

NSW Police Force

Review of the NSW Police Force's Firearms Registry

December 2013

CONFIDENTIAL

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1 Introduction

Background

The NSW Police Force (NSWPF)'s Commissioner is charged with delivering the regulatory responsibilities set out in the *Firearms Act 1996*, the *Firearms Regulation 2006*, the *Weapons Prohibition Act 1998* and the *Weapons Prohibition Regulation 2009*.

Section 81 of the *Firearms Act 1996* provides delegation powers to the Commissioner. The Commissioner delegated powers to the NSW Firearms Registry (the Registry) to allow it to administer these regulatory responsibilities.

The Registry is a Branch of the NSWPF's Field Operations Command. Since 2000, the Firearms Registry has been located on the NSW North Coast and provides the following services:

- Issuing firearm licences and permits and prohibited weapons permits to individuals, clubs, businesses and dealers
- Issuing approvals for clubs, ranges and training
- Registering firearms and safe storage locations
- Issuing permits to acquire firearms and prohibited weapons
- Refusing and revoking licences and managing associated review processes
- Providing customs clearances for imported firearms and prohibited weapons
- Providing information and updates about licences, permits, firearms, prohibited weapons and related matters
- Contributing licence and firearms details to the National Exchange of Policing Information schemes (managed by CRIMTRAC) and other state and territory initiatives
- Providing assistance and advice to operational police in terms of legal matters, staffing for audits, documentation and statements, business affidavits, court representation and intelligence holdings.

As part of its continuing efforts to improve services delivered to customers, the NSWPF is examining options to improve Registry systems and processes, and to integrate them more closely with operational policing

Terms of reference for the review

The Minister for Police and Emergency Services approved the Terms of Reference for this Review and agreed to establish the review under the auspices of section 217 of the Police Act 1990. The Terms of Reference of the Review encompass the following issues:

1. Whether the Registry's operations are efficient and effective and align with its legislative and regulatory responsibilities;
2. Detailed recommendations for enhancing the Registry's effectiveness through the use of improved Information Technology solutions, such as smart card licensing, and including a proposed implementation and business plan;
3. Opportunities to minimise or abolish any red tape or unnecessary bureaucracy in dealings with Registry customers;
4. Whether the Registry is currently managing its relationships with key stakeholders in a manner which is effective in the progressing of its legislative and regulatory role;

5. Whether appropriate internal controls and safeguards are in place to manage sensitive information that the Registry holds;
6. Appropriate funding options, fee for service and cost recovery opportunities for current and proposed business practices;
7. The appropriateness of governance and reporting arrangements for the Registry;
8. Whether current functions such as, for example, approving paintball or range approvals are more appropriately located elsewhere within the public sector;
9. What scope there is to align the Registry's regulatory functions to better inform the NSW Police Force's enforcement of broader firearm and weapons prohibition laws.

The Review was intended to assess Registry functions and processes and recommended business practice and IT system solutions; it was not designed to assess the effectiveness of the legislative framework that governs firearms and weapons prohibition in NSW or Australia.

This Review was conducted under the governance of a Steering Group comprising representatives from:

- The Ministry for Police and Emergency Services (Chair)
- The NSW Police Force;
- The Department of Premier and Cabinet;
- The Minister's office; and
- The NSW Treasury.

Appreciation

We would like to thank the NSWPF staff, in particular the staff at the Registry for their input into this report. We would also like to thank the large number of individuals and parties who contributed to the public consultation, including dealers, club and range operators, other licence and permit holders, and most especially the members of the public who responded to the online survey.

2 Executive Summary

Customer and stakeholder perspectives

TOR 1 Whether the Registry's operations are efficient and effective and align with its legislative and regulatory responsibilities

The consultation revealed a broad consensus that the registry operates under difficult circumstances, working with antiquated systems, mostly paper based and manual processes.

The key concern for customers is the timeliness of application processing, which is in most cases significantly slower than desired, largely due to the operation of the paper based and manual processes.

Online survey respondents are broadly satisfied with the clarity of information provided through the website and phone channels. However stakeholders who were interviewed in person report a perception that advice provided by the Registry is often inconsistent and based on varying interpretation, and consequently there does not seem to be 'one version of the truth' with respect to the interpretation of legislation by the Registry.

There was also feedback from the consultation that the navigation of the Registry website is complex, making it difficult for customers to find information. As well as frustrating customers, this generates additional calls to the Registry call centre, adding to the workload of the staff and contributing to the time taken for application processing.

Within the Registry there is recognition that existing technology systems cannot support the Registry to operate at the level of efficiency and effectiveness which is needed to meet customer service expectations, whether of external customers or 'internal' customers within NSWPF.

TOR 2 Detailed recommendations for enhancing the Registry's effectiveness through the use of improved Information Technology solutions, such as smart card licensing, and including a proposed implementation and business plan;

There is strong demand from individual licensees and firearms owners, dealers, clubs and ranges for the introduction of online channels for interactions with the Registry. The introduction of online channels would significantly improve timeliness of application processing and improve the customer experience for individuals, dealers and organisations. However a large number of customers do not currently have online connectivity or access to online facilities, including clubs, ranges and ammunition dealers in rural locations who in some cases lack not only connectivity but also electricity.

Internal efficiency at the Registry is constrained by the lack of the technology enablement which is needed to operate customer service processes in a manner which meets industry norms. Consequently there is inability in practice to clearly demarcate roles and responsibilities, leading to process inefficiency. For example, customer calls which could and should be handled by frontline call centre operators are often escalated or referred, contributing to the lengthy response times and inconsistency of advice noted by the end customers.

TOR 3 Opportunities to minimise or abolish any red tape or unnecessary bureaucracy in dealings with Registry customers

All consulted stakeholders referred to the need to revisit various aspects of the legislation to reduce unnecessary red tape (details of which are outside the scope of this review). However within the constraints of the current legislation, most stakeholders believe that technology improvements will go a long way to mitigating the current inefficiencies.

TOR 4 Whether the Registry is currently managing its relationships with key stakeholders in a manner which is effective in the progressing of its legislative and regulatory role

All industry stakeholders expressed a desire for a more consultative approach and would welcome the introduction of ongoing forums, and a single point of contact in the Registry. Many associations believe there are untapped opportunities for them to act as the conduit of information between clubs and the registry.

Some stakeholders expressed the desire for Registry performance and statistics to be publicly available (e.g. volumes, revenue raised, costs to process, waiting and processing times).

TOR 5 Whether appropriate internal controls and safeguards are in place to manage sensitive information that the Registry holds

Stakeholders continue to express data security concerns and any new technology solution will have to incorporate stringent controls that will need to be communicated to key stakeholders.

Following on from concerns raised in July 2012, the NSWPF commissioned a detailed security review of the Registry conducted in accordance with the Australian and New Zealand standard on risk management, AS/NZS ISO 31000:2009. In addition the Australian Government Protective Security Manual (PSM) 2005 was used as a guide to better practice. The survey was completed in September 2012 and included a number of recommendations. All the recommendations rated "High" have been addressed. Some of the other recommendations (rated Medium or Low) require implementation of a new registry backend system before they can be addressed. This will be addressed in the overhaul of the registry's IT systems.

It is recommended that further information regarding the fact that a review has been conducted should be published in order to alleviate any further concerns in relation to the security of records at the NSWPF registry.

TOR 6 Appropriate funding options, fee for service and cost recovery opportunities for current and proposed business practices

A number of associations and stakeholders are open to changes in licence fees providing such changes are accompanied by improved service levels, and fees being more clearly aligned to the actual cost-to-serve for each service.

TOR 7 The appropriateness of governance and reporting arrangements for the Firearms Registry

Current operational efficiency target for internal processes within the registry does reflect the low level of automation. It is recommended that these targets be reassessed in light of current manual processes and then used to closely monitor operational performance on a monthly basis.

Registry managers are highly focussed on operational matters – a higher order of management is required for functions such as governance, continuous improvement and strategic direction.

TOR 8 Whether current functions such as, for example, approving paintball or range approvals are more appropriately located elsewhere within the public sector

There is overall agreement that paintball should be managed by NSW Sports and Recreation. However, certain models of paintball gun which replicate in appearance actual firearms would need to continue to be administered by the Registry. The majority of stakeholders believe it is appropriate that the Registry retain responsibility for undertaking range inspections. However, there is also a majority view that the way in which inspections are conducted needs to be improved, to be more consultative and risk based, involving for example Registry, local councils, range owners and associations.

The minority of stakeholders who are not happy with the Registry's operation of range inspections feel strongly that range inspections deal with issues of safety and land use (planning), rather than law enforcement, and would be more appropriately undertaken by other bodies within state or local government.

TOR 9 What scope there is to align the Registry's regulatory functions to better inform the NSW Police Force's enforcement of broader firearm and weapons prohibition laws

There is a perception that police officers are not always consistent in their understanding and application of firearms legislation and data. There is also a consensus among NSWPF stakeholders that the data held by the Registry is not being used as effectively as it could be to deliver tangible benefits in fighting crime, and that greater collaboration between organised crime and firearms intelligence units could achieve better outcomes.

Findings and recommendations

Findings in addition to those identified from the customer and stakeholder consultation are summarised below together with recommendations for improvements. These are grouped under the major dimensions of the future operating model.

Governance

The review has not identified any need for changes to the current governance arrangements of the Registry, other than minor improvements to internal management procedures within the Registry.

Customer service and channels

An online channel should be implemented so as to enhance customer service levels and the customer experience. Modernisation of the Registry's technology systems as a whole will be needed to gain maximum benefit from an online channel, and modernisation of these systems will also enable a range of other improvements in the dissemination of information, analytics and intelligence within the NSWPF.

A paper-based channel will need to be continued for a period of time to support those customers who do not have connectivity or access to online facilities. However the operation of online and paper-based channels concurrently will increase operating costs relative to an online channel alone. It is recommended that support for paper-based application processing is phased out as soon as is practicable once the online channel is implemented. Mitigations should be considered for members of the public for whom online access is unlikely to be a

practical proposition, for example the ability to access an online terminal in a local dealership or ammunitions supplier.

Processes and operations

A number of issues and improvement opportunities were identified in respect of processes and operations which are linked to the deficiencies in the current technology systems. These are described elsewhere.

More broadly, there is a perceived lack of opportunity for industry involvement and engagement with the Registry and it is recommended that measures are taken to address this such as a quarterly industry forum and the appointment of dedicated senior industry liaison officers within the Registry.

With respect to customer service operations there is a lack of clarity on responsibilities for resolution of customer queries between call centre and operational staff in the Registry, which can lead to unnecessary escalation of calls to specialised staff. This detracts from customer service responsiveness. The Registry should introduce clearly defined escalation processes, and queue management procedures consistent with leading practice, supported by appropriate technology systems.

Current regulatory compliance processes are not risk based, which leads to high volumes of work which is not focused on targeting the highest impact areas. The Registry should adopt risk based frameworks for both safe storage audits and range inspections, to improve the efficiency and effectiveness of these inspections. NSWPF reported being in the process of defining a risk based framework during the course of the review. This initiative must continue and be implemented.

With respect to range inspections, there are number of issues and perceptions among customers and stakeholders, many of which relate to the manner in which inspections are conducted, the lack of transparency, and the *apparent* arbitrariness of inspection outcomes. There is a perception from some of the stakeholders that range inspections have recently become overly prescriptive, confrontational and that the process is not consultative (although other stakeholders praised the range inspections). It is recommended that the Registry should adopt a more consultative and collaborative approach to inspections which engages the industry and other relevant parties (e.g. representatives from local councils and relevant associations). The Registry should incorporate range inspections and outcomes into the communications planning and into Registry performance information to be made available on the Registry website.

The majority of stakeholders believe the Registry is best placed to lead on range inspections. The minority of stakeholders who are not happy with the Registry's operation of range inspections feel strongly that range inspections deal with issues of safety and land use (planning), rather than law enforcement, and would be more appropriately undertaken by other bodies within state or local government. Three options are identified for governance and operation of range inspections:

1. Continue current Registry inspections
2. NSW Sports and Recreation to lead range inspections
3. Local councils to lead range inspections

There is no definitive argument *from principle* to adopt either of the alternatives to current operations. Resolving on a preferred option requires a level of consultation and agreement with

organisations which falls outside the scope of this review. It is recommended that NSWPF and the Ministry should further consider, in conjunction with government and other relevant third parties, the identified alternatives to continuing the current NSWPF range inspections

Technology

The existing technology systems do not and cannot enable the levels of customer service which are reasonably expected of the Registry. Continuing operations are not considered sustainable with the current technology systems. Modernisation of the technology systems supporting Registry operations is therefore strongly recommended. A number of viable options have been identified which are estimated to require investment in the region of \$4M. It is recommended that a detailed business case is developed to identify the optimum technology solution from among these options, to be followed by implementation.

The review has confirmed that the use of smartcards would require introduction of an online channel and modernisation of the Registry internal systems to enable their use. Technology systems modernisation as previously described is therefore a pre-requisite for smartcard operations. The only improvement which smartcards would then confer would be the ability to swipe a card rather than key in a license number into a terminal or mobile device. This is considered a marginal improvement which would require significant additional investment and is therefore not recommended.

It should be noted that contrary to a general misconception, smartcards are not used for firearms licensing control in Victoria. Similarly, technology systems in Victoria do not allow instant processing and approval of licensing or PTA applications, as believed by some stakeholders (although the system in Victoria does enable applications to be made online in dealerships).

People and organisation

The review has identified opportunities for improvement in the organisation of the Registry, relating primarily to the management structure and the demarcation of roles and responsibilities. These improvements are however contingent on the introduction of the technology systems and their consequent support for improved business processes. It is therefore recommended that organisational changes in the Registry are implemented as part of the implementation of the new technology systems.

Funding

Fees charged to customers are currently not based on cost recovery principles and as a result there is cross-subsidisation occurring between different services (e.g. revenue raised from category A/B PTAs is subsidising the processing costs of other PTAs). There is also evidence of abuse of fee exemptions for PTAs; for example, 20% of the PTAs arising from fee exempt licensees are not used.

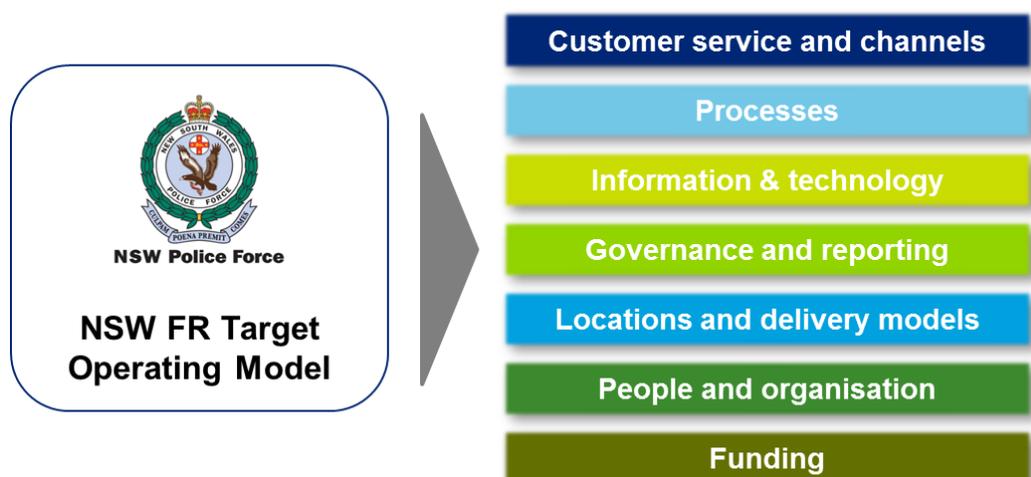
It is recommended that as part of the development of the technology business case, which will necessarily involve calculation of cost-to-serve under the future operating model, a revised fee-for-service pricing model is developed.

3 Approach

The review was conducted using the framework of a Target Operating Model (TOM) to guide the analysis and formulation of recommendations.

An Operating Model defines a comprehensive breakdown of the component parts of an organisation’s structure and operations. This provides a basis for systematic analysis of current operations to identify the causes of any performance issues. The Target Operating Model then defines the changes which are needed to the relevant dimensions of the operating model in order to bring about improvements in efficiency or effectiveness of operations and service delivery outcomes.

The diagram below illustrates the operating model dimensions which were considered during the review of NSWPF FR.



4 Customer and stakeholder consultation

4.1 Public consultation

A public consultation exercise was conducted via the “have your say” website for a period of three weeks (1 November 2013 – 25 November 2013) as well as through direct targeted interviews to solicit feedback from the public. In addition to a structured survey, the public was provided with an email address for written submissions.

A total of 1522 survey responses, 736 other survey comments and 29 email submissions (including 8 detailed formal submissions from associations, clubs, political parties and lawyers)

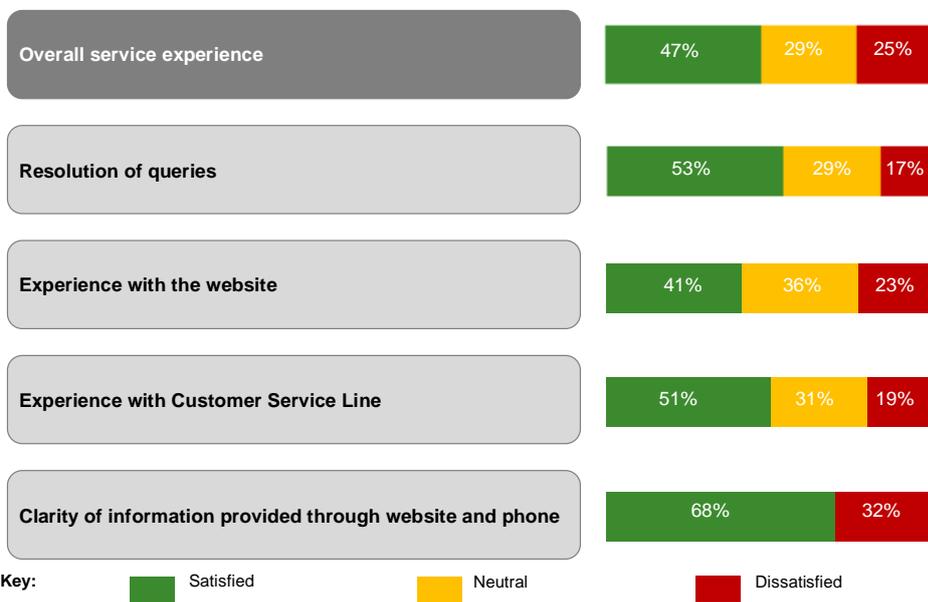
were received. 98% of the respondents hold a firearms licence. Please refer to Appendix B for the detailed results of the survey.

Direct targeted interviews were held, in accordance with the Steering Group’s guidance, with 9 associations and 1 political party – please refer to Appendix B for a full list of representatives present at these meetings.

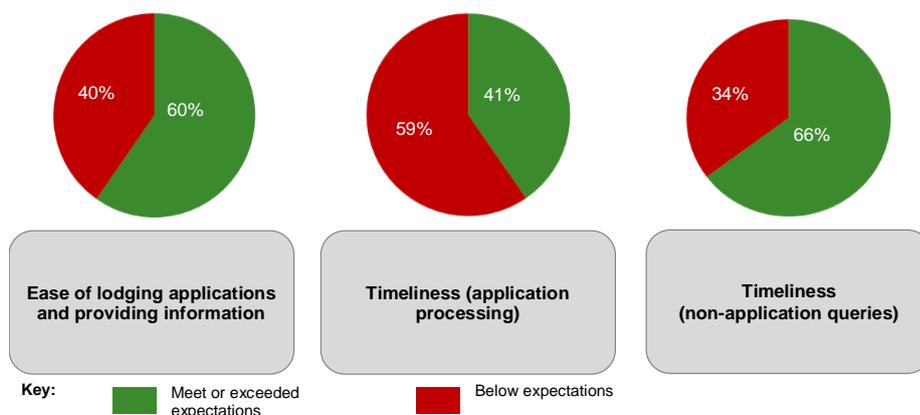
The following sections detail the results of the public consultation.

4.1.1 Customer views of Registry operations

Online survey result



21% of the submissions and survey comments referred to issues that would require legislative changes



Key issue: Timeliness in application processing

Comments from customer submissions and other survey comments on the current registry operations

Of the 1,522 survey responses, 48% included further comments. There were also 29 email submissions. The majority of respondents incorporated more than one issue into their comments / submissions. This section provides a summary of those comments/ submissions:

- Concerns over timeliness of application processing and phone answering and the lack of ability to track application process (22% of comments / submissions): customers need to call the Registry to find out the latest status of the application and often experience lengthy delays on the customer service line (e.g. 1 hour was the longest waiting time and the call was not answered).
- Registry staff are courteous, helpful and informative (17%)
- Customers continue to express concerns over the security of personal details held at the Registry and at the Dealers point of sale (12.5%): there is a perception that there is a link between recent firearms thefts and media reports of data being compromised by criminals.
- Customers expressed concerns about the quality of their interactions with the Registry and operational police on firearms matters (16%): there were concerns in relation to inconsistent responses to legislative queries and to the consistency with which legislation is applied during safe storage inspections. 1% of comments mentioned documents being lost in the post.
- Concerns over the inaccuracy of customers' firearms ownership records (3.5%): this is most evident for customers when the new registration details were not recorded correctly during the transferring of firearms ownership process – this results in police using old records to conduct safe storage or firearms inspections. Inaccurate ownership records causes inconvenience for both the customer and police with the police spending more time verifying the ownership details. Current manual processing is also prone to human error and does not help in reducing inaccurate records.
- Customers continue to express concerns over issues that would require legislative changes (23%) – these are out of scope for this review.

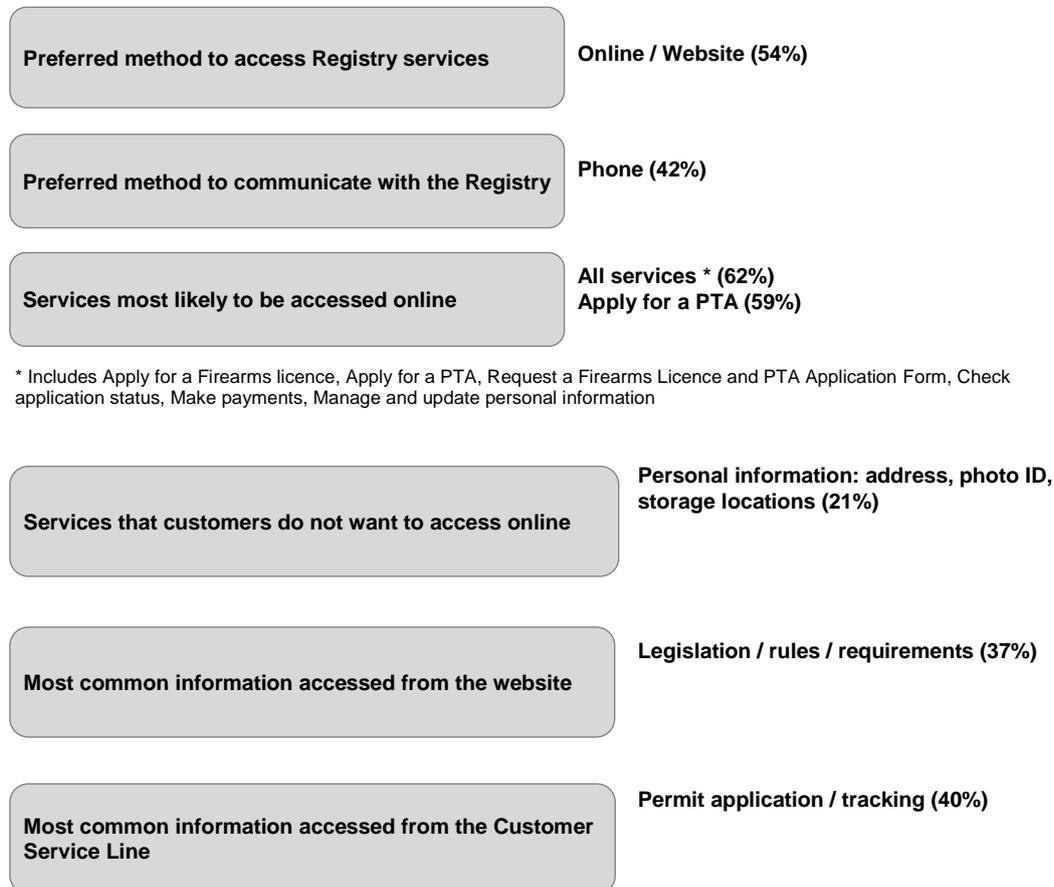
Views from stakeholder interviews on current Registry operations

- Consensus that the Registry operates under difficult circumstances with antiquated systems and the requirement to administer an ambiguous and difficult to implement legislation.
- Concerns with timeliness in application responses: e.g. licence and permit approvals can take over 20 days even without mandatory waiting times, dealer licence approvals and renewals can take up to 3 months.
- Contrary to the survey results, associations and representatives believe that there is no “one version of the truth” and that advice is often inconsistent and based on interpretation: many mentioned inconsistencies in information provided by phone and a view that rules are developed internally where legislation is silent and then included in online guidelines.
- Stakeholders continue to express concerns in regards to data security particularly with regard to the written logbooks kept by dealers which include personal information as a result of the ammunition legislation requirements. The requirements to maintain and store log books/registers are prescribed by the legislation, placing the onus to comply upon the dealers. Further consultation and education may be required to better advise dealers of their legislated obligations regarding the security of such documents.

- Concerns on how the legislation impacts shooting as a sport: e.g. differences between NSW legislation and other states' on minor shooting negatively impacting NSW shooting events; Ammunition legislation negatively impacting sponsorship of events (e.g. ammunition prizes).
- Feedback on range inspections was mixed – a small number of stakeholders raised significant concerns in relation to a perceived increase in the prescriptiveness of range inspections and the interpretation of guidelines, as well to a perception that the process is neither transparent nor consultative. Other stakeholders praised Registry range inspections.

4.1.2 Individual customers services and channels preferences

Online survey results



It should be noted that preferences stated in an online survey will be heavily self-selective in favour of online channels.

Comments from customer submissions and other survey comments on individual customers services and channels preferences

The percentages below represent a total of 736 other survey comments (48% of the total survey respondents) and 29 customer email submissions.

- Customers prefer application and information update services to be provided online (14%): to speed up and reduce waiting times on applications and customer details updates. The most popular among the customers is an online PTA application service.
- Customers require their personal information to be highly secured in any new technology (12.5%): personal information must be highly secured and cannot be compromised.
- Customers prefer faster PTA approval at point of sale (4%): online PTA and completed as part of the firearm purchasing process at a dealer would streamline the PTA approval process.
- Customers request to review licence and permit fees to ensure they are reflective of the actual cost of processing a licence or permit (2%): e.g. why is \$75 charged for a particular "Large Calibre Permit"?
- Customers request the Registry to improve their current website (2.5%) for the ease of finding and understanding information. These customers also expressed the desire that the Registry have its own dedicated portal and not integrated into the main NSWPF website.
- Customers request other simplifications to processes (3%) so that these transactions can be done in a more convenient and timely manner – e.g. introduction of licence renewal reminders, simplification of the completion of existing forms (e.g. have the ability to indicate on the P650 form if the customer has a change of status without completing the whole form again), and having a single photo ID card for all different types of firearms licence and permits.
- Customers perceive the Registry as not having a customer focussed culture (2%): e.g. perception that call centre staff are not always able to relate to the customer's situation due to the number of staff who are not licence holders / active shooters.
- Customers suggest that certain services could be delivered outside of the Registry to be more aligned with the service offering (1%): for example, moving the paintball registration to Department of Communities: Sports and Recreation.

Views from stakeholder interviews on individual customers services and channels preferences

Findings from the survey are broadly supported by stakeholder interviews with the caveat that there is a desire to continue offering paper based channels for some time to support customers including clubs and dealers who do not have access to the internet.

- Customers prefer online channels with real time processing where legislation allows it: e.g. applying for a subsequent PTA online with immediate approval response, initiate change of personal or business address and contact details.
- Some clubs do not have online access or electricity which poses challenges for the use of online portals and smartcards: e.g. for one of the Associations, over half of their clubs do not have online access and many of these do not have electricity.
- In contrast to the online survey results, it has been reported to us by clubs and associations that many customers of an older demographic prefer phone and mail channels: over half of all licensees are over 50 and associations confirm a preference for phone / mail channels.
- Customers prefer Registry correspondence to be sent in a blank envelope: this minimises the risk of disclosing addresses of firearm owners and businesses to criminals and gangs.
- Customers appear neutral in regards to smartcards: smart cards should support the aim of increasing online services to make it easier for customers to do business within the current legislation.

4.1.3 Clubs, associations, dealers and ranges service and channel preferences

Comments from customer submissions and other survey comments

The percentages below represent a total of 736 other survey comments (48% of the total survey respondents) and 29 customer email submissions.

- Desire for electronic information exchanges between clubs / dealers and the Registry (1%) including dealer and club interface (for instance currently the dealer system – Firearmslink is based on Windows 2003 and is not supported on modern versions of Windows 7 and 8).
- Dealers request faster firearms importation approvals (<1%): B709 firearm import approvals are slow; dealers prefer to have priority over individual import cases.
- Dealers would like to have access to the Registry on Saturday morning (<1%) as that is one of their busiest days. However they recognise that improvements to the firearms registration process may diminish that need.
- Echoing the interviews, industry submissions seek a more consultative approach to legislation changes and range approval: e.g. more consultation and notification for planned legislation changes, and for range approvals. This could be handled by a Firearms Committee consisting of the Registry, clubs, range owners and other stakeholders such as local councils.

Views from stakeholder interviews

- Desire for a more consultative approach: All stakeholders would welcome a more consultative approach (e.g. with regards to factsheets and guidelines issued and operational matters). Most have welcomed the recent industry gathering with the Registry and support a similar forum going forward in conjunction with smaller working groups.
- Many associations would prefer a single point of contact in the Registry: to ensure consistency in the advice given. They would also welcome more frequent electronic information updates e.g. direct notification about updates to the firearms legislation, licence revocations (although some question the value of licence revocation lists currently provided weekly).
- Many associations believe there are untapped opportunities for them to act as the conduit of information between clubs and the Registry: e.g. one has suggested providing the Registry with consolidated clubs annual returns (although this would require legislative changes); other associations believe they could deliver more positive messages to their members and capitalise on success stories – e.g. very well received presence and training delivered by the Registry at a recent industry expo.
- Clear desire by dealers to have access to a modern online portal – however concerns for smaller suppliers remains: e.g. small suppliers of ammunition in remote areas. Dealers would also like faster firearms importation approvals and streamlined registration processes.
- Mixed feedback regarding range inspections with desire for more risk based consultative approaches – majority believes the Registry is best placed to lead the process: some associations are complimentary whereas others question the inspectors' qualifications and knowledge of shooting sports and believe there is a lack of clear guidelines based on legislation.
- View that police officers enforcing firearms legislation are not consistently trained: e.g. in the enforcement of firearms transportation and in safe storage inspections.

- Request by some associations for the authority to carry out online background checks for use of an approved range by unlicensed persons (P650): in order to further protect their sport.
- Some associations are open to changes in licence fees in the context of better service and greater alignment to real costs.

4.2 Consultation with other government agencies

Consultation with the following government agencies was carried out to investigate potential interdependencies with other projects:

- CRIMTRAC in respect to the National Firearms Identification Database (NFID) and the National Firearms Interface projects
- The NSW Department of Primary Industries (DPI) in respect to hunting licences
- IPART in relation to their review of licencing across government

No significant interdependencies were identified other than the need, at this stage, to have systems compatible with the NFID. The following subsections provide more details.

4.2.1 Potential interdependencies with CRIMTRAC projects

Since May 2012, CRIMTRAC has developed a program to improve firearms management across Australia.

As part of this program, a NFID whose aim is to provide a national standard in the terminology used nationally to ensure consistency has been delivered and continues to evolve. It is important that any future Registry system is developed so as to be compatible with NFID.

In addition to this, CRIMTRAC is currently developing a business case for the creation of a National Firearms Interface, whose first tranche focuses on providing a firearms system foundation technology (centred on firearms management, not licensing). The current estimates are that the business case will be approved in June 2014 and that the firearms system would be developed over 24 months.

As part of the business case for tranche 1, CRIMTRAC will be assessing various technology platforms for the firearms system namely through either:

- Enhancing the National Firearms Licensing and Registration System (NFLRS) and moving NFLRS from a mainframe to midrange environment, or
- Commercial Off The Shelf (COTS) procurement.

The NSWPF should further engage with CRIMTRAC when it is developing its own business case for the new Registry technology so as to incorporate findings from CRIMTRAC in relation to the firearms management components.

4.2.2 Potential interdependencies with Department of Primary Industries (DPI) projects

The DPI has taken over the responsibilities previously held by the now extinct Game Council. The key interfaces between the Registry and the Game Council were:

- Game Hunting Licences are used as a genuine reason for firearms licence application and access by the Registry to the Game Council database in order to check validity of those game hunting licences
- Registry approval of game hunting courses

DPI has confirmed that these processes will remain unchanged.

4.2.3 Potential interdependencies with Independent Pricing and Regulatory Tribunal (IPART) projects

IPART is currently in the process of finalising its review of licences across NSW (not just firearms licences). As part of this analysis, Firearms Permits to Acquire and the registration of firearms were analysed in terms of the potential to reform the licence administration and the design of those licences. Findings are expected to be released as a draft report in late 2013.

5 Findings and recommendations

5.1 Services and channels

Online channel

Finding: All interactions with licensees and potential licensees are paper based. All associations support services being offered online and 80% of survey respondents would access all services online.

Recommendation: Develop online channels to deliver most applications and interactions within the constraints of the current legislation and provide:

- self-service portal functionality
- real-time processing where possible
- the ability to track progress of applications online

There is broad agreement that most services could be offered online and/or via an online portal, including the ability to have real-time processing and the tracking of applications. Expected processing times should be communicated in all cases.

Current candidates for real time outcomes online under certain business rules are:

PTA processing for subsequent categories A/B licences without conditions 

Firearms registration (under certain conditions) 

Dealer and club checking of licence and PTA details (ammo legislation) 

Other dealer information exchange (e.g. stocks etc) 

Continued support for those without connectivity

Finding: Over a quarter of licence holders are over 60 and there are clubs and ranges without online access or electricity (for one association over half of their clubs have no online access). Many associations were favourable to having clubs providing online access to their members if it allowed members to have access to more timely services.

Recommendation: Paper channels should continue to operate for a defined period to provide accessibility of services i.e. at least for the duration of the Registry modernisation project which is expected to last until mid/end 2016. There is also an opportunity to investigate using clubs and dealers as providers of online access.

Improvement to content and structure of website

Finding: Mixed feedback on the clarity and ease of finding information on the website

Recommendation: Improve the web presence of the Registry by implementing the following initiatives:

- Improve navigation on the website with information easier to find. The website for the Department of Fair Trading has been mentioned as an example to follow.
- First level of detail of information should be provided in layman's language.
- Potential for selected online content could be translated into other languages to assist people in understanding firearms legislation and requirements.

5.2 Processes and operations

Engagement with industry

Finding: There is a perceived lack of opportunity for industry involvement and engagement with the Registry

Recommendation: Improve industry involvement by providing:

- **A Quarterly forum** with wide stakeholder group representation which would be welcomed by the industry and by the Registry.
- **Senior liaison officers providing single point of contact** for each of the associations / industry types becoming escalation point for associations and becoming the recognised representatives of the Registry.

Information available to police officers

Finding: Perception that police officers are not always consistent in their understanding and application of firearms legislation and data

Recommendation: Improve police officer firearms knowledge by:

- Raising the awareness of police officers of information available to them
- Reviewing the user friendliness of information provided on the intranet

Call centre processes

Finding: Lack of clarity on responsibilities for customer query resolution between call centre and operational staff can lead to too many calls being escalated to specialised Registry staff

Recommendation: Introduce clearly defined escalation processes, leading practice queue management procedures supported by a new Customer Relationship Management (CRM) system with case management workflow capabilities

Risk based frameworks for compliance processes

Finding: Regulatory compliance processes are currently not risk based, which leads to high volumes of work that are not targeting the highest impact areas

Recommendation: NSWPF to continue the definition and implementation of a risk based frameworks for both safe storage audits and range inspections, to improve the efficiency and effectiveness of these inspections.

Range inspection processes

Range closures

Finding: There is a perception that the Registry has closed a large number of ranges. One range has been closed as a result of inspections. Three ranges have had restrictions on events that it can host placed on them.

Recommendation: Incorporate range inspections and outcomes into the communications planning and into Registry performance information to be made available on the Registry website.

Range inspection guidelines and templates

Finding: There is a perception from stakeholders that the guidelines for range inspections are too open to interpretation and expectations are not clearly communicated. The Ranges Unit of the Registry has employed range safety templates based on NATO safety guidelines for shooting ranges since 2006. These templates and other guidelines are available online within the “Range Users’ Guide.”

Finding: There is a perception from some of the stakeholders that range inspections have recently become overly prescriptive, confrontational and that the process is not consultative. Other stakeholders praised the range inspections.

Finding: Following the Blacktown range inspection and its subsequent closure in 2012, the issue of permissive shooting rights and land use was highlighted to the Registry which was then under an obligation to communicate the issue to industry and ensure compliance in other ranges during subsequent inspections. As a result there has been higher visibility of the outcomes of range inspections.

Finding: The Registry devotes considerable resources to work with the ranges it inspects in order to support plans on how to make ranges compliant. However there is no formal process documented and communicated on the consultative work that follows on from inspections.

Recommendation: Develop, agree and document the end to end process (in collaboration with industry and other relevant parties e.g. representatives from local councils and relevant associations) and the roles and responsibilities of various stakeholders, and determine suitable post inspection events. Communicate the new process to relevant stakeholders and integrate into the Range Users’ Guide.

Recommendation: Publish the schedule of range inspections for the year ahead to allow ranges to carry out an internal review first, thus improving inspections outcomes. Explore with industry the development of yearly self-audits supported by clear guidelines to support clubs in this process.

Recommendation: Explore with industry re-engaging with local councils on issues related to local ranges to ensure permissive shooting rights and range danger areas continue to be taken into account in local council approvals of developments in the longer term.

Governance of range inspections

Finding: The majority of stakeholders believe the Registry is best placed to lead on range inspections. The minority of stakeholders who are not happy with the Registry’s operation of range inspections feel strongly that range inspections deal with issues of safety and land use (planning), rather than law enforcement, and would be more appropriately undertaken by other

bodies within state or local government. Three options are identified for governance and operation of range inspections:

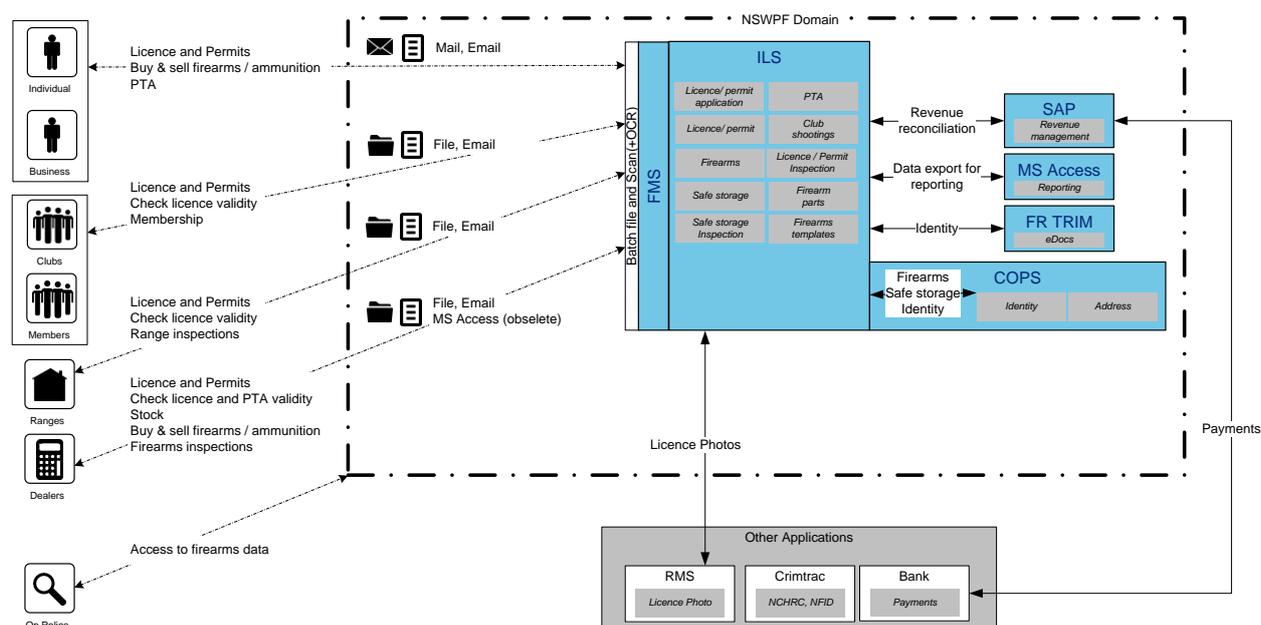
4. Continue current Registry inspections
5. NSW Sports and Recreation to lead range inspections
6. Local councils to lead range inspections

Recommendation: There is no definitive argument *from principle* to adopt either of the alternatives to current operations. Agreeing on a preferred option requires a level of consultation and agreement with organisations that is outside the scope of this review. It is recommended that NSWPF and the Ministry should further consider, in conjunction with relevant third parties, the identified alternatives.

5.3 Technology

5.3.1 Current technology systems

The following diagram provides a high level architecture view of current information flows and supporting technology.



5.3.2 Findings

Key findings are summarised below

1. There is no self-service online capability; data exchange between the Registry and clubs, dealers and ranges is either paper based, email exchange or via non supported technology (e.g. MS access database for dealers). This leads to inefficient processing and inconsistent information flows.

2. The current Registry backend system, the Integrated Licensing System (ILS) is reaching end of life and will soon no longer be supported.
3. The current CRM system does not support automatic user identification, case management and workflow capability, leading to the need for significant manual and paper-based processing.
4. Current reporting system is based on MS Access and requires extraction from the ILS.
5. Optical Character Recognition (OCR) software used for forms scanning (Eyes and Hands from Readsoft) is obsolete and not supported by vendors.
6. Following on from concerns raised in July 2012, the NSWPF commissioned a detailed security review of the Registry conducted in accordance with the Australian and New Zealand standard on risk management, AS/NZS ISO 31000:2009. In addition the Australian Government Protective Security Manual (PSM) 2005 was used as a guide to better practice. The survey was completed in September 2012 and included a number of recommendations. All of the recommendations rated “High” have been addressed.

5.3.3 Recommendations

It is recommended that in order to meet the reasonable service expectations of customers, the Registry requires modern technology systems comprising the following major features:

1. Online Self Service channel to cover all interactions and information exchanges with individuals, businesses, clubs, ranges and dealers, including secure online and potentially real-time data exchange between dealers, clubs and the Registry.
2. A firearms licensing and firearms lifecycle management system (FLMS) replacing the current system, to be integrated with the new online channel, COPS and other systems. The licensing and FLMS systems may be a single system or separate (but integrated) applications.
3. A call centre CRM system with case management and workflow capabilities.

5.3.4 Options for implementing the recommendations

Four options have been identified for implementing the recommended new systems capabilities:

1. The Government Licensing System (GLS) with customisation. Adopt the GLS for all Registry requirements, noting that a previous analysis of this option identified that customisation of GLS would be required in order to meet Registry needs in respect of security around firearms data
2. Customised GLS plus in-house development. As per Option 1, but with the addition of development of a bespoke module for the Registry to support more specialised firearms tracking requirements
3. GLS plus commercial package (‘COTS’) for FLMS
4. In-house developed systems
5. COTS for CRM / FLMS

Option 1, 2 and 4 were identified as part of a previous assessment of the GLS conducted in 2011. Options 3 and 5 have been developed as part of the 2013 analysis to include the potential use of a FLMS package.

5.3.5 Smartcards

How would smartcards work?

The potential technology environment with smartcards includes the following characteristics:

- The online channel would still be required for individual, clubs, ranges and dealers to make applications, track progress and exchange information securely. Smartcards could only be implemented in addition to online channels, not instead of.
- Each firearms licence holder is issued with a smart card. The smart card would have all the existing security features of the current card (photo, name, DOB, licence number, hologram) plus a memory chip to store the licensee's personal information (licence number, potentially permits, firearms, ammunition)
- Customers can use their smart cards in situations where their identity needs to be verified, e.g. buying firearms or ammunition at a dealer, joining clubs and attending shooting events; customers would swipe their cards through a card reader to read the identification details. Note however that the online solution would already make this possible by means of keying in the licence number. The card is only an alternative mechanism (swiping) of entering the licence number into the online system.
- Dealers / club armourers are provided terminals allowing them to verify customer's identity and licence validity and PTA details at the point of sale prior to firearms and/or ammunition purchases as well as to register all transactions and automatically send that data to the Registry electronically in real time. Again, this would only be possible if an online system had already been implemented, so the incremental benefit of the smartcard would be a marginal usability gain from swiping rather than keying.
- Clubs and ranges can validate customer's identity and licence when joining club memberships or attending events (again, also facilitated by and achievable through the online system).

Smartcard high level cost estimates

Potential significant investments are required for smart card technology (readers, systems, cards) and assurance processes (card issuing, identity assurance and management). Key cost drivers include:

- Issuance of card – approximately \$5 to \$10 per card with relevant security features, plus shipping
- Acquisition of credential management system – \$3 to \$5 per card + 15% total cost per annum ongoing
- Terminals (from \$10 per unit for simple terminals to \$500 for more complex read and write terminals)

For 200,000 users this equates to at least approximately \$2m to \$3m capex excluding system configuration and integration. Potential security risks arising from the use of smartcard would need to be assessed carefully in a design phase, and could significantly increase above costs.

Smartcard usage in other states

Contrary to the views of some stakeholders, smartcards are not used for firearms licences management in Victoria.

Smartcard analysis conclusion

In conclusion, analysis has shown that smartcards would only provide marginal usability improvements in addition to an online channel, but would come at a significant cost.

Technology conclusion

The existing technology systems do not and cannot enable the levels of customer service which are reasonably expected of the Registry. Continuing operations with the current systems is not considered sustainable. Modernisation of the technology systems supporting Registry operations is therefore strongly recommended. It is recommended that a detailed business case is developed to identify the preferred technology solution from among the identified options, to be followed by implementation.

Due to the level of capex required, non-alignment with Whole-of-Government ICT Strategy and difficult maintainability of the solution, it is recommended that Option 4 is not suitable and should be excluded from further assessment.

It is recommended that smartcards should not be implemented as they do not represent good value for money.

5.4 People and organisation

The review has identified opportunities for improvement in the organisation of the Registry, relating primarily to the management structure and the definition of roles and responsibilities. These improvements are however contingent on the introduction of the technology systems and their consequent support for improved business processes. It is therefore recommended that organisational changes in the Registry are implemented as part of the implementation of the new technology systems.

5.5 Funding

Fees charged to customers are currently not based on cost recovery principles and as a result there is cross-subsidisation occurring between different services (e.g. revenue raised from category A/B PTAs is subsidising the processing costs of other PTAs). There is also evidence of abuse of fee exemptions for PTAs; for example, 20% of the PTAs arising from fee exempt licensees are not used.

It is recommended that as part of the development of the technology business case, which will necessarily involve calculation of cost-to-serve under the future operating model, a revised fee-for-service pricing model is developed.

Appendix A– Detailed customer survey results

The customer survey was available through the “have your say website”.

Question 1

Do you hold a firearms licence?		
Answer Options	Response Percent	Response Count
Yes	98.0%	1488
No	2.0%	31
<i>answered question</i>		1519
<i>skipped question</i>		3

Question 2

What is your preference for accessing Firearms Registry services (e.g. licence and permit applications)? If you have more than one preference, please select "Other" and list them.		
Answer Options	Response Percent	Response Count
Postal mail	10.0%	152
Phone	12.7%	193
Online/website	54.8%	831
Email	8.4%	128
Other (please specify) (in person)	14.0%	212
<i>answered question</i>		1516
<i>skipped question</i>		6

Question 3

What is your preference for communicating with the Firearms Registry? If you have more than one preference, please select "Other" and list them.		
Answer Options	Response Percent	Response Count
Postal mail	5.2%	78
Phone	38.6%	582
Online/website	17.7%	267
Email	20.8%	314
Other (please specify)	17.6%	265
<i>answered question</i>		1506
<i>skipped question</i>		16

Question 4

How do you rate the Firearms Registry on the following matters:						
Answer Options	Far above expectations	Above expectations	Meets expectations	Below expectations	Far below expectations	Response Count
Ease of lodging applications and providing information?	40	160	699	407	196	1502
Timeliness in responding, to your applications (licence, permit and/or PTA)?	34	121	460	499	379	1493
Timeliness in responding, to your non-application related enquiries?	38	201	714	340	157	1450
<i>answered question</i>						1508
<i>skipped question</i>						14

Question 5

How satisfied are you usually:						
Answer Options	Very satisfied	Satisfied	Neither satisfied nor dissatisfied	Dissatisfied	Very dissatisfied	Response Count
With the resolution of your queries?	169	626	433	168	92	1488
<i>answered question</i>						1488
<i>skipped question</i>						34

Question 6

Please describe what kind of information you currently utilise from the website and/or the Customer Service Line (1300 362 562)		
Answer Options	Response Percent	Response Count
Website	88.9%	851
Customer Service Line	80.1%	767
<i>answered question</i>		957
<i>skipped question</i>		565

Question 7

Is the information available on the website or provided by the Customer Service Line relevant and clear?		
Answer Options	Response Percent	Response Count
Yes	67.7%	890
No	32.3%	425
If not, are you able to suggest any areas for improvement		367
<i>answered question</i>		1315
<i>skipped question</i>		207

Question 8

How do you rate your overall experience using the following:						
Answer Options	Very satisfied	Satisfied	Neither satisfied nor dissatisfied	Dissatisfied	Very dissatisfied	Response Count
Firearms Registry Website	77	499	502	246	82	1406
Customer Service Line	179	517	421	178	77	1372
<i>answered question</i>						1455
<i>skipped question</i>						67

Question 9

Would you access any of the following Firearms Registry services online? You may select more than one.		
Answer Options	Response Percent	Response Count
Apply for a Firearms licence	37.8%	545
Apply for a Permit to Acquire	59.3%	854
Request a Firearms Licence Application Form	35.9%	518
Request a Permit to Acquire Application Form	46.9%	676
Check application status	51.1%	736
Make payments	49.4%	712
Manage and update personal information	48.5%	699
All of the above	62.3%	898
<i>answered question</i>		1441
<i>skipped question</i>		81

Question 10

Are there any services that you consider should not be provided online?	
Answer Options	Response Count
	520
<i>answered question</i>	520
<i>skipped question</i>	1002

Question 11

How do you rate your overall service experience with the Firearms Registry?		
Answer Options	Response Percent	Response Count
Very satisfied	10.3%	155
Satisfied	36.9%	553
Neither satisfied nor dissatisfied	28.4%	426
Dissatisfied	16.6%	248

Very dissatisfied	7.7%	116
<i>answered question</i>		1498
<i>skipped question</i>		24

Question 12

Provide any other comments you want to share regarding your experience with the Firearms Registry.	
Answer Options	Response Count
	736
<i>answered question</i>	736
<i>skipped question</i>	786

Appendix B– Stakeholders consulted

Firearms Clubs / Associations

Stakeholder name	Organisation	Position
[REDACTED]	NSW Clay Target Shooting Association	Secretary
[REDACTED]	NSW Amateur Pistol Shooting Association	President
[REDACTED]	NSW Amateur Pistol Shooting Association	Secretary
[REDACTED]	NSW Amateur Pistol Shooting Association	
[REDACTED]	Firearms Dealers Association	President
[REDACTED]	Firearms Dealers Association	Vice President
[REDACTED]	NSW Rifle Association	President
[REDACTED]	NSW Rifle Association	Executive Officer
[REDACTED]	Sporting Shooters Association	Executive Director
[REDACTED]	NSW Shooting Association	General Manager
[REDACTED]	Firearms Safety and Training Council	General Manager
[REDACTED]	NSW Farmers	Policy Director
[REDACTED]	NSW Farmers	Policy Advisor
[REDACTED]	Shooters and Fishers Party	Parliamentary Member
[REDACTED]	Shooters and Fishers Party	Parliamentary Member
[REDACTED]	Parliamentary Office of the Shooters and Fishers Party	Policy Advisor
[REDACTED]	Antique Arms Collectors Society of Australia	President
[REDACTED]	Antique Arms Collectors Society of Australia	Secretary

Stakeholder name	Organisation	Position
██████████	NSWPF Firearms Registry	Commander
██████████	NSWPF Firearms Registry	Legal Officer
██████████	NSWPF Firearms Registry	Ex- General Manager
██████████	NSWPF Firearms Registry	Manager Licensing, Permits and Authorities
██████████	NSWPF Firearms Registry	Manager Registration and Ranges
██████████	NSWPF Firearms Registry	Manager Compliance & Intelligence
██████████	NSWPF Firearms Registry	Call Centre Team Leader, Customer Relations
██████████	NSWPF Firearms Registry	Manager Business Services
██████████	NSWPF Firearms Registry	Manager Business Admin
██████████	NSWPF Firearms Registry	Coordinator Internal Review