan that includes environmental issues.

The former FESP envisaged review and updating of the Environmental Risk Assessment ratings, and the second round of ERA was scheduled for 2007. At this stage the DWG have no immediate plans to undertake the ERA updating process.


Findings

The FESP succeeded in providing a focus for the development of specific management responses, and achieved some important progress, but overall it was not a highly effective tool. The term of the FESP has now expired, and no further activity is directed under its auspices. If a new FESP is to be developed and implemented, it will be best focused on those matters that are not already the subject of other detailed initiatives (such as trophic/ecosystem impacts, benthic trawling).

Recommendations

It is strongly recommended that:

- (1) DWG take action to consider updating the ERA in respect of benthic and ecosystem issues in the near future (one year) as part of developing and maintaining a contemporary overview of key environmental risks in the fishery; and
- (2) The DWG consult with stakeholders and interested parties to evaluate the need for, and likely level of collaborative interest in, developing a new and more effective form of FESP for 2008 to 2011 as a vehicle for continuing engagement with stakeholders, and helping to establish acceptable and operational environmental objectives for the fishery.

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Objective Evidence Sighted

Fishery Strategic Environmental Plan July 2004- December 2006
Mfish Draft Fisheries Standards; Letter requesting comments, 8 November 2006
Mfish Fisheries Standards, 7 November 2006
Mfish-DWG MOU
Letter from MFish CEO to DWG, 29 May 2007

5. Implementation of COP on vessels

The COP of the former HFMC has been replaced with Operational Procedures (OP) covering specific matters. The COP covered a range of matters including small fish, seabirds and seals. The DWG has developed and implemented vessel-unique Vessel Management Plans (VMP) to operationalise vessel specific mitigation measures for interactions with seabirds. For seals and other mammals, the mammal OP applies generically across each vessel in the fishery. The VMPs require weekly reporting commencing July 2007.

Here we consider specifically the seabird mitigation measures in the OP. The training and implementation procedures for the VMP seem significantly improved compared to the HFMC COP. The documentation has been further developed, and a Liaison Officer has been appointed to conduct briefings and training to educate masters and crew. The VMPs have an internal verification system, with substantial briefing materials, which adds to the robustness of the implementation.

Pre-trip briefings are conducted for selected vessels, and where a lack of compliance is detected during or after a trip, there are follow up procedures instituted to make appropriate corrections. The VMPs are verified by MFish observers.

Findings

The new VMPs are likely to greatly improve compliance with seabird mitigation initiatives, and appear to have a strong foundation of support, no doubt linked to the support of this initiative by MFish, and the compliance arrangements involving MFish observers.

Objective Evidence Sighted

- DWG: Vessel Management Plan (VMP) (Draft). A Vessel Specific Seabird Incidental Catch Mitigation Procedure; Version 3 – May 2007 (19pp incl. apps)
- DWG: Operational Procedure for Mitigating Marine Mammal Incidental Catch, 30 May 2007, Version 5.0
- MFish Operators briefings, June 2007
- DWG: Operators briefings, June 2007
- DWG: Hoki Fishery Operational Procedures, 1 June 2007, Version 9
- DWG: Squid Season Seabird Report. From the Seabird Liaison Officer, 16 July 2007



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6. Details of The Proposed Operational Hoki Plan, Under Which The Hoki Fishery is Being Managed

Previously the Hoki Fisheries Management Company, now part of the Deepwater Group, was able to demonstrate that it had many of the components of a Fisheries Plan that had been documented and were operating in the fishery. However, there were no proposed management measures and one plan integrating all aspects of management and the services that should be provided in a fishery and also meet the relevant legislation and standards.

A CAR relevant to this, "CAR 17 Strategic Planning and stakeholder input", was closed in the previous audit. However it was recognized that an Operational Fisheries Plan would need to be developed, with stakeholder input.

There has been a long process of discussion and consultation between the Ministry of Fisheries, industry and stakeholders. The approach to Fisheries Plans has evolved and there has been a shift from industry-led Fisheries Plans to Ministry-led Fisheries Plans. However under the Fisheries Act anyone can develop a Fisheries Plan

Recently, the DWG and the Ministry have formed a partnership and agreed to work closely together to develop goals, objectives, and a management regime to give 'best value' from the deepwater fisheries. The partnership has been formalised through a Memorandum of Understanding (MOU), which sets the ground rules for this relationship.

The DWG and MFish have committed to working together and completing a Fisheries Plan for hoki by May 2008. The Plan will provide for an objective-based fisheries management approach for deepwater species. It will include goals and objectives for the fishery and establish clear links between the objectives and the management measures and services proposed for the fishery. This will be incorporated into a Fisheries Plan(s) which will form the basis of the purchase of Fisheries Services.

The Fisheries Plan will include

- Objectives for the deepwater fisheries
- Implementation of standards
- Assessment and management of risk
- Required regulations
- Specifications for the delivery of services- management, research and observers and
- Specification of performance Indicators

In particular it is proposed that the plan would include

1. Management measures to address all relevant issues, including:

- a) Target stock rebuild and management
- b) Enhanced management of juvenile hoki
- c) Finfish bycatch
- d) Seabirds
- e) Fur seals
- f) Benthic, habitat and ecosystem effects



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2. An Implementation plan, including all the management controls and services required to progress the management measures, such as:
 - a) Research
 - b) Reporting and monitoring (MFish, DWG)
 - c) Compliance (at-sea, air, forensic)
 - d) Management controls (such as deemed values, regulatory changes, non-regulatory civil contracts, vessel management plans, etc.)
3. An annual Operational Plan including an assessment of the performance of the previous year, and each party's responsibility for upcoming year.

The Fisheries Plan will link into a deepwater strategic plan.

There is a schedule in place to progressively develop the Fisheries Plan by 2008 including input from stakeholders and a commitment to a deepwater Strategic Plan.

Findings

If the Management Plan and planning process as described above are implemented and continue to completion, this will be consistent with the MSC Standard. As it is as yet early in the process, it is too early to determine if the planning process is likely to be successful. Nonetheless, the approach seems robust and is compliant with the intent of the MSC standard at this time.

Objective Evidence Sighted


- Memorandum of Understanding – Deepwater Fisheries Management Partnership. Signed by the Chief Executives of the DWG and the Ministry of Fisheries
- MFish Fisheries Planning approach- Ministry of Fisheries website
- Letter from MFish CEO to DWG, 29 May 2007

7. Evidence of Continuing Sign-Up of Member Companies to the Civil Contract Governing DWG Hoki Fishing Operations

The Hoki Fishery Deed was developed to promote and enhance the long-term sustainability of the hoki fishery and the related aquatic environment. The Parties were the Hoki Fisheries Management Company and Quota Holders who agreed to implement voluntarily certain management measures beyond those imposed under the Fisheries Legislation. In particular, the Parties decided to participate in a binding compliance regime to promote industry compliance with the Code of Practice developed by participants in the hoki target trawling fishery. It was recognised that the intended binding compliance regime would only be possible if the great majority of quota shareholders agreed to comply with the Code of Practice.

There has been a change in regime in the management and operations in the hoki fishery since the creation of the DWG. All the Deeds and Agreements that were in place between any of these companies and their shareholders (and other parties) remain in force unless DWG has expressly acted to revoke them. This is the current situation regarding the Hoki Fishery Deed.

DWG have developed a new "Deepsea Fisheries Management Deed" to be finalised and implemented

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before 1 October 2007. This Deed is between DWG and Quota owners, ACE holders and other persons involved in the fishery. It is intended to be legally binding and is planned to consolidate and replace existing management deeds (such as the HFMC Deed) and provide a framework for the development, implementation, compliance monitoring and enforcement of management undertakings.

It is as yet uncertain how many quota owners will sign up to the new Deed, although the major quota holders have indicated their intention to accede to the new Deed.

Findings

The continuing sign-up of shareholders and quota owners to the hoki Fishery Deed is now redundant. The extent of support for the new DWG Deed seems strong, but it will not be clear how many of the existing participants in the hoki fishery will accede to the new Deed until after it comes into force in October 2007. At this time, the fishery remains in compliance with the MSC standard as there has been no material change in the numbers of quota owners that have signed-up to the original hoki deed.

Objective Evidence Sighted

Draft DWG Deepsea Fisheries Management Deed

8. Evidence Of Continuing Engagement With Stakeholders Over Environmental Issues

Stakeholder engagement has always been considered important in the MSC process. At the time of the previous audit, a Hoki Environmental Steering Group (ESG) was operating which included the industry, agencies (MFish and DoC) NGOs (WWF and RFBP) and a research provider (NIWA). The members of the ESG considered this an appropriate and constructive forum for information sharing and being able to contribute to initiatives to address environmental impacts of fishing; e.g. the Environmental Risk Assessment and benthic effect workshops.

The last ESG meeting was held in March 2006. The minutes of that meeting report on the second benthic workshop held in February 2006. The ESG has been discontinued whilst the objection to the re-assessment process has been underway. This also coincided with a change in company structure — the formation of the DWG that absorbed the old HFMC — and the appointment of a new Chief Executive for the DWG.

In recent months the DWG has formed a partnership with MFish and an informal program of meetings has been setup where DWG and MFish meet with the DoC, WWF and RFBP once a month. The purpose of these meetings is to establish a new relationship and for the managers of the fishery to seek constructive comment on the operation of the fishery. This is considered to be a positive initiative. However the stakeholders consulted during this audit were all of the view that formal stakeholder meetings, independently chaired (such as the previous ESG meetings) were important. These meetings gave individuals, both managers and operators, a good forum for information sharing and robust discussion of fishery environmental issues. Some important outputs included, an Ecological Risk Assessment, Benthic Workshops attended by “experts”, and new research proposals.



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Findings

There is an appropriate level of ongoing engagement of the DWG with stakeholders, although this could be enhanced by re-establishing the ESG as discussed above at point 4.

Objective Evidence Sighted

ESG meeting minutes March 2006
MoU-MFish and DWG
Benthic Workshop Reports
Ecological Risk Assessment

Issues Raised by Stakeholders and Interested Parties

These notes summarise the main issues raised with the audit team by at least one of the stakeholders or interested parties.

Principle 1

Concern that:

- Reference points not formally agreed
- No attempt to rebuild the western stocks
- IPP doesn't include an option to cease fishing on the western stocks
- High grading is a real problem
- Overcatch of hoki

Satisfaction that:

- The weekly based reporting on ACE (as opposed to end of year) would be a major improvement
- Some improvement in monitoring, compliance and feedback of catch

Principle 2

Concern that:

- BPAs will not mitigate environmental impacts of the fishery
- Long delay before introduction of MPAs in the EEZ
- CSP-collected data shows large amounts of corals and sponges caught in trawl nets
- Mitigation procedures for seabirds allows option of 3 techniques and although Tori lines appear to be the most successful, they are not mandatory
- Need for increased observer coverage
- Nothing being done on basking sharks
- Vulnerability of some of the bycatch species, including seals in WCSI
- DWG managing the MSC certification rather than the fishery

Satisfaction that:

- Offal management studies are a very positive step towards reducing bird catch
- Seabird catches are trending down

Principle 3

Concern that:

- The ESG meetings have been discontinued. [All stakeholders and parties considered that these meeting were constructive and informative forums for exploration of the issues]
- The Code of Practice failed to reduce the numbers of small fish being caught



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Satisfaction that:

- DWG and MFish have initiated a regular meeting amongst some of the key stakeholders and interested parties
- MFish monitoring of the voluntary requirements.

Organisations invited to consult

- Deepwater Water Group
- SeaFIC
- Ministry of Fisheries
- Department of Conservation
- Ministry for the Environment
- Treaty of Waitangi Fisheries commission
- NIWA
- RFBP
- WWF
- Greenpeace
- ECO

Organisations consulted

- DWG: George Clement, Chief Executive DWG; Richard Cade (former Chief Executive, HFMC).
- SeaFIC: Kevin Stokes, Stock Assessment; David Middleton, Environmental effects of fishing.
- NIWA, Wellington: Rosie Hurst, Regional Manager; Richard O'Driscoll, Group Manager; Chris Francis, Scientist.
- MFish: Stefan Leslie, Manager Deepwater; Aoife Martin, Analyst.
- RFBPS: Kevin Hackwell, Advocacy Manager; Kirstie Knowles, Conservation Advocate.
- WWF- NZ: Chris Howe, Executive Director; Rebecca Bird, Marine Campaigner.
- DOC: Doug Nicol, Senior Marine Conservation Officer

Audit team members

Mr. Steve Austin – SGS Lead Auditor
Mrs. Jo Akroyd – Fishery Management specialist
Dr. André Punt – Stock Assessment specialist
Dr. Trevor Ward – Marine Ecosystem specialist

Dates of on-site surveillance

6 to 10 August 2007