



Cabinet Social Wellbeing Committee

Minute of Decision

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Arms Regulations 1992: Proposed Fees Changes: Release of Discussion Document

Portfolio Police

On 16 November 2022, the Cabinet Social Wellbeing Committee (SWC):

Background

- 1 **noted** that the Arms Act 1983 (the Act) provides for regulations to be made for the cost recovery of actual and reasonable costs of services provided in accordance with the Act;
- 2 **noted** that the current fees have not changed since 1999, except for GST adjustments, and they remain highly subsidised by the Crown and comparatively low when compared to similar regulatory licences;
- 3 **noted** that in March 2022, SWC:
 - 3.1 noted that increased investment in the Arms Regulatory system is required to deliver on recommendations from the Royal Commission of Inquiry into the terrorist attack on Christchurch masjidain and to enable achievement of the public safety objectives of the Arms Regulatory system;
 - 3.2 endorsed a Detailed Business Case requiring a much-increased investment in the Arms Regulatory system;
 - 3.3 noted that the amount of investment required (\$711.452 million over 11 years, of which \$209.20 million has already been approved) is based on the existing cost recovery settings, and could decrease if more is recovered through third-party revenue;
 - 3.4 noted that Cabinet approval would be sought to release a consultation document which will propose options for revised cost recovery settings for the delivery of all remaining services including licensing, endorsements and permits;

[SWC-22-MIN-0021]

Financial implications

- 4 **noted** that Budget 2022 approved the Arms, Safety and Control initiative for Vote Police, which included:
- 4.1 approval to appropriate \$47.007 million in operating and capital funding to Vote Police in financial year 2022/23;
 - 4.2 an increase to the “Implementation of the Arms Legislation Act” tagged operating and capital contingency of \$161.392 million;
 - 4.3 a drawdown of \$7.1 million operating funding for 2022/23 for financial year from the existing tagged operating and capital contingency;
 - 4.4 agreement that any further drawdowns for 2022/23 and 23/24 will be subject to a report-back to the Minister of Finance and the Minister of Police on implementation progress to date, including development of the registry and a timeline for the development of a new fee schedule;
 - 4.5 directing officials to report back to the Minister of Finance and the Minister of Police by 30 November 2022 with a detailed implementation plan that includes a timeline for the roll-out of a new fee schedule and revised costings (in order to better understand the amount likely to be recovered from third-party revenue);
 - 4.6 agreement that drawdown from 2024/25 is contingent on the implementation of a revised fee schedule;
- 5 **noted** that the revenue collected will depend greatly on the size of fee increases which will impact both demand for firearms licences and the timing of applications;
- 6 **noted** that the discussion document, *Arms Regulations: Review of Fees 2022*, attached under SWC-22-SUB-0210, presents options which include a range of partial cost recovery options for a firearms licence and the full costs of delivery of most other regulatory services including dealer licensing (excluding dealers who are museum curators), permitting, approvals and endorsements;
- 7 **noted** that the issue and compliance oversight of firearms licences are the greatest contributors to cost and, if licence fees are set at full cost recovery, a number of licence holders failing to renew their licence may present a potential risk to public safety;

The timing of consultation will be influenced by progress on Arms (Licence Holders' Applications for New Licences) Amendment Bill

- 8 **noted** that the timing of the release of the discussion document will be influenced by the discussion with the House Business Committee on urgently progressing the Arms (Licence Holders' Applications for New Licences) Amendment Bill;
- 9 **authorised** the Minister of Police to determine the timing of the discussion document's release to fit with progress of the above Bill in the House;
- 10 **authorised** the Minister of Police to make any editorial or minor changes to the discussion document prior to its release;
- 11 **invited** the Minister of Police to report back to Cabinet with proposals following consultation and to seek approval to issue drafting instructions to the Parliamentary Counsel Office for regulations;

- 12 **noted** that as part of the above report back, Cabinet will need to consider the benefits of greater user contribution against the risks of non-compliance, and the public interest in maintaining a well-functioning Arms Regulatory system;
- 13 **noted** that the proposed fees for the approval of shooting clubs and certification of shooting ranges were included in the discussion document *Proposals for new regulations under the Arms Act 1983 (Phase Two) Shooting clubs and ranges* and are not included in the *Arms Regulations – Review of Fees 2022* consultation.

Rachel Clarke
Committee Secretary

Present:

Hon Grant Robertson
Hon Kelvin Davis
Hon Dr Megan Woods
Hon Chris Hipkins
Hon Carmel Sepuloni (Chair)
Hon Andrew Little
Hon Jan Tinetti
Hon Kiri Allan
Hon Priyance Radhakrishnan
Hon Aupito William Sio
Hon Meka Whaitiri

Officials present from:

Office of the Prime Minister
Office of the Chair
Officials Committee for SWC