

Office of the Minister of Police

Cabinet Government Administration and Expenditure Review Committee

Arms Safety and Control Tagged Contingency

Proposal

- 1 This paper seeks agreement to repeal the Cabinet's earlier decision that the drawdown from 2024/25 for the 'Implementation of the Arms Legislation Act' is contingent on the implementation of a revised fee schedule.

Relation to government priorities

- 2 This is a routine operational adjustment that requires Cabinet approval.

Executive Summary

- 3 Following consideration of a detailed business case, Cabinet endorsed the 11-year funding outlined in the detailed business case. In Budget 2022, Cabinet agreed to invest a further \$208.399 million in New Zealand Police's Arms Safety and Control appropriation across the four-year forecast period. This was to provide additional funding to deliver legislated responsibilities under the Arms Act 1983 including the implementation of a new branded business unit and operating model (Te Tari Pūreke), the firearms registry and licensing regime.
- 4 Of the \$208.399 million, \$161.392 million was set aside in the 'Implementation of the Arms Legislation Act' tagged operating and capital contingency. To date \$51.33 million has been drawn down leaving \$110.062 million remaining in contingency.
- 5 New Zealand Police (Police) has recently completed public consultation and provided recommendations to ministers on a proposed new fee schedule. I have advised Police that the Government's decision on a new fee schedule is unlikely to occur before 2024. This means there will be no changes to fees for the time being.
- 6 The tagged contingency requires implementation of a new fee schedule to occur by 1 July 2024. Police requires at least three months to amend existing fees and at least six to nine months to introduce new fees where a fee has not previously been set.
- 7 As the establishment phase of the Regulator is now nearly complete, this next phase of funding will support the ongoing operating costs of the regulator. Any delay in releasing the tagged contingency funding creates risk for the continued operation of Te Tari Pūreke.

- 8 In order to comply with this requirement, Cabinet would need to prioritise decisions on fees following the election. In light of the risks associated with any delay in meeting the requirements of the tagged contingency, I recommend that the tagged contingency requirement is repealed to provide Ministers with more flexibility and to ensure that continued operation of a fit for purpose arms safety and control regulator.

Background

- 9 Following consideration of a detailed business case, Cabinet endorsed the 11-year funding outlined in the detailed business case. Through the Justice cluster, Cabinet agreed in Budget 2022 to invest \$208.399 million in Police's Arms Safety and Control appropriation across the four-year forecast period [CAB-22-MIN-0129]. This was to provide additional funding to deliver legislated responsibilities under the Arms Act 1983, including the implementation of a new branded business unit and operating model (Te Tari Pūreke), the firearms registry and licensing regime.
- 10 Of the \$208.399 million, \$161.392 million was set aside in the 'Implementation of the Arms Legislation Act' tagged operating and capital contingency, as per the table below:

Vote Police Minister of Police	2022/23	2023/24	2024/25	2025/26 & Outyears
Implementation of the Arms Legislation Act Tagged Operating Contingency	8.287	49.759	53.056	47.769
Implementation of the Arms Legislation Act Tagged Capital Contingency	-	2.521	-	-

- 11 To date \$51.330 million has been drawn down leaving \$110.062 million remaining in contingency, as agreed by joint Ministers [refer BR/22/94CH], with the remaining balances as per the table below:

Vote Police Minister of Police	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Implementation of the Arms Legislation Act Tagged Operating Contingency	-	53.584	56.478	s. 9(2)(f)(iv)	s. 9(2)(f)(iv)
Implementation of the Arms Legislation Act Tagged Capital Contingency	-	-	-	-	-

- 12 Police has already drawn down the funding for 2023/24 to establish and operate the regulator. The remaining drawdown of funding from 1 July 2024 is

contingent on the implementation of a revised fee schedule [CAB-22-MIN-0129] and the tagged contingency expires on 1 February 2025 [BR/22/94CH].

- 13 New Zealand Police (Police) has recently completed public consultation and provided recommendations to ministers on a proposed new fee schedule.

The fees review has been completed and is awaiting policy decisions before implementation

- 14 Police has completed the fees review and it is now up to Ministers to decide what fees to approve and when they should be implemented. I have advised Police that the Government's decision is unlikely to occur before 2024. This means there will be no changes to the fees for the time being.
- 15 The tagged contingency also requires implementation of a new fee schedule to occur by 1 July 2024. Police requires at least three months to amend existing fees and at least six to nine months to introduce and implement new fees where a fee has not previously been set.
- 16 The upcoming election means that policy decisions on the fees will need to be made by early 2024, which is overly restrictive on ministerial decisions and creates risk for the continued operation of Te Tari Pūreke.

The current tagged contingency is overly restrictive on timing for political decisions and the ability for Te Tari Pūreke to continue to operate

- 17 The current tagged contingency limits options for ministers to be able to make decisions on fees given tight timeframe remaining. Furthermore, Te Tari Pūreke (a branded business unit within Police) will not be able to continue to operate if the funding is not unlocked for implementing the operating model.
- 18 I have considered whether to defer the tagged contingency requirement by 12 months or repeal the requirements. I recommend that the tagged contingency requirement is repealed as it is not appropriate to limit future political decisions on fees to a tight timeframe and potentially compromise the community safety and wellbeing outcome.
- 19 It is best practice for an organisation to have certainty that it is funded to carry out the activities that it is required to do. s.9(2)(g)(i) OIA
[REDACTED]
- 20 The risk that a new fee schedule will be deferred further, is mitigated by the fact that Cabinet will continue to have an incentive to progress a new fee schedule as part of the Government's financial management.
- 21 I have also considered whether the tagged contingency could be amended to only require a firearms licence fee to be implemented by 1 July 2024 or only existing fees to be amended by 1 July 2024. However, this still requires Cabinet to make a decision very early in the term of a new Government in order to provide time for implementation. This limits the ability for a new

Government to be able to make any changes to the direction of the current fees proposals.

Cost-of-living Implications

- 22 Repealing the tagged contingency will enable Ministers to consider cost of living implications in its decisions rather than being limited to a tight timeframe.

Financial Implications

- 23 The financial implications will depend on when Cabinet decides to implement the new fee schedule.
- 24 Cabinet will continue to have an incentive to progress a new fee schedule as part of the Government's financial management. Any continued delays to the implementation of a new fee schedule will result in taxpayers contributing a greater share of the cost for arms regulatory services.
- 25 This proposal provides Te Tari Pūreke with the certainty it requires to be able to continue to operate as a fit for purpose regulator while waiting for Cabinet to make decisions on fees. If the drawdown of the tagged contingency does not occur prior to 1 March 2024 it would impede the ongoing delivery of legislated responsibilities under the Arms Act 1983 including the operation of Te Tari Pūreke The Firearms Safety Authority, the firearms registry and licensing regime.

Legislative Implications

- 26 There are no legislative implications for amending the tagged contingency requirements to provide Ministers with more time to make decisions on proposed firearm fees.

Impact Analysis

Regulatory Impact Statement

- 27 A regulatory impact statement is not required for this proposal.

Climate Implications of Policy Assessment

- 28 A Climate Implications of Policy Assessment (CIPA) is not required for this proposal.

Population Implications

- 29 There are no direct population implications associated with this proposal.

Human Rights

- 30 There are no human right issues associated with this proposal.

Use of External Resources

- 31 No external resources have been used in relation to the tagged contingency requirements for Arms Safety and Control.

Consultation

- 32 Police has consulted with the Treasury and Department of Prime Minister and Cabinet on this proposal.

Communications

- 33 Apart from the proactive release, no communications are required regarding this decision.

Proactive Release

- 34 This paper will be proactively released, subject to any redactions, within 30 days of policy decisions.

Recommendations

The Minister for Police recommends that the Committee:

- 1 **note** that in Budget 2022, Cabinet agreed that the drawdown of funding from the “Implementation of the Arms Legislation Act Tagged Operating Contingency” from 2024/25 was contingent on the implementation of a revised fee schedule [CAB-22-MIN-0129] and that the tagged contingency expires on 1 February 2025 [BR/22/94CH];
- 2 **note** that Police has completed fees review and are waiting for Cabinet decisions before they can implement;
- 3 **note** that while existing fees could be amended by 1 July 2024 there is significant business uncertainty for Police regarding whether they will be able to draw down the tagged contingency and continue to operate from 1 July 2024;
- 4 **repeal** the tagged contingency requirement that the drawdown from 2024/25 is contingent on the implementation of a revised fee schedule;
- 5 **agree** that subject to agreement by the Minister of Finance and the Minister of Police, s. 9(2)(f)(iv) [REDACTED]

I N C O N F I D E N C E

Authorised for lodgement

Hon Ginny Andersen
Minister of Police

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