

# The Treasury

## Firearms Buyback Scheme Information Release

October 2019

This document has been proactively released by the Treasury on the Treasury website at <https://treasury.govt.nz/publications/information-release/firearms>

### Information Withheld

Some parts of this information release would not be appropriate to release and, if requested, would be withheld under the Official Information Act 1982 (the Act).

Where this is the case, the relevant sections of the Act that would apply have been identified.

Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Key to sections of the Act under which information has been withheld:

- [1] 9(2)(a) - to protect the privacy of natural persons, including deceased people
- [2] 9(2)(ba)(i) - to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied
- [3] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions
- [4] Not in scope

Where information has been withheld, a numbered reference to the applicable section of the Act has been made, as listed above. For example, a [1] appearing where information has been withheld in a release document refers to section 9(2)(a).

### Copyright and Licensing

Cabinet material and advice to Ministers from the Treasury and other public service departments are © **Crown copyright** but are licensed for re-use under **Creative Commons Attribution 4.0 International (CC BY 4.0)** [<https://creativecommons.org/licenses/by/4.0/>].

For material created by other parties, copyright is held by them and they must be consulted on the licensing terms that they apply to their material.

### Accessibility

The Treasury can provide an alternate HTML version of this material if requested. Please cite this document's title or PDF file name when you email a request to [information@treasury.govt.nz](mailto:information@treasury.govt.nz).

**From:** [1]  
**Sent:** Monday, 17 June 2019 1:17 PM  
**To:** [1]  
**Cc:** [1]  
**Subject:** Arms (Prohibited Firearms, Magazines, and Parts) Amendment Regulations 2019

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Kia ora [1]

We understand the RIA for the regulations paper will be published following the Order in Council.

This will release some additional information on cost estimates into the public domain.

The information in the RIA includes:

- 2 different estimates provided by KPMG for the condition-based approach to firearms (\$75 million - \$233 million based on a weighted average, or \$170 million – \$526 million based on 75<sup>th</sup> percentile);
- Police’s original estimate of \$33 - \$99 million for parts;
- Police’s original estimate of \$2 - \$17 million for magazines; and
- Police’s original estimate of \$2.6 - \$9 million for dealer compensation (characterised as a ‘low’ estimate).

These ranges may lead to questions about whether the \$150 million provided in Budget 2019 is likely to prove sufficient.

In our view, KPMG’s weighted average estimates for the individual buy-back and the decisions taken by Ministers about the condition-based approach to parts suggest that \$150 million is still around the mid-range of the estimated cost.

We expect the majority of costs to arise from payments to individual owners of firearms. Using the weighted averages, KPMG has a mid-case cost estimate of \$131 million for this category. This estimate does not factor in the decision to fund the modification of suitable firearms, which would lower the cost. Police’s original estimates for parts do not account for the condition-based approach subsequently agreed. We would expect condition-based compensation to reduce the estimated cost of parts, although the major unknown is the volumes.

As before, there is high uncertainty around any costings, owing to the lack of information on the number and type of prohibited items. Given the lack of better cost information, we do not think there is any basis for updating the cost estimate at this point. Better information on volumes should be forthcoming once the buy-back is underway. We recommend Ministers continue to acknowledge the uncertainty and to note it may be necessary to provide further funding, depending on the volume of firearms and other items that are returned.

We understand Minister Lees-Galloway wishes to announce the ACC contribution. A decision has yet to be taken on whether the ACC contribution should be used to offset the funding provided in the Budget or to increase the available funding from \$150 million to \$190 million. Given the uncertainty about the buy-back costs, there is benefit in delaying this decision further. If Ministers wished to take a decision on the treatment of the ACC contribution now, we recommend taking a cautious approach and increasing the available funding for the buy-back. The decision Ministers take about the treatment of ACC contribution will have implications for any public communication so we suggest contacting his office about the approach and timing of any announcement by Minister Lees-Galloway.

Ngā mihi

[1]



[1]

Visit us online at <https://treasury.govt.nz/> and follow us on [Twitter](#), [LinkedIn](#) and [Instagram](#)