

BUDGET-SENSITIVE

Cluster initiative level information

Section A: Overview of initiative

Cluster to complete			
Initiative title	Arms Safety & Control		
Ministers submitting the initiative	Minister of Police		
Department	Police		
What type of initiative is this?	✓ <i>New spending initiative</i>		<i>Critical cost pressure</i>
Initiative description	<p>The Arms Act provides a regulatory framework that seeks to protect the public from harm that could be caused by firearms and allows fit and proper people to possess firearms for legal purposes while mitigating risks.</p> <p>This investment will deliver a step-change in benefits to New Zealanders through greater management controls, changing the operating model to improve quality and timely delivery of legislated responsibilities and increasing our ability to measure and improve the effectiveness of Arms Act delivery due to improved visibility and transparency within the Arms system. Investing in this new capability through a new Branded Business Unit is essential for providing an appropriate Arms regulatory system which enables safer firearms use in New Zealand.</p>		
Does this initiative contain capital?	Y		
Cluster contact	Louise Cameron Director Planning and Investment New Zealand Police s.9(2)(a) OIA louise.cameron@police.govt.nz		
Treasury contact	Lucy Connell Senior Analyst Justice, Security and Government Services s.9(2)(a) OIA lucy.connell@treasury.govt.nz		

Total funding sought from each cluster envelope should be presented in the tables below. Operating funding for 26/27 and 27/28 is indicative and funding increases above 24/25 are not funded at Budget 2022 (see section Error! Reference source not found. for more information).

Cluster to complete								
Operating funding sought (\$m)	21/22	22/23	23/24	24/25	25/26	Total 21/22 to 25/26	26/27 (indicative)	27/28 (indicative)
Low	-	-	-	-	-	-	-	-
Middle	-	52.368	59.609	54.436	56.018	222.433	s. 9(2)(f)(iv) OIA	
High	-	-	-	-	-	-	-	-

BUDGET-SENSITIVE

Cluster to complete											
Capital funding sought (\$m)	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	Total
Low	-	-	-	-	-	-	-	-	-	-	-
Middle	-	12.736	2.786								15.522
High	-	-	-	-	-	-	-	-	-	-	-

Section B: Initiative

Cluster to complete	
<i>Please include information below where the initiative differs depending on the funding package (i.e. in the low, middle, high envelopes)</i>	
If applicable, specify the cluster priorities, and other Government priorities, that this initiative relates to	<p>The Labour government priorities as outlined in the Justice Policy include</p> <ul style="list-style-type: none"> ➤ Tackling terrorism and gun violence ➤ Reducing reoffending ➤ Keeping Whānua safe ➤ Righting wrongs ➤ Keeping our communities safe <p>This initiative supports these overall government objectives by:</p> <ul style="list-style-type: none"> ➤ Establishing foundational capabilities and remedying legacy issues in the regulation of firearms ➤ Promoting wellbeing associated with the safe possession and use of arms. <p>This has the overall outcome of keeping Whanau and communities safe and building a regulatory capability that is responsive to community needs.</p> <p>The Royal Commission of Inquiry (RCOI) into the Terrorist Attack on Christchurch Mosques developed a series of recommendations for improvements to the arms regime, in consultation with stakeholders. These were agreed in principle by Cabinet [CAB-20-MIN-0516] and the implementation of these recommendations form part of the overall investment scope.</p>
Describe proposed initiative	<p>The Arms Act is currently administered by Police who are responsible for delivering on these strategies and controls, and implementation of arms control strategies has numerous challenges. In June 2020, the Arms Act was significantly amended following the March 15, 2019 Mosque attacks, providing a strengthened set of controls that address weaknesses in the relevant legislation.</p> <p>Increased investment is required to fully and effectively administer the risk management system provided for in the Act, while enabling the legitimate use of arms. The current level of funding is not sustainable to modernise and implement the new legislative requirements and therefore a step-change in Arms Regulatory system funding is required.</p> <p>The current administration is unable to deliver on the objectives of the amended Arms Act due to the following challenges:</p> <p>Insufficient delivery capability and capacity – The current administration performance does not fully meet current expectations of licence holders being fit and proper and will not meet the new legislative requirements.</p> <p>Organisational delivery structure and funding model – The organisational delivery structure and funding of arms regulation do not facilitate the singular focus on the design, operation, evaluation, and evolution of an effective regulatory regime. The extent and mix of regulatory activities are subject to the priorities of other organisational and policing demands and therefore resources are re-prioritised elsewhere to meet conflicting operational demand. This lack of a singular focus has led to the reprioritisation of effort across a range of immediate priorities at an operational level. There is no overall visibility or accountability across this model, resulting in inconsistent performance. These challenges, along with a lack of clear governance of assurance frameworks, have contributed to insufficient oversight and assurance that the system has adequate leadership and monitoring.</p>

BUDGET-SENSITIVE

Inability to meet current and future demand sustainably — The distribution of licence renewals in the community has a 10-year cyclical profile that creates a demand in peak years (the next peak will be in 2026) that is challenging to resource in a sustainable manner.

Limited public understanding — Limited public education on, and awareness of, the arms regulatory regime has contributed to the difficulties in justifying improvements in the regime.

Ever-changing environmental risks — The current administration is extremely limited in its ability to monitor and adapt the regulatory regime to mitigate emerging environmental risks across the arms system.

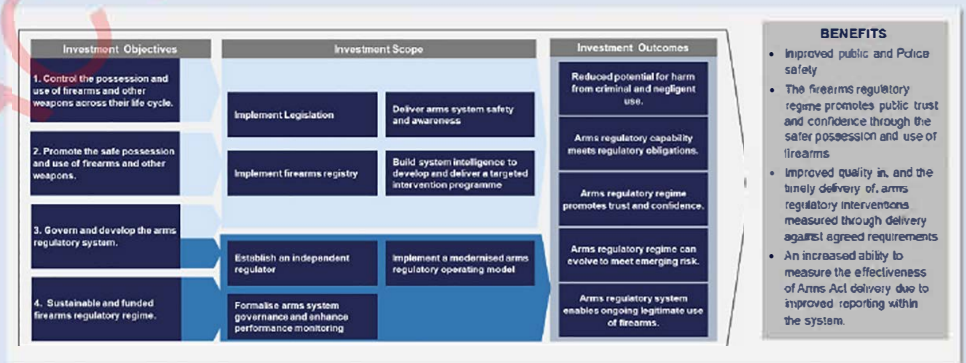
Inadequate cost recovery — The current cost-recovery settings were set in 1999 and have not been reviewed since. In parallel to this DBC, a cost-recovery review is underway. This will establish a new cost-recovery position that will lead to a revised set of fees and charges. The extent of and timeline for changes will be decided by Cabinet in 2022. This will affect the revenue received by the Arms Regulator. This investment seeks Government funding to FY32/33 and will be reviewed once the cost recovery is in place.

Addressing these challenges and transitioning from being an administrator to being a regulator that fulfils government expectations for good regulatory practice will require an uplift in investment.

The **outcomes sought from this investment** are described below and in the following diagram:

1. Reduced potential for public harm from the criminal and negligent use of firearms by reducing the availability of arms to enter criminal hands and ensuring that users are fit and proper and aware of their obligations and firearms safety requirements.
2. The arms regulatory capability meets its regulatory obligations.
3. The arms regulatory system promotes public and stakeholder trust and confidence through the safe possession and use of firearms.
4. The arms regulatory regime evolves to meet emerging risks.
5. The arms regulatory system enables ongoing and legitimate use of firearms.

This investment seeks to maintain the balance of keeping communities safe while enabling the safe use of firearms in communities for legitimate purposes.



This investment will implement capabilities to deliver the changes to the arms regime arising from:

- The Arms Legislation Act
- The Royal Commission of Inquiry recommendations.

This is delivered by:

- Uplifting processes to align with the Arms Act 1983 (including the changes introduced by the Arms Legislation Act 2020)
- Introducing new capabilities to meet the increased scope of regulation (clubs and ranges etc)

BUDGET-SENSITIVE

	<ul style="list-style-type: none"> Uplifting compliance capabilities and activities from a reactive to a proactive position. <p>The includes:</p> <ul style="list-style-type: none"> The procurement of a new registry solution – including the new solution and associated data migration and integration costs. The new solution would enable wider improvements in workload management and process optimisation. It also provides for investment in data provisioning and analytics capability over and above that available in the Registry system An uplift in people capacity required to meet the increase in operational demands of the new legislation, a fixed-level people resourcing at a level which addresses peak year demand. This includes the implementation of a fit for purpose operating model that makes the best use of this capacity and capability A resourcing profile that builds capability ahead of demand for compliance services so that surplus capacity can be directed toward proactively mitigating risk as an investment that will establish a more stable and data-led operating environment The introduction of a strategic capability spanning the insights, design and delivery of proactive interventions, and additional targeted education and awareness programmes and strategic partnerships The establishment of a branded business unit within police to deliver the regulatory capabilities with a unique brand and independent operational structure The establishment of appropriate supporting capabilities (such as HR, Finance and corporate services) from within police and an agreement over the ongoing provision of shared service Establishment of a ring-fenced funding model through the establishment of a dedicated appropriation Establishing the dedicated leadership and governance models required to bring a single operational focus on firearms licensing and compliance and clarifying the accountability of the Commissioner of Police and the role of an Executive Director
Specify if ongoing collaboration across cluster is required to deliver this initiative, and if applicable, detail how the cluster intends to support this collaboration	No ongoing collaboration across the cluster is required.
Does the initiative have a regulatory component? If yes, what regulatory system is it related to?	<p>This initiative is regulated by the Arms Act 1983 (and its amendments) which set the regulatory framework and per Section 1A:</p> <p>(1) The purposes of this Act is to—</p> <p>(a) promote the safe possession and use of firearms and other weapons; and</p> <p>(b) impose controls on the possession and use of firearms and other weapons.</p> <p>(2) The regulatory regime established by this Act to achieve those purposes reflects the following principles:</p> <p>(a) that the possession and use of arms is a privilege; and</p> <p>(b) that persons authorised to import, manufacture, supply, sell, possess, or use arms have a responsibility to act in the interests of personal and public safety.</p> <p>Section 1A: inserted, on 25 June 2020, by section 5 of the Arms Legislation Act 2020 (2020 No 23).</p>

BUDGET-SENSITIVE

Section C: Further breakdown of funding sought

The table below can be copied and used up to three times, to describe the proposed funding for the initiative in the low, middle, and high envelopes.

Cluster to complete	
Funding package	Medium
Scaling	Refer to Detailed Business Case page 64 for comprehensive assessment of the Economic Options.
Formula and Assumptions	Over the last 6 months external consultants have been engaged to support the development of the Detailed Business Case and financial model. Various workshops were undertaken supported by operating model assumptions and sensitivity analysis. This has been documented in a separate standalone document. A Quantitative Risk Assessment was also conducted to test the funding levels and contingency. 3rd Party Revenue is based on historical fee recovery. Longer term work is underway to review 3 d Party Revenue.
Appropriations	New appropriation within Vote Police will be established through March Baseline Update 2022.

Cluster to complete								
Input – Operating	Funding profile (\$m)						s. 9(2)(f)(iv) OIA	Vote
	21/22	22/23	23/24	24/25	25/26	Total 22 23-25/26		
BAU (OPEX)	-	36.637	43.923	47.647	50.204	178.410		Police
Transition	-	16.959	4.566	0.252	0.74	21.951		Police
Other Personnel cost and overheads	-	4.997	6.297	6.229	6.523	24.046		Police
Capital charge and depreciation	-	1.165	5.401	5.248	5.248	17.062		Police
Contingency	-	9.810	13.538	12.267	12.386	48.001		Police
Total Operating	-	69.568	73.725	71.643	74.535	289.472		
Less:								
Tagged Contingency	-	(7.100)	(3.00)	(5.000)	(5.000)	(20.100)		Police
Existing NZP Appropriation	-	(8.100)	(8.100)	(8.100)	(8.100)	(32.400)		Police
Third Party Revenue		(2.000)	(3.016)	(4.107)	(5.417)	(14.538)		Police
Total Operating Funding		(17.200)	(14.116)	(17.207)	(18.517)	(67.038)		
Government Investment Required	-	52.368	59.609	54.436	56.018	222.433		

BUDGET-SENSITIVE

Input – Capital	Funding profile (\$m)										Total	Vote
	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31		
Registry Build	-	18.784	1.305								20.089	Police
Property	-	0.750	0.000								0.750	Police
Other Capital	-	0.764	0.000								0.764	Police
Contingency	-	3.438	1.481								4.919	Police
Total Capital	-	23.736	2.786								26.522	
Less:												
Tagged Contingency	-	(11.000)	(0.000)								(11.000)	Police
Total Capital Funding	-	(11.000)	(0.000)								(11.000)	
Government Investment Required	-	12.736	2.786								15.522	

Section D: Initiatives that contain capital

For initiatives with capital expenditure that are handled through the cluster process (i.e. they do not meet the threshold to be a cluster capital bid that goes through the main Budget) clusters should also complete the further information requirements for capital initiatives section of the main Budget template.

Section E: Delivery information

Cluster to complete

Please include information below where the initiative differs depending on the funding package (i.e. in the low, middle, high envelopes)

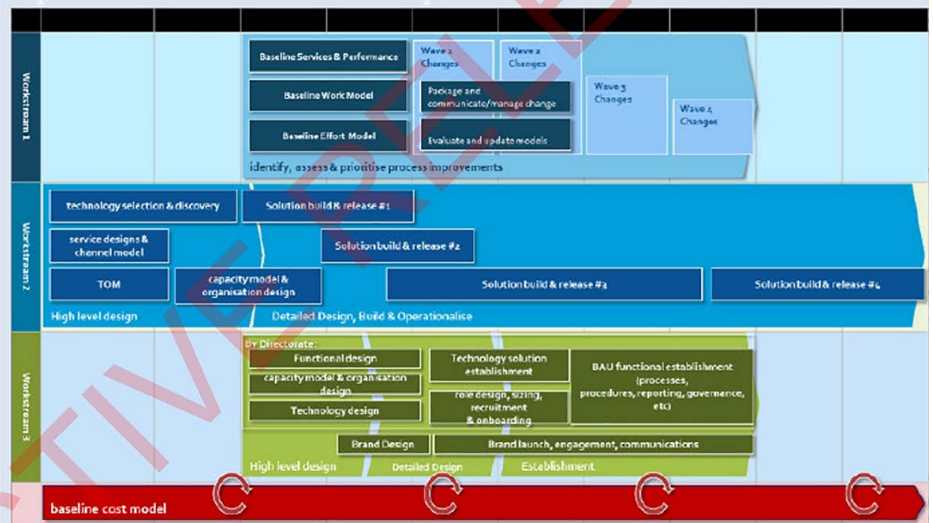
Describe how the initiative will be implemented and delivered if funded, including a timeline of delivery

The Arms entity will be established as a Branded Business Unit within police. A Transitional Executive Director has been appointed to lead establishment of the new regulator.

This will include establishing:

- Dedicated leadership and staff, which brings a single operational focus on firearms licensing and compliance
- Ring-fenced funding, with transparent public reporting and accountability, which ensures consistent and appropriate levels of resourcing are provided to regulatory activity
- An operational distinction between the responsibilities of Police and the Regulator
- An independent brand
- A fit for purpose operational capability
- An agreement for the provision of hosted services from Police

High level timeline of the Transition Programme



For more detail on implementation please refer to the Management Case of the Detailed Business Case, page 97.

Describe notable risks to delivery, including market and agency capability and capacity

There are five broad groups of risks to delivery for this initiative. They are identified and estimated as follows:

BAU/backlog contingency – A lump sum of \$1,500,000 per year from FY22 to FY27 is added to account for risk associated with difficulties in recruiting, operations being unable to cope with peak demand, incorrect planning assumptions, unrealised processing efficiencies, and unanticipated user behaviours.

Transition contingency – A contingency of 5% per year is added to the contractor costs of the Transition (excludes ICT and Vendor people costs of the Registry implementation).

Revenue contingency – A contingency of 10% is added to 3rd Party Revenue to accommodate for the risk associated with smaller than expected revenue from fees.

ICT implementation contingency – Contingency related to the implementation costs associated with the Registry (25% contingency) and NIA changes (50% contingency) that are incurred by the Police ICT function.

Supplier contingency – A contingency of 25% of the Vendor implementation costs is added to accommodate for the inherent complexity related to Data Migration, Data Cleansing, etc. resulting in delays to implementation and increased scope of work.

On preparation of this budget bid a Quantitative Risk Assessment is being conducted on the financial model.

Section F: Wellbeing analysis for new spending initiatives

This section only applies to new spending initiatives (cost pressures are covered by section G below). For more information on wellbeing analysis please refer to section 4.3.1.1 of this guidance.

Intervention logic and cost benefit analysis

Cluster to attach	
Please include information below where the initiative differs depending on the funding package (i.e. in the low, middle, high envelopes)	
Attach an intervention logic map, capturing the initiatives' aims, outputs, outcomes (over the short, medium and long term), and future state to which the initiative contributes. See annex 0 for an example.	<p>All New Zealanders expect to be safe and free from fear of violence or harm. Firearms are a long-standing part of NZ society, and support a range of interest including recreational, sustenance and business purposes. The possession and use of firearms can deliver a range of benefits across segments of society, including:</p> <ul style="list-style-type: none"> • Subjective Wellbeing: The use of arms forms a substantive part of the identity and way of life of a proportion of users. It is expected that the subjective wellbeing of some users will be enhanced through the possession and use of arms. This also includes enabling activities such as the gathering of Kai. • Health: The use of arms is often in conjunction with outdoor recreation. It is expected that some users experience benefits to overall health and wellbeing from using arms in this context. • Environment: The use of arms supports pest control and protection of biodiversity through recreational hunting and pest eradication activities. • Jobs and Earnings: The sale and supply of arms, and the use of arms as a tool in a business context generates employment and income for both the businesses involved, and those employed within. • Social Connections: The use of arms is often connected with recreational activities that promote social connection through clubs, groups, and other social touchpoints. <p>See Appendix A for the High-level intervention logic map.</p>
Clusters have the option of attaching a cost benefit analysis or CBA	<p>The monetary benefits of each option were not assessed because:</p> <ul style="list-style-type: none"> ➢ The monetizable benefits were considered too abstracted from the deliverables ➢ The data required to estimate reliably the monetary benefits of safety improvements is not sufficiently available at this time. <p>For more detail on benefit analysis please refer to the Strategic Case of the Detailed Business Case, page 46.</p>

Living Standards Framework analysis

Using the table below, complete a wellbeing and risks analysis outlining all relevant impacts (positive and negative), the groups which are impacted, timeframe, domains affected, evidence and magnitude. Rows can be added to the table as applicable.

Cluster to complete					
Please include information below where the impact differs depending on the funding package (i.e. in the low, middle, high envelopes)					
Louise to provide comment against scaling					
Impact description	Affected group	Timeframe realised	Domain impacted	Supporting evidence	Magnitude of impact
Reduced potential for harm from criminal and	New Zealand public	5-10 Years	Safety	The impacts of this investment will be observed across the arms system and in the agencies that depend on the arms system to function effectively. Crime-prevention strategies	High

BUDGET-SENSITIVE

negligent use of firearms	New Zealand Police Regulated parties Government			<p>depend on an effective regulator, that is minimising the flow of firearms from legitimate to illicit sources.</p> <p>This aligns with the primary purpose of the Arms Act and seek to address the existing challenges within the arms regime and respond to the requirements and opportunities introduced by the Arms Amendments.</p> <p>This gives effect to the Arms Act through investments in:</p> <ul style="list-style-type: none"> Improving the services and activities that enact the legislation Improving information accuracy Improving efficiency in the regulator's ability to recognise legitimate use Developing a regulatory strategy that drives the approaches and priorities for identifying and mitigating risk, and outlining the interventions taken to address these risks. This will take into account the changing risk profile across the legislative timelines to 2028. <p>The impacts of this intervention will be observed in a broader manner across the arms system, including:</p> <ul style="list-style-type: none"> Number of unregistered or illegally held firearms seized by Police Number of registered firearms in arm information system Number and type of firearms reported stolen Number of presentations of firearms at events (including family violence or criminal activity). 	
Firearms regulatory regime system promotes public trust and confidence through the safer possession and use of firearms.	New Zealand public Regulated parties New Zealand Police	<5 Years		<p>There is a persistent narrative that some segments of the community, particularly some elements of the firearms-holding community, have low trust or confidence in the arms regime. The relevance of trust and confidence also depends on the stakeholder group, with different communities having different views on deriving trust and confidence.</p> <p>There is a significant opportunity to reposition the way the arms capability is presented to the public and arms community, to reset this perception and increase trust, confidence, and engagement.</p> <p>The Arms Legislation Act 2020 has clarified that the possession and use of arms is a privilege and that there are responsibilities that come with that privilege. The elevation of this concept to being a core purpose in the Act presents opportunities to:</p> <ul style="list-style-type: none"> Better promote shared responsibility among all parties in the system, through repositioning the regulator toward a fulsome regulatory role rather than it being perceived as having a purely criminal focus Reposition and reframe the concept of 'privileged use' within the arms community Enhance the value of becoming licensed due to the implications of non-compliance. <p>This opportunity represents a shift in the relationship between the regulator and the regulated party, and a shift in the views toward and perceptions of compliance. It enables the regulator to develop and apply a regulatory strategy that uses a graduated and nuanced approach to encouraging compliance.</p>	High

BUDGET-SENSITIVE

Quality, timely delivery of arms regulatory interventions measured through delivery against agreed requirements.	Regulated parties Government NZ Police	<5	Civic Engagement and governance	<p>Although the Arms Act 1983 and Arms Legislation Act 2020 are core drivers for this business case, the context of this business case has its origins in the Thorp Report produced in 1997, which made a series of recommendations that largely remain relevant today. Of note was the identified need for independence in regulatory functions, and improved information to drive a more risk-based approach to firearms control.</p> <p>A new operating model will be defined and implemented that creates a scalable and resilient basis for delivering the arms act and the responsibilities of the regulator. This includes:</p> <ul style="list-style-type: none"> • Building a core arms capability – locally focused on supporting safety in the community and nationally led to ensure appropriate leadership, risk management and resources • Rebalancing the responsibilities for services between national and district level functions • Uplifting service delivery through: <ul style="list-style-type: none"> ◦ Standardisation of services and establishment of a standard and consistent approach to work activities, compliance, and licence holder expectations ◦ Definition of SLAs, and performance management frameworks to ensure delivery expectations are met ◦ Uplifting the resilience of operations to reduce the impacts of external factors and ensure that priority is given to firearms ◦ Improving the traceability of work and decision making to ensure quality standards are met ◦ Developing capability to identify and manage risk throughout the operating model and service delivery processes • An uplift in people capacity required to meet the increase in operational demands of the new legislation, a fixed-level people resourcing at a level which addresses peak year demand. • The introduction of a strategic capability spanning the insights, design and delivery of proactive interventions, and additional targeted education and awareness programmes and strategic partnerships. 	High
Increased ability to measure the effectiveness of Arms Act delivery (both administrative efficiency and outcomes effectiveness) due to improved reporting within the system.	Government Regulator	<5 years		<p>The overall governance and oversight of the arms system will be defined and improved through:</p> <ul style="list-style-type: none"> • Establishment of a dedicated leadership and governance structure that includes clear accountabilities, reporting lines and oversight requirements • Establishment of a performance monitoring regime that includes the definition and implementation of measures, and the capabilities to report and monitor these measures on an ongoing basis. 	High

BUDGET-SENSITIVE

He Ara Waiora analysis

Cluster to complete

Please include information below where the response differs depending on the funding package (i.e. in the low, middle, high envelopes)

Tikanga	<p>The development of this proposal has been informed by a range of stakeholder engagement through the development of legislation in 2019, and ongoing engagement with advisory groups including the Ministerial Arms Advisory Group (MAAG), FCAF, Arms Engagement Group, Muslim Reference Group and other representative bodies.</p> <p>It is important to note that this investment is a response to the Arms Legislation Act 2020, which itself is a response to the March 15 Christchurch Mosque attacks.</p> <p>The Royal Commission of Inquiry (RCOI) that followed developed a series of recommendations or improvements to the arms regime, in consultation with stakeholders. The implementation of these recommendations form part of the overall investment scope. In July 2021 the RCOI Muslim Reference Group was asked to provide feedback and help co-develop how the RCOI Recommendations might work. This has supported the shaping a d design of the proposal.</p>
Manaakitanga	<p>Through this investment, important public safety benefits will be delivered to New Zealanders, as well the privilege of ongoing use of arms for business, food gathering, recreation, and sporting pu pose</p> <p>When considering the broader wellbeing that this investment will deliver, He Ara Waiora presents a holistic approach to wellbeing, and outline the aspects of wellbeing important to individuals and c llectives. The following key concepts as outlined in He Ara Waiora are considered to be impacted by this in estment, as they relate to the safe possession and use of firearms.</p> <ul style="list-style-type: none"> • Mana tuku iho, - <i>Mana deriving from a strong sense of identity and belonging</i>. This relates to the role that arms play in supporting activities, in particular mahing kai • Mana tauutuutu, - <i>Mana found in participation in and connectedness to one's community, including knowing and fulfilling one's rights and responsibilities</i>. As per above, firearms support the ability to gather food and provide for whanau, which both directly supports the wellbeing of whanau through provision of Kai, and thought the broader expectations and practices associated with the gathering of mahinga kai. In addition the sharing of mahinga kai knowledge and practices as it relates to the generational ability to sustain these activities. • Mana āheinga - <i>Mana in the ndividual's and community's capability to decide on aspirations and realise them in the context of their own unique circumstances</i>. This relates in particular to the ability to exercise kaitiakitanga ver land, through the use or protection, such as environmental protection, economic development and pest control arising from the use of firearms in this context. • Mana whanake - <i>Mana in the power to grow sustainable, intergenerational prosperity</i>. The aspects outlined that involve the safe use of firearms allow for mana whenua to practice the means outlined in He Ara Waiora – Tikanga, Whanaungatanga and Manaakitanga. Balancing the rights of all New Zealanders to be safe with the privilege of firearms use is a core role of the firearms regulator, which both allows for mana whenua to both be safe from harm, and to make use of firearms for cultural, recreational and e onomic uses. <p>These values are enhanced through this investment principally by:</p> <p>Reducing the potential for harm from firearms, which enhances the ability to realise one's aspirations and leads to reduced victimisation though firearms related harm. While data is limited, there is some evidence that Māori are disproportionately affected by firearms, with Māori representing 30%-35% of the victims of firearms related offences. Ultimately, an effective regulator will reduce the flow and availability of firearms to illegal or criminal uses, which will reduce the instances of firearms related offending, and the potential for harm from these occurrences.</p> <p>Protecting the ability to use firearms for food gathering, connection with the land and environment, or growing prosperity, promoting the values of self-sufficiency and realising aspirations. Creating an effective firearms regulatory regime promotes and protects the privilege of the safe use and possession of firearms, and allows for fit and proper people to enjoy the privilege and benefits arising from the legitimate use of firearms.</p>

Distributional impacts and other information requirements

BUDGET-SENSITIVE

Cluster to complete

Please include information below where the impacts differ depending on the funding package (i.e. in the low, middle, high envelopes)

Specify if this initiative directly impacts on Māori and describe the impact.	<p>In terms of distribution there are approximately 238,000 firearms holders across New Zealand. 25% are located in the Central and Southern South Island, and a further 20% are located in the Bay of Plenty – Waikato Areas.</p> <p>Unfortunately, firearms can also cause harm. This can arise from both illicit firearms (those held or used illegally), and from unsafe use.</p> <p>While data is limited, there is some evidence that Māori are disproportionately affected by firearms, with Māori representing 30%-35% of the victims of firearms related offences. Additionally, firearms are often associated with family harm offences. By improving the firearms regulatory capability the e disproportionate effects can begin to be mitigated.</p> <p>Balancing the rights of all New Zealanders to be safe with the privilege of firearms use is a core role of the firearms regulator. It does this by ensuring that the users of firearms are fit and proper, and that there are effective controls in place to prevent firearms being used for harmful criminal illegal means. By performing this role, the regulator seeks to protect all new Zealanders, while enabling the benefits that arise from the safe and proper use of firearms</p>
Specify if this initiative directly impacts on Pacific peoples and describe the impact.	
Specify if this initiative directly impacts on children, and/or child poverty and child wellbeing issues and describe the impact.	
Specify if this initiative impacts on issues relating to the Treaty of Waitangi.	
Identify the regions which are directly positively impacted by this initiative.	
If there are any relevant sector strategies for this initiative, please explain how the initiative aligns with that strategy.	

Monitoring and reporting

Cluster to complete

Please include information below where the approach differs depending on the funding package (i.e. in the low, middle, high envelopes)

More details on the approach outlined can be confirmed, working with Treasury, post Budget decisions

What performance measures will be used to determine if the initiative has been successful?	The Detailed business case includes a benefit realisation plan that outlines the approach to measuring the effectiveness of the regulator – this is summarised below:		
	Benefit description	Measures	Who benefits?
	Improved public & police safety	<ul style="list-style-type: none"> Number of unregistered or illegally held firearms seized by Police. 	<ul style="list-style-type: none"> New Zealand public New Zealand Police Regulated parties Government
	The firearms regulatory regime system promote public trust and confidence through the safer possession and use of firearms.	<ul style="list-style-type: none"> Percentage of public, police, and regulated party confidence in arms safety and control as measured through annual surveys (three measures). 	<ul style="list-style-type: none"> New Zealand public Regulated parties New Zealand Police
	Improved quality and timely delivery of arms regulatory interventions, measured through delivery against agreed requirements.	<ul style="list-style-type: none"> Number of timely and correct revocations. Number of days to follow up with expired firearms licence holders to ensure renewal of firearms licences. Percentage of firearms licence applications processed within service standards. Percentage of compliance activities undertaken. 	<ul style="list-style-type: none"> Regulated parties Government NZ Police
	Increased ability to measure the effectiveness of Arms Act delivery (both administrative efficiency and outcomes' effectiveness) due to improved reporting within the system.	<ul style="list-style-type: none"> Capability in place to enable data availability for performance reporting. 	<ul style="list-style-type: none"> Government Regulator
Work is currently underway to establish further KPIs as part of the wider establishment of the branded business unit. These will focus on the effectiveness and efficiency of the regulator, and the performance of the arms system.			

BUDGET-SENSITIVE

Outline the draft overall evaluation and monitoring methodology and process for the initiative; how often and to whom monitoring and performance reports will be provided; and when the first report back is expected.	<p>Following consultation with the independent Ministerial Arms Advisory Group, the preferred option of a Branded Business Unit was selected hosted by Police, for an initial 'trial' with a subsequent review, on the proviso that:</p> <ul style="list-style-type: none">➤ A review of the entity's performance will commence in June 2026. This aligns with the Section 96 statutory review of the Arms Act, which is to occur three years from the establishment of the registry in June 2023. As with the Section 96 review of the Act, the Group's recommended review must also be completed within 18 months➤ The above review covers the overall outcomes of the entity, including all outcomes sought by all system stakeholders➤ The Arms Advisory Group will contribute to the establishment of KPIs and the design/establishment of the external and/or independent monitoring and the shape of the review➤ Regular external independent monitoring of the entity, which would ideally start from 2023. <p>Cabinet agreed with this recommendation in November 2021.</p>
What data will be collected to monitor and evaluate the initiative?	<p>As above. A key aspect of the investment is to improve the ability to monitor the overall arm system, by improving the collection and availability of firearms related information. This will allow for more data-led interventions to be designed and implemented.</p>
What performance measures will be used to determine if the initiative has been successful?	<p>As above, the effectiveness of the investment will be measured against the Benefits realisation plan, and as per further KPIS are to be established in consultation with the Ministerial Arms Advisory Group.</p>

Section G: Information required for critical cost pressures

This section only applies to cost pressures (for information requirements for new initiatives see section F above). More information on cost pressures is in section **Error! Reference source not found.**

Cluster to complete	
<i>Please include information below where the initiative differs depending on the funding package (i.e. in the low, middle, high envelopes)</i>	
Identify cost pressure drivers: volume, price, personnel (driven by volume/price), population.	<i>Include as many drivers as applicable. Where more than one driver is included, provide an overview of how they interact.</i>
Outline counterfactual and risks if funding is not provided	
Describe efforts that have been made or are being made to manage the pressure within baselines	
Specify if personnel-related pressures consistent with the Government Expectations on State Sector Employment Relations and the public sector pay restraint guidance issued by the Public Service Commissioner	

PROACTIVE RELEASE

1.1 Annex A: Further questions for investment initiatives

Note for agencies: Delete this section if not applicable

1.1.1 Overview

Department to complete							
Arms Safety & Control			Detailed Business Case				
Is there a business case attached to this submission?	Y	If yes, please specify which business case (BC) (i.e. single stage BC, indicative BC, Detailed BC, Implementation BC)	Detailed BC	Is the business case approved? If yes, when was it approved and by whom?	No	If no, when is the business case scheduled for consideration?	March 2022
Does the initiative include the all-of-life capital costs and operating costs (including any FTEs required)?			Y				
What is expected delivery period of the investment?		The Detailed Business Case is over 11 Years (FY21/22 – FY32/33). The capital investment will be over the first three years.					
Does failure to invest create unacceptable risk?			Y	Police will not meet mandated legislation			
Has there been consideration of and a commitment to the delivery of broader priority outcomes? Refer to rule 16 of procurement rules ¹			Y	<p>The procurement of the new registry solution is expected to increase New Zealand businesses' access to government procurement. The nature of the solution required for the Arms Information Platform provides a genuine opportunity for diverse thought and a novel approach.</p> <p>This procurement will follow the good practice guide to Health and Safety in Procurement, ensuring compliance with the Health and Safety at Work Act as part of due diligence, and specific risks that may need management through the supply chain.</p>			
For non-CERF initiatives: Is the investment increasing or decreasing emissions by an annual average of 50,000 tonnes or more (over the first ten years of the project)?			N	N/A – the Climate Implications of Policy Assessment team has been consulted and confirmed that their requirements do not apply to this proposal as the threshold for significance is not met.			
Is this investment resilient to climate change? Does this initiative improve climate resilience?			N	N/A			

1.1.2 Governance and System Engagement

Department to complete							
Is there a Senior Responsible Owner (SRO)?			Y	Jevon McSkimming			
Is there a governance group in place?			Y	Deputy Commissioner Strategy and Service In regard to the governance - please refer to the Management case in the DBC)			
Have system experts been informed and/or consulted		Y	If yes, who?	New Zealand Infrastructure Commission		X	GCDO
				NZGPP			GCDS
				Other (please specify)			MIE
If data/digital, have digital investment principles and data standards been considered and applied?			Y				
Has the investment been subject to a Gateway Review?			Y	November 2021 (Review 0 and Review 2)			

¹ Refer to the following for more detail: <https://www.procurement.govt.nz/procurement/principles-charter-and-rules/government-procurement-rules/planning-your-procurement/broader-outcomes/>

BUDGET-SENSITIVE

1.1.3 Investment Planning

Department to complete		
Was this investment signalled in the 2021 Investment Pipeline data provided?	Y	Treasury and GCDO
Have the procurement rules been considered and applied?	Y	
Are there any possible trade-offs required to progress the proposed investment above other planned department activities?	N	N/A
Has a Quantitative risk analysis (QRA) or other technique been applied to quantify the level of risk.	Y	The QRA is currently underway, Police are awaiting the final report, which will be factored into the final version of the DBC.
Is a contingency being sought for the investment?	Y	Over the 11 years of the Detailed Business Case, contingency is currently set at \$17.2m - this is subject to change on completion of the Quantitative Risk Assessment.

1.1.4 Delivery Capability and Market Capacity

Department to complete				
Is the department subject to Investor Confidence Rating?	Y			
Has there been any market sounding or pre-procurement market engagement?	Y	Market has been engaged through and initial Request for Information process in early-mid 2021 followed by a formal Request for Proposal process in late 2021. A Preferred Supplier has been selected for the new technology enabled capability required to be delivered.		
Is there a timing imperative to engage the market?	Y	The Supplier work to complete the technology enabled components of the change programme required a commencement date of January 2022 in order to make legislative timeframes by June 2023.		
What is the Risk Profile Assessment determined risk level?	X	High	Medium	Low

BUDGET-SENSITIVE

Appendix A – Intervention logic map

