

Impact Summary: Importation of Trout Meat for Sale

Section 1: General information

Purpose

The Department of Conservation is solely responsible for the analysis and advice set out in this Regulatory Impact Statement, except as otherwise explicitly indicated. This analysis and advice has been produced for the purpose of informing:

- policy decisions to be made by the Minister of Conservation and the Minister of Customs, in consultation with Cabinet, on whether to continue the current restrictions on the importation of trout meat for sale after 7 November 2018.

Key Limitations or Constraints on Analysis

This Regulatory Impact Statement has been prepared by Department of Conservation. It provides an analysis of options to manage the importation of trout meat after the current importation prohibition expires.

The analysis was based on the information available on the potential impacts of trout importations. As importations have been largely prohibited for many decades, and the situation in NZ is very different to that overseas, detailed evidence of potential impacts of allowing importation is limited. It was therefore necessary to make predictions of likely effects of changed approaches, based on statements made by other parties (e.g. WTO members, trout fishery managers).

Given that both positive and negative effects of changes in the control of importation are identified, the balance between those is not clear from the information currently available, and some key interests have not been involved in the analysis to date (public consultation has not been undertaken), the RIS concludes that allowing the CIPO to expire immediately would be a high-risk option with no strong evidence of benefits to outweigh those risks.

Responsible Manager (signature and date):

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4 July 2018

Section 2: Problem definition and objectives

2.1 What is the policy problem or opportunity?

Introduction to problem

1. The importation of trout meat for sale has been prohibited¹ since 1998 under a Customs Import Prohibition Order (CIPO). If nothing is done, the existing CIPO will lapse and the importation of trout will be unrestricted from 8 November 2018.
2. The question of whether to renew the CIPO brings together a number of distinct effects and interests.
3. The sale of trout (except for wild trout) is allowed in New Zealand. The reason it is not available for sale is because there is no way to obtain trout to sell – trout farming, selling wild trout, and importing trout are all prevented by legislation or the CIPO. The reasons for making trout unavailable for sale – and a key reason the farming of trout is not permitted – relate to preservation of the wild trout fishery.
4. There is strong public interest in the New Zealand wild trout fishery, among the anglers that utilise the fishery, and the businesses that support anglers in their use of the fishery. The contribution of wild trout to the economy is significant. It is believed by trout fishery managers and enforcement officials that importation and commercial sale of trout would make poaching more difficult to control, and poaching would be likely to damage fisheries in ways that would impact on the existing users and the trout-related economy.
5. The prohibition, combined with the legislative prohibitions on the sale of domestic trout and the farming of trout (also aimed at protecting the wild trout fishery), means that consumers are unable to buy trout meat and retailers and restaurants unable to sell trout.
6. There is a clear interest among businesses (including iwi groups) to look at farming trout for sale, and a new industry would have the potential to provide employment, increase the size of the economy, and provide valuable exports. However, officials are not aware of any detailed business case that has been prepared that demonstrates whether or not trout farming would be commercially viable in this country, nor what the potential scale of possible farming or exports might be, or whether it would add to or displace other potential aquaculture businesses.
7. There are concerns among trade officials about potential risks to international trade from perceived barriers to trade.
8. This analysis expands on each of these areas of public interest and examines the links between them, and considers the opportunities and risks that can be anticipated depending on whether the CIPO is renewed or allowed to lapse.
9. The two groups with conflicting interests in this matter are:
 - would-be purchasers of trout and trout products and businesses wanting to support them; and
 - trout anglers and businesses supporting them.
10. All of the benefits from the importation of trout for sale would go to members of the first

¹ Except for quantities of less than 10kg that are not intended for sale. Larger amounts, and trout or trout products intended for sale, can be imported only with the consent of the Minister of Conservation.

group – members of public wanting to purchase trout, and those businesses providing for that demand through retailing imported trout. The analysis notes that importation would not allow a domestic farming industry to develop, as the prohibition on farming is in legislation that has not been reviewed in the work on the CIPO.

11. All of the risks from the importation of trout for sale would be borne by members of the second group – the fisheries managers (fish and game councils and the Crown), recreational anglers and the businesses that support the recreational trout fishery. There would be no benefits from the importation or sale of trout for this group of interests.
12. It is also noted that allowing importation without addressing the broader issues around commercial sale of domestic trout would result in overseas trout producers being treated differently to domestic potential producers, and might even impede development of a domestic commercial trout industry.

Current legal situation

13. Trout (including rainbow and brown trout) are currently regarded as ‘non-commercial’ species in New Zealand – wild trout cannot be bought or sold, and trout cannot be farmed commercially or imported for sale. Trout can be obtained only by persons who buy a sports fish licence and catch their own fish in accordance with sports fishing regulations, or who are given such fish by someone who has caught them.
14. These arrangements are historical (prohibitions on the sale of wild trout date back to the 1930s or earlier) and have changed over time, but have always been oriented towards protecting the sustainability and values of the recreational trout fishery. The commercial farming of trout has been prohibited since 1983.
15. The restrictions on the importation and commercial sale of trout and trout products are implemented through:
 - Part 5B of the Conservation Act 1987, in particular
 - section 26ZQ, which prohibits the sale (including barter or offering for sale) of wild trout caught in New Zealand, and
 - section 26ZI(4), which bans the commercial farming of trout.
 - Section 301(a) of the Fisheries Act 1996, which does not allow the making of regulations allowing licensing of fish farms for the rearing and breeding of trout for sale.
 - A 22 November 2012 Gazette notice made under the Freshwater Fish Farming Regulations 1983 lists those species that may be farmed and the list does not include trout.
 - A Customs Import Prohibition (Trout) Order which prohibits the importation of trout (alive or dead) and trout products, unless in quantities under 10 kilograms not intended for sale, except with the consent of the Minister of Conservation and subject to such conditions as may be imposed that are not inconsistent with the import prohibition.
16. Imports of trout meat and trout products (if agreed to by the Minister of Conservation) are required to meet import health standards under the Biosecurity Act 1993 in the interest of protecting the health of fish in New Zealand from pests and diseases. Three current standards set out the biosecurity requirements for the import of all salmonid fish (which include salmon, trout and char) – from Australia, the EEC, and other specified countries,

respectively. These standards do not allow the import of trout still containing their internal organs, and this prevents the importation of live trout.

17. The Customs Import Prohibition (Trout) Order 1998 (SR 1998/436), which placed an 18-month ban on any commercial importation of trout or trout products, was the first to be put in place under section 54 of the Customs and Excise Act 1996, and was intended to allow time for Parliament to consider legislation on the issue. This action followed the development of an import health standard which would have allowed the importation of trout meat and trout products to begin. The 1998 Customs Import Prohibition Order (CIPO) was renewed three times. It was then replaced by the Customs Import Prohibition (Trout) Order 2001 (SR 2001/329). This CIPO was extended for another three years in 2004.
18. Investigations by officials in 2007 found that alternative, less trade-distorting, options than a CIPO for protecting the non-commercial status of trout would require additional enforcement and fisheries management effort. The 2004 CIPO was replaced by another in 2007, and by a further CIPO in 2010, which was extended for another three years in 2012. This was replaced by the current CIPO in 2015.
19. The Customs Import Prohibition Order (Trout) Order 2015 (LI 2015/241) prohibits the importation of trout and trout products, except for quantities of less than 10 kilograms which are not intended for sale. The Minister of Conservation has the discretion to grant consent to the importation of trout intended for sale or in quantities greater than 10 kilograms, subject to conditions that are not inconsistent with the prohibition.
20. A Private Members Bill, the Conservation (Protection of Trout as a Non-commercial Species) Amendment Bill was introduced in 1998 and adopted as a Government Bill in 2000. The Bill would have made it an offence to buy, sell or possess any trout for the purpose of sale regardless of its origin. The Bill never progressed beyond the Committee Stage and was discharged in 2008. During this period the CIPO was maintained.
21. The Customs Import Prohibition (Trout) Order 2015 expires at the close of 7 November 2018. In the absence of further legislative action, trout meat in any form that complies with the import health standards could be imported to New Zealand for commercial sale after 7 November 2018.

Wild trout fishery

22. The import prohibition and the prohibition on the farming of trout are aimed at protecting the New Zealand wild trout fishery. Allowing the importation of trout for sale could increase the incentives for some people to illegally sell wild trout for financial gain. Important parts of the wild trout fishery are under pressure from current harvesting levels, and any major increase in take or decrease in breeding success (such as from increased angler harvest or poaching impacts) may adversely impact on the fishery and could lower its recreational and economic values.
23. Current trout fishery enforcement with regard to the attempted illegal sale of wild trout is straightforward and low cost. Enforcement currently requires only about 9% of sports fishery management budgets. Members of the public that have an interest in the trout fishery and who observe any trout being offered for sale quickly report alleged offences to enforcement officials. This currently limits the potential for people to sell wild trout illegally on a large scale.
24. If imported trout could be sold, the illegal sale of wild trout would be much more difficult and costly to detect. For example, if a retailer or restaurant was suspected of acquiring

wild trout, enforcement officials would need to inspect documentation to check whether the trout found on the premises was legally acquired. (This work would probably be carried out by MPI as part of its existing fish retailing compliance regime, which is cost-recovered.) However, potential funding for increased compliance for the wild trout fishery would need to be explored and might need to include increases to sports fish licence fees, additional cost recovery from trout importers, Crown funding, or some combination of these.

25. While the actual scale of any increase in poaching as a result of allowing trout for sale cannot be known, it is possible that trout could be illegally taken in financially valuable amounts. Department of Conservation (DOC) enforcement officials have observed groups of two to four people easily catching 30–80 trout (worth around \$600 to \$1600 at current wholesale prices in Australia) in less than an hour by sweeping a spawning stream with a gill net. Fish taken in this way can currently provide a cheap source of food but cannot readily be sold for financial gain.
26. The wild trout fishery is mostly self-supporting, which greatly reduces the cost of sustaining the fishery. Nearly all fish are bred naturally in the wild; hatchery-raised fish released into the wild make up less than 5% of the fishery. The most vulnerable parts of the fishery are those where trout aggregate in large numbers (generally for spawning) in places within easy reach of motor vehicles or quad bikes. In these areas, large numbers of fish could be netted and readily taken away for illegal sale. If there is a frequent loss of large numbers of spawning fish and the destruction of eggs in spawning gravels by trampling it could be expected to lead to a significant decline in the parts of the wild trout fishery that depend on those spawning areas. DOC considers the Taupo and Rotorua Lakes trout fisheries to be the most vulnerable to the impacts of potential large-scale illegal netting of fish.

Economic and recreational value of wild trout

27. The New Zealand wild trout fishery is renowned internationally and attracts significant numbers of overseas tourists to New Zealand. Freshwater sports fishing licence sales nationally amount to \$11.1 million per year (145,000 licences sold), and far greater amounts are spent on outdoor equipment (including fishing gear, boats and vehicles), travel, accommodation, and other services associated with the recreational fishery.
28. The Taupō fishery makes up about 28% of the nation-wide trout fishery. The Taupō fishery alone creates at least \$29 million per year in business turnover, adds \$11 million to the size of the economy, and sustains nearly 300 jobs². In Taupō fishery, about one trout is taken for each licence sold. This means that each fish legally taken is worth around \$725 in business turnover and adds \$275 to the domestic economy, and every 130 fish legally taken support one full-time job.
29. Any major increase in illegal harvesting of trout spawning aggregations, particularly in the Taupō fishery, may therefore reduce the size of the fishery and result in potentially significant economic and employment impacts on the Taupō economy.

Comparison with other wild fisheries

30. While it would be desirable to seek to quantify the risk of poaching impacts based on experience in other fisheries or in other countries, direct comparisons are problematic. Whitebait, for example, is imported and sold commercially, and the wild resource is not

² Section 3B.2.5 *Review of the Taupō Sports Fishery 2013*.

adversely affected by this. However, there is no “quick and easy” way to catch very large amounts of whitebait contrary to the regulations without being detected.

31. The sale of salmon in New Zealand has not led to significant salmon poaching. Salmon in edible condition can be caught in large numbers only in half a dozen South Island rivers in areas where the illegal use of nets is easily seen. Elsewhere, salmon running up rivers are too few and far between to catch in numbers even with nets. In all regions, the flesh of salmon typically begins to decompose and becomes inedible before the fish join spawning aggregations. This greatly reduces the opportunity to illegally net aggregations of edible salmon. In contrast, edible trout can readily be caught with nets in visually concealed spawning streams where detection is difficult.
32. Other countries have both trout sales and wild trout fishing. However, these wild fisheries have significant differences to the New Zealand trout fishery. For example, in situations where trout fisheries are contained entirely within large private estates overseen by gamekeepers, public access to the fisheries is prevented and opportunities for poaching are restricted. Some other fisheries are sustained largely by artificial stocking and the impact of losing spawning fish in these fisheries can be insignificant on their sustainability. In other overseas fisheries, wild trout are small and relatively few, and opportunities for netting large numbers of fish can be limited. These differences make direct comparison of New Zealand and overseas situations problematic.

Importation and sale of trout

33. There is some interest from food importers to be allowed to import trout meat for sale, apparently in response to an unmet demand among the general public. While the extent of public demand for trout is unknown, the Minister of Conservation occasionally receives applications from interests wishing to import trout. There have been 3 applications in the last 8 years. However, informal feedback from industry groups suggest the lack of import applications is not because of a lack of interest but, rather, there is considered to be no utility in applying to import trout. To date, only one application has been approved and there were unique circumstances in that case. Discontinuing the import prohibition order would allow food importers to import trout and thereby meet apparent consumer demand for trout.
34. At least one major company in the aquaculture industry has said it has a strong interest in being able to begin to farm trout (see below) and Aquaculture New Zealand has indicated it supports enabling the farming of trout. Some Māori have also indicated an interest in trout aquaculture. This implies that demand exists for commercial access to trout, though it remains to be tested how big that demand is and how much of that demand would be domestic and how much in export markets.
35. Allowing the CIPO to lapse may align with government priorities to maximise opportunities for economic development and minimise regulatory burden.

International Trade Obligations

36. The current import prohibition has been a minor source of friction with some of New Zealand’s trading partners. In the past, Australia, Canada, the EU, US, and Norway have raised concerns about the consistency of the import prohibition for trout with New Zealand’s obligations under the World Trade Organisation (WTO), including during New Zealand’s 2003 Trade Policy Review.³ They have also raised the issue directly with

³ There were no questions asked of New Zealand during the 2009 Review.

Ministers in New Zealand in the past. Specifically, there are concerns that the import prohibition is inconsistent with Article III:4 (national treatment)⁴ of the General Agreement on Trade and Tariffs (GATT) and Article XI of the GATT (which prohibits prohibitions and restrictions of imports). Allowing the prohibition to lapse would address their concerns, and remove the possibility that they would take dispute settlement action to pursue their interests.

37. It is also important to consider current and future negotiations when reviewing the CIPO. The CIPO has been raised in passing in past negotiations. And, while we think it unlikely, we cannot discount the possibility that it may become an issue once again.

Trout farming

38. There is increasing interest within the New Zealand farming and aquaculture sector – including among Māori interests – to be able to farm trout in New Zealand, both for export and to meet domestic demand. A recent Bay of Plenty regional growth study⁵ highlighted possible future economic opportunities if the farming of trout was permitted. While the issue of domestic trout farming is outside the scope of the trout CIPO (and lifting the trout CIPO would not enable trout farming or the commercial sale of New Zealand wild trout), allowing the importation of trout for sale would be likely to trigger calls to remove the prohibitions on trout farming in the Conservation Act and Fisheries Act.
39. The global export market for trout products (live, fresh/chilled and frozen) in 2010 was valued at US\$985 million and grew at an annual average rate of 8.6% over the 2000–2010 period. The major trout exporting countries are Chile and Norway, while Australia farms trout primarily for domestic consumption.
40. While the potential value of a trout farming industry to New Zealand, including the ability of New Zealand to compete in international markets, is unclear, a report for the sector on the viability of commercialisation of new fish species in New Zealand ranks the farming of ocean trout as a top priority for more detailed research and analysis. Salmon farming in New Zealand provides a greenweight harvest of around 14,000 tonnes annually and generates around \$128 million in revenue. About half of production is exported.
41. Trout have an established market overseas and could be commercially farmed using existing technology (in contrast to other fin fish, other than salmon, where technology to allow for commercial farming is at its early stages). However, issues relating to disease, genetic risks to wild trout and predation risks to some native fish populations would need to be considered before the prohibition on trout farming was lifted. Similar issues were considered prior to allowing salmon farming in New Zealand.

⁴ The import prohibition will be inconsistent with the national treatment obligation if trout from overseas markets is given less favourable treatment than 'like' products of domestic origin. For instance, if salmon were found to be 'like' trout for WTO purposes, then there would be a breach of Article III, since there is differential treatment in the New Zealand market.

⁵ *Toi Moana Bay of Plenty Regional Growth Study*. An independent report commissioned by the Ministry of Business, Innovation and Employment (MBIE) and the Ministry for Primary Industries (MPI), in conjunction with the region, released in May 2015.

Objectives

42. The Government's objectives in regard to the issues examined in this paper can be summarised as follows:

- Maximise recreational and tourism values of wild trout fishery
- Maximise employment and economic values of wild trout fishery
- Maximise economic growth and employment opportunities in the wider economy
- Provide for maximum consumer choice in purchasing decisions
- Minimise risk of friction in negotiations with trading partners.

43. The interactions between these issues mean that it is not always possible to progress all of these objectives simultaneously. Actions that could advance some of the objectives may restrict progress on other objectives. Decisions on which objectives should be given precedence therefore need to be made by elected Ministers. This paper therefore sets out the practical options and likely impacts with the aim of assisting Ministers in making their decision on which option to adopt.

2.2 Who is affected and how?

Summary of issues and interest groups

44. The question of whether to renew the Customs Import Prohibition (Trout) Order 2015 or allow it to lapse is one that places two groups of interests at odds with each other:

- (A) would-be purchasers of trout and trout products and businesses wanting to support them; and
- (B) trout anglers and businesses supporting them.

45. A summary of the sets of interests is given in the table below.

Group A – Trout purchasers and businesses supporting them	Group B – Trout anglers and businesses supporting them
<ul style="list-style-type: none"> • Derive no benefit from the wild trout fishery • Would receive all the benefits from the importation of trout for sale • Would experience no risks from the importation of trout for sale • Would experience no costs from the importation of trout for sale (only minor cost-recovery) • Businesses would expect to gain a financial benefit from the importation of trout for sale 	<ul style="list-style-type: none"> • Derive all the benefits from the wild trout fishery • Would receive no benefits from the importation of trout for sale • Would carry all the risks from the importation of trout for sale • Anglers would carry all the potential costs of increased enforcement effort required if trout imported for sale • Businesses will experience a financial cost if the wild trout fishery declines
<p>Conclusion</p> <ul style="list-style-type: none"> • Nothing to lose from sale of trout • Everything to gain from sale of trout 	<p>Conclusion</p> <ul style="list-style-type: none"> • Nothing to gain from sale of trout • Potentially much to lose from sale

46. A decision on the importation of trout therefore requires a decision about how to balance these two conflicting sets of interests.

2.3 Are there any constraints on the scope for decision making?

No additional constraints other than those described elsewhere. The key constraint is that the risks, costs and benefits of the different options cannot be fully quantified.

Section 3: Options identification

3.1 What options have been considered?

Options and impact analysis

47. Three practical options have been identified by officials:

- Renew the CIPO for a further three years without initiating any major additional analysis.
- Renew the CIPO for a further three years in order to permit a public review of the prohibition on the importation of trout, and potentially of related issues around domestic farming and sale of wild trout.
- Take no action, which would allow the Customs Import Prohibition (Trout) Order 2015 to expire at the close of 7 November 2018.

Option 1 – extend CIPO only

48. The option of extending the CIPO for a further three years would meet the objectives of maximising the recreational, tourism, economic and employment benefits associated with the wild trout fishery. This option would not meet the objectives of maximising economic growth in other parts of the economy, providing for consumer choice, or minimising friction in trade negotiations.

49. This option also has the disadvantage of requiring a reconsideration of the CIPO in three years' time, with no significant further information available to support that decision. That problem could be reduced, however, by having a programme of analysis and research during that period, with targeted consultation with particular parties (notably iwi). That approach would have far lower direct costs than undertaking a full public review.

Option 2 – extend CIPO and undertake an independent review

50. The option of extending the CIPO and undertaking an independent review would ensure that the wild trout fishery and its associated cultural, tourism and economic benefits are protected while the likely impacts of trout importation and sale on recreational fishing, and potential measures to mitigate these impacts, are properly examined. A public review would allow the various interests (including iwi) to participate, and reduce the risk of opposition based purely on a lack of consultation. Having a review would be likely to mitigate concerns by trading partners about the prohibition.

51. Any review of the status of trout would be controversial, and the review would have a significant cost.

Option 3 – allow CIPO to expire

52. The option of taking no action and allowing the Customs Import Prohibition (Trout) Order 2015 to expire at the close of 7 November 2018 would mean that trout meat and trout products could be imported for sale from 8 November 2018. This would fully meet the objectives of maximising consumer choice in purchasing decisions, and minimising friction in negotiations with trading partners.

53. The importation and sale of trout meat and trout products could be expected to provide an increase in business turnover in some parts of the food industry, and some additional employment. However, if food consumption did not increase overall, this new activity

would merely displace existing food sales and business activity and might provide only a small net increase in business activity.

54. If the sale of imported trout led to an increase in illegal harvest and sale of wild trout, there may be adverse impacts on the objectives of maximising the recreational and tourism values of the wild trout fishery and the associated economic and employment benefits. A significant increase in the harvesting of wild trout (especially illegal harvest of spawning aggregations) could be expected to result in a decline in parts of the sports fishery, leading to a decrease in angler satisfaction and a decrease in participation in trout angling. A major decrease in angling activity could be expected to lead to a reduction in business turnover in supporting industries and a reduction in employment. In addition, a reduction of wild fishery enforcement effort would be anticipated as fishery management resources decreased as a result of fewer fishing licence sales and reduced licence fee revenue.
55. Just allowing importation, without development of any domestic commercial fishery, could potentially result in a net decrease in business turnover and employment within New Zealand. Immediate changes to importation rules without changing the prohibition on production and sale of trout within NZ could have impacts on future development of a domestic industry.

Conclusions on options

56. Option 3 is not recommended, as the available evidence suggests that the net effect on the economy could be negative, and the trade risks could be adequately addressed by option 2.
57. Option 2 would not create a risk for the trout fishery, but would carry some high direct costs (associated with the review). Option 1 may therefore be a lower cost option provided steps are taken to consult interested parties and carry out further analysis before the next decision on a CIPO is required. To avoid the trade risks associated with option 1, the Government may need to demonstrate an open mind about future importation management.
58. A number of risks identified in this paper are difficult to quantify. It is also unclear whether allowing importations in advance of allowing trout farming would damage the development of a domestic industry.

3.2 Which of these options is the proposed approach?

Conclusions and recommendations

59. Option 3 is not recommended, as there is a risk that this could have a net negative effect on the economy.
60. Option 2 and option 1 (with a significant investment in further analysis and consultation to support a decision in 3 years' time), would both be able to deliver on the objectives.
61. As the discussion about importation inevitably generates expectations around trout farming in New Zealand, it is vital that the relationship between those two matters is further considered – in particular, the risk to a future domestic industry of allowing importation without allowing a domestic industry.

Section 4: Impact Analysis (Proposed approach)

4.1 Summary table of costs and benefits

Affected parties (identify)	Comment: nature of cost or benefit (eg ongoing, one-off), evidence and assumption (eg compliance rates), risks	Impact <i>\$m present value, for monetised impacts; high, medium or low for non-monetised impacts</i>
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Additional costs of proposed approach (renewal of CIPO), compared to taking no action (allowing CIPO to lapse)

Regulated parties	Businesses wanting to import trout for sale and public wanting to buy trout will not be able to do so (loss of consumer choice). However, any importation for sale may be offset by lower sales of other food items, possibly providing little net increase in economic activity in the food retail sector.	Low
Regulators	Trout fishery enforcement agencies (Fish & Game and DOC) will have no changes to the costs of enforcement. (If the CIPO lapsed, significant increases in enforcement costs would result.)	Low
Wider government		
Other parties	Parties seeking to have trout farming legalised will have less leverage for their requests. (If the CIPO lapsed, they could have a strong argument for having legislation amended to allow trout farming.)	Medium
Total Monetised Cost		
Non-monetised costs		Low

Expected benefits of proposed approach (renewal of CIPO), compared to taking no action (allowing CIPO to lapse)		
Regulated parties	Trout anglers will not have to fund increased enforcement effort through increased licence fees.	High
Regulators	Trout fishery enforcement agencies (Fish & Game and DOC) will not have increased costs for enforcement.	High
Wider government		
Other parties		
Total Monetised Benefit		
Non-monetised benefits		High

4.2 What other impacts is this approach likely to have?
No additional impacts other than those described elsewhere.

Section 5: Stakeholder views

5.1 What do stakeholders think about the problem and the proposed solution?

Consultation

62. There has been no public consultation on the options covered by this paper. The views of the various interest groups are well known to officials, but there may be Treaty implications if a firm decision was taken without formal consultation with iwi. The nature of the issues mean that a decision has to be made as to which set of interests should be given precedence.
63. Officials from MFAT, MBIE, MPI, MfE, TPK and Treasury were consulted in the preparation of this analysis. DPMC was kept informed.
64. Option 3 is preferred by MFAT due to the risk of breaching our international trade obligations that Options 1 and 2 entail. However, MFAT acknowledges that Ministers may need additional information before making the decision for the CIPO to expire, and so in the meantime can support Option 2 on the understanding that a thorough review of the import prohibition is undertaken prior to the expiry of the renewed CIPO.
65. MBIE prefers Option 2 to ensure that specific work is undertaken to investigate and quantify the likely impacts of allowing the CIPO to lapse is completed well before the next decision is required. This work should be part of a wider work programme to investigate the risks and benefits of a commercial trout industry in New Zealand. MBIE notes that legalising commercial trout farming could unlock significant regional economic development opportunities with export potential.
66. Given the international trade implications, MPI wishes to see the CIPO on trout removed in the long term. However, MPI supports Option 2 to enable sufficient time and consultation to be undertaken to manage transition issues. Regarding the broader issue of the commercialisation of trout in New Zealand, MPI considers that there are potential benefits and risks. These would need to be addressed through a separate process, including consultation, to assess whether such risks could be mitigated before any decisions to change the status quo are made.
67. TPK considers a continuation of the import prohibition is necessary to ensure the sustainability of the recreational trout fishery, but would like to see future wider discussion on options for possible trout farming in New Zealand. Some Māori and Māori-owned companies have sought the Government's assistance to explore this.

Section 6: Implementation and operation

6.1 How will the new arrangements be given effect?

Implementation plan

68. If a decision is made not to extend the Customs Import Prohibition (Trout) Order 2015 beyond 7 November 2018, then no further regulatory actions will be required by the Government. The CIPO will expire on 7 November 2018 and the importation of trout for sale can occur from 8 November 2018. A process to identify and address risks to the trout fishery will be required, however. A process for addressing responses from the relevant sectors will also be needed.
69. If a decision is made to extend the CIPO beyond 7 November 2018 and undertake a review of the advantages and disadvantages of maintaining the CIPO, then work will be required to determine the scope and process for the necessary review.
70. If a decision is made to extend the CIPO beyond 7 November 2018 but not undertake a review of the advantages and disadvantages of maintaining the CIPO, then a decision on what consultation and analysis will be undertaken during that 3-year period will be required.
71. In all cases, there would need to be a process to handle reactions to the decision.

Section 7: Monitoring, evaluation and review

7.1 How will the impact of the new arrangements be monitored?

Monitoring

72. If the expiry date of the Customs Import Prohibition (Trout) Order 2015 is extended beyond 7 November 2018, no new monitoring will be required.
73. If the CIPO's expiry date is not extended beyond 7 November 2018, then the will lapse and the importation of trout for sale can occur from 8 November 2018. Given that a new CIPO could be imposed at any time, and the effects of the removal of the prohibition would be of high interest to affected parties, it would be highly desirable to undertake ongoing monitoring of the effects of the change, including the benefits and costs of removal of the prohibition.

7.2 When and how will the new arrangements be reviewed?

Evaluation and review

74. If the expiry date of the Customs Import Prohibition (Trout) Order 2015 is extended beyond 7 November 2018, it will need to be reviewed again in three years' time. A CIPO cannot have a duration of longer than three years. If desired, a CIPO can be removed at any time.
75. If the CIPO's expiry date is not extended beyond 7 November 2018, it would be highly desirable to review the arrangements within 2-3 years.