

Senate Standing Committee on Environment and Communications
Legislation Committee
Answers to questions on notice
Environment portfolio

Question No: 38
Hearing: Additional Estimates
Outcome: Outcome 1
Programme: Wildlife Heritage and Marine Division (WHM)
Topic: Hammerhead sharks
Hansard Page: N/A
Question Date: 16 February 2016
Question Type: Written

Senator Siewert asked:

1. With regard to the recent application to commercially kill and export hammerhead sharks:
 - a) Is the Department aware that there were two reports prepared by Dr. Ian Knuckey and Matt Koopman of Fishwell Consulting in 2014 which is currently a matter of a conflict of interest complaint by Sea Shepherd Global to the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)?
 - b) Is the Department aware that while Fishwell Consulting were providing a report to the Australia Environment Department on the sustainable harvesting of CITES Appendix II shark species, they were at the same time advising Hong Kong based airline, Cathay Pacific Airways on how they could ensure legal exportation of Australian shark fins for the Chinese market?
 - c) Is the Department aware, that the 2014 report compiled by Fishwell Consulting for the Australian Government was used by the Environment Department to compile a non-detrimental findings report for the export of shark species which is being used currently to propose the wild life trade of hammerhead sharks in Australia - which are currently under review in terms of the conservation status?
 - d) Is the Department aware the Fishwell Consulting provided no disclosure of the clear conflict of interest in either of their 2014 reports?
 - e) Please provide any documentation including reports, correspondence or minutes in relation to this issue.

Answer:

- 1a) The Department is aware of the two reports. The Department received a conflict of interest complaint from Sea Shepherd Global.
- 1b) The Department reviewed the complaint and found that there was no basis to the allegation of a conflict of interest involving Fishwell Consulting.
- 1c) The Department considered the information provided in the Fishwell Consulting report on fisheries management as part of making Australia's non-detriment finding for the listed hammerhead sharks. The Department also considered a 2014 report by Professor Simpfendorfer, Director of the Centre for Sustainable Tropical Fisheries and Aquaculture, which provided advice on sustainable harvest levels of hammerhead sharks in Australian fisheries. Copies of both reports and Australia's non detriment finding for hammerhead sharks can be found at: <http://www.environment.gov.au/biodiversity/wildlife-trade/publications/non-detriment-finding-five-shark-species>.

- 1d) The Department's assessment found that there was no basis to the allegation of a conflict of interest involving Fishwell Consulting.
- 1e) In response to the allegation of a conflict of interest, the Department undertook an assessment of the allegation, and after finding there was no basis to the allegation, wrote directly to Sea Shepherd Global to advise the outcome of the review.

Copies of the Department's assessment and response to Sea Shepherd Global are attached.

**Analysis of allegation of conflict of interest involving Fishwell Consulting,
made to 'CITES Australia' by Gary Stokes, Director – Asia, Sea Shepherd Global**

Issue

On 29 January 2016, the Department received an email from Sea Shepherd Asia alleging that Fishwell Consulting provided advice in 2014 to the Department regarding sustainable harvesting of CITES listed shark species at the same time as advising Hong Kong based airline, Cathay Pacific Airways, on the sustainable exploitation of Australian shark fins.

Key Point

Sea Shepherd demands that a full investigation be undertaken into [the following] issues and until they have been investigated, no CITES export certificates for any of the 5 shark species listed on CITES Appendix II should be issued by CITES Australia.

Table 1: Analysis of allegation

Sea Shepherd allegation	Department of the Environment analysis
<p>We are writing to complain to you about a case of 'Conflict of Interest' involving Dr. Ian Knuckey and Matt Koopman of Fishwell Consulting, who in 2014 advised the Australian Government on the sustainable harvesting of CITES Appendix II shark species, at the same time as they were advising Cathay Pacific Airways on the sustainable exploitation of Australian shark fins.</p> <p>This complaint is made on the following grounds:</p> <p><u>Advice to the Australian Government</u></p> <p>In 2014, Koopman and Knuckey prepared the following report for the Department of the Environment:</p> <p><i>Koopman, M. and Knuckey, I. (2014). Advice on CITES Appendix II Shark Listings. Report to Department of Sustainability, Environment,</i></p>	<p><i>Non-detriment finding</i></p> <p>The Department considered multiple sources of information in the development of the non-detriment finding for the commercial export of hammerhead sharks.</p> <p style="padding-left: 40px;">- A full publication list is documented in the non-detriment finding report and includes peer reviewed scientific journals and publicly available data.</p> <p>This information included two reports commissioned by the Department of the Environment.</p> <ul style="list-style-type: none"> • A 2014 report by Dr Ian Knuckey and Mr Matt Koopman of Fishwell Consulting concerning existing management arrangements, historic catch data and recommendations for the improvement of Australian

<p><i>Water, Population and Communities. Fishwell Consulting. 144 pp.</i></p> <p>Using this report, the Department of the Environment published the following report:</p> <p><i>Non-Detriment Findings (NDF) report for the export of shark species listed in the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) and harvested from Australian waters (2014).</i></p> <p>This report's conclusion states - <i>“This NDF finding is based on many sources of information available for the five CITES Appendix II listed shark species including the Simpfendorfer scientific assessment (2014) and the Koopman and Knuckey analysis of Australian fisheries (2014)”</i>.</p>	<p>fisheries interacting with the listed shark species; the report does not provide advice on the sustainability of Australia's shark harvest.</p> <ul style="list-style-type: none"> • A 2014 report by Professor Simpfendorfer, Director of the Centre for Sustainable Tropical Fisheries and Aquaculture which provides advice on sustainable harvest levels of hammerhead sharks in Australian fisheries. <ul style="list-style-type: none"> - Fishwell did not contribute to this report. <p>Drafts of both reports were reviewed by all state and territory government fishery agencies prior to being finalised. No concerns were raised.</p>
<p><u>Advice to Cathay Pacific Airways</u></p> <p>At the same time as Koopman and Knuckey were preparing their report for the Department of the Environment, they were also advising Cathay Pacific Airways on how they could ensure their exploitation of Australian shark fins for the Chinese market could continue to operate in a legal and sustainable manner. Their report for Cathay Pacific Airways is entitled:</p> <p><i>“Knuckey, I., Sant, G. and Koopman, M. (2014). Options for traceability of shark products through the Cathay Pacific supply chain to prove sustainable and legal provenance. Prepared by Fishwell Consulting and TRAFFIC for Cathay Pacific Airways Limited. Unpublished”</i></p> <p>[Source: TRAFFIC: Traceability Systems in the CITES Context. 2015: Victoria Mundy and Glenn Sant].</p> <p>We have checked both the Koopman and Knuckey report for the Department of the Environment report on CITES Appendix II Shark</p>	<p><i>Advice to Cathay Pacific Airways</i></p> <p>In 2014, in collaboration with Mr Glenn Sant of TRAFFIC, Fishwell Consulting prepared an unpublished report for Hong Kong based airline, Cathay Pacific Airways, on “options for traceability of shark products through the Cathay Pacific supply chain to prove sustainable and legal provenance”.</p> <p>This report has not been made available to the Department and we are unable to comment on its content.</p> <p>We note that TRAFFIC is a co-author of the report. They are an organisation working globally on trade in wild animals and plants in the context of both biodiversity conservation and sustainable development. They provide reports to CITES investigations, including the Mundy and Sant (2015) report cited by Sea Shepherd (at left). This report on traceability systems in the CITES context cites the Knuckey <i>et al.</i> (2014) report extensively as a source of technical expertise.</p>

<p>Listings and the Department of the Environment NDF report for the export of CITES listed shark species and can find no disclosure of this Conflict of Interest in either report, so as the situation stands, Koopman and Knuckey were advising the Australian Government on the sustainable harvesting of sharks, at the same time they were advising Cathay Pacific Airways on how fins of the same sharks could be sustainably exploited.</p> <p>This is a clear case of an undisclosed Conflict of Interest</p>	<p><i>Timing of the reports</i></p> <p>The contract between the Department and Fishwell Consulting was signed in May 2013. This included the regular declaration of conflict of interest clause.</p> <p>Fishwell presented a draft final report to the Department on 17 October 2013 that was published on 14 March 2014 after minor edits were made.</p> <p>Fishwell advised the Department that the work for Cathay Pacific commenced on 17 February 2014. The report was finalised on 10 July 2014.</p> <p>Tables 2 and 3 below provide an outline of the timing.</p>
<p><u>Another undisclosed potential Conflict of Interest</u></p> <p>Dr. Knuckley [sic] is also Chairman of Geelong Food Co-Products Cluster (GFCC), whose affiliated companies include many from the commercial fishery and seafood sectors and whose achievements include helping small food producers gain access to Asian markets through Austrade support as part of the Asian Century Business Engagement Program [Source: Geelong Food Co-producers Cluster. http://gfcc.com.au/].</p> <p>We fail to understand how the Australian Government could seek advice on the sustainable exploitation of shark species from a scientist who is the Chairman of a group which represents amongst others the commercial fishery and seafood business sectors and who therefore has a vested interest in ensuring that shark stocks are made available for commercial exploitation by GFCC group members. This surely also comprises an undisclosed Conflict of Interest. Furthermore, in terms of ethics, doesn't this give GFCC a potential</p>	<p>In providing a quote to prepare the report in April 2013, Dr Ian Knuckey of Fishwell Consulting disclosed his affiliations including with the Geelong Food Co-products Cluster which Sea Shepherd alleges has a vested interest in ensuring that shark stocks are available for commercial exportation.</p> <p>He also stated that Fishwell Consulting provides research and consulting services to encourage and promote sustainable fishing practices in the fishing and seafood industry.</p>

unfair business advantage over its competitors, if its Chairman is advising the government on the sustainable harvesting of sharks and his group members on commercial fishery and seafood opportunities.	
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Table 2: Important history in development of Fishwell’s report to the Department

Date	Key decision / action
March 2013	Hammerheads listed to Appendix II at CITES CoP16 with implementation by 14 September 2014.
18 April 2013	Reg 9 signed for Advice on Developing a Non-Detriment Finding for Australian Fisheries that harvest CITES listed shark species. Reg 9 approval included that a risk assessment had been made.
19 April 2013	Request for quote sent to three candidates
29 April 2013	Response to request for quote received from Fishwell
16 May 2013	Contract signed between the Department and Fishwell
17 October 2013	Draft Final Report provided to the Department
14 March 2014	Very minor edits for Final Report to the Department
September 2014	Non detriment finding completed and made publicly available in October 2014. The recommendations were then incorporated into WTOs as they came up for review.
29 January 2016	Department received the Sea Shepherd allegations.
4 February 2016	Fishwell Consulting advised the Department of timing and context against the allegations.

Table 3: Timing of Fishwell/TRAFFIC report to Cathay Pacific (as provided by Dr Knuckey on 4 Feb 2016)

Date	Key decision / action
17 February 2014	TRAFFIC/Cathay Pacific agreement signed involving assistance from Fishwell
10 July 2014	Report finalised

Conclusion

Following a review of the information available the Department finds there is no basis for the claims and no further investigation is needed.

The Department found that the timing of provision of reports to the Department and Cathay Pacific Airlines by Fishwell does not constitute a conflict. Development of the Fishwell/TRAFFIC report to Cathay Pacific began in February 2014, four months after the Draft Final Report was provided by Fishwell to the Department. Only minor edits were made subsequent to this, in March 2014.

With regard to the alleged conflict in the content of reports provided to the Department and Cathay Pacific Airlines by Fishwell, the report to the Department did not provide advice on the sustainability of Australia's shark harvest. The Cathay Pacific report has not been made available to the Department and we are unable to comment on its content. However, the Department notes that the Cathay Pacific report was used as a source of technical expertise in a report by TRAFFIC to CITES on traceability systems in the CITES context, not on sustainability of shark harvest.

Dr Ian Knuckey of Fishwell Consulting disclosed his affiliation with the Geelong Food Co-products Cluster to the Department, prior to the start of the consultancy. In relation to the allegation of unfair business advantage, the report provided to the Department by Fishwell was reviewed by all state and territory government fishery agencies, with no significant concerns raised. The report was on existing management arrangements, historic catch data and recommendations for the improvement of Australian fisheries interacting with the listed shark species, and did not determine the outcome of the national sustainable harvest level for CITES listed sharks. The other report commissioned by the Department to provide advice on developing an NDF, by Professor Colin Simpfendorfer, Director of the Centre for Sustainable Tropical Fisheries and Aquaculture, focused on sustainable harvest levels of hammerhead sharks in Australian fisheries. In addition to these two reports, the Department considered multiple sources of information in the development of the non-detriment finding for the commercial export of hammerhead sharks.

Fishwell Consulting provides research and consulting services to encourage and promote sustainable fishing practices in the fishing and seafood industry. It is largely for their extensive technical experience in this field that they were selected for the project.



[REDACTED]
Director - Asia
Sea Shepherd Global
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1040 HB Amsterdam
NETHERLANDS

Dear [REDACTED]

Thank you for your letter of 24 January 2016 regarding an alleged conflict of interest involving Fishwell Consulting. The Department has undertaken a review of information available in relation to the allegations outlined in your letter.

Fishwell Consulting was commissioned by the Department in May 2013 to provide expert advice on fishery management arrangements, recommendations for improvement of these arrangements and historic catch data for the shark species listed under Appendix II of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES). Fishwell Consulting was selected after submitting a response to an invitation to quote in a competitive process. In their response, [REDACTED] disclosed his affiliations, including with Geelong Food Co-products Cluster.

The report provided by Fishwell Consulting was prepared on the basis of evidentiary sources and was subjected to independent review by Australia's state and territory fishery management agencies. Their report, one of several information sources, was considered in the determination of Australia's Non Detriment Finding (NDF) and the subsequent implementation of the shark listings which came into effect on 14 September 2014.

The full extent of information that contributed to Australia's NDF for the CITES listed shark species is provided in the references to *Australian Government (2014) Non-Detriment Findings (NDF) report for the export of shark species listed in the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) and harvested from Australian waters*. A copy of the NDF is available at:
<http://www.environment.gov.au/biodiversity/wildlife-trade/publications/non-detriment-finding-five-shark-species>.

We consider that the timing of Fishwell Consulting's consultancy with Cathay Pacific did not compromise the advice prepared by Fishwell Consulting for the Department.

I further note that TRAFFIC is a co-author of the Cathay Pacific report which is cited extensively in a review undertaken by TRAFFIC on experiences, best-practices and lessons learned for the traceability of CITES-listed shark species [REDACTED] (2015) *Traceability systems in the CITES context: A review of experiences, best practices and lessons learned for the traceability of commodities of CITES-listed shark species*. TRAFFIC).

In reviewing the information available, the Department has been unable to substantiate the allegation of a conflict of interest involving Fishwell Consulting. I have determined that, as the claims are unwarranted; our review into the matter is now concluded. [REDACTED]

Yours sincerely



Stephen Oxley
First Assistant Secretary
Wildlife, Heritage and Marine Division
22 February 2016

C.c. John Scanlon

[REDACTED]

[REDACTED]