

Stage 2 Cost recovery impact statement

Fees relating to approval of shooting clubs and certification of shooting ranges

Agency disclosure statement

This cost recovery impact statement has been prepared by New Zealand Police.

It provides an analysis of options to recover the costs of administering the approval of shooting clubs and certification of shooting ranges under the Arms Act 1983.

The costs of carrying out this function are principally processing applications for approval and certification, and undertaking compliance activities. Some indirect costs of activities needed to support the clubs and ranges regulatory regime have been averaged and applied to the cost of processing each application.

The regulation of all shooting clubs and ranges is a new function for Police. This creates some uncertainties:

- The expected costs of processing applications and conducting compliance activities has been estimated as accurately as possible. Confidence around these figures is high.
- Because most shooting clubs and shooting ranges are unregulated, their number can only be estimated. The estimates used in this analysis are based by a survey Police conducted in 2020, including through discussion with the major shooting disciplines. They are the best estimates possible, though confidence is only medium.
- Any inaccuracies in the numbers of clubs or ranges may affect how closely the fees match the costs, though both costs and revenue are influenced by the number of clubs and ranges to be regulated. As there is a significant Crown contribution in the fees proposed, there is a low risk of regulated parties being overcharged.



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Signature of person

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Date

Executive summary

- From June 2022 shooting clubs must be approved and shooting ranges must be certified by Police. This is a new requirement. The approval/certification regime for clubs and ranges will be fully implemented when regulations are made under the Arms Act to specify requirements in detail. This is expected to be done by January 2023.
- The detailed business case for a new firearm safety regulator (a branded business unit within Police) is based on partial cost recovery. The Arms Act contains criteria for cost recovery.
- Proposals for how shooting clubs and ranges would be regulated (including cost recovery) were consulted on between March and May 2022.
- Based on feedback received during consultation and further consideration of the regulatory proposals, we recommend recovering approximately half the cost of regulating shooting clubs and ranges. This reflects the balance between private benefit to largely recreational firearm users, and the safety outcomes from having an active and supportive club environment for people to participate in shooting activities, and access to shooting ranges whose design and operation have been certified against recognised safety standards.
- Regulation of shooting clubs and ranges will be a small part of the work of the new firearm safety regulator. The revenue from this portion of the regulator's work, and the cash-flow implications of a five-year renewal cycle for shooting range certification, will be a minor part of the regulator's overall budget.
- An inter-agency governance board will oversee the new firearm safety regulator.
- Cost recovery for shooting clubs and ranges can be reviewed as necessary, and will be reviewed in 2026—2027 as part of a legislated review of the operation of the Arms Act.

1 Status quo

Shooting clubs and shooting ranges are now regulated

Amendments to the Arms Act 1983 came into force on 24 June 2022 that introduced a regime for the approval of shooting clubs and certification of shooting ranges.

The situation before that was:

- Holders of a pistol endorsement on a firearms licence were required to be members of a pistol club recognised by Police, which was linked to a letter of agreement between Police and Pistol New Zealand (an incorporated society), however the clubs themselves were not directly regulated.
- There was no oversight or regulation of other shooting clubs.
- Ranges used by pistol clubs had to be approved by Police, with inspections carried out by Pistol New Zealand.
- There was no oversight or regulation of other shooting ranges.

The relevant provisions in the Arms Act (new Part 6) now require that:

- all shooting clubs are approved by Police
- specified shooting clubs are registered as an incorporated society
- clubs provide specified reporting
- all shooting ranges are certified by Police.

The new provisions also establish a compliance regime including inspection, improvement notices, temporary suspension of approval/certification and cancellation of approval/certification. Offence provisions have been established.

Rationale for government intervention

These changes to the Arms Act mean that:

- Police, as the firearms regulator, has knowledge and oversight of all shooting clubs and shooting ranges
- shooting clubs are required to formalise management and governance, to better achieve safety and responsibility in the use of firearms
- there is greater assurance of the safe use of shooting ranges, both for users and the general public.

Policy approval to recover the costs of approving clubs and certifying ranges

In 2019 Cabinet agreed to 'licensing' shooting clubs and ranges, and noted the potential for funding the administration of a broadened firearms regime through cost recovery [SWC-19-MIN-0063]. In 2022 Cabinet endorsed a detailed business case that relied on appropriate cost-recovery frameworks [SWC-22-MIN-0021]. It also approved the release of a discussion document that contained proposed fee types and amounts for the approval of shooting clubs and certification of shooting ranges [SWC-22-MIN-0038].

Statutory authority to charge

The Arms Act provides for fees to be prescribed in regulation for:

- processing any application for approval of a shooting club and certification (including renewal of certification) of a shooting range (s 80(2)(viii))
- undertaking inspections and compliance checks (s 80(2)(vi)).

The Arms Act provisions relating to cost recovery (ss 79—86) include:

- which activities a fee or charge may be imposed for
- criteria for cost recovery
- consultation on proposed cost-recovery regulations
- methods of cost recovery (calculation of fees and charges)
- payments, exemptions, waivers and refunds.

The regulator

Police administers the Arms Act, to achieve the intended personal and public safety outcomes. Government has decided that Police will deliver its regulatory functions through a branded business unit within Police.

New fees

The fees proposed in these regulations are new, as the regulation of activities is new.

2 Cost recovery principles and objectives

Principles of the cost recovery proposal

These are set out in s 81 of the Arms Act, which requires that:

- a fee recovers no more than the actual and reasonable costs (direct and indirect) of the activity to which it relates
- a fee for an activity being charged for is generally obtained from the users or beneficiaries of the service or class of services to which the activity relates
- this recovery is at a level commensurate, as far as practicable, with their use of the service
- the costs of the activity to which a fee relates must be efficiently incurred, and
- there must be a clear relationship between the costs of the activity to which the fee relates and the nature and duration of the activity.

Objectives of the cost recovery proposal

The cost recovery proposal is to support the principles of the Arms Act (s 1A), which are to:

- promote the safe possession and use of firearms and other weapons, and
- impose controls on the possession and use of firearms and other weapons.

The regulatory regime established by the Act to achieve those purposes reflects two principles:

- possession and use of firearms is a privilege, and
- persons authorised to possess or use firearms have a responsibility to act in the interests of personal and public safety.

The objectives of the cost recovery proposal are to allow the firearms regulator to fully carry out its expanded functions in a fiscally sustainable manner, while recognising any public benefit from regulating shooting clubs and ranges.

3 Policy rationale: Why a user charge, and what type is most appropriate?

Why have fees?

Parliament has decided that shooting clubs must be approved and shooting ranges must be certified. Cabinet has decided that this and other new regulatory activities related to firearms safety will be funded at least in part by recovering costs from users [SWC-22-MIN-0021].

Setting fees for clubs and ranges is proposed in the context of a wider review of cost recovery under the Arms Act. The degree of cost recovery for particular regulatory services will depend on the degree of private or commercial benefit, impact of fees on compliance and the public interest in maintaining a well-functioning arms regulatory system.

Types of fee proposed

The following fees are proposed for shooting clubs and shooting ranges:

Processing an application for approval of a shooting club	
Duration or frequency	One-time only. Reapplication required under s 38J of the Arms Act would constitute a new application.
Type of fee	Same fee for all clubs.
Rationale for type of fee	The cost of processing the application is largely the same regardless of the size of club (e.g. number of members).

Undertaking an inspection and compliance check of a shooting club	
Duration or frequency	Annual.
Type of fee	Two types: clubs for which firearms or ammunition are not sold or supplied on their behalf ¹ , and clubs for which firearms or ammunition are sold or supplied on their behalf.
Rationale for type of fee	Clubs for which firearms or ammunition are sold on behalf require increased compliance activities to ensure that controls are maintained over sales and supply.

¹ The Arms Act provides that a member of a shooting club does not have to meet the requirements for an ammunition seller or dealer if they sell ammunition or firearms (respectively) under certain conditions: that the sale is to a club member or on club premises and is approved by the club, and the revenue from the sale is used for the benefit of the club. The Act refers to such a club as one for which "ammunition or firearms are sold on its behalf" (S 38C).

Processing an application for certification of a shooting range; fee to cover inspections and compliance checks	
Duration or frequency	Maximum of 5 years.
Type of fee	Flat fee for a single range, with an additional smaller fee for additional ranges at a single site (within a range complex) up to a maximum of six ranges, and no additional fee for more ranges on the same site. Lower fee for temporary ranges (e.g. for a one-off shooting event).
Rationale for type of fee	The cost of processing an application for, and conducting inspections and compliance checks on, a single range is largely the same for all range types. There are economies of scale for both processing an application and conducting inspections and compliance checks for additional ranges on the same site. No ongoing inspections or compliance checks are required for temporary ranges.

Processing an application for renewal of certification of a shooting range (other than where there has been no significant change to the circumstances of the range); fee to cover inspections and compliance checks	
Duration or frequency	Maximum of 5 years.
Type of fee	As for initial applications.
Rationale for type of fee	The regulatory activity required is broadly similar for processing applications for initial certification and applications for renewal.

Processing an application for renewal of certification of a shooting range where there has been no significant change to the circumstance of the range; fee to cover inspections and compliance checks	
Duration or frequency	Maximum of 5 years.
Type of fee	As for initial applications.
Rationale for type of fee	Processing the application is broadly similar to processing initial and renewal applications, but less compliance checking is required.

Who will pay?

Shooting clubs

Pistol clubs that are recognised by the Commissioner immediately prior to 24 June 2022 **will** not have to apply for approval, so will not have to pay any fee for processing an application. They will have to pay an annual fee for compliance activities.

Other shooting clubs will pay for their applications to be processed, and for inspections and compliance checks.

As shooting clubs are not-for-profit bodies, indirectly their members (or non-members using their services) will pay. The number of shooting clubs (other than recognised pistol clubs) in New Zealand is not known with any certainty, but is estimated to be around 280 (see section 5 for further details).

Shooting ranges

Pistol shooting ranges approved by the Commissioner at 24 June 2022 will be treated as certified for five years (unless the certification is cancelled earlier), so will not have to pay an application fee. The operators of such ranges will then have to pay for renewal of certification every 5 years.

Other shooting range operators will pay to apply for certification by 24 June 2023, and then for renewal of certification every 5 years.

Some shooting range operators are not-for-profit bodies (such as shooting clubs), while others are businesses. There are an estimated 1,400 shooting ranges in New Zealand, though the number of separate operators is unknown (see section 5 for further details).

Nature of the output from the activity

Private good: benefits to shooting club members, non-members taking part in shooting club activities, shooting clubs as entities, shooting range operators (clubs or commercial) and shooting range users.

Public good: increased public safety from regulation of shooting clubs and shooting ranges, which provide a safe and supervised environment for people (whether firearms licence holders or others using firearms under immediate supervision) to carry out shooting activities.

Full or partial cost recovery?

Clubs

There is public benefit from having an active and functioning shooting club sector. Clubs offer members benefits beyond competitions, knowledge-sharing and social activities. Many clubs are also shooting range operators, and provide a supportive and supervised environment for people to participate in shooting activities — both firearms licence holders and others using a firearm under the immediate supervision of a licence-holder.

Clubs are voluntary organisations, and costs are passed on in membership fees and through activity charges to members and non-members. Activity fees include use of the range, through to a complete package including use of a firearm, supply of ammunition and use of the range.

It is possible that cost recovery could lead to increased club fees and charges. This could lead to decreased membership, with some shooting activity displaced to less safe environments, though this relationship is uncertain.

Ranges

Any shooting range used by a shooting club must be certified. Access to shooting ranges whose design and operation have been certified against recognised safety standards is important to all range users, including club members, firearms licence-holders and non-licence-holders using firearms under the immediate supervision of a licence-holder.

The cost to certify ranges should not be set at a level that makes it so expensive that these benefits are lost. Shooting in a place that may not meet safety standards presents risks. Some of these places include riverbeds, isolated rural properties or the conservation estate.

Cost recovery

Regulation of shooting clubs and shooting ranges provides a private benefit to club members and range users, through helping to ensure personal safety. There is also benefit to commercial shooting

range operators. There is also a public benefit for regulated places for both licence holders and non-licence holders to shoot.

It is proposed that all fees associated with regulation of shooting clubs and ranges are set at 50% of full cost recovery.

It is worth noting that apart from the majority of pistol shooting clubs and ranges, there is no Police oversight of clubs and ranges. Partial cost recovery will mitigate the risk of non-compliance while Police gain visibility of the wider clubs and ranges sector².

Assessment of proposal against criteria for setting fees³

Criterion for fee	Analysis
Covers no more than cost	Yes.
Obtained from users or beneficiaries	Yes, but with appropriate recognition of public benefit through Crown subsidy of activities.
Commensurate with their use of service	Yes, but with appropriate recognition of public benefit through Crown subsidy of activities.
Activity costs are efficiently incurred	The new firearms regulator (a branded business unit within Police) is establishing performance measurement and reporting system, to work at both operational and strategic levels.
Clear relationship between costs and activity being charged for	Ex-ante analysis of approval/certification regime assesses costs of activities at a component level, and relates to proposed fees.

² By way of comparison, there was significant non-compliance when the lifetime licence was reduced to a ten-year licence. At that time barely 70% of lifetime licence holders applied for a ten-year licence.

³ The Arms Act (s 81) prescribes criteria for setting fees, so these are used rather than the relevant Treasury or Office of the Auditor-General guidelines, although they are not inconsistent.

4 The level of the proposed fee and its cost components (cost recovery model)

Proposed fees

The Cabinet paper seeking decisions on cost recovery proposes the following fees for shooting clubs and shooting ranges. These represent approximately 50% of full cost recovery (with some rounding):

Activity	Fee (including GST)	
Processing an application for approval of a shooting club: one-off fee	\$140	
Inspection and compliance activity in relation to a shooting club for which ammunition or firearms are not sold on behalf	\$30 per year	
Inspection and compliance activity in relation to a shooting club for which ammunition or firearms are sold on behalf	\$40 per year	
Processing an application for certification of a shooting range; fee to cover inspections and compliance checks (averaged over all ranges)	Single range (<i>excluding clay target</i>)	\$400
	Additional single range (<i>excluding clay target</i>)	\$45 per range, up to a maximum of 6 ranges
	Clay target range (<i>skeet, trap, sporting</i>)	\$400
	One-time limited use range	\$250
Processing an application for renewal of certification of a shooting range (other than where there has been no significant change to the circumstances of the range)	Single range (<i>excluding clay target</i>)	\$400
	Additional single range (<i>excluding clay target</i>)	\$45 per range, up to a maximum of 6 ranges
	Clay target range (<i>skeet, trap, sporting</i>)	\$400
	One-time limited use range	\$250
Processing an application for renewal of certification of a shooting range where there has been no significant change to the circumstance of the range	Any range	\$200

The following tables set out the full cost of conducting activities for which fees are proposed.

Activity outputs, processes and costing

Processing application for approval of a shooting club	Cost
Receive and check application	\$46
Assess application, make decision and issue certificate of approval	\$176
Maintain register of approved clubs	\$20
Total	\$242 +GST (\$278.30)

Undertaking annual compliance check of clubs	Cost
Review and update information, including annual report, financial statements and change of club details	
Total for clubs not selling ammunition or firearms	\$56 + GST (\$64.40)
Total for clubs selling ammunition or firearms	\$69+ GST (\$79.35)

Processing application for certification of a single shooting range	Cost
Receive, review and assess application; make decision and issue certificate	\$360
Maintain shooting range manual. Maintain shooting range inspector training regime. Maintain public list of trained shooting range inspectors (averaged over all ranges)	\$41
Time per range (averaged)	\$79
Compliance activities (visit, issue and monitor compliance with improvement notices. (Averaged over all ranges.))	\$238
Total	\$718 + GST (\$825.70)

Processing application for certification of additional shooting ranges	Cost
Additional time per site (averaged over all ranges)	
Total	\$79 + GST (\$90.85)

Up to a maximum of 6, as beyond that the marginal cost becomes very low.

Processing application for renewal of certification of additional shooting ranges where there has been a significant change in circumstances
These are charged at the same rate as for initial applications, as the work is substantially similar

Processing application for certification of one-time shooting range	Cost
Receive, review and assess application; make decision and issue certificate	\$360
Time per range (averaged)	\$40
Maintain shooting range manual. Maintain shooting range inspector training regime. Maintain public list of trained shooting range inspectors (averaged over all ranges)	\$41
Total	\$441 + GST (\$507.15)

Processing application for renewal of certification of additional shooting ranges where there has not been a significant change in circumstances	Cost
Receive, review and assess application; make decision and issue certificate	\$360
Total	\$360 + GST (\$414.00)

Forecast revenue

The tables below estimate revenue and costs for regulatory activities associated with the approval of shooting clubs and certification of shooting ranges. They assume that the number of new clubs and ranges increases by 2.5% per year, while clubs and ranges closing reduces the total numbers by 5%. **Given the uncertainty about the current number of clubs and ranges, this is well within the margin of error.**

Club approval is one-off, so ongoing revenue from clubs is minimal.

Certification of ranges lasts for 5 years (unless cancelled earlier), so revenue **will** be very lumpy for a long time to come.

Revenue and expenditure relating to clubs and ranges is very small in relation to overall firearms regulatory activity, so the uncertainties and irregular income in this sector are not material overall, and nor is the overall income and expenditure.

Year	1	2	3	4	5
Fees received	\$254,295	\$21,557	\$20,931	\$20,325	\$19,737
Expenses	\$277,815	\$88,471	\$87,669	\$86,891	\$86,134
Surplus (+)/deficit(-)	-\$ 23,520	-\$66,915	-\$66,738	-\$66,566	-\$66,396

5 Impact analysis

Shooting clubs

The number of shooting clubs in New Zealand can only be estimated, as there is regulatory oversight only of pistol clubs. When developing the regulatory proposals in 2020, Police made the following estimates based on information from the main umbrella organisations for different shooting disciplines:

Umbrella organisation or shooting discipline	Estimated number of clubs
National Rifle Association of New Zealand	22
New Zealand Clay Target Association	85
New Zealand Deerstalkers Association	46
Pistol shooting clubs	97 (93 affiliated to PNZ)
Field shooting clubs	Unknown
Target Shooting New Zealand	124
Clubs using New Zealand Defence Force ranges	9
Total	383

There are other clubs that are not affiliated to any of the shooting disciplines and not counted in this table. Their number is unknown but is likely to be small.

As pistol clubs affiliated to Pistol New Zealand (PNZ) will not have to pay an application fee, it is estimated that just under 300 clubs will have to pay a one-off application fee. All clubs will pay an annual fee to cover compliance activities.

Shooting ranges

The number of shooting ranges in New Zealand can only be estimated, as there is regulatory oversight only of pistol shooting ranges.

When developing the regulatory proposals in 2020, Police made the following estimates based on information from the main umbrella organisations for different shooting disciplines:

Umbrella organisation or shooting discipline	Estimated number of ranges
National Rifle Association of New Zealand	16
New Zealand Clay Target Association	400
New Zealand Deerstalkers Association	150
Pistol shooting ranges	414 (410 affiliated to PNZ)
Field shooting and commercial ranges	300
Target Shooting New Zealand	124
New Zealand Defence Force ranges for civilian use	25
Total	1,429

There is also an unknown number of commercial ranges associated with various target shooting activities including clay target and field shooting.

The number of individual shooting range operators is not known, but it will be less than the estimated number of ranges (c 1,400).

Pistol shooting range operators will have to pay a renewal fee in 5 years and every 5 years thereafter. Other shooting range operators will have to pay an initial application fee and a renewal fee every 5 years.

Impact on the regulator

Setting the proposed fees:

- removes inequity between different groups of firearms licence holders, who are paying for costs incurred in associated regulatory activities
- reduces the Crown subsidy for regulating and improving safety around shooting clubs and shooting ranges
- reduces the trade-off required by Police, as regulator, about the allocation of resources across all its work
- supports sustainable funding of a dedicated firearms regulator that has oversight of shooting clubs and shooting ranges.

Expected effects on demand for services

These are new fees.

Shooting clubs for which ammunition or firearms are sold on behalf can defray application and compliance check fees against their trading activity. Other clubs will have to allow for these fees in their annual budget.

The fees for shooting clubs are modest in relation to club income. For clubs that are incorporated societies, even those in small rural locations generally have an annual income over \$5,000. Some in larger metropolitan centres have an annual income of several times that.

A very few clubs that are incorporated societies have a tiny income, indicating that they may not be active. It is likely that a higher proportion of clubs that are not incorporated societies are inactive, though records are not publicly available. Some relatively inactive clubs may close because of the effort required to make an application, as much as the small one-off cost and annual cost. Some clubs may amalgamate to achieve a larger membership base. It is impossible to estimate the likely number of these, but amalgamation of clubs is unlikely to have any significant impact on the shooting club sector.

Shooting range fees are higher than fees for shooting clubs. Commercial range operators can pass the cost on to users. Not-for-profit operators such as shooting clubs will pass the cost on to users or members (groups that overlap).

Some operators may not seek certification of less-used ranges, and remove them from use. It is also possible that some ranges will continue to be operated without being certified. Risks from this will be mitigated by Police's wider enforcement of firearms legislation.

Comparison with other jurisdictions

Australia: club approval. Between free (New South Wales) and A\$612 (South Australia).

Australia: range approval. Between A\$64 (Tasmania) and fees for commercial operators of A\$612 (one-off, South Australia) and A\$441 plus A\$189/year (Western Australia).

UK: club approval. £444 initial application, £372 for renewal, variation of conditions £36—425 depending on work required (highest fee if a visit is required).

UK: range approval. This is carried by national associations for shooting disciplines, and prices are unknown.

6 Consultation

Police consulted on a public discussion document⁴ containing proposals for regulations, between late March and early May 2022.

This discussion document had been consulted on with: Local Government New Zealand; Taituarā – Local Government Professionals Aotearoa; Department of Conservation; Ministry of Justice; Department of Corrections; New Zealand Customs Service; Te Puni Kōkiri; Treasury; Department of the Prime Minister and Cabinet; Ministry of Foreign Affairs and Trade; Ministry of Business, Innovation and Employment; Ministry for Primary Industries; New Zealand Defence Force; Office for Māori Crown Relations Te Arawhiti.

The proposals were also discussed directly and in workshops with established consultative and advisory groups:

- Minister's Arms Advisory Group. This was established in 2021 to provide independent advice to the Minister of Police on firearms regulation and safety. Some members hold a firearms licence and others do not.
- Arms Engagement Group. Members represent people who are not firearms licence-holders but who have an interest in firearm safety.
- Firearms Community Advisory Forum. It contains representatives of firearm user groups (including ones with a firearm safety focus).
- Range Certification Engagement Group. Members are representatives of firearm user groups (and firearm safety groups) who have a particular interest in shooting ranges (and clubs, to some extent).

Options canvassed

Shooting clubs

Should the proposed one-off fee of \$275 for processing an application for approval be discounted by 25% or 50%? Why?

Should the discount for applications using agreed templates be set at 0%, 5% or 10%? Why?

Should there be an annual fee for inspection and compliance checks, with two tiers for clubs that do and do not sell firearms or ammunition? Why?

Shooting ranges

Should the fees for processing an application for certification (including inspection and compliance checks), for different types and numbers of ranges, be set at full cost or partial cost? Why?

If the fees should be set at partial cost, should that be at 80% or 90% of full cost? Why?

Brief outline of results of consultation: chief concerns raised

Submissions came almost entirely from firearm owners and users, and their representative organisations. Many were written from the standpoint of opposing regulation of shooting clubs and shooting ranges, not simply opposing fees. Most submitters generally disagreed with any fees being imposed on shooting clubs or shooting ranges.

⁴ *Proposals for new regulations under the Arms Act 1983 (Phase Two): shooting clubs and ranges.*

Apart from a general opposition to regulation of clubs and ranges, two main arguments were advanced:

- Shooting clubs and ranges provide a public benefit, so the government should cover the cost of regulation.
- The proposed fees are too high and may result in small shooting clubs or ranges closing.

Alterations to the proposed regulations

The proposed regulations reflect these decisions made on the options in the discussion document:

- move to partial (50%) cost recovery for all fees, reflecting analysis of submissions and further consideration of the balance of private and public benefit
- not continuing with the proposal for a discount for using templates, as all applications **will** be made in a standard format.

These proposals best meet the objectives of the cost-recovery proposal, and Cabinet's decisions about cost recovery for the new arms regulator.

7 Conclusions and recommendations

Police recommends that the new fees associated with approval of shooting clubs and certification of shooting ranges be set at approximately 50% of the regulator's costs.

This reflects the balance of private and public benefits obtained from the regulatory regime, and lowers risks of non-compliance.

8 Implementation plan

Implementation and transition

Shooting clubs and shooting ranges that existed on 24 June 2022 may continue to operate, provided an application for approval/certification is made within 12 months of that date. They may further continue to operate until the application is granted or declined.

Applications cannot be made until regulations are made to set out details of the approval/certification regime.

Police is establishing a branded business unit to carry out regulatory functions under the Arms Act. The unit will be fully established by December 2022.

Preparatory work for the regulation of shooting clubs and ranges is already under way. The clubs and ranges team for the new branded business unit is being recruited, and is likely to be fully in place by September 2022. Staff are already engaging with shooting range operators and shooting clubs, and educating them about the requirements for certification/approval. This will help ensure that clubs and shooting range operators are ready to submit formal applications as soon as the regulations come into effect.

Management and governance

Clubs and ranges are a small part of the work of the new firearm safety regulator. A cross-agency governance board will be established by November 2022 to oversee the full firearms system, of which the regulator will be part. The firearm safety regulator is overseen internally by the Deputy Commissioner: Strategy and Service.

Implementation risks

Non-compliance

Approval of shooting clubs and certification of shooting ranges is a new requirement (though pistol clubs and ranges have been indirectly regulated in the past). Much of the feedback on the proposals for regulating shooting clubs and ranges opposed the very need for regulation, and thought that if there was regulation the costs should be largely or completely borne by the Crown. Thus, there is a groundswell of resistance.

Nevertheless, there are good channels of communication between Police/the new firearms regulator and the newly-regulated community. These are through established stakeholder groups and individually between Police staff and groups or individuals. Police/the new regulator is moving through the engage/educate/enforce spectrum. There are ample powers to close any shooting clubs and shooting range operators that operate without approval/certification (which is now an offence).

Cash flow

There will be a surge in revenue from applications for shooting range certification/renewal every 5 years. This is unavoidable, and will take a long time to approach evening out. As noted in section 4, this is not significant as regulation of clubs and ranges forms a very small part of the overall work of the firearm safety regulator.

9 Monitoring and evaluation

Performance information: financial and non-financial

The arms regulator is developing a system and performance framework. This will assist it to understand and monitor the impact of legislative changes and the performance of the overall firearms regulatory system. This will also be used as the basis for reporting to the cross-agency governance board. This framework will include assessment of firearm safety and the impact of all regulatory interventions. Assessment will continue over a long time period, and include involving multiple agencies and firearm stakeholders. Operational performance measures (e.g. time, quality, effectiveness) will be reported publicly through the Police annual report.

Demonstrating cost control in monopoly services

The new regulator is taking steps to minimise compliance costs. It is transforming how Police administer the Arms Act, with significant focus being placed on automation and digitisation of processes over the next two years. Funding for this has already been agreed as part of the firearms detailed business case [SWC-22-MIN-0021].

The revised regulations differ from the proposals in the discussion document by not duplicating reporting that shooting clubs might be required to generate under the incorporated society regime.

Monitoring and evaluation

This will be conducted as part of the firearms system model and performance framework noted above.

Review

Programmed review

This cost-recovery regime will be reviewed in 2026—2027 as part of a legislated review of the operation of the Arms Act.

Ongoing review

The Minister of Police's Arms Advisory Group has a mandate to advise on the firearms regime. It was established through a 2020 amendment to the Arms Act and held its first meeting in June 2021. It provides independent advice to the Minister of Police on:

- matters that contribute to achieving the objectives of the Arms Act, in particular the safe use and control of firearms,
- any matter relating to firearms in New Zealand, including policies for regulating New Zealand's firearms regime.

Established stakeholder groups are expected to provide feedback on the operation of the clubs and ranges regulatory regime. The three principal stakeholder groups through which Police engages with people and groups with an interest in firearms are the Firearms Community Advisory Forum, Arms Engagement Group and Range Certification Engagement Group (described on page 14).

10 Review

Review of cost recovery regime

This cost-recovery regime will be reviewed in 2026—2027 as part of a legislated review of the operation of the Arms Act.

The Minister of Police must commence a review of the operation of the Arms Act by 24 June 2026 and complete it within 18 months. The Minister must prepare a report on the review and present it to the House of Representatives. The review must include the impact of the Arms Legislation Act 2020, which introduced the regime for approval of shooting clubs and certification of shooting ranges and associated cost recovery provisions (Arms Act, s 96).