

# Interim Supplementary Analysis Report:

## Arms (Prohibited Firearms, Magazines, and Parts) Amendment Bill (No.1) 2019

### implementation of proposals and a buy-back scheme

#### Section 1: General information

Purpose
<p>New Zealand Police has prepared this Supplementary Analysis Report (SAR) and is responsible for the analysis and advice set out in it, except as otherwise explicitly indicated. This analysis and advice has been produced for the purpose of informing:</p> <ul style="list-style-type: none"><li>• Ministers of the risks, benefits and costs of implementing the Arms (Prohibited Firearms, Magazines and Parts) Amendment Bill (No.1) 2019</li><li>• final decisions to proceed with the Arms (Prohibited Firearms, Magazines and Parts) Amendment Bill (No.1) 2019 by Cabinet on 1 April 2019</li></ul>
Key Limitations or Constraints on Analysis
<p>Cabinet has already agreed in principle to the development and introduction of two Bills in 2019 to amend the current Arms Act 1983. The first of these Arms Amendment Bills will be introduced to Parliament on 1 of April 2019 under urgency to:</p> <ul style="list-style-type: none"><li>• ban certain firearms, parts and magazines</li><li>• create offences and penalties to prohibit the possession, sale, supply or import of the items proposed to be banned</li><li>• create limited exemptions to the ban for professional wild animal control operators, dealers, collectors museums and theatrical armourers</li><li>• establish a specific amnesty for newly created prohibited firearms to give people time to comply with the ban</li><li>• clarify, expand and promote general amnesty provisions in section 10 of the Arms Act 1983 to include all firearms.</li></ul> <p>The analysis is constrained by the tight timeframes within which Police is operating to develop the Bill under urgency. Many pieces of work on the Bill are being done concurrently and the final details being worked on right up until the Bill is due to Cabinet on 1 April, for its consideration. Without these it is difficult to identify with accuracy, the impacts and risks of the proposal.</p> <p>This equally applies to details on the buyback scheme which is unlikely to be fully resolved until after the Bill is introduced to Parliament. In this respect only a generalised analysis is available, but has been included to signal the clear intent of government to compensate</p>

people who surrender prohibited firearms during the amnesty period.

Key information is not available, such as the number of guns and the number of licence holders that would be caught by the prohibited firearms proposal in the Bill. Police has identified a number of reasons for this including the of a lack of a firearms register, firearms dealer records being limited to five years, no centralised dealer records, and a well-established private market in New Zealand for firearms sales. In this last scenario, Police has no way to assess what type of firearms have been sold privately and therefore not able to know what of these, are of a type that are now deemed military style semi-automatics (MSSAs) because of their ready conversion to MSSAs, and are intended to be prohibited. The easiest way to convert a semi-automatic firearm to a MSSA is to add a high capacity magazine. As there has been no requirement to hold a firearms licence to possess, import, or sell any magazine, there are no records of their import or supply and therefore no knowledge of the quantity that exists.

There is a large body of other work that is needed to support the amendments in the second Bill. This interim supplementary analysis report (SAR) is limited to the consideration of the five key proposals listed above, and will cover:

- how it will function,
- the expected impacts of the proposed Bill,
- timing and transitional issues,
- compliance costs and cost minimisation, and
- how affected parties will be informed and supported.
- administrative issues, including who will implement and administer the legislation,

## Quality Assurance Review

A Quality Assurance (QA) Panel has reviewed the Interim Supplementary Analysis Report for this legislative/regulatory proposal against the fitness for purpose to the task it was set.

*“Due to time constraints, Regulatory Impact Analysis was not completed on the proposals contained in the Cabinet paper Operation Dean – Amendments to the Arms Act 1983. The New Zealand Police and the Treasury therefore agreed that the Police would provide a Supplementary Analysis Report (SAR) to accompany the Cabinet paper on the Arms Amendment Bill (No.1), which it is anticipated will be introduced to Parliament on 1<sup>st</sup> or 2<sup>nd</sup> April 2019.*

*Police and the Treasury agreed that the purpose of the SAR would be to focus on implementation risks and mitigation measures for the proposals to prohibit certain firearms and parts, limited exemptions, and amnesty provisions, including the proposed gun buy-back scheme.*

*A Quality Assurance (QA) Panel with representatives from the Treasury, the Ministry of Business, Innovation and Employment, and the Ministry for Primary Industries has reviewed the Supplementary Analysis Report: Arms Amendment Bill (No.1): Implementation of Proposals and Buy-Back Scheme. The QA panel has not seen the final version of the SAR*

*submitted to Cabinet. This QA statement relates therefore to the draft seen on 27 March 2019, which will not be the same as the final SAR submitted.*

*The QA Panel notes that the SAR has been prepared under significant time constraints. There are also some major information gaps, including the number of firearms affected by the ban. In view of those constraints, the Police has done a commendable job in addressing the purpose of the SAR identified above. Insofar as they are known, the impacts on affected parties are set out, and implementation risks and mitigation measures identified.*

*The QA panel notes that details of the proposals for the buy-back scheme were not available at the time of writing. The buy-back scheme is essential in supporting the operational policy for the Bill to encourage the surrender of prohibited firearms during the amnesty period. The Police that will update the SAR to identify implementation risks and mitigation measures once Cabinet makes decisions on the form of the buy-back scheme.*

*The QA Panel also notes that the Select Committee process may well identify further implementation risks, and ways of mitigating those risks. The Police will update the SAR to reflect any issues that arise from the Select Committee process.*

*In light of this additional work, the QA panel will review the final version of the SAR following Select Committee consideration and provide further comments to Police.”*

**Responsible Manager (signature and date):**

Signed off by Policy Manager responsible for Firearms

New Zealand Police

1 April 2019

## Section 2: Problem definition and objectives

### What is the policy problem or opportunity?

A lone gunman was able to legally obtain a firearms licence and legally purchase firearms, ammunition and a large capacity magazine that enabled him to carry out a mass shooting on 15 March 2019 in two locations killing 50 people and injuring a further 50 in less than an hour.

A similar incident occurred in Northland in 2017 when a gunman, Quin Patterson obtained a semi-automatic A category firearms, added a large capacity magazine and shot three people, killing two.

One of the key issues with the current statutory framework is that it is not meeting its purpose *to enable persons assessed as fit and proper people to possess firearms for legitimate purposes, while mitigating the risk of misuse by placing limitations at critical control points in the system.*

The Act's current statutory framework attempts to differentiate between 'sporterised' semi-automatics and assault type semi-automatics. This differentiation has proven problematic and increasingly unsustainable as more and more 'sporterised' semi-automatics have been manufactured on the same or similar template as a number of military assault rifles which, in New Zealand, have been defined as Military Style Semi-Automatic (MSSAs). It has been Parliament's intent to limit the number of MSSAs in New Zealand through strict import controls. However, these controls have been readily circumvented by importing assault style firearms or parts as 'sporterised' semi-automatics or for 'sporterised' semi-automatics. Once in New Zealand in this format they are readily assembled or converted to a MSSA with the simple addition of an unregulated large capacity magazine. This is precisely how the gunman was able to acquire the lethal weapons that he used.

Further evidence of the undermining of Parliament's intent to reduce MSSAs in New Zealand is the steady increase in the number of MSSAs being recorded with New Zealand Police each year. This is largely down to law abiding licence holders seeking to obtain the correct endorsement to possess a MSSA and to record their newly assembled semi-automatic as a MSSA.

There is limited data on the number of A Category firearms that will now be considered prohibited firearms by these proposals as there is no means of knowing the number of such firearms in the civilian armoury. However, data on a range of licences and firearms as at 31 March 2019 are provided below.

Category	Number
Firearms licences	248,702
E Cat endorsements (a subset of all firearms licences)	7,566
E Cat firearms (as at March 2019) <sup>1</sup>	14,286
Dealer licences	493

<sup>1</sup> This figure does not include A category firearms that through reclassification, became E category firearms following the Order in Council on 21 March 2019.

If the statutory framework continues as it is, the people of New Zealand will be vulnerable to the possibility of other mass shooting events because the legal controls are incapable of preventing it.

There is an opportunity and need to move swiftly to tighten controls around certain firearms and firearm parts to mitigate the risk of further mass shootings so that these items are not generally available to anyone.

This first proposed amendment to the Arms Act 1983 would be acting with speed to remove as many of these lethal firearms out of general circulation as quickly as possible and to tighten up controls over their availability, use and trade.

A second amendment to the Arms Act is planned later in 2019. Matters under consideration for this Bill may include proposals to:

- Clarifying the purpose and objectives of the Arms Act
- Improving the licensing regimes including determination of who is considered 'fit and proper'
- Monitoring and inspection regimes, reporting obligations, and a graduated set of interventions for potential breaches (to encourage appropriate behaviour)
- A firearms register (to verify information and enable information sharing)
- Prohibiting firearms licence holders from privately selling or gifting firearms
- Updating the offences and penalties regime.

## Section 3: The Bill, who it will impact and how.

### Who is affected and how?

#### *Introduction:*

This is a controversial Bill. Up until the Order in Council on 21 March 2019, the newly reclassified firearms were widely available for sale and popular among hunters and recreational shooters<sup>2</sup> with a standard firearms licence or with a licence that has been endorsed to enable the licence holder to possess a MSSA. Police expect the Order in Council to have impacted an unknown number of all firearms licence holders, and the Bill extends this further to the 7,500 plus E endorsement holders.

However, there is strong political support for changes to the Arms Act 1983 that would reinforce and strengthen the intention of the Act *to enable 'fit and proper' people to possess firearms for legitimate purposes, while mitigating the risk of misuse by placing limitations at critical control points in the system.*

Since the event in Christchurch, media reports have indicated there is also strong public support for improving the safe and responsible use of firearms, and making it harder for people, who intend to cause harm to others, to gain access to these types of firearms. The Bill makes the following proposals:

#### *Prohibition of certain firearms and parts*

Ministers agreed on 20 March 2019 that the Bill should ban

- Certain firearms to be included in a new category of 'Prohibited Firearms'
- Parts with the ability to convert semi-automatics or any other type of firearm into prohibited firearms, or manufacture and assemble prohibited firearms, (eg AR-15 platform based parts) or cause a firearm to generate semi-automatic, automatic or close to automatic gunfire.
- Any detachable magazines for A category firearms other than .22 calibre
- All magazines capable of holding more than 10 cartridges
- All magazines for shotguns capable of holding more than 5 rounds
- Any detachable magazines for A Category firearms other than 0.22 calibre and shotguns.

This is a significant departure from existing legislation. There would be a large group of people who will have legally obtained these items, who, if the Bill is passed, would be in unlawful possession of prohibited firearms and parts which cannot be legally sold or passed on. This would include anyone holding an E category endorsement on their licence which, from the date of enactment, such endorsement would cease to exist. The cost of an E category endorsement is \$204, and this would normally exist for the length of the licence.

---

<sup>2</sup> 80% of applicants for a firearms licence indicate recreational/hunting intent

There is no intent to reimburse this cost, even where one has only recently been obtained and paid for. Except for GST adjustment the fee for endorsement has not been adjusted since 1992. This has led to the cost of the work relating to endorsement being subsidised through Vote Police.

Some individuals who are affected, may hold prohibited items that represent a significant financial investment with no route for them to recoup the investment. Police are in contact and discussion with representatives of the firearms community to establish how best to manage the changes proposed in the Bill and encourage people to surrender firearms that become illegal.

There is a risk that if the proposed prohibited parts and magazines are no longer available for general purchase, that some people may attempt to convert their firearm to an A category format and then later illegally use the prohibited parts and magazines to re-assemble and hold them illegally in assault firearm format. Police is aware that step by step tutorials exist on the internet that could assist people who want to make or modify their firearms. There would be few options for Police to monitor this risk. Uncovering small scale illegally produced parts would be particularly difficult.

There is also a risk that the prohibition of certain firearms, certain parts and most particularly large capacity magazines may create a black market. This would likely be created by firearms, parts and magazines already in New Zealand as significant barriers exist for shipping firearms into the country. This would be strengthened by the Bill which proposes that dealers would only be able to import the prohibited firearms with a specific order from a licence holder with the required endorsement on their licence and that they themselves would have to apply for a permit to import the prohibited item(s).

The most likely source of a black market in prohibited firearms in New Zealand, would be from the unknown quantity of semi-automatic centrefire, and certain shotguns that are held on a standard firearms licence or already held illegally that are not surrendered to Police. This particularly applies to guns that have been sold privately. But even those sold through dealers may not be on record as up until 21 March 2019 dealers were not required to keep records of sales on this category of firearms and there is no centralised record of dealer sales. This risk is expected to be partially mitigated by proposals in a second amendment Bill to prohibit private sales and establish an arms register, which would provide more information to Police to identify illegal firearms.

Aside from the risks identified above, the proposed Bill is expected to remove a significant number of dangerous firearms from general circulation which will overall create a safer environment for people living in New Zealand. In particular, theft of A category firearms is a regular source of firearms for criminals, and the Bill places greater visibility and controls over the higher risk firearms thus limiting the opportunities for criminals to steal these prohibited firearms from residential premises and unattended vehicles (where the majority of firearms thefts occur).

As well, Police has, in recent times, become aware of an increase in the presence of firearms in the normal course of their duties. For example, this may be during a routine vehicle stop, carrying out a search with a warrant, or at a domestic incident. The proposed ban would gradually reduce the frequency with which Police are confronted with prohibited firearms and

eventually reduce the personal risk to Police officers in carrying out their day to day duties. The proposed Bill provides for new offences and penalties that will also give Police more options to act when they are aware prohibited firearms are present.

#### *Limited exemptions*

The government agreed the Bill should include a limited number of exemptions to the ban when people could buy, own and use a prohibited firearm. These include:

- Those professionally involved in wild animal control: This will enable Department of Conservation officials and those employed by DoC, undertaking wild animal control activities, to continue to use these weapons where they can demonstrate a genuine need (i.e. no other type of firearm will be equally effective for the purpose).
- Collectors/Museums/Theatrical Armourers (C category endorsements)
- Dealers

If the Bill is passed people who can demonstrate they meet the criteria for one of the exemptions would need to notify Police of the prohibited items they hold and apply for the exemption to legally retain their firearms. This is to ensure animal control activities can continue without interruption. It will also ensure that firearms collections, which may be valuable and stored/displayed according to strict regulations and rules remain appropriately stored.

The impact of the Bill is that there will be a far narrower group of people who can legally hold the prohibited firearms and parts. Licence holders who do not qualify to be exempted would not be able to legally hold on to, or use, or pass on any of their prohibited items.

Police recognises there is a risk that some people with a large number of firearms caught by changes to the law may look to acquire a collector's endorsement. Police will apply its established criteria for collectors. This may result in some who are holding numbers of MSSAs and newly prohibited semi-automatics and shotguns may not succeed in obtaining a C endorsement on their licence.

There would likely be a significant impact on some dealers by the proposed changes. Firearms dealers have stock of semi-automatic firearms and shotguns that prior to the recent Order in Council represented what was a broad market in category A firearms. Many of these would be classified as prohibited firearms by the Bill. This could represent tens of thousands of dollars of investment in stock that the Bill would prohibit sales to all but a very small number of exempted licence holders (i.e. market for this stock will have shrunk to a fraction of what it was). Although dealers will be able to continue to hold the stock legally under the exemptions in the Bill, they will have very few routes to off load the stock.

This would create an oversupply and possibly devalue the stock they hold. Dealers would have limited options; to store the stock they hold and compete against other dealers in a far reduced market, or, try to agree with their overseas supplier to take the stock back. In this case the dealer is likely to lose out on the shipping costs to return the items, but also may not be able to return the stock for the same price as it was bought. Suppliers may also choose not to accept a return of stock. It is possible that the Bill would impact the viability of some firearms businesses.

In the longer term when the existing stock of prohibited firearms is used up it is likely that there will be an under supply as dealers will need to apply for an exemption each time they have an order for the prohibited firearms before they can import and supply them. This could inflate the price of procuring these firearms for licence holders with an exemption, including the cost to the Department of Conservation for hiring or contracting professional wild animal control operators.

There may also be an impact on the economic viability of some land use subject to significant pest problems. This would include many properties that adjoin the Department of Conservation estate, those known areas that are vulnerable to large numbers of rabbits, goats, wallabies, pigs, and Canada geese where there has been a reliance on use of semi-automatic firearms.

A further group are impacted. They are those clubs and organisations who are involved commercially and recreationally with competitive target shooting that use firearms that the Bill proposes to ban.

#### *Penalties and offences*

Ministers agreed that the amendment Bill should include offences in the Arms Act to support the banning of semi-automatic weapons and other items. The development of these offences and penalties is near completion.

The focus is on striking a balance so that penalties (particularly the more severe ones) are reflective of the level of culpability required in each specific offence, i.e. intentional breaches of the prohibitions in the Bill can justify a higher penalty.

The burden of proof for the new offences will lie with the prosecution to prove the charges except for possession offences. For the established offences in the Act there has been no change and these will be considered in the proposed second amendment Bill.

#### *Amnesty provisions*

The amnesty provisions are intended to address issues relating to transition from the current firearms regime to the proposed new regime, to tighten the control of firearms and ban certain firearms considered to pose an unacceptable level of danger to New Zealanders. The implementation, impacts and risks of the amnesty provisions are dealt with in detail in Section 4.2 Timing and transitional issues.

## Section 4: Implementation of the proposals

### 4.1 Who will implement and administer how the Bill will function

The implementation of the proposed changes under the Arms Amendment Bill (No.1) 2019 will involve a number of government agencies.

- NZ Police will implement and administer how the Bill will function. In addition, Police will lead the operation (Operation Dean), to retrieve and destroy the newly banned firearms and parts. Police will be central in lending support to the firearms community to meet the new requirements of the Arms Act and ensure that all holders of a valid firearms licence are aware of the changes and what they need to do to comply.
- NZDF will support the operation through the provision of secure and safe storage and the ultimate destruction of the firearms.
- Police are developing the buyback scheme. Treasury and Inland Revenue Department are determining the funding source for the buy-back scheme and the manner in which the payment will be made.
- NZTA will support the secure and safe transportation of firearms from Police to NZDF military bases.
- Ministry of Justice will have responsibility for the administration of penalties and fines under the proposed new offences regime and Corrections will be involved where the severity of the offence results in imprisonment.
- NZ Customs and MFAT will update and administer their import and export processes to give effect to the Bill.

## 4.2 Timing and transitional issues

Changes to the Arms Act 1983 would come into effect in stages to ensure there is adequate time for the firearms community to adapt and comply with the changes to avoid unintended criminalisation of law abiding people.

On 21 March 2019 the government took immediate steps to stop reported panic buying and selling of firearms in the wake of announcing that gun laws would change. This was done by an Order in Council to reclassify certain semi-automatic firearms and certain shotguns as MSSAs and Regulation to establish an amnesty for people with a standard firearm licence (who could no longer legally hold those firearms) to surrender them to Police without fear of prosecution.

This Bill represents the first step in the government's commitment to tighten controls over gun ownership and trade. The greatest impact of the proposals in this Bill will be felt by the firearms community holding firearms licences. As of 31 March 2019, this community is made up of 244,392 licence holders, which include 4,176 collectors, and 493 dealers. These people are also members of 90 registered pistol clubs and an unknown number of other rifle sports shooting clubs around New Zealand. The community is currently coming to grips with what will be a sharp period of adjustment and Police is conscious that the manner in which these changes are dealt with will be instrumental to the success of retrieving and destroying as many prohibited firearms as possible.

The changes proposed in the Bill (the ban on prohibited firearms and parts, the new offences and penalties, and the limited exemptions) require a reasonable period of transition for the firearms community to absorb and to comply with. In recognition of this, the amnesty established in Regulations would be extended by the Bill until 30 September 2019. Police believe this would allow sufficient time to ensure the changes are clearly communicated to those affected by the Bill, and to give people enough time to comply so that law abiding firearms owners are not perversely criminalised by the changes.

If no amnesty were included in the Bill, firearms owners who could not obtain an exemption would have no legal route to offload the prohibited firearms, prohibited magazines and prohibited parts they are holding since the Bill would prevent them from lawfully holding, selling or passing the firearms on.

To encourage people in possession of prohibited firearms to surrender them, the government has said it will operate a buy-back scheme. The intention of the scheme is to augment the effectiveness of the amnesty and acknowledge that the majority of people with prohibited firearms held them legally prior to the change and would be financially impacted by the change. The buyback scheme is still being developed, but initial plans involve a scheme for a payment per prohibited firearm surrendered. It may not include firearm parts/magazines now banned and would not apply to pistols or restricted weapons that may be handed in whether held legally or illegally prior to the recent Order in Council or this Bill.

At present there is no intent to extend the buyback scheme to firearms dealers, who would be restricted to competing with other dealers in a limited market to off load their stock, or seeking a return and rebate with overseas suppliers.

Initial feedback from the firearms community to Police indicates that early communication of the details of the buyback and the speed of payment will be instrumental to the success of the amnesty as it will give owners of firearms certainty of what the government is offering for their firearms, and will allow them to move forward under the new regime.

Police is aware that some people may prefer not to surrender their firearms directly to Police. The amnesty includes the ability for people to surrender prohibited firearms to dealers anonymously. The key aim of the amnesty is to retrieve as many prohibited firearms as possible, from all sources. Any firearms surrendered in this way would not qualify for compensation through the buyback scheme.

As well, Police anticipates that, for a range of reasons, not all people in possession of prohibited firearms will choose to surrender them. Police will be able to follow up with firearms dealers, who are required to retain five years of records for all sales of MSSAs, to identify any firearms that may not have been handed in. This will not be easy as there is no centralised record of sales and not all records are held electronically. Furthermore, any category A firearms that have been on sold through private sales will not be easily traceable. There is also a risk that people who have brought firearms through a dealer, that are reclassified as prohibited firearms will claim to have on sold them in preference to surrendering the firearm. Police will look to address this by requiring proof of sale.

Since there are no records kept by dealers of sales of parts and magazines it will not be possible for Police to monitor the success of the amnesty in respect of these items.

Police recognises there is a risk that people with prohibited firearms will begin to drop them off at Police stations or firearms dealers. This introduces risk to themselves at a time when New Zealand is operating at a heightened security risk level. Furthermore, Police and dealers may not have the capability to safely and securely accept these items in any significant quantity. In anticipation of this risk, Police has updated its website to provide information to the public and request that if they hold any prohibited items to complete a surrender form. A link to the surrender form is on the Police page and will enable Police to begin to identify where prohibited firearms are and in what volume, so that arrangements can be made for the safe collection and storage of them.

Police is developing processes for collection, storage, transportation and destruction, this will add costs to Police.

As a long term measure to facilitate the ongoing surrendering of firearms the Bill proposes to clarify, expand and promote the amnesty provisions in the Arms Act to include all firearms.

## Section 5: Cost of compliance

### 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>
--------------------------------	--	--

### Additional costs of proposed approach, compared to taking no action

Regulated parties	<p><b>Firearms owners:</b> there are four identified compliance costs that may be incurred:</p> <ul style="list-style-type: none"> <li>Cost associated with the surrender of any firearms, parts, magazines, or ammunition that they are no longer legally able to own.</li> <li>Licences with E category endorsements will be invalidated (approx. 7,500)</li> <li>Cost of applying for an exemption</li> <li>Cost to prohibited licence holders as may have to invest in upgrading the storage arrangements for their firearms</li> </ul>	<ul style="list-style-type: none"> <li>This could vary significantly from high, medium to low depending on the value and quantity of what is surrendered by individual owners. The buyback scheme will mitigate these compliance costs to a limited extent.</li> <li>Low: There is no plan to rebate these regardless of the length of time the endorsement has been in place on the licence.</li> <li>Medium: This is likely to be comparable to the current cost of applying for an endorsement although this is presently less than the cost to Police to administer</li> </ul> <p>Low as business related cost</p>
-------------------	---	--

	<p><b>Firearms dealers:</b> There are four identified compliance costs that may be incurred, including:</p> <ul style="list-style-type: none"> <li>• Business loss associated with returning stock that can no longer be widely sold in New Zealand. Including, the cost of re-exporting back to the country of origin.</li> <li>• Cost of surrendering any stock that cannot be returned to suppliers, or is not economical to return to suppliers and cannot be sold on to licensees with an exemption.</li> <li>• Cost of devaluation of stock due to a sudden drop in demand, until the reduced market has used up existing stock.</li> <li>• Costs of receiving and passing on to Police, firearms and parts from the public as part of the amnesty</li> </ul>	<ul style="list-style-type: none"> <li>• Medium/High: This could vary significantly depending on the type of stock held by the dealer and contract arrangements with the overseas suppliers. It will be up to dealers to negotiate the terms with their suppliers.</li> <li>• High: There is currently no buyback scheme planned for dealers to mitigate this cost.</li> <li>• Medium</li> <li>• Will depend on the size of the stock of prohibited firearms and other prohibited items.</li> </ul>
Regulators	<p>The following costs have been identified:</p> <ul style="list-style-type: none"> <li>• One-off administrative cost (staffing and overheads) to develop the amendments in the Bill and support it through all stages.</li> <li>• One-off administrative and operational costs of retrieving, storing, transporting and destroying surrendered items during the amnesty period.</li> <li>• On-going cost of providing endorsements for exemptions – the current fees to not cover costs.</li> <li>• On-going costs of investigating</li> </ul>	<p>All unknown – but work is underway to obtain an estimate of the costs which, while substantial is likely to be around 2 % of Police's revenue through Vote Police.</p>

	<p>and prosecuting owners for non-surrendered items (including resources to inspect dealer's five year records).</p> <ul style="list-style-type: none"> <li>On going and additional costs of developing policy, regulations and operational policy for implementing a changed regulatory framework.</li> <li>On going administrative costs dealing with regulated parties.</li> </ul>	
Wider government	<p>NZTA administrative and operational costs of providing safe and secure transportation of the prohibited items.</p> <p>NZDF administrative and operational costs of receiving, storing and destroying the prohibited items.</p> <p>Treasury: Cost of compensation provided under the buyback scheme, details of which are yet to be decided by Cabinet.</p> <p>IRD one off administrative cost of developing a system to issue compensation payments under the buyback scheme.</p>	<p>Unknown</p> <p>Unknown</p> <p>High (early analysis estimates that the cost to compensate owners who surrender their firearms could be between \$100 to \$200 million.</p> <p>Low</p>
<b>Total Monetised Cost</b>	<i>Unknown</i>	High
<b>Non-monetised costs</b>		<i>(High, medium or low)</i>

Expected benefits of proposed approach, compared to taking no action		
Regulated parties	<p>Clarity of what firearms are legal and what are prohibited, removing the uncertainty of whether or not a semi-automatic is an A category firearm or a MSSA.</p> <p>Giving people an opportunity to off-load any firearms they no longer want to hold without fear of prosecution for possession through the amnesty period.</p> <p>Buyback providing some compensation to mitigate the cost of meeting the new law.</p>	<p>Low/medium</p> <p>Medium</p> <p>Low/medium but will depend on what is surrendered</p>

Regulators	<p>More effective legislation to limit and control the use of prohibited firearms, parts, magazines and ammunition that will enable officers to act against unlawful possession of prohibited firearms, and cap the number available to be held illegally gradually improving the safety of officers while carrying out their normal duties.</p> <p>Reducing the potential harm of mass shooting events and undermining the public's trust and confidence in Police ability to keep the public safe.</p> <p>A tougher offence and penalty regime to assist Police enforce the tighter regulatory regime.</p>	<p>High</p> <p>High</p> <p>High</p>
Wider government	<p>The Department of Conservation and management agencies established under the Biosecurity Act that rely on professionals using some of these prohibited firearms to carry out wild animal control work will be able to continue to use prohibited items.</p>	<p>Medium</p>
Other parties	<p>The whole of New Zealand.</p> <p>A cap placed on the number of semi-automatic firearms that are high powered, firearm parts, magazines and ammunition held legally and illegally in New Zealand.</p> <p>Limits the number of high risk semi-automatic firearms in residential premises that can be targeted in break-ins by criminals.</p> <p>A reduced risk to the public of large scale harmful events as remaining prohibited firearms held legally are harder to gain access to.</p> <p>Recognises and supports the value of collectors and museums in retaining their collections for historical and cultural</p>	<p>Medium</p> <p>High</p> <p>High</p> <p>Medium</p>

	<p>purposes.</p> <p>Landowners living in proximity to popular public hunting areas will experience a reduction in risk from use of semi-automatic firearms.</p>	Medium
<b>Non-monetised benefits</b>	<p>Immediate reduction in the legal availability of high risk firearm to high-risk individuals.</p> <p>Gradual reduction in high risk firearms held illegally in the civilian armoury.</p> <p>Immediate reduction in the number of high risk firearms held legally in the civilian armoury under inadequate security</p> <p>Regulator has greater visibility, and improved monitoring of licensed holders of high risk firearms.</p>	<i>High/medium</i>

## Section 6: Implementation and operation

### How will the new arrangements be given effect?

Police has established connections over many years with the firearms community. These will be utilised to assist individuals, businesses and organisations within that community to understand and comply with the new law. The new arrangements will be given effect as follows:

- Government has already made an Order in Council reclassifying certain firearms as MSSAs, and Regulation to establish an amnesty for the surrender of firearms affected by the Order in Council. Both statutory instruments came into force on 21 March 2019. This was to address the issue of panic buying and selling of firearms.
- In tandem with this Police has issued statements to the media explaining the implications of these changes and what further changes can be expected. The information on the Police website has been updated to reflect the changes and to provide guidance. This was done to inform as many firearms owners as possible of the changes to avoid inadvertent criminalisation of law abiding people.
- Police has provided on the website a voluntary surrender form to enable licensees with newly prohibited firearms to notify Police as part of the amnesty process. There is also a surrender number to provide assistance to licensees wanting to surrender firearms and other items. This was to address the issue of ad hoc surrender of firearms without sufficient security and safety provisions being put in place.
- Police is using completed surrender forms to identify where and in what volume prohibited firearms and other prohibited items being surrendered are, as part of the amnesty. This will help Police plan how best to collect/receive these items, and work with NZDF and NZTA to identify best options for storage, transportation and destruction. Police plan to have this operational by July 2019.
- A communications strategy is underway to ensure that information on proposed new laws are clear and comprehensively disseminated among the firearms community to help people comply. This is to address the risk that some people may not be aware of the proposed changes or how it might affect them.
- Police is working on the details of a buyback scheme. This work is being prioritised to provide firearms owners with certainty of what the government is offering and under what conditions.
- Police has identified and is working through further policy proposals required in a second Arms Amendment Bill to underpin and strengthen the policy decisions of the first Arms Amendment Bill. This includes work to clarify the intent of the Arms Act, measures to screen out people who should not get a licence (including a strengthening of the 'fit and proper' test) and safety improvements in how firearms are used.
- Police will have ongoing responsibility for the administration of the Arms Act 1983, including any changes proposed by this Bill and a second amendment Bill (planned for later in 2019) that are accepted.

## Section 7: Monitoring, evaluation and review

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

This Bill does not include provision for monitoring and evaluating the effectiveness of the changes. However, Police has identified stages where this may be possible:

- Submissions to Select Committee are likely to raise key issues that need to be dealt with.
- Surrender forms will provide Police with information particularly around level of response to the amnesty, so that communications can be adjusted or targeted if necessary.
- Firearms dealers are required under the Arms Act 1983 to hold five years of information on sales of MSSAs which may be used to evaluate and identify non-compliance issues.
- Police will be collecting new data on who is exempted from the prohibited firearms regime through an endorsement process requiring Police approvals.