

Regulatory Impact Statement: Firearms Reform – Enabling legitimate possession and use (2 of 4)

Decision sought	<i>Cabinet decisions</i>
Agency responsible	<i>Ministry of Justice</i>
Proposing Ministers	<i>Hon Nicole McKee, Associate Minister of Justice</i>
Date finalised	29 May 2025

This is the second in a suite of four Regulatory Impact Statements (RIS) containing proposals to strengthen the firearms regulatory system through amending the Arms Act 1983 (the Act):

- *Firearms Reform – Encouraging a culture of community safety and support (1 of 4);*
- *Firearms Reform – Enabling legitimate possession and use (2 of 4) – this RIS;*
- *Firearms Reform – Ensuring compliance through education and enforcement (3 of 4);*
- and
- *Firearms Reform – Maintaining public safety and interest (4 of 4).*

This RIS focuses on proposals to enable legitimate possession and use of firearms. The proposals relate to:

- *Endorsements:* which regulate higher risk firearms products;
- *Dealer licensing and dealer employee requirements:* which regulate the commercial sale and supply of firearms; and
- *The Firearms Registry:* which, once fully implemented in 2028, will monitor and track the number and location of legitimately held firearms in New Zealand.

Endorsements

Endorsements regulate pistols, pistol carbine conversion kits, restricted weapons, prohibited firearms and prohibited magazines. These firearms products cannot be possessed under a standard firearms licence, but require an endorsement for a particular activity.

The proposals in this RIS related to endorsements focus on:

- Part A: amending the time duration for pest control endorsements; and
- Part B: amending the storage requirements for prohibited vital parts.

Dealer licensing and dealers' employee requirements

Dealer licences are an additional licence class used to regulate certain commercial or specialist activities that carry a higher level of risk. Any individual who wishes to carry out one

of these activities must first obtain a dealer's licence in addition to their standard licence. The Arms Act 1983 (the Act) also places requirements on the employees of licensed dealers.

The proposals in this RIS related to dealer licencing and dealer employees focus on:

- Part C: defining "in business" in the Act;
- Part D: extending the duration of a dealer's licence for established dealers with proven compliance records;
- Part E: applying endorsements on a dealer's licence to their employees and removing the need for employees to obtain endorsements on their personal firearms licences; and
- Part F: making the licensing requirements for museums and their employees more fit for purpose.

The Firearms Registry

The Firearms Registry (the Registry) a key tool used for monitoring the movement and numbers of legitimately held firearms in New Zealand.

The proposals in this RIS relating to the Registry focus on:

- Part G: the removal of standard category firearms from the Registry to address information security concerns.

Summary: Problem definition and options

What is the policy problem?

Endorsements

Part A: Pest control endorsements: Concerns have been raised that the duration of prohibited firearm endorsements issued for wild animal management and pest control have too short a duration – as they must be renewed every 2.5 years. Submitters expressed that the frequent renewal process is costly, time-consuming, and creates unnecessary operational challenges for businesses.

Part B: Storage requirements for prohibited vital parts: Licence holders expressed concerns that current secure storage requirements are both overly onerous and ineffective in mitigating the risks they are intended to address.

Dealers and dealer's employees

Part C: Definition of "in business": The Act relies on the term "in business" as a trigger for requiring a dealer's licence for some activities. This term is not defined in the Act meaning that there is a lack of clarity around exactly when a dealer's licence is required for some activities.

Part D: Established dealer system: Dealer licences must be renewed annually. This creates a significant administrative burden for both the regulator and licensed dealers that is disproportionate to the risks posed by established dealers with proven compliance histories.

Part E: Dealer employees: Dealer employees must have firearms licences. If their work involves handling higher risk firearms products, they must also obtain the relevant ‘dealer employee endorsement’. This process is mechanically complicated and involves a level of procedural duplication with the dealer endorsement process that their employers must comply with.

Part F: Museums and museum employees: Museums displaying arms items were added to the list of activities which require a dealer’s licence as part of the 2020 amendments to the Act. Museums have a very distinct risk profile to the other dealer activities and the obligations imposed on them are not fit for purpose. Museum employees also struggle to meet their firearms licence requirements, particularly the requirements for secure storage in their homes.

Firearms Registry

Part G: Removing standard firearms from the Registry: The Associate Minister of Justice (the Minister) proposes to remove all standard category firearms from the Registry to address concerns about information security for standard firearm licence holders.¹

What is the policy objective?

The overarching objective of the Firearms Reform Programme is a firearms regulatory system that:

- supports the possession and use of firearms and other weapons for legitimate purposes (e.g. sport, hunting, collecting and pest control), and
- imposes controls that protect individual and public safety from firearms-related harm.

The policy objective specific to the proposals in this RIS is to ensure the appropriate regulation of possession of higher risk firearms products and the carrying out of higher risk firearms activities.

What policy options have been considered, including any alternatives to regulation?

Endorsements

Part A: Pest control endorsements:

- Option 1: (Status quo) Duration of the prohibited firearm endorsement remains at 2.5 years
- Option 2: Extend the time duration for pest control endorsements in limited circumstances
- Option 3: Extend the time duration to 5 years with ‘check ins’ every 2.5 years
(Preferred)

Part B: Storage requirements for prohibited vital parts:

- Option 1: (Status quo) Vital parts must be stored at another endorsed licence holder’s property
- Option 2: Vital parts must be stored in a strong room

¹ The Review of the Firearms Registry did not identify significant privacy or security issues that could not be addressed through operational changes. This is because the Review found that the Registry meet government assurance standards for information security.

- Option 3: Vital parts may be stored in separate locations on the same property
- Option 4: A vital part can be stored at a different licence holder's address (does not have to be the address of a prohibited firearm endorsement holder) **(Preferred)**

Non-policy options have not been considered as the identified issues are set in legislation.

Dealers and dealer's employees

Part C: When a dealer's licence is required:

- Option 1: (Status quo) "In business" not defined
- Option 2: Define "in business" in the legislation **(Preferred)**
- Option 3: Establish a clear, quantified business supply threshold for dealer licensing
- Option 4: All sale and supply of firearms products to be transacted through a licensed dealer

Part D: Duration of a dealer's licence:

- Option 1: (Status quo) duration of a dealer's licence remains at one year.
- Option 2: Streamlined renewal process
- Option 3: Longer licence duration for "established dealers" with proven compliance records **(Preferred)**
- Option 4: Extend dealer licence duration to 5 years.

Part E: Dealer employees endorsements:

- Option 1: (Status quo) the endorsement only allows the employee to handle the class of arms item while at work or in the performance of their work duties
- Option 2: removing requirements for dealer's employee endorsement **(Preferred)**
- Option 3: establishing a dealer's employee class of licence

Parts F: Museums and Museum employees:

- Option 1: (Status quo) Museums remain part of dealer licence regime
- Option 2: Include definition of museum in the legislation **(Preferred)**
- Option 3: Establish a "museum employee" licence **(Preferred)**
- Option 4: Museums still need a dealer licence but its duration is extended.

Non-policy options have not been considered as the identified issues are set in legislation.

Part G: Firearms Registry:

- Option 1: Retain standard category firearms in the Registry **(Ministry's preferred option)**
- Option 2: Remove all standard category firearms from the Registry **(Minister's preferred option).**

Non-policy options have not been considered, because firearms cannot be removed from the Registry without changing the existing regulatory requirements.

What consultation has been undertaken?

The Ministry conducted public consultation on the Act over seven weeks (from 13 January to 28 February 2025). Views were sought on what is working well in the Act and what needs change, rather than specific policy proposals. The Ministry received 8,448 submissions.

Endorsements

The issues were identified through public submissions on the Act rewrite.

Some made recommendations on how the regulatory requirements on licence holders could be reduced, including extending the duration of the prohibited firearm endorsement for pest control.

Some submitters also requested that the current condition to require that the vital part be stored at another prohibited firearms address be removed. These submitters stated that this requirement had no public safety benefit.

Dealers and dealer's employees

The issues were identified through public submissions on the Arms Act rewrite.

Strong feedback was received that the annual duration of a dealer licence was too short and created considerable administrative burden on both the regulator and dealers. Many submitters also considered that it was not always clear when a dealer's licence is required and that there was duplication in processes and a lack of transparency in decision making.

The museum sector considered that the difference in risk profile between them and the other dealer activities meant that the regime was not fit for purpose for regulating museums.

Firearms Registry

No formal consultation was carried out on this proposal. However, as part of the Review of the Registry, some licence holders raised concerns about the security of their personal information in the Registry and its effectiveness to improve public safety given that criminals do not register firearms. However, other stakeholders supported the Registry and wanted to see it implemented faster.

Is the preferred option in the Cabinet paper the same as preferred option in the RIS?

Endorsements

- (a) Pest control endorsements: Yes, the Minister's preferred option is the same as the Ministry's.
- (b) Storage of prohibited vital parts: Yes, the Minister's preferred option is the same as the Ministry's.

Dealers and dealer's employees

- (a) Clarifying who needs to apply for a dealer's licence: Yes, the Minister's preferred option is the same as the Ministry's.
- (b) Duration of dealer's licence: Yes, the Minister's preferred option is the same as the Ministry's with the addition that new dealers must have annual reviews for two or three years.
- (c) Dealer employees : Yes, the Minister's preferred option is the same as the Ministry's.
- (d) Museums: In part. The Minister's preferred options align with the Ministry's for the following options:
 - a. Establish a 'museum employee' licence;

- b. Establish a museum curator and director's licence with the Minister's addition of including an annual renewal for two years (same as dealers) and then for five years.

The Minister did not agree to the Ministry's proposal to define 'museum', preferring an approach that allowed more flexibility for case by case determinations.

Registry

No, the Minister would like to remove all standard category firearms from the Registry.

Summary: Minister's preferred option in the Cabinet paper

Costs (Core information)

Outline the key monetised and non-monetised costs, where those costs fall (e.g. what people or organisations, or environments), and the nature of those impacts (e.g. direct or indirect)

Endorsements

The proposals for endorsements are a minor adjustment which carry low costs to implement.

Dealers and dealer's employees

The proposals for dealers and dealer employees include some initial low monetary costs to implement.

The main costs in this space are associated with setting up a new licence class for dealers, museums, and museum employees, s9(2)(f)(iv)

Some other cost will be incurred in updating guidance and public facing material to reflect the changes that have been made.

Registry

The main costs for removing standard category firearms from the Registry is that it will mean that the Registry will no longer be able to effectively help reduce the risk of diversion of standard firearms. This will remove the public safety benefits of the Registry. There will also be implementation costs to remove existing data from the Registry that the regulator will need to cover through existing baselines.

Benefits (Core information)

Outline the key monetised and non-monetised benefits, where those benefits fall (e.g. what people or organisations, or environments), and the nature of those impacts (e.g. direct or indirect)

Endorsements and permits to possess

The benefits from the proposals focus mainly on relieving administrative burden for both the regulator and licence holders.

Dealers and dealer's employees

The proposals are expected to mainly benefit dealers through providing more clarity on the dealers licensing regime and associated requirements. The proposals are expected to relieve administrative burden for the regulator. Extending the licence duration of established business managers to five years should significantly reduce the number of applications the regulator has to process at any one time.

Registry

The main benefit of the proposals to removing standard category firearms from the Registry is the removal of the regulatory requirement on licence holders.

Balance of benefits and costs (Core information)

Does the RIS indicate that the benefits of the Minister's preferred option are likely to outweigh the costs?

Endorsements and permits to possess

Our analysis suggests that the benefits of the Minister's preferred options outweigh the associated costs to implement as there have been no significant costs identified.

Dealers and dealer employees

Our analysis suggests that the benefits of the Minister's preferred options outweigh the costs as the benefits of greater clarity and reduced administrative requirements outweigh the initial costs of implementing these options.

Registry

Our analysis suggests that the benefits of the Minister's preferred option is unlikely to outweigh the costs. The Review of the Firearms Registry found that there are early signs that the Registry is starting to make firearm diversion more difficult which has public safety benefits. No issues were identified in the review that could not be addressed through operational improvements or minor amendments.

Implementation

How will the proposal be implemented, who will implement it, and what are the risks?

These proposals require amendments to the Act and Arms Regulations 1992 (the Regulations). The changes would be implemented by the regulator through updates to systems and processes, forms, operational guidance, and communications. Transitional arrangements will be set out in the Act.

Limitations and Constraints on Analysis

The limitations and constraints on analysis are that:

- the consultation sought feedback on what issues stakeholders had with the Act rather than any specific proposals.
- time constraints limited the opportunity for consultation with subject matter expertise within Police
- the criteria that used to assess the proposals was set by Cabinet ahead of developing the policy proposals.

I have read the Regulatory Impact Statement and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the preferred option.



Responsible Manager(s) signature: _____

Kathy Brightwell

General Manager, Civil and
Constitutional Policy

29 May 2025

Quality Assurance Statement

Reviewing Agency: Ministry of Justice

QA rating: Meets

Panel Comment:

A Panel within the Ministry of Justice has reviewed Regulatory Impact Statements for consistency with the quality assurance criteria. The Panel concluded that they meet the quality assurance criteria. In reaching this conclusion, the Panel noted that some criteria used to assess the options overlapped in substance and this could have affected the favourability of some options compared to the status quo. The criteria were set by Cabinet, which was noted as a constraint for all four Regulatory Impact Statements.

Introduction to Firearms Reform - Enabling legitimate possession and use (2 of 4)

Introducing the Arms Act 1983 (the Act)

1. The firearms regulatory regime is a system focused on regulating people and products to protect public safety while enabling legitimate possession of firearms by safe users. A diagram setting out New Zealand's firearms regulatory regime is available in Appendix 1 of the accompanying Cabinet paper: *Firearms reform programme Phase 4: Rewrite of the Arms Act 1983 – legislative policy proposals*.
2. This Regulatory Impact Statement (RIS), *Firearms Reform – Enabling legitimate possession and use (2 of 4)*, is the second of a suite of four RIS which contain proposals to strengthen these settings and reduce unnecessary compliance burdens that do not support public safety. The others are:
 - *Firearms Reform – Encouraging a culture of community safety and support (1 of 4)*;
 - *Firearms Reform – Ensuring compliance through education and enforcement (3 of 4)*; and
 - *Firearms Reform – Maintaining public safety and interest (4 of 4)*.
3. This RIS focuses on improving regulatory settings for legitimate possession and use of firearms products so that they are simple and easy to comply with, while maintaining public safety outcomes. The policy issues discussed in this RIS are:
 - *Endorsements:*
 - Part A: removing the time duration for pest control endorsements; and
 - Part B: amending the storage requirements for collectors' prohibited vital parts.
 - *Dealers and dealers' employees:*
 - Part C: defining 'in business' in the Act;
 - Part D: extending the duration of a dealer's licence for established dealers with proven compliance records;
 - Part E: applying endorsements on a dealer's licence to their employees and removing the need for employees to obtain endorsements on their personal firearms licences; and
 - Part F: making the licensing requirements for museums and their employees more fit for purpose.
 - *Firearms Registry:*
 - Part G: the removal of standard category firearms from the Registry to address information security concerns.

What objectives are sought in relation to the policy problems?

4. The overarching objectives of the firearms reform programme agreed to by Cabinet in May 2024 [CAB-24-MIN-0158 refers] is to deliver a firearms regulatory system that:
 - supports the possession and use of firearms and other weapons for legitimate purposes (e.g. sport, hunting, collecting and pest control); and

- imposes controls that protect individual and public safety from firearms-related harm.

What general consultation has been undertaken?

5. The Ministry of Justice (the Ministry) conducted public consultation on the Act over seven weeks (from 13 January to 28 February 2025). Views were sought on what is working well in the Act and what needs change, rather than specific policy proposals. Submissions were received by email, post and through the Ministry's Citizen Space consultation hub. The Ministry received 8,448 submissions.
6. The Ministry directly engaged with the Minister's Arms Advisory Group, Dealers Reference Group, Te Puna Aonui Systems Working Group, Arms Engagement Group, Clubs and Ranges Group, Ministerial Advisory Group for the Victims of Retail Crime, Māori Firearms Forum, Māori Focus Group Wānanga (coordinated by the Ministry), Sporting Shooters Association of New Zealand, New Zealand Police Association, Theatrical Armourers Guild of New Zealand, and Firearms Community Advisory Forum.
7. The Ministry also engaged with other government agencies including New Zealand Police, Firearms Safety Authority (FSA), New Zealand Defence Force, Department of Conservation, Ministry for Primary Industries, New Zealand Customs Service, and Ministry of Culture and Heritage.
8. Feedback received through the consultation on specific topics is discussed in more detail in each of the policy proposal sections.

Assessing options to address the policy problems

What criteria would be used to compare options to the status quo?

9. The options have been considered against the criteria set out in the policy framework for firearms reform agreed in May 2024 [CAB-24-MIN-0158 refers], to ensure the proposals:
 - *Simple*: are simple and easy to understand and apply;
 - *Necessary*: are necessary to achieve the overarching objectives;
 - *Protect individuals*: protect individual freedoms and rights and the security and privacy of personal information;
 - *Protect the public*: protect the public from firearms-related harm; and
 - *Effective and Efficient*: provide for effective and efficient delivery of service.

What scope would options be considered within?

10. The scope of policy options was influenced by the ACT Party and National Party coalition agreement to "rewrite the Arms Act 1983 to provide for greater protection of public safety and simplify regulatory requirements to improve compliance". The focus is on rewriting the Act with the opportunity to take a systematic and considered approach to the Act as a whole, modernising the legislation to deliver public safety outcomes for New Zealand, and simplifying regulatory requirements.

How would the proposals be monitored, evaluated, and reviewed?

11. The Ministry will continue to monitor the Act as part of its regulatory stewardship responsibilities. This includes developing a monitoring and evaluation plan as recommended in the Review of the Firearms Registry, and a statutory review of the operation of the Act.

Endorsements

Part A: Duration of pest control prohibited firearm endorsement

Section 1: Diagnosing the policy problem

What is the context behind the policy problem and how is the status quo expected to develop?

12. Endorsements provide an extra level of regulatory control on higher risk firearms products to prevent them from getting into the hands of bad actors. If a person wishes to possess a firearms product other than that allowed on a standard firearms licence, they must apply for an endorsement on their licence. This covers the following firearms products: pistols, pistol carbine conversion kits, restricted weapons, prohibited firearms and prohibited magazines.
13. As of February 2025, there were 230,624 firearms licence holders and 427 licensed dealers.² There were 11,791 active endorsements amongst 8,345 unique people.³ Approximately 3.63 per cent of all licence holders have an endorsement on their firearms licence.

An endorsement is required to possess prohibited firearms for pest control purposes

14. People employed or engaged by the Department of Conservation and involved in operations for the purposes of controlling wild animals or animal pests may apply to the regulator for an endorsement to allow them to possess a prohibited firearm for these purposes. In February 2025, there were 310 active prohibited firearms endorsements for pest control.
15. This endorsement lasts for 2.5 years, which recognises the large capacity of these firearms and the potential to cause significant harm if they are in the wrong hands.
16. Those in the business of animal and pest control are a limited group and must meet certain criteria in order to possess a prohibited firearm. These criteria include that they:
 - have a genuine need;
 - only use the prohibited items for controlling wild animals or animal pests and in their approved capacity; and
 - abide by any other conditions specific to their situations.
17. The endorsement holder must inform the regulator if their situation or employment changes.

² Firearms data and public information (February 2025) [Firearms Information Summary Report February25.xlsx](#).

³ This reflects the fact that some licence holders will have more than one endorsement attached to their licence.

What is the policy problem or opportunity?

18. Unlike many other endorsements, the duration of a wild animal management and pest control endorsement does not last for the duration of a firearms licence (for 10 years). The policy rationale behind this approach is that due to the higher risk profile of prohibited firearms, it is important that the regulator checks in more frequently with the holder to ensure they still require use of these firearms.
19. There is an opportunity to consider whether requiring these endorsements to be renewed every 2.5 years directly supports public safety outcomes to the extent that the administrative burden is justified.

What consultation has been undertaken on this topic?

20. One third of responses to this question expressed overall support for the endorsement system, stating that it is robust, well designed, and justified as part of a risk-based approach for public safety. There were also some submitters who expressed the view that endorsements are unnecessary and a standard firearms licence should be “one size fits all”, often making the point that vetted licensees deemed fit to possess firearms are therefore safe with any type of firearm.
21. Amongst those that supported the current regime overall, some made recommendations on how the regulatory requirements on licence holders could be reduced endorsements. For example, extending the duration of the prohibited firearm endorsement for pest control from 2.5 years to either 5 years or the duration of the licence. This includes the Department of Conservation and Ministry of Primary Industries. Submitters expressed that the frequent renewal process is costly, time-consuming, and creates unnecessary operational challenges for businesses.

Section 2: Assessing options to address the policy problem

What options are being considered?

The options being considered are:

- Option 1: Status quo (pest control endorsements remain at 2.5 years)
- Option 2: Extend duration of pest control endorsements
- Option 3 (preferred): Extend the duration of pest control endorsements to 5 years but require a check in every 2.5 years

Option One – Status quo

22. The status quo would see the term of pest control endorsements will remain at 2.5 years (or once the licence expires or is revoked – whichever comes first).

Option Two – extend the time duration for pest control endorsements in limited circumstances

23. This option would extend pest control endorsements renewal to five years for ‘good compliance’ and demonstrated record that the items will be needed for the next five years.

A list of criteria and factors could be developed to guide decision-making. These can sit in secondary legislation as there may be situations that arise in future which may be captured under this provision.

Option Three – extend the time duration for pest control endorsements to 5 years but require a check in every 2.5 years (preferred)

24. This option would extend the time duration for pest control endorsements to 5 years. However, the FSA will still be required to check in with the endorsed licence holder every 2.5 years to ensure that the pest control business is still operating.

How do the options compare to the status quo/counterfactual?

Extend the duration for P endorsements

	Option One – Status quo: Duration of the prohibited firearm endorsement is every 2.5 years	Option Two – extend the time duration for prohibited firearms endorsements for pest control in limited circumstances	Option Three – extend time duration to 5 years and have a check in every 2.5 years instead (Preferred)
Simple	0 No implementation required.	0 Simple to understand and apply, similar to that of the status quo. An endorsement holder is still under the obligation to update their information with the FSA.	+
Necessary	0 Endorsements process and duration provides a checkpoint for regulator to monitor compliance. Evidence shows that the short duration is burdensome for both the regulator and licence holders.	0 This option maintains public safety through retaining the 2.5 years for endorsements but also allows the regulator to extend the duration to 5 years where there is a demonstrated need (including future need) and compliance with conditions. This option reduces the regulatory burden through having the ability to extend the endorsement period for licence holders.	+
Protect individuals	0 No impact on individual rights. Individuals' personal information is obtained, used, stored, shared, and disposed of in accordance with the Privacy Act and Public Records Act.	0 Protects privacy of personal information similar to that of the status quo.	0 Protects privacy of personal information similar to that of the status quo.
Protect public	0 Protects the public through requiring a shorter renewal period for licence holders to ensure that there is a genuine need to use prohibited firearms for their work.	- May be seen as a lessening control to protect individuals and public from firearms-related harm.	0 The 2.5 year check-in will not be a full re-application for the endorsement but will require businesses to show that they are still operating and will continue to operate until the next check-in/renewal of their licence.
Effective and efficient	0 It is an effective compliance checkpoint for the regulator but lacks efficiency for licence holders who have expressed that there is a low turnover of staff and the frequent renewals impact business operations which rely on staff having the necessary endorsements.	- Less frequent applications likely mean improved service delivery through less administration. This option would represent an increased reliance on the obligation on endorsement holders to notify Police/FSA if their circumstances change. The increase reliance on endorsement holders does not make this an effective option.	+
Overall assessment	0 This option supports public safety but the shorter renewals impacts endorsed licence holders to use prohibited firearms for pest control purposes.	- Enables and supports legitimate uses of firearms however less frequent monitoring may be seen as a loosening of controls for the use of prohibited firearms.	+

What option is likely to best address the problem, meet the policy objectives, and deliver the highest net benefits?

Issue 1: Endorsements – Prohibited firearms endorsement for businesses of animal and pest control has a duration shorter than the duration of a licence

25. The Ministry's preferred option is **Option Three – extend the time duration for prohibited firearm endorsements for pest control to 5 years with 2.5 yearly check ins.** This option is easy to understand and relieves administrative burden for both the regulator and applicants. The check-ins will require businesses to show that they are still in business and that there have been no substantive changes.

Is the Minister's preferred option in the Cabinet paper the same as the agency's preferred option in the RIS?

26. Yes.

What are the marginal costs and benefits of the preferred option in the Cabinet paper?

Extend the time duration for prohibited firearm endorsements for pest control to 5 years with 2.5 yearly check ins

Affected groups (identify)	Comment <i>nature of cost or benefit (eg, ongoing, one-off), evidence and assumption (eg, compliance rates), risks.</i>	Impact <i>\$m present value where appropriate, for monetised impacts; high, medium or low for non-monetised impacts.</i>	Evidence Certainty <i>High, medium, or low, and explain reasoning in comment column.</i>
Additional costs of the preferred option compared to taking no action			
Licence holders with pest control endorsements	Relieves administration of extending duration of endorsement to 5 years.	Low	High
FSA	Relieves administration of requiring businesses to check-in/inform the FSA if there is a change in circumstances every 2.5 years. This will be a saving as there will be fewer applications for the FSA to assess.	Low	High
Total monetised costs		<i>Low</i>	
Non-monetised costs			

Additional benefits of the preferred option compared to taking no action			
Licence holders with pest control endorsements	Enables government agencies and businesses to continue their business activity with the surety that the endorsement is valid for five to 10 years (length of licence)	Medium	Medium
FSA	Relieves administrative burden of processing renewal applications. This option does affect regulator oversight due to less frequent renewal periods.	Low	Medium
Total monetised benefits			
Non-monetised benefits		<i>Medium</i>	

Endorsements

Part B: Vital part storage for collectors' prohibited firearms

Section 1: Diagnosing the policy problem

What is the context behind the policy problem and how is the status quo expected to develop?

27. Endorsements provide an extra level of regulatory control on higher risk firearms products. If a person wishes to possess a firearms product other than that allowed on a standard firearms licence, they must apply for an endorsement on their licence. This includes pistols, pistol carbine conversion kits, restricted weapons, prohibited firearms and prohibited magazines.
28. As of February 2025, there were 230,624 firearms licence holders and 427 licensed dealers.⁴ There were 11,791 active endorsements amongst 8,345 unique people.⁵ Approximately 3.63 per cent of all licence holders have an endorsement on their firearms licence.
29. Collectors who own prohibited firearms must store a vital part at a separate address and the storage arrangements must be approved by the regulator.⁶ This is a standard condition of their endorsement. Other conditions that apply to collectors include that they can only possess and use a prohibited firearm in their capacity as a collector, observe all security precautions, and must not use live ammunition.
30. This requirement to store vital parts at a separate address does not apply to those who use a prohibited firearm for pest control purposes. This is because they use the firearms for their day-to-day business activities and therefore need to have ready access to it.
31. In February 2025, there were 1120 collectors with endorsements to possess prohibited firearms.

What is the policy problem or opportunity?

32. Although the FSA is required to approve the storage location, feedback suggests that this requirement is ineffective as these parts could be fixed with the main body of any similar prohibited firearm and this means that the prohibited parts could effectively be swapped.
33. Licence holders expressed concerns about this requirement because there are limited options for who has the relevant endorsement to store the vital part and if the other endorsed licence holder has the same type of prohibited firearm than the vital parts are

⁴ Firearms data and public information (February 2025) [Firearms Information Summary Report February25.xlsx](#).

⁵ This reflects the fact that some licence holders will have more than one endorsement attached to their licence.

⁶ Section 33A.

effectively swapped. This means that there would still be a complete prohibited firearm at the same address which was not the intent of the policy change in 2020.

What consultation was undertaken?

34. Submitters requested that the current condition to require that the vital part be stored at another prohibited firearms address be removed. These submitters stated that this requirement had no public safety benefit.

Section 2: Assessing options to address the policy problem

What options are being considered?

The options being considered are:

- Option 1: Status quo: a vital part is stored at the address of another endorsed licence holder.
- Option 2: a vital part is stored in a strong room.
- Option 3: a vital part is stored in a separate location at the same address
- Option 4 (preferred): a vital part is stored at the address of another licence holder (not endorsed).

Option One – status quo

35. Under the status quo, collectors who own prohibited firearms would continue to be required to store vital parts at another endorsed licence holders address that has been approved by the FSA.
36. Under this option, there will continue to be an anomaly where the vital part of a prohibited firearm or restricted weapon is not required to be stored at another licence holders address (with the relevant endorsement).

Option Two – a vital part is stored in a strong room

37. Under this option, licence holders would be required to store their vital part of a prohibited firearm or a restricted weapon in a strong room such as at a dealer's premise. Once provided to the strong room, the item would be **not be accessible** to the owner unless for it was required for export or sale.

Option Three– a vital part is stored in a separate location on the same property

38. This option would enable licence holders to store vital parts of a prohibited firearm in a different location within the same property.

Option Four - A vital part is stored at a different licence holders address (does not have to be the address of a prohibited firearm endorsement holder) (preferred)

39. This option would enable licence holders to store vital parts of a prohibited firearms or restricted weapon at a different licence holder's address (this different licence holder does not have to have a prohibited firearms endorsement).

Endorsements – secure storage for prohibited firearms

	Option One - Status quo: the vital part must be stored at another prohibited firearms endorsement holders address	Option Two: The vital part for collector's prohibited firearms are stored in a strong room	Option Three: The vital part for collectors prohibited firearms are stored in a separate location on the same property	Option Four: The vital part can be stored at a different licence holders address (doesn't have to have a prohibited firearm endorsement holder). (preferred)
Simple	0 No implementation required	+	+	+
Necessary	0 The FSA must approve a separate storage address but there are concerns that there could be some 'swapping of vital parts' that undermines the public safety intent.	+	0	+
Protects individuals	0 This option has no impacts on individual rights.	0 This option has no impacts on individual rights.	0 This option has no impacts on individual rights.	0 This option has no impacts on individual rights.

Protects public	0 There are some public safety risks if endorsed licence holders are effectively swapping vital parts and still have a complete prohibited firearm on the same property.	+ This option ensures that the vital part is separated from the firearm. This protects the public by making it difficult for prohibited firearms to be connected with the vital part and used.	- This option ensures that the vital part is stored separated from the firearm. However, under this option the licence holder still has access to both the firearm and the vital part. Therefore, there is a risk that the prohibited firearms to be connected with the vital part and used.	+ This option would protect the public by ensuring that vital parts are stored at a separate address and not just swapped between licence holders with the same prohibited firearm. It would also provide more storage options by not limiting the separate address to non-endorsed licence holders.
Effective and efficient	0 There is a regulatory burden under this option of finding another endorsed licence holder to store the vital part.	0 This option reduces the regulatory burden of the licence holder needing to find a separate address to store the vital part. It may also reduce the inspections that the regulator needs to carry out. However, it would increase the cost to the licence holder who would need to pay commercial fees to store the item at a separate address.	+ This option is more efficient than the status quo as it reduces the regulatory burden of collectors needing to have a separate address.	+ This option will reduce the regulatory burden and be more efficient because the licence holder will be able to find another licence holders address who doesn't possess the same type of prohibited firearm. This will also more effectively improve public safety by reducing the risk of vital parts being swapped.
Overall assessment	0 There is a public safety risk of vital parts being stored at the same address as another persons prohibited firearm	+ This option ensures public safety, reduces the regulatory burden of needing to find an alternative address without requiring that the collector to permanently disable their prohibited firearm.	0 This option allows licence holders to store vital parts at a separate location (can be at the same address). There is the risk to public safety that the due to the proximity of the items, the firearm and vital part can be readily put together for use.	+ This will reduce the regulatory burden and ensure that vital parts are not stored at the same address as another persons prohibited firearm.

What option is likely to best address the problem, meet the policy objectives, and deliver the highest net benefits?

Endorsements – secure storage for prohibited firearms owned by collectors

40. The Ministry's preferred option is Option Four - the vital part can be stored at a different licence holders address (doesn't have to have a prohibited firearm endorsement holder). It supports greater protection of public safety by making it harder for collector's prohibited firearms to be stolen and used as the vital part will not be on the same property as the firearm. By only allowing the vital parts to be stored at another licence holders premise with the approval of the FSA , licence holders would have more options on different locations that does not involve swapping vital parts with someone with the same type of prohibited firearm.
41. While permanent deactivation could be an option in some cases, this could impact the value of the firearm and therefore is not recommended.

Is the Minister's preferred option in the Cabinet paper the same as the agency's preferred option in the RIS?

42. Yes.

What are the marginal costs and benefits of the preferred option in the Cabinet paper?

Endorsements – secure storage for prohibited firearms

Affected groups (identify)	Comment nature of cost or benefit (eg, ongoing, one-off), evidence and assumption (eg, compliance rates), risks.	Impact \$m present value where appropriate, for monetised impacts; high, medium or low for non- monetised impacts.	Evidence Certainty High, medium, or low, and explain reasoning in comment column.
Additional costs of the preferred option compared to taking no action			
Collectors	Option allows for vital parts to be stored at the same address provided it is secured.	Low	High
FSA	Option allows for vital parts to be stored at the same address provided it is secured. This option is cost neutral.	Low	High
Total monetised costs		<i>Low</i>	
Non-monetised costs			
Additional benefits of the preferred option compared to taking no action			

Collectors	Allows for collectors to store vital parts at the same address provided storage is secure.	Medium	Medium
FSA	Option could reduce inspections and approval of multiple separate addresses.	Low	Medium
Total monetised benefits			
Non-monetised benefits		<i>Medium</i>	

Dealers

Part C: Dealer licensing, dealer employees, and museums

43. Four key issues with dealer licensing have been identified through consultation and analysis. They are:
- a lack of certainty about when a dealer licence is required for the sale or supply of arms items
 - annual renewal of dealer's licences is unnecessarily burdensome for both applicants and the regulator
 - regulation of dealer employees is complicated and disproportionate
 - dealer licensing requirements are not fit for purpose for museums
44. This Part provides some overarching background before dealing with each of the above issues in turn.

Background

45. A dealer's licence is a class of licence under the Act that is required to carry out a range of activities related to the supply, repair or modification, manufacture, and display of arms items (dealer activities).
46. A dealer's licence imposes a greater level of regulatory control and extra scrutiny than a firearms licence, which is reflective of the fact that dealer activities carry a greater level of associated risk.
47. The range of activities that require a dealer's licence is set out in section 5(1) of the Act and was expanded through the Arms Legislation Act 2020 (2020 amendments) to include auction houses, museums, gunsmiths, and the 'supply' of arms items⁷. Prior to this, dealer's licences were only required for commercial sale or manufacture of arms items. **Table 1** below sets out the activities that require a dealer's licence and number of current licences associated with each activity.

⁷ The intent is to capture activities such as hiring out arms items which involve arms items changing hands, but do not involve a permanent transfer of ownership.

48. As of 10 February 2025, there were 426 active dealer licence holders, with a total of 666 licence activities associated to them (as some dealers are licenced to carry out more than one dealer activity, the total of licence activities exceeds the total of individuals holding dealer's licences). Over half of the licence activities relate to the supply of arms items under s 5(1)(a).
49. If the applicant wishes to carry out dealer activities for a firearm product other than that allowed on the standard dealer's licence, they must also obtain an appropriate endorsement. There are a range of different endorsements available, and the appropriate one will depend on the specific firearm products in question.
50. Two hundred and eighteen of the current licenced dealers have endorsements attached to their licences, with the total number of endorsements being 713 (dealers will often have multiple endorsements attached to their licences).

Table 1: Number of licence activities.

<i>Licence Activity by Section of the Arms Act</i>	<i>Number of licence activities^[2]</i>
s5(1)(a) - the business of selling, hiring, lending, or otherwise supplying a class of arms items	351
s5(1)(b) - possessing, for the purposes of an auction, a class of arms items	10
s5(1)(c) - the business of repairing or modifying a class of arms items	182
s5(1)(d) - displaying, as the director or curator of a bona fide museum, a class of arms items	36
s5(1)(e) - the business of manufacturing for sale, hire, lending, or other supply a class of arms items	63
s5(1)(f) - manufacturing (for the purposes of permitted supply (as defined in section 4A(3)) prohibited parts and using prohibited items to test and demonstrate those prohibited parts	24
Total ^[3]	666

Issue 1 - when a dealer licence is required for the sale or supply of arms items

Section 1: Diagnosing the policy problem

What is the context behind the policy problem and how is the status quo expected to develop?

51. Section 5(1)(a) of the Act requires a dealer's licence for the "*business of selling, hiring, lending, or otherwise supplying a class of arms items*". As shown in **Table 1** above, over half of all dealer licences are issued for this purpose.

52. Unlike in some other comparable jurisdictions, there is little practical difference in New Zealand between what a licenced dealer under s 5(1)(a) and the holder of a firearms licence can do in relation to the supply of arms items. Currently, private individuals who hold a firearms licence can supply arms items to other licenced individuals without the need to obtain a dealer's licence⁸.
53. The policy intent of s 5(1)(a) of the Act is to capture those who are supplying arms items for financial or commercial gain (and exclude private individuals carrying out these activities for personal use), as the higher volumes and movement of stock associated with commercial activity carry a heightened risk of theft for use in criminal activity.

What is the policy problem or opportunity?

54. Submissions have noted a lack of clarity around when the requirement to obtain a dealer's licence is triggered under s 5(1)(a).
55. The requirement for a dealer's licence under s 5(1)(a) is triggered if the person is in the "business" of supplying arms items. However, the Act does not define what "in business" means and there is no threshold for when the volume of sale or supply requires a dealer's licence.
56. This has led to uncertainty for both firearms users and the regulator about when the requirement to obtain a dealer's licence is triggered. The broadening of the definition of dealers' activities has contributed to this uncertainty. As a dealer's licence imposes considerable obligations on the holder, there also appears to be little practical incentive for a person to proactively obtain a dealer's licence if it is not explicitly clear that they need to.
57. To deal with this gap in the legislation, the regulator has developed operational guidance to support its discretionary decision-making about who is in business. This includes a list of considerations to determine whether the applicant is set up as a business (such as, is registered for Goods and Services Tax (GST), has financial management systems in place, and advertise their services).
58. This guidance is internal facing and not available to the public. This means that it is difficult for individuals to determine for themselves whether they need to apply for a dealer's licence. As the guidance is owned by the regulator; it can update it as and when it sees fit. This means that over time, the regulator may not always be consistent and transparent in its determinations.
59. There is an opportunity to specify who is required to attain a dealer's licence under s 5(1)(a) so that the law is clearer, and the firearms community knows and understands their obligations.

Section 2: Assessing options to address the policy problem

What options are being considered?

⁸ Provided both parties have the appropriate endorsements for the class of arms item in question.

60. Officials have considered the following three options to address this issue:
- a. define “in business” in the Act
 - b. establish a clear, quantified business supply threshold for dealer licensing
 - c. require all sale and supply of firearms products to be transacted through a licensed dealer

Option 1: Define “in business” in the Act

61. Under this option, the term “in business” would be defined through a list of considerations in the legislation. The regulator would be required to determine whether a person displays an overall pattern of activity (whether major or minor) that has the appearance and effect of being a business, by considering whether the person:
- a. operates under a business structure;
 - b. has financial management systems;
 - c. incurs income (profit and/or loss);
 - d. operates under a trade name;
 - e. is GST registered for the activity;
 - f. advertises their products or services or offer or display items for sale to other people;
 - g. lend out or otherwise supply firearms or ammunition on a regular basis to people or organisations engaged in commercial activities (including recreational or tourism businesses); and
 - h. gives firearms on loan to people or organisations engaged in commercial activities incidental to the hiring-out for a fee of non-firearms products.
62. This option is based on the operational guidance that the regulator has developed to support its discretionary decision-making about who is in business.
63. Under this option, firearms licence holders would retain the ability to privately sell or supply firearms products to other licence holders provided they were not doing so on a commercial or “in business” basis.

Analysis

64. Option 1 enables the firearms community to better understand when a dealer’s licence is required. Codifying the considerations in legislation and giving them regulatory weight provides greater transparency and certainty for all involved and will help mitigate concerns around inconsistent or arbitrary decision-making and application of the law.
65. However, decisions will continue to be made on a case-by-case basis without a set threshold so the potential for inconsistent outcomes (while reduced) remains.
66. This option is consistent with other discretionary decisions under the Act. Applicants for both standard firearms and dealer’s licences must pass statutory ‘fit and proper person’ tests, which until recently were not codified. In 2020 the Arms Act was amended to include a set of considerations for both ‘fit and proper person’ tests⁹. These tests

⁹ See sections 6 (dealer licences) and 24A (firearms licences) of the Arms Act.

provided greater clarity as to how decisions were made but ultimately retained a level of discretion for the regulator.

Option 2: Establish a clear, quantified business supply threshold for dealer licensing

- 67. Under this option, anyone who sells or otherwise commercially supplies firearms products on six or more days within a 12-month period or obtains revenue of more than \$10,000 from the sale or supply of firearms products in a single day would need to apply for a dealer's licence.
- 68. This option is consistent with other legislation that regulates the trading of commodities. Both the Second-hand Dealers and Pawnbrokers Act 2004 and Motor Vehicle Sales Act 2003 are similar to the Arms Act in that they allow for private trading but have licencing requirements for anyone "in business". Unlike the Act, both Acts include clear statutory thresholds that trigger the requirement for a licence.
- 69. Firearms licence holders would retain the ability to sell or supply firearms products to other licence holders provided they do not pass the thresholds.

Analysis

- 70. Option 2 provides the most certainty while still allowing private sales. However, it is a significant departure from the current approach and its success would depend on getting the threshold right. Both the MAAG and the regulator expressed reservations around the difficulty of setting an appropriate threshold, and the regulator expressed concern that people would operate right up to the threshold but not cross it.
- 71. This option would likely need more time to implement and engagement would be needed with the firearms community to determine if the proposed thresholds are suitable.

Option 3: Require all sale and supply of firearms products to be transacted through a licensed dealer

- 72. Under this option, all sale and supply (for financial or commercial gain) of firearms products would be carried out or facilitated by a licensed dealer. The dealer would be responsible for ensuring record keeping obligations are met and that parties involved in the transaction can legally possess the item.
- 73. Firearms licence holders would no longer be able to directly sell or commercially supply items. However, it would not limit the informal exchange of firearms products between licence holders where no money changes hands (for example, the ability of a firearms licence holder to lend their firearm to another licence holder for them to use when hunting).

Analysis

- 74. This option would provide much greater certainty than the status quo and would remove the need to either rely on operational guidance, define "in business", or to establish a threshold of activity beyond which a dealer's licence would be required.

75. In theory, this option should improve public safety. Only those people who have been subject to the more vigorous vetting imposed by the dealer licence process would be able to conduct the supply of arms items and the stringent record keeping requirements for dealers could help with establishing and maintaining an accurate record of the movement of arms items within New Zealand.
76. However, this option may go further than is necessary to address the identified lack of clarity. There is no clear evidence that private sale/supply on its own is a major issue, and submissions strongly support retaining the ability for private firearms licence holders to trade amongst themselves, without needing to involve a licenced dealer.
77. There is also a real risk that the extra inconvenience and cost associated with needing to go through licenced dealers could result in individuals deciding not to comply¹⁰ and conducting private sales underground with no record of transactions or oversight of whether involved parties are legally able to possess the items in question. This could severely undermine the ability to accurately track the movement of arms items in New Zealand, with negative implications for public safety.

¹⁰ Both the regulator and the Ministerial Arms Advisory Group considered that this was a likely outcome of adopting this option through these reforms.

Options analysis: Issue 1

	Status Quo	Option One – Define “in business” in the Act	Option Two – clear, quantified supply threshold for dealer licensing	Option three – all sales or supply of to go through licensed dealers
Simple	0	- Introduces further legislative complexity.	+ Simpler than the status quo in terms of providing certainty.	+ Much simpler than status quo in terms of providing clarity. May be challenging operationally.
Necessary	0	+ Provides a level of transparency and clarity.	+ Provides certainty around when a dealer licence is required.	-- Goes further than is needed to address policy problem.
Protect individuals	0	+ Provides greater clarity to applicants and regulator.	0 Provides greater clarity to applicants and regulator but is less flexible than Option 1.	- Makes it harder for private firearms licence holders.
Protect public	0	+ Greater clarity should lead to better compliance, with associated public safety benefits.	+ Limiting excessive private transactions would likely have associated public safety benefits.	0 Benefit of limiting supply to dealers who have been vetted and subject to record keeping obligations counterbalanced by risk of poor compliance.
Effective and efficient	0	+ Providing greater clarity should result in efficient decision-making and be helpful for enforcing compliance.	+ Greater clarity and less regulator discretion should result in efficient decision-making. Setting the threshold at the correct level may be challenging.	- Could create ‘bottleneck’, driving up costs and risking poor compliance.
Overall assessment	0	+ On balance, this option is an improvement on the status quo (recommended).	+ On balance, this option is an improvement on status quo.	- On balance, this option is not an improvement on the status quo.

What option is likely to best address the problem, meet the policy objectives, and deliver the highest net benefits?

78. The Ministry's **preferred option is Option 1** as we consider it would provide sufficient certainty and improve transparency of the regulator's decisions.
79. Option 1 enables the firearms community to better understand when a dealer's licence is required. Codifying the considerations in legislation and giving them regulatory weight provides greater transparency and certainty for all involved and will help mitigate concerns around inconsistent or arbitrary decision-making and application of the law. However, we recognise that decisions will continue to be made on a case-by-case basis without a set threshold.
80. The Ministry considers that Option 2 provides the best option for certainty. However, we consider this option would need more time to implement. Engagement would likely be needed with the firearms community to determine if the proposed thresholds are suitable. Option 1 provides a step towards that certainty, and still provides the opportunity to implement a threshold (akin to Option 2) at a later date, should that be preferred.
81. The Ministry considers that the risk of unintended consequences under Option 3 outweigh the certainty and oversight that option would provide.

What are the marginal costs and benefits of the preferred option in the Cabinet paper?

Affected groups <i>(identify)</i>	Comment <i>nature of cost or benefit (eg, ongoing, one-off), evidence and assumption (eg, compliance rates), risks.</i>	Impact <i>\$m present value where appropriate, for monetised impacts; high, medium or low for non-monetised impacts.</i>	Evidence Certainty <i>High, medium, or low, and explain reasoning in comment column.</i>
Additional costs of the preferred option compared to taking no action			
Dealers	Option based on current operational practice. No additional process steps or requirements imposed on dealers.	Low	High
FSA	New licences and application processes will be required including updating operational policy, processes, and communications.	High	High

	s9(2)(f)(iv)		
Total monetised costs			
Non-monetised costs		<i>Low</i>	
Additional benefits of the preferred option compared to taking no action			
Dealers	Greater clarity may result in fewer unnecessary applications and reduce incidence of dealer activities being carried out without a licence.	Medium	Medium
FSA	Greater clarity should result in regulator needing to assess unnecessary applications or take enforcement action against people carrying out dealer activities without a licence.	Low	Medium
Total monetised benefits			
Non-monetised benefits		<i>Medium</i>	

Part D - Annual renewal of dealer's licences

Section 1: Diagnosing the policy problem

What is the context behind the policy problem and how is the status quo expected to develop?

82. Dealers are required to renew their licence, and any endorsements attached to it, annually. The application must be made four months before their licence expires.

83. There is no distinction in process between first-time application and renewal and the process for both involves several steps over and above those required for a firearms licence. To obtain or renew a dealer's licence, the applicant must:
- a. already hold a firearms licence
 - b. demonstrate that they are a fit and proper person to carry out the dealer activity/activities¹¹
 - c. have appropriate secure storage facilities¹² at each place of business.
84. A complete application must include the following information:
- a. identity documents and proof of address,
 - b. details about the business, including its name, business number, how long it's been operating and the applicant's role in the business,
 - c. dealer activities – the types of dealer activities the applicant wishes to carry out on the licence, e.g., selling, hiring, lending, etc.,
 - d. current or planned operations, business arrangements and obligations,
 - e. financial soundness,
 - f. personal history details relating to criminal offending and health,
 - g. three referees – one next-of-kin and at least two unrelated business referees,
 - h. security details for storage and display, and
 - i. details of the business' transaction and stock record-keeping system.
85. The number of licenced dealers in New Zealand has remained relatively static over the years¹³, meaning the majority of dealer licence applications processed annually by the regulator relate to the renewal of existing dealer licences (rather than brand new applications).

What is the policy problem or opportunity?

86. A significant number of submissions considered that the frequency and procedural steps of dealer licence renewal create significant administrative burden for both the licensed dealer and the regulator, that is disproportionate to the level of risk involved.
87. For most dealers who have been in business for a long time, little public safety benefit is achieved from undertaking this process so frequently. Several submissions from licenced dealers stated that they felt that they were locked in a constant cycle of licence applications. They questioned the need for such a short duration, particularly when the dealer has a good compliance record, and their business activity has not changed since the regulator assessed their suitability between 8-10 months ago.

¹¹ Note that the 'fit and proper person' test for a dealer's licence (set out in section 6 of the Arms Act) is separate from and additional to the equivalent test for a firearms licence (set out in section 24 of the Arms Act).

¹² Appropriate to the class of arms items and ammunition the dealer may be in possession of when carrying out their dealer activities.

¹³ <https://www.firearmssafetyauthority.govt.nz/news-and-publications/firearms-data-and-public-information>

88. Assessing licence applications is also a time and resource intensive process for the regulator. Both the firearms community and the regulator agreed that the current approach is too inefficient, resource consuming and administratively onerous.
89. The regulator did stress the importance of close oversight of new dealers with no proven record of compliance, given the risks associated with dealer activities. It also raised the importance of being able to monitor the ongoing compliance of all dealers, noting that a licence renewal process is not the only mechanism to ensure this can occur.

Section 2: Assessing options to address the policy problem

What options are being considered?

90. Officials have considered the following three options to address this issue:

- a. streamline the renewal process
- b. Implement an “established dealer” system
- c. Increase licence duration to five years for all

Option 1: Streamline the renewal process

91. Under this option, dealers would continue to renew their licences annually, but the application process would be streamlined and focused on changes of circumstances.
92. Applicants would be required to provide only the following details:
- a. basic business identifying information;
 - b. confirmation that storage facilities remain secure; and
 - c. anything material that has changed for the dealer or their business (such as new employees).

Analysis

93. This option simplifies the application process for the dealer and the regulator and would likely save both parties time and resources. However, the frequency of renewal still places costs and administrative burden on the dealer where the dealer is compliant or there have been no changes in their business activities since the previous renewal.
94. Members of the firearms community have raised that they feel over-regulated where they show consistent compliance and good safety behaviours. It is important that the system maintains the trust of the regulated party to ensure compliance and good public safety outcomes. There are other safeguards in the firearms system to ensure good public safety outcomes (such as the ability to conduct inspections and enforcement actions like the revocation of dealer’s licence).

Option 2: Implement an “established dealer” system

95. A first-time dealer’s licence would be valid for one year. At the second renewal the licence duration would extend to five years.
96. If a dealer’s licence has been suspended during the period between renewals, the renewal would be treated as a new application and if granted, the licence would be valid for one year.

97. Similarly, applications for a dealer's licence following revocation or suspension of a previous dealer's licence will be treated as new applications, as will applications for a dealer's licence for a new place of business.
98. Transition from the status quo to this option would be tied to existing renewal timeframes, although some care may need to be taken to avoid a five yearly "surge" of dealer licence renewal applications. Previous successful renewals of a dealer's licence prior to this change would count towards moving to a longer duration.
99. Nothing in this option is intended to constrain or otherwise limit the regulator's ability to undertake inspections or otherwise monitor compliance with dealer's licence obligations.

Analysis

100. This option reduces administrative burden for both dealers and the regulator, while allowing the regulator to ensure that the dealers "in business" have demonstrated their suitability in carrying out dealer activities.
101. Giving new dealers a shorter initial licence duration allows the regulator to assess how the dealer operates their business and to track their compliance before they move to a longer duration. If there are compliance issues serious enough to warrant suspension (or more) then the regulator has the flexibility to place them on the annual licence instead.
102. This option is also consistent with the approach taken with standard firearms licences, where first time holders have a shorter licence duration (five years) that is extended (to ten years) following renewal if the licence holder has been compliant.

Option 3: Extend all dealer's licences to five years

103. All dealer's licences, including first-time applications, would be issued for five years.
104. Nothing in this option is intended to constrain or otherwise limit the regulator's ability to undertake inspections or otherwise monitor compliance with dealer's licence obligations.

Analysis

105. An advantage of short licence durations is that they provide regular touchpoints for the regulator to assess how the dealer operates their business and to track their compliance. Five years may be an appropriate licence duration for established dealers who understand the system and their obligations within it but is likely too long for first time applicants without the benefit of proven compliance records.

Option analysis: Issue 2

	Status Quo	Option One – streamlined renewal process	Option Two – ‘established dealer’ system	Option Three – 5-year licence duration
Simple	0	+ Reduces administrative burden for both the user and the regulator but increases legislative complexity by adding a new process.	+ Easy to understand and implement. Mirrors approach to firearms licence duration, providing greater alignment of processes across the Arms Act.	+ Clear and easy to understand.
Necessary	0	0 Does not directly address the issue that annual renewal is overly onerous and not required for public safety.	++ Contributes to the better protection of public safety by allowing the regulator to focus on dealers demonstrating compliance issues. Encourages compliance from the dealers.	0 Reduces regulatory burden on both dealers and regulator but does not incentivise good compliance.
Protect individuals	0	+ Some improvement on status quo but dealers still faced with unnecessary regulatory burden.	++ Reduces burden on dealers and incentivises good compliance.	+ Reduces regulatory burden on dealers.
Protect public	0	0	+ Provides an incentive for good compliance, with	-- Reduces oversight of dealer compliance,

		Unlikely to have any significant impact on public safety.	associated public safety benefits. Provides for greater oversight of dealers with compliance issues.	particularly for new/inexperienced dealers. This could negatively impact the public.
Effective and efficient	0	 + Will marginally reduce the administrative burden on the regulator and the user. Option can be easily implemented.	 + Allows regulator to focus resource on non-compliant dealers.	 - Easy to implement and administer but increases risk of non-compliance by reducing oversight and not providing incentives for compliance.
Overall assessment	0	 + Improvement on status quo but does not adequately address the policy problem.	 ++ Significant improvement on status quo. Strikes a balance between practical regulation and keeping the general public and firearms community safe (recommended) .	 - Marginally worse than status quo. Gains in efficiency are outweighed by potential risks to public safety.

What option is likely to best address the problem, meet the policy objectives, and deliver the highest net benefits?

106. The Ministry's preferred option is **Option 2** as we consider that this option best balances the risks to public safety, with suitable mitigations, and the need to reduce administrative burdens.
107. Giving new dealers a shorter initial licence duration allows the regulator to assess how the dealer operates their business and to track their compliance before they move to a longer duration. If there are compliance issues serious enough to warrant suspension (or more) then the regulator has the flexibility to place them on the annual licence instead.
108. The regulator would retain existing powers to undertake inspections or otherwise monitor compliance, independent of the licence renewal process.

What are the marginal costs and benefits of the preferred option in the Cabinet paper?

Affected groups (identify)	Comment <i>nature of cost or benefit (eg, ongoing, one-off), evidence and assumption (eg, compliance rates), risks.</i>	Impact <i>\$m present value where appropriate, for monetised impacts; high, medium or low for non-monetised impacts.</i>	Evidence Certainty <i>High, medium, or low, and explain reasoning in comment column.</i>
Additional costs of the preferred option compared to taking no action			
Dealers	No additional costs identified for dealers. Reduced administrative transaction costs due to less frequent requirements to renew licence. Total monetised benefits to private businesses estimated at \$26,400 over 5 years.	Low	High
FSA	The expected efficiency benefits from having to process fewer renewal applications would be offset by the decrease in fees revenue from the fewer applications. May be some initial costs involved in the	Low	High

	transition to a new approach and care will need to be taken to avoid five yearly 'peaks' of licence applications. On-going benefits (costs savings) due to fewer applications to process. Estimate of 80 applications per year avoided (400 dealers, applications spread across 5 years) FSA will receive an estimated \$16,320 per year less under this option (due to fewer renewal applications)		
Total monetised costs			
Non-monetised costs		<i>Low</i>	<i>Low</i>
Additional benefits of the preferred option compared to taking no action			
Dealers	Extended licence duration will significantly reduce administrative burden on established dealers	High	High
FSA	Option will reduce the amount of licence applications that need to be processed at any one time.	Medium	Medium
Total monetised benefits			
Non-monetised benefits		<i>Medium</i>	

Part E – Dealer employees

Section 1: Diagnosing the policy problem

What is the context behind the policy problem and how is the status quo expected to develop?

109. Anyone working for a licensed firearms dealer that handles or accesses airguns, firearms, or other arms items unsupervised as part of their employment is considered a ‘dealer employee’ and must comply with certain requirements under the Act.
110. Dealer employees are often near high numbers of arms items and their employment duties will often entail facilitating the transfer of possession of firearms. The risk that employees could use these items outside of work or facilitate diversion to the grey or black market is therefore higher than the risk associated with a typical firearms licence holder. They are also often the first contact points for new firearms licence holders, who rely on them to provide knowledge and information on arms products and safe use of firearms.
111. At a minimum, all dealer employees who handle firearms in the course of their employment are required to have a firearms licence. This ensures that they have met the rigorous “fit and proper” requirements involved in the licencing process and have been deemed appropriate to be around firearms. Submissions were clear on the need for some level of vetting of dealer employees, and most agreed that the ‘fit and proper person’ test involved in obtaining a firearms licence was generally fit for purpose in this regard.
112. A firearms licence allows dealer employees to carry out employment duties relating to standard category arms items. If the employment duties involve pistols, prohibited items or restricted weapons, the employee must also have the associated¹⁴ “dealer employee endorsement” attached to their licence. A dealer employee may not apply on behalf of the business for permits to possess or permits to import – this can only be done by a licenced dealer.
113. The status and duration of the employee’s underlying firearms licence is unrelated to their employment. Firearms licences have a duration of either 5 or 10 years¹⁵ and remain valid if the holder ceases their employment. They also allow the holder to possess and handle standard category firearms in a private capacity, independent of their employment.
114. In contrast, dealer employee *endorsements* are strongly linked to the holder’s employment. The endorsement only allows the employee to handle the class of arms item while at work or in the performance of their work duties¹⁶. It does not allow the employee to possess the class of arms item in their personal capacity. A dealer employee endorsement must be renewed annually, usually when the employer’s dealer licence is renewed. If the employee ceases their employment, or the employer’s dealer licence expires or is revoked, the dealer employee endorsement ceases to be valid.
115. The total number of dealer employees in New Zealand is difficult to determine, as those operating under a standard firearms licence without any dealer employee endorsements¹⁷ are only recorded as firearms licence holders (not as dealer employees).

¹⁴ The dealer employee endorsement must be for the particular class of arms item.

¹⁵ Depending on whether the holder is a first-time licence holder.

¹⁶ To be able to possess or handle the class of arms item in a person capacity, a separate endorsement would be required.

¹⁷ i.e. – dealer employees that only work with standard category arms items.

Individuals with dealer employee endorsements on their licences are specifically recorded and, as of January 2025, there were 128 unique people who hold a dealer's employee endorsement allowing them to work with higher risk items.

What is the policy problem or opportunity?

116. The rewrite provides an opportunity to simplify the regulatory systems for dealers' employees and make them fit-for-purpose. Feedback was received that the current systems and processes that regulate dealers' employees are complex and difficult to navigate for the following reasons:
- a. Requiring both licenced dealer and employees to obtain endorsements is duplicative and may be disproportionate to the level of responsibility held by employees.
 - b. Having endorsements attached to personal firearms licences but with their status and duration contingent on the employer's dealer licence is complicated.
 - c. Firearms licence requirements around personal secure storage facilities are not relevant to employment and serve as a barrier to potential employees who do not wish to own or possess firearms in their personal capacity.

Need for employee endorsements

117. Currently, dealer employee endorsements provide a mechanism for the regulator to monitor who is able to handle the particular type of arms item, and to vet them for suitability. However, many submitters questioned the need for both employers and employees to obtain endorsements on their licence to work with pistols, prohibited items or restricted weapons. Dealers with endorsements on their dealer licences have already been heavily scrutinised through both the dealer licence application and endorsement processes.
118. To obtain an endorsement on their dealer's licence, an applicant needs to demonstrate that they are a fit and proper person, have a genuine reason to have possession of the class of arms item, and that they have an appropriate level of security at the place of business. Obtaining a dealer employee endorsement involves a similar assessment of the employee. Aside from the fit and proper component¹⁸, it is not clear what other information is required that has not already been provided through the dealer's own endorsement application.
119. There are also restrictions around what actions a dealer employee can carry out in the course of their work duties, which some submitters feel further undermine the need for employee endorsements. A dealer employee endorsement only allows the holder to handle/possess the class of arms items while at work, not in their private capacity. Regardless of any endorsements they may have, dealer employees cannot carry out higher risk duties such as applying for permits to import or possess – only licenced dealers may do this.

¹⁸ Noting that employees have already undergone a fit and proper assessment as part of their application for a firearms licence.

Difficulties with employee endorsements being attached to personal firearms licence

120. Analysis has also highlighted difficulties associated with an employee endorsement being attached to their personal firearms licence yet contingent on the status of their employer's dealer's licence. Several submitters considered that the current arrangement is cumbersome and confusing, and that compliance could be improved by simplifying the interaction between dealer and employee licences/endorsements.
121. When a dealer obtains an endorsement to carry out dealer activity with higher risk arms items, the endorsement is attached to their dealer licence (not their underlying firearms licence). Dealer endorsements have the same annual duration as the dealer licence they are attached to, and the renewal process for both licence and endorsement is typically carried out at the same time.
122. In contrast, a dealer employee endorsement is attached to the employee's underlying firearms licence, which has a duration of either 5 or 10 years. As dealer employee endorsements are only valid for 12 months, the renewal processes for licence and endorsement are entirely separate. Instead, renewals of dealer employee endorsements are usually done alongside renewal of the employer's dealer's licence.
123. The status of a dealer employee endorsement is also tightly bound to the status of their employer's dealer licence. An employee is only able to carry out their work duties if their employer's dealer's licence and/or endorsement(s) are valid. Any enforcement action against the employer (such as suspension or revocation of their dealer's licence) has commensurate flow on effects on their employee's endorsements (but not the employee's underlying firearms licence).

Secure storage

124. As dealer employees are required to hold a firearms licence, they must demonstrate that they have adequate personal storage facilities¹⁹. Several submitters considered that this acts as a barrier for potential employees who either have no intention of ever owning/possessing firearms in their personal capacity or whose living situation at the time makes meeting the storage facility requirements difficult.
125. This feedback was heard most clearly from the museum sector who, in comparison with the other dealer activities listed in section 5(1), tend to have less overlap with the firearms community and whose employees are less likely to be firearms users in their personal lives.

Section 2: Assessing options to address the policy problem

What options are being considered?

126. Officials have considered the following two options to address this issue:
 - a. removing requirements for dealer's employee endorsement
 - b. establishing a dealer's employee class of licence

¹⁹ An employee is not able to nominate their employing dealer's commercial secure storage arrangements as part of their application process

Option 1: Removing requirements for dealer's employee endorsement

127. Anyone wishing to be a dealer's employee would require a standard firearms licence. They could handle firearms products above the standard category (pistols, prohibited and restricted) unsupervised, provided their employer has an endorsement for these products and they only handle them in the course of their work duties. This would remove the current requirements for a "F" endorsement to handle pistols, restricted, and prohibited arms, and magazines.
128. The employer would be required to provide details²⁰ of all employees to the regulator and notify the regulator of any staffing changes. This requirement would apply regardless of whether the employer has any endorsements on their dealer licence. Employee details would be recorded against the employer's dealer licence, allowing the regulator to easily access this information, and providing a fuller picture of employee numbers across New Zealand.
129. This option places an increased onus on the employer to ensure that their staff carry out their duties safely and legally. Employers will be responsible for ensuring that employees receive adequate training to work with the class of arms item, and when assessing applications for endorsements on a dealer licence, the regulator should consider whether the applicant has processes in place to ensure that any employees have the requisite skills and training.
130. Any unlawful employee actions will also impact the status of their employer's business licence, where these have been enabled or contributed to by the employer's failure to comply with the obligations of their dealer licence.

Analysis

131. This option simplifies process from an administrative and implementation perspective. Removing barriers and simplifying regulation will help support compliance, although the success of the option relies on the employing dealer's ability to train and manage their employees well.

Option 2: Establishing a dealer's employee class of licence

132. Establishing a new class of licence for dealers' employees would enable them to work for a dealer and automatically allow the employee to handle firearms products that their dealer is endorsed for.
133. Employees would not be required to already hold a firearms licence to obtain a dealer employee licence. The application process would be tailored towards employees, with a focus on the same 'fit and proper person' test as a standard firearms licence.
134. Individuals who already hold a standard firearms licence will be automatically granted a dealer employee licence if they wish to work for a dealer. This is because they have

²⁰ Name and firearms licence number.

already been assessed as fit and proper to possess and use firearms.

135. A dealer employee licence would not require the applicant to have private secure storage arrangements, as it would not allow them to possess firearms in private capacity. Any employee wishing to possess firearms in their personal capacity would be required to gain a standard licence also.

Analysis

136. While we consider establishing a dedicated licence could create a professionalised class of employee and allow for greater tracking of employee numbers, we consider that the benefit of this is outweighed by the extra regulatory burden it may cause the firearms community.
137. Submissions showed that the issue of firearms licence requirements acting as a barrier to employment was greatest for museums compared to the other dealer activities where employees are much more likely to already hold firearms licences in a personal capacity. If a decision is made to create a separate licence class for museums and their employees (as recommended below), the case for this option is weaker.

Options analysis: Issue 3

	Status Quo	Option One – Remove requirement for dealer's employee endorsements	Option Two - Establish a dealer's employee class of licence
Simple	0	++ Simplifies process from an administrative and implementation perspective.	- Introduction of a new licence class adds to overall legislative complexity.
Necessary	0	+ Helps support compliance by simplifying process requirements for the users and regulator.	0 Goes further than necessary to address policy problem. Demand from employees who do not already have firearms licence is likely to be minimal (with the exception of museum employees).
Protect individuals	0	+ Reduces regulatory barriers for dealers wishing to take on employees.	0 Removes barrier for potential employees who do not wish to possess firearms in a personal capacity. May act as a barrier to employment if required before employee can start work.
Protect public	0	- Removes a level of regulatory oversight. Places onus on employing dealer to train and manage their employees well.	+ Greater oversight of total dealer employee numbers may help improve compliance.
Effective and efficient	0	0 Removes duplication of regulator resource. Option is feasible and practical to implement and administer.	- Introduction of a new licence class will carry initial set-up costs as well as introduce more complexity to the system.
Overall assessment	0	+ Improvement on status quo (recommended)	- Marginally worse than status quo.

What option is likely to best address the problem, meet the policy objectives, and deliver the highest net benefits?

138. The Ministry's preferred option is **Option 1**. We consider it meets the goal of reducing unnecessary regulatory burdens while still maintaining public safety outcomes.

What are the marginal costs and benefits of the preferred option in the Cabinet paper?

Affected groups (identify)	Comment <i>nature of cost or benefit (eg, ongoing, one-off), evidence and assumption (eg, compliance rates), risks.</i>	Impact <i>\$m present value where appropriate, for monetised impacts; high, medium or low for non-monetised impacts.</i>	Evidence Certainty <i>High, medium, or low, and explain reasoning in comment column.</i>
Additional costs of the preferred option compared to taking no action			
Dealers	Some additional cost may be incurred to train employees	Low	High
Employees	No extra cost for employees. Estimated cost savings at \$46,512 derived from fewer endorsement applications,	Low	
FSA	Results in fewer endorsement applications needing to be assessed. FSA will receive an estimated \$16,320 per year less under this option (due to fewer renewal applications) The expected efficiency benefits from having to process fewer renewal applications would be off-set by the decrease in fees revenue from the fewer applications.	Low	High
Total monetised costs			
Non-monetised costs		Low	High

Additional benefits of the preferred option compared to taking no action			
Dealers	Easier for dealers with endorsements to employ staff.	Medium	Medium
Employees	Fewer barriers for employment	High	Medium
FSA	Fewer endorsement applications needing to be assessed.	Medium	Medium
Total monetised benefits			
Non-monetised benefits		<i>Medium</i>	<i>Medium</i>

Part F – Museums

Section 1: Diagnosing the policy problem

What is the context behind the policy problem and how is the status quo expected to develop?

139. From July 2021, directors and curators of museums that display firearms products were required to obtain a dealer's licence under section 5(1)(d) of the Act. This means they have duties and obligations relating to annual renewals of their dealer's licences, security of storage, and record keeping. Museums only need a dealer's licence if they are displaying firearms products that require a permit to possess²¹.
140. Museums must comply with the same secure premises obligations as other dealer activities but have slightly bespoke security requirements for items on display. Any firearms products on display must not be able to be handled by members of the public, must be rendered inoperable, and be adequately secured in a manner approved by the regulator on a case-by-case basis.
141. The intent behind this was to protect against the possibility of theft as the public proximity to a wide range of firearms products increases the risk they may be stolen and used in criminal activity.

What is the policy problem or opportunity?

142. A key concern raised through submissions has been that the dealer licencing requirements place a burden on the resources of museums that is disproportionate to the nature and level of risk associated with their activities.

²¹ Anyone who holds a standard licence may display firearms without requiring a dealer's licence, provided storage requirements are met.

143. Museums are important places as they display items for curiosity, appreciation and education and there is a strong incentive to retain their ability to display firearms. Museum displays allow people to come into proximity to firearms products that they might otherwise not be able to; this requires a level of regulatory oversight to protect against theft and support public safety. However, the regulatory burden associated with a dealer's licence is too high for places that do not have a high volume, if any, movement of firearms products.
144. Museums are readily distinguished from the other dealer activities listed in s5(1). Unlike other dealer activities, museum's activities do not revolve around arms items changing hands (whether permanently or temporarily), are typically not profit driven, and provide a public good in terms of their educational role. As Museums Aotearoa²² note in their submission, "*Museums and galleries do not exist to buy and sell firearms. Instead, they collect, store and exhibit firearms of historical and cultural significance*".
145. Despite these differences, museums are treated much the same as the more commercial activities that Part 2 was originally designed to regulate. Submitters raised concerns that placing museums within the requirements for dealers puts a disproportionate regulatory burden on directors and curators compared to the nature and level of risk associated with their activities. This includes the requirements to have:
- d. personal references in the firearms community;
 - e. security measures at their own homes; and
 - f. annual renewal for a dealer's licence when no firearms products may have been moved to and from the museum.
146. Submitters also provided views that many museum employees find licence requirements overly onerous and disproportionate to the risks they pose. In particular, the requirement to have secure storage in their homes was cited as both unnecessary and difficult to comply with for prospective employees with no interest in possessing firearms in their personal capacity.

Section 2: Assessing options to address the policy problem

What options are being considered?

147. Officials have considered the following options to address this issue:
- a. Establishing a new licence class for directors and curators of bona fide museums²³
 - b. Inserting a definition of 'museum'

²² Museums Aotearoa is the professional membership organisation for museums and those who work in or have an interest in museums and the museum sector. Their membership comprises 417 institutions throughout New Zealand

²³ Note that a regulatory impact assessment has not been carried out for this option, as agreed with the Ministry for Regulation. This is because the proposed change has a minor impact. It reorganises the status quo in a predictable way, recognizing that museums are clearly different from firearms dealers. Creating a new licence for museums will have little to no impact on the wider public and any fiscal impact will be minor.

- c. Establishing a ‘museum employee licence’
- d. Extending licence duration for museums

Option 1: Insert a definition of museum

148. Implementing the options below would benefit from a definition of a museum to ensure that the proposals are available only to bona-fide museums who provide a public good. This option is designed to support the implementation of Options 3 and 4 below. It inserts a definition into the Act that a museum meet the following criteria:

- a. operates as a charitable trust or similar not for profit body that operate for educational purposes;
- b. is a member of ‘Museums Aotearoa’ and adheres to that organisation’s ‘Code of Ethics and Professional Practice 2021’;
- c. is open to the members of the public for educational and cultural purposes;
- d. acquires arms products through donation, purchase from another museum or on loan; and
- e. meets the following conditions in relation to disposal of arms products:
- f. they can only be transferred to another museum, returned to a donor or a family member, whānau, hapū, and iwi of the donor and other member of ‘Museums Aotearoa’ who has the licences and any endorsements required; and
- g. the items are not transferred to a donor if there is evidence that the item was obtained by illegal activity.

Option 2: Establish a “Museum Employee” licence

149. Under this option, a new licence class specific to museum employees would be established. This could be applied for instead of a standard firearms licence, provided the applicant does not intend to possess firearms in their personal capacity. Holders of a firearms licence would not need to also obtain a museum employee licence.
150. The effect of the licence is limited to handling the museum items on the museum premises. Any employee who also wishes to possess firearms in their person capacity would need to apply for a standard licence.
151. Applicants for the museum employee licence would still be required to undergo vetting to satisfy the regulator that they are a fit and proper person, but they would not be required to have secure storage at their house.
152. Licences would be valid for one year initially, and then five years following that. If a licence has been suspended during the period between renewals, the renewal would be treated as a new application, and, if granted, the licence would be valid for one year.
153. This option can be combined with any of the other options considered for this issue.

Option 3: Extend licence duration, but maintain the requirement for a dealer’s licence

154. Museum curators and directors would still be required to obtain a dealer’s licence, but it would have a five-year term from the outset.
155. Other dealer activities would retain their one year licence duration²⁴.

²⁴ Subject to any separate decisions on the duration of dealer licences generally.

	<i>Status Quo</i>	Option 1 - define museum	Option 2 – create a licence class for museum employees	Option 3 – Extend licence duration, but maintain the requirement for a dealer’s licence
Simple	0	+ Defining ‘museum’ provides certainty around who is eligible to carry out museum activities.	0 Adds another licence class, but one that may be simpler to understand and comply with for potential employees who do not wish to possess firearms in a personal capacity.	- Option increases legislative complexity within the dealer licence regime.
Necessary	0	0 May assist with understanding who needs a licence – although no significant concerns were raised on this issue in consultation	+ Provides a pathway for museum employees are more likely to struggle with firearms licence requirements.	+ Provides targeted relief to museums.
Protects individuals	0	- May exclude smaller scale or private museums	+ Makes it easier for museums to operate.	+ Makes it easier for museums to operate.
Protects public	0	+ Places clear limits on who is eligible to carry out museum activities.	0 Fit and proper person checks would remain the same as for standard firearms licences.	0 Existing ‘fit and proper’ and security controls remain.
Effective and efficient	0	+ Greater clarity improves effectiveness. May be efficiency gains by reducing likelihood of ineligible applicants.	+ Provides a clear pathway for employees who are not otherwise part of the firearms community.	0 May be complicated to implement.
Overall assessment	0	+ Improvement on status quo. Extent of this largely contingent on what other options it is combined with (recommended by Ministry – not agreed by Minister).	+ Improvement on status quo, addresses a key issue identified by museum sector (recommended).	+ On balance, this option is a marginal improvement on the status quo.

What option is likely to best address the problem, meet the policy objectives, and deliver the highest net benefits?

156. The Ministry's preferred options are **Options 1 and 2**. We consider these are the best options to support public safety in a way that is tailored to the specific risks associated with museums. It would reduce regulatory burdens for both employees and directors.
157. Option 2 would allow the regulator to work and communicate directly with licensed museums as a defined group in a more tailored way.

What are the marginal costs and benefits of the preferred option in the Cabinet paper?

Affected groups	Comment	Impact	Evidence Certainty.
Additional costs of the preferred option compared to taking no action			
Museums	No additional costs identified for museums	Low	High
Employees	No extra cost identified for employees	Low	High
FSA	New licences and application processes will be required including updating operational policy, processes, and communications. s9(2)(f)(iv)	High	High
Total monetised costs			
Non-monetised costs		Low	High
Additional benefits of the preferred option compared to taking no action			
Museums	Reduced regulatory burden for museums	Medium	Medium
Employees	Fewer barriers for employees who do not	High	Medium

	intend to personally own firearms		
FSA	Greater ability to work and communicate directly with licensed museums as a defined group in a more tailored way	Medium	Medium
Total monetised benefits			
Non-monetised benefits		<i>Medium</i>	<i>Medium</i>

PART G: Removal of standard category firearms from the Registry

Section 1: Diagnosing the policy problem

What is the context behind the policy problem and how is the status quo expected to develop?

A Firearms Registry was established to provide oversight on the lawful possession of firearms

158. The Firearms Registry (the Registry) was launched by the FSA in June 2023 as part of the response to the 2019 terrorist attacks on Christchurch masjidain. It is provided for in Part 9 of the Arms Regulations 1992 (the Regulations).
159. The Registry, once fully established, will provide a centralised digital record of all lawful firearms and other arms items in New Zealand to support their safe and responsible use and possession.²⁵ It will also document when registered items change hands lawfully, are imported or exported, or are lost, stolen or destroyed.
160. The Registry will provide more oversight of the possession of firearms in New Zealand through a 'digital picture' of the number and locations of firearms around the country. As a result, the Registry is intended to act as a deterrent to the diversion of firearms from licensed to unlicensed hands.
161. In 2024, 5,071 people were charged with firearms related offences in New Zealand including 29 homicides and 215 acts intended to cause injury. These offences would predominately apply to standard category firearms given that 70 percent of firearms seized at crime scenes are standard category (rifles and shotguns).
162. Registering firearms will enhance public safety as it allows the regulator to track who is allowed to own them and where they are, making firearms harder to divert, while supporting the safe possession and use of firearms, for example, for food-gathering.

²⁵ Regulation 36 of the Regulations defines arms items to include any firearm, prohibited magazines, major firearm part, restricted weapons or pistol carbine conversion kit (but does not include specified firearms that an individual may possess without requiring a firearms licence).

163. The Registry database can also be used by Police to ascertain the potential number of firearms present in a property prior to entering. The Police also uses other sources of information to determine the risk of firearms being used at a call-out, such as the reason for the call-out. While many firearms remain unregistered, the effect of removing the requirement for most firearms to be registered by 2028 poses a risk to police safety which cannot otherwise be mitigated, as there will be a greater number of unregistered firearms.

The Registry is being implemented in a phased approach

164. The Regulations require that all firearms be registered by 31 August 2028. A phased approach to registration has been drafted into the Regulations over a five year period. This was done to prevent operational and resource pressure on the FSA trying to process large numbers of registrations in a short timeframe, and to ensure that the Registry user-experience is well supported, efficient and timely.
165. A phased approach also ensures a steady input of data, allowing Police to use the Registry and its data as early as possible for supporting both frontline safety (by identifying the presence of firearms before entering properties) and to support firearm harm investigations.

The Registry Review found that the Registry cost effective and there are early signs that it is improving public safety.

166. On 27 May 2024, Cabinet agreed to a Terms of Reference for the review of the Firearms Registry (CAB-24-MIN-0179 refers).

The Review of the Firearms Registry was provided to Cabinet on 5 May 2025 [CAB-25-MIN-0142]. The policy intent of the Registry is to deter the diversion of firearms as it becomes difficult to sell a firearm to an unlicensed individual after it has been registered. There was a variety of views on whether the information provided in the Registry review was sufficient to enable Cabinet decisions. Therefore, Cabinet agreed that, the Act Party would be free to differentiate publicly with the Government's decision not to commission a supplementary review of the Registry in 2025/26.

167. Police has evidence that prior to the Registry, there were 124 cases where licence holders supplied firearms or ammunition to unlicensed individuals.. This number is likely to be an under representation of actual offending given that there was no requirement for licence holders to inform police when standard category firearms were sold.
168. The Review also found that New Zealand's approach to addressing firearm diversion with a Registry is cost effective and consistent with other countries and is recommended in the United Nations Firearms Protocol²⁶.
169. As part of this review, some submitters noted their distrust of the Registry, particularly in relation to its privacy or security settings and the protection of personal information. The

Review investigated this issue and found that the FSA had processes in place that meet government privacy standards.

170. To address this lack of trust, the Review recommended the FSA and Police provide the Minister with a communications plan no later than 1 July 2025 to educate licence holders on how their information is protected, and how they can access and correct this information. The review did not identify any wider issues that could not be addressed through operational improvements or minor adjustments such as amending the relevant offences and penalties for non-compliance.

What is the policy problem or opportunity?

171. The Minister directed the Ministry to provide advice on the requirement to register standard firearms in the Registry. Standard firearms are all firearms that require a firearms licence to possess but do not require any additional endorsements. These are predominantly rifles and shotguns, which make up the vast majority of all firearms in New Zealand.
172. This direction was based on concerns that some licence holders do not have trust and confidence that their information recorded in the Registry will be kept secure by the regulator and others that access it. There are also concerns about the cost benefit analysis in the Review of the Firearms Registry was insufficient and not robust enough.

Who will be impacted by this option?

173. The purpose of the Registry is to provide a complete record of all lawfully held arms items in New Zealand as a means of mitigating the risk of firearm diversion into criminal hands. Firearm diversion into the criminal hands risks safety to the public.
174. There are 230,624 firearms licence holders as of 28 February 2025 who will be required to register their firearms following an activating circumstance or by 31 August 2028. Removing standard category firearms from the Registry will mean that approximately 224,114 licence holders will no longer be required to register their firearms as only 6,510 hold firearms that require an endorsement.
175. A decision to remove standard firearms from the Registry will impact the public, if this means that the Registry is not able to achieve its public safety objectives and reduce the risks of firearms moving from legal to illegal possession.

What consultation has been undertaken on this topic?

176. The Registry was explicitly out of scope of the public consultation on the rewrite of the Act, as engagement had occurred earlier in 2024 as part of the Review.

Targeted engagement on the Review of the Firearms Registry

177. As part of the Review of the Firearms Registry, the Ministry considered information received as part of stakeholder engagement from 6 August to 28 August 2024. During the

targeted engagement period, the Ministry received 103 responses. Of these 35 were from the firearms community (including 18 from dealers). There were 68 submissions from the non-firearms owning community including 55 individual responses from the Muslim community.

178. The targeted engagement showed there are differing views on the effectiveness and need for the Registry:

- members of the firearms community raised concerns about the effectiveness of the Registry to improve public safety and about the regulatory requirements it places on licence holders; and
- members of the non-firearms community (including the Muslim Community) expressed significant support for the Registry and recommended it was implemented quicker, given the public safety benefits.

179. The Review identified some communication gaps that could be addressed to better support registration uptake. To assist with this, the Review recommends the FSA provide the Associate Minister of Justice and the Minister of Police with a refreshed communications plan no later than 1 July 2025 to cover the following:

- a strengthened FSA Registry purpose statement drafted in consultation with the MAAG and Ministry of Justice so that the firearms community have a clearer understanding of the Registry's intent;
- targeted information for all clubs and ranges about the correct process for registering club firearms;
- a communications plan to better support the registration of Māori firearms licence holders; and
- communications on the privacy and security of Registry information, and communications to users about their rights under the Privacy Act to access and correct personal information.

Section 2: Assessing options to address the policy problem

What options are being considered?

Status Quo: Retain the status quo (Ministry's preferred option)

180. All firearms need to be registered within 30 days of an activating circumstance such as buying a firearm or applying for a new firearms licence, and if no activating circumstances occur, by 31 August 2028.

181. In accordance with the recommendations from the Review of the Registry, the FSA will be required to provide advice to the Associate Minister of Justice and Minister of Police on what operational improvements can be made to the Registry by 1 July 2025.

Option 1: Remove the requirement to register standard category firearms

182. Licence holders would not need to register their standard category firearms products and existing records would be removed. The Registry would continue to record products that need a permit to possess. This would return to the pre-2020 requirements, with the majority of firearms no longer needing to be registered.

Removal of standard firearms from the Registry

	Status Quo	Option One: Remove all standard category firearms from the Registry and return to pre-2020 settings
Simple	0 No changes required for implementation.	0 Simple and easy to understand, but would require work to remove existing firearms from the registry.
Necessary	0 The Registry review has found that the majority of the requirements are considered necessary for public safety.	-- Not Necessary. There is no evidence of a problem that warrants removing all Category A firearms from the Registry as the Registry Review identified that privacy concerns can be addressed operationally.
Protect Individual	0 The FSA will continue to make operational improvements to build trust and confidence.	+ Licence holders would no longer need to register their standard category firearms and be concerned about the security of their information.
Protect Public	0 The Registry will continue to reduce the risk of registered firearms getting into the hands of criminals.	-- It will revert back to 2020 settings when Police only had access to information regarding the endorsed firearm item. This option will also likely lead to an increase in firearms diversion including alfa carbines and other rifles and shotguns that are attractive to criminals.
Effective and efficient	0 The Registry Review found that Registry is cost effective.	--

		The Firearms Registry will not be able to effectively and efficiently address issues with firearms diversion. There FSA will need to remove the firearms that have been registered by the time the Bill is passed. This may be seen as ineffective use of resources, especially for those firearms that are registered between policy decisions and when the Bill is passed.
Overall assessment	0 The Registry review found that the status quo is considered necessary, appropriate and effective. The FSA can make operational improvements to support trust and confidence.	-- It reverts back to pre-2020 settings of only requiring endorsed firearms items to be registered.

What option is likely to best address the problem, meet the policy objectives, and deliver the highest net benefits?

183. The Ministry recommends the Status Quo is retained because the Registry improves public safety by:

- promoting individual accountability for each specific firearm owned
- reducing the risk of firearms being sold or transferred to unlicensed individuals – for example through straw purchases or the casual transfer of firearms to unlicensed people
- giving Police greater information about the firearms likely to be present at a specific address if called out to a licence holder's address
- making it easier for Police to trace the origin of firearms used in crime
- making it easier for Police to ensure that all firearms are safely removed when a licence is surrendered or revoked.

184. Without registration requirements, it would be easier for diversion to occur which would result in risks to public safety. Standard firearms are the most common type of firearm to be diverted and 70 per cent of all firearms seized are shotguns and rifles. This included alfa carbines that are now required to be registered within 30 days of importation and so straw buyers are no longer importing them as the registration requirements would detect their suspicious buying activities.

185. The Review of the Registry did not identify any barriers that could not be addressed without operational improvements or minor amendments (such as adjusting the offences and penalties related the Registry). The Review also recommended that the Registry is reviewed again in 2028 once most firearms have been registered. Removing standard firearms from the Registry, as proposed by Option One, would significantly reduce the number registered from 36 percent to approximately 3 percent of licence holders who have endorsed firearms items.

Is the Associate Minister's preferred option in the Cabinet paper the same as the agency's preferred option in the RIS?

186. No, the Associate Minister of Justice would like to remove all standard category firearms from the Registry.

What are the marginal costs and benefits of the preferred option in the Cabinet paper?

Affected groups	Comment	Impact	Evidence Certainty
Additional costs of the preferred option compared to taking no action			
Regulator (FSA)	The Regulator will need to remove all standard category firearms from the Registry and develop communications for implementation.	Low	High
General public	The public will not receive the public safety benefits that were intended when the Registry was established as the implementation of the Registry will not be completed. The Registry Review found that the Registry is expected to save lives and the value of each life saved is \$8.1 million using the transport model value of a statistical life.	High	High
Total monetised costs	s9(2)(f)(iv)		
Non-monetised costs		Low	
Firearms licence holders	Most licence holders will no longer have the regulatory requirement of needing to register their firearm and keep the FSA update on what firearms are in their possession. This has previously been quantified as \$20 per change in the Registry in the Regulatory Impact Statement that introduced the Registry.	Low	High

Total monetised benefits		Unknown	
Non-monetised benefits		<i>Low</i>	

Section 3: Delivering an option

How will the proposal be implemented?

187. If Cabinet agrees to remove standard firearms from the Registry, as recommended by the Minister. Section 94-95 of the Arms Act will need to be amended so that only restricted weapons, pistols and prohibited magazines are required to be registered against the relevant licence holders details. There will also need to be amendments to Regulation 41 of the Arms Regulations to align with the updated Act.
188. The FSA will need to remove all information relevant to standard firearms from the Registry and communicate the changes with licence holders.