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Police Ministers
Council

Brisbane, Queensland
Friday, 9 June 2023
COMMONWEALTH PAPER
PMC AGENDA ITEM NO. 2

NATIONAL FIREARMS REGISTER

RECOMMENDATION

The Australian Government recommends that participants advise National Cabinet to:

- (a) **note** the two costed options for a National Firearms Register
- (b) **agree** to implement Option 1, under which jurisdictions will work concurrently to ensure that a National Firearms Register is fully operational within 4 years
- (c) **note** the estimated total cost for Option 1 is \$231.4m, with \$22.2m in yearly operating costs from commencement
- (d) **agree** that the costs of building and operating a National Firearms Register (excluding jurisdictional uplift) should be funded from the National Policing Information Systems and Services Special Account
- (e) **commit** each jurisdiction to uplift its firearms management system and business practices to the required level to enable the National Firearms Register to meet its objectives
- (f) **agree** that each jurisdiction is responsible for the costs associated with the uplift of their own systems and data to ensure the effective operation of the National Firearms Register
- (g) **agree** that the Commonwealth Attorney-General's Department, in consultation with jurisdictions, report to each Police Ministers Council meeting on the National Firearms Register until it is fully implemented, and
- (h) **agree** that the Police Ministers Council will report back to National Cabinet in late-2024 on the progress in implementing a National Firearms Register and working towards national consistency of firearms laws.

PROPOSED PUBLIC COMMUNIQUE TEXT

Participants:

- (a) **reaffirmed** the shared commitment to improving the way firearms information is shared across Australian jurisdictions to keep police and the community safe following the tragic deaths of two police officers and a member of the public on 12 December 2022 in Wieambilla
- (b) **noted** the outcomes of public consultation on a National Firearms Register, and
- (c) **agreed** to present options to implement a National Firearms Register to National Cabinet in mid-2023.

Date cleared for distribution to all jurisdictions: 2 June 2023

Contact Officer: Alex Engel, AS Transnational Crime, 02 6141 5843, alex.engel@ag.gov.au

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KEY ISSUES

Context

- Responsibility for firearms management is shared between the states, territories and the Commonwealth. Each jurisdiction has developed its firearms laws and systems independently, resulting in inconsistencies in the way firearms are categorised and relevant data is managed limiting Australia's capability to:
 - trace firearms across interstate and international borders
 - provide timely information to police
 - support national research on firearms safety issues, and
 - detect the movement of firearms to the illicit market.
- Following the tragic deaths of two police officers and a member of the public on 12 December 2022 in Wieambilla, National Cabinet on 3 February 2023 committed to improving the way firearms information is shared to keep police and the community safe.
- In service of this commitment, National Cabinet tasked Police Ministers with reporting back to National Cabinet in mid-2023 with costed options for a National Firearms Register (Register) in line with agreed principles.
 - The objective is to develop a Register with timely and accurate information on firearms and owners across all jurisdictions to improve police and community safety.
- At the 3 April 2023 Police Ministers Council, ministers agreed to the key capabilities a Register would need to deliver on this objective. This included near real time:
 - nationwide tracing of firearms, frames, receivers and suppressors
 - nationwide sharing of information on firearms owners and licences
 - national licence verification service
 - national alert and notification function for high-risk information or events
 - reporting and analysis function that provides a national view of firearms trends.
- To do this, it was acknowledged that the Register would need to draw on, and contribute to, existing sets of information to improve law enforcement understanding of risk. This included linking firearms data with information such as prohibition orders, apprehended violence orders, criminal records, court information and death notices.
- The above capabilities would significantly enhance Australia's firearms management to:
 - reduce illicit diversion and manufacturing
 - improve compliance and enforcement functions, and
 - improve understanding and analysis of firearms ownership and risks.
- Importantly, ministers recognised that the Register system itself is only part of the challenge. Ministers committed to consistent data management and changes to business practices and regulations, including resources, which they acknowledged would be essential to the success of the Register.

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Recommendation

- The ACIC has developed estimated costed options for a Register (**Attachment A**). The options each provide for the same minimum viable product to meet National Cabinet's expectations and the capabilities of a Register agreed by the Police Ministers Council on 3 April 2023. The options differ only in the timeframe for delivery and implementation.
- The minimum viable product proposal for a Register was developed following extensive collaboration with Commonwealth, state and territory agencies, and a three-week public consultation period involving input from the firearms community, gun control advocates and information technology service providers.
- The 2 options for delivery of a Register that provides the minimum required capabilities are:
 - Option 1 – A federated operating model with full implementation expected within 4 years from project commencement. This option is estimated to cost \$231.4m over 4 years to implement, with \$22.2m in yearly operating costs.
 - Option 2 – A federated operating model with staged implementation aligning with pre-planned upgrades to jurisdictions' systems, costing \$224.9m over 7 years, with \$22m per year in yearly operating costs.
- Both options deliver on the purpose and capabilities of a Register agreed on 3 April 2023 by Police Ministers.
- Option 1 is recommended as it would improve police and community safety as soon as possible, at a limited additional initial cost over Option 2 (\$231.4m over 4 years contrasted with \$224.9m over 7 years) and limited additional implementation costs (\$22.2m ongoing operational costs from commencement contrasted with \$22m ongoing operational costs from commencement).
 - Option 1 would allow jurisdictions to develop a near real-time view of the firearms and firearms owners within their jurisdictions in around 3 years; and national capabilities would come fully online in 4 years.
 - Option 1 would also ensure existing vulnerabilities in Australia's firearms controls, particularly the inability to quickly verify interstate and international transfers, are fixed in 4 years. These vulnerabilities could be exploited by serious and organised crime to divert firearms to the illicit market, creating significant community safety risks.
- The cost of building the Register system infrastructure, to be funded from the National Policing Information Systems and Services Special Account (the ACIC Special Account), is the same under both options – estimated at \$49m in establishment costs and \$2.9m in annual operating costs.
 - The difference in cost between Option 1 and 2 arises from differences in the timeline; under Option 1 jurisdictional uplifts that are currently underway or planned would be brought forward to align with the 4 year project timeline under Option 1.
- It is proposed that Police Ministers Council (PMC) recommend to National Cabinet that the costs of implementing Option 1 be shared between jurisdictions as follows:
 - \$49m for the development of the Register, and \$2.9 million in annual operating costs, be funded through the ACIC Special Account
 - the cost of uplifting each state and territory registry be funded by that state or territory (estimated \$153.9m in total under Option 1; a breakdown by jurisdiction is at **Attachment B**), and

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- the cost of Commonwealth agency uplift be funded by the Commonwealth (estimated \$29.1m in total, with a breakdown at **Attachment B**).
- Close to 80 per cent of the costs to establish a Register relate to uplift of jurisdictional systems, with a significant proportion related to remediating legacy data, in order to meet the objectives of a national system which improves police and community safety.
- Without the remediation of data and uplift of jurisdictional systems, the Register will not be able to pull accurate, real time information from the federated systems.
- The estimate cost of the Register does not include:
 - potential savings from significant efficiencies a Register would provide to processing firearm licenses and import applications, or
 - account for any existing funding committed for uplifting systems prior to National Cabinet's tasking.

Funding principles

- The costs of the Register are attributable to:
 - the need for substantial remediation of all historical firearms data and changes to business practices, without which the Register will not operate
 - addressing significant underinvestment in firearms systems over the last 20 years so they can connect and interact with the Register, and
 - the ability to make the information available in near real time.
- The Register will bring benefits to all jurisdictions by effectively automating the national tracing of firearms and related articles, and the sharing of information on firearms owners between jurisdictions.
- Jurisdictions are the primary beneficiaries of their own uplift, with benefits including near-real time tracing of firearms within their jurisdictions, reduced administration costs in discharging licencing functions and higher quality data capture.
- Given the benefits of the Register will be realised in the context of national policing information, it is appropriate that funding to build and operate the Register be allocated from the ACIC Special Account accordingly.
 - The ACIC Special Account balance includes revenue generated from National Police Checking and the performance of national policing information functions.

Alternative cost-recovery option

- Jurisdictions may wish to consider whether some of the cost of the necessary uplift could be met through cost recovery mechanisms.
- A possible revenue stream could be created through increasing fees for firearms licences, permits and registration. There are an estimated 901,000 licence holders and 3.9m registered firearms across all jurisdictions in Australia.
- Adopting these cost recovery mechanisms would recognise that streamlined and automated information-sharing arrangements under the Register would benefit firearms owners and

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industry. It would facilitate efficient administration of licencing, registration and permits systems, while decreasing regulatory impost through reducing duplication.

- Nonetheless, such a funding arrangement may impact the support of the firearms industry and firearms owners for the establishment of the Register. Industry engagement is required to integrate dealer information into the Register.
- It would be up to each jurisdiction to consider the adequacy and appropriateness of cost recovery and how such mechanisms may be implemented in practice.

Federated Operating Model – National Firearms Register

- Under the federated operating model, the Register will:
 - connect existing jurisdictional registries and Commonwealth systems and integrate with the ACIC's National Criminal Intelligence System (NCIS), and
 - include a national licence verification function and firearms dealer integration with state and territory registries.
- The ACIC-managed Register will provide alerts and notifications, reports and analytics to registry systems, and provide a nation-wide licence verification system to ensure that firearms dealers do not sell firearms, firearms parts or ammunition to unauthorised end users.
- The difference between the 2 options for the Federated Operating Model is the speed and nature of onboarding process.

Option 1 (recommended) – Uniform 4 year integration of a federated operating model

- Option 1 presents the best opportunity to develop a Register to improve police and community safety.
- Option 1 has medium implementation risk and higher initial cost as due to a tighter schedule requiring work to be undertaken in parallel and possibly require re-prioritisation of initiatives in some agencies. Competition for scarce resources may also impact the schedule.
- During the first 2 years under Option 1, all jurisdictions would secure funding sources, onboard relevant staff and commence uplifting and cleansing their data to the agreed standard required for the Register. In parallel other activities would occur, including legislation change and business process design.
- With the remediation of data underway, some immediate benefits for jurisdictions would be realised including:
 - improved ability for law enforcement to identify the location of firearms
 - increasing data quality and reliability
 - reducing ongoing administrative costs in licence and permits administration, and
 - enhancing compliance functions.
- During years 3 and 4 of Option 1, the Register will be completed, data cleansing will be finalised, the uplift and integration of jurisdictional registries will have occurred, and a national picture of firearms and firearms owners will be available.

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- This would effectively address the vulnerabilities with interstate and offshore transfers, while providing national functionalities, including a national licence verification system, analysis and reporting functions, and notifications of negative licence decisions and interstate transfers.
- By the end of year 4, the Register would be online and positioned to deliver on its purpose of improving police and community safety.

Option 2 – Staged 7 year uplift to a federated operating model over 7 years

- Option 2 is not preferred. Under Option 2, the full benefits of the Register would not be realised until all agencies have completed their existing and planned upgrades; estimated to be over a 7 year implementation period. Management of duplicate systems over this period will also incur higher ongoing sustainment costs across all agencies.
- While the sequencing in Option 2 carries a lower implementation risk (when compared to Option 1) and is least disruptive to agencies from a systems, business and legislation perspective, the longer implementation time of Option 2 also gives rise to a risk of increased costs due to inflation and changing employment market conditions and increases the risk that the implementation will be impacted by other overriding priorities.
 - Some jurisdictions require significant uplift to integrate into a Register and have already planned to make the required changes between 2027 and 2030. Staged integration under Option 2 would help to ensure that jurisdictions are not competing for the same resources and are on-boarding to the Register at a speed that has already been judged as appropriate by their Governments.
- Option 2 has a higher public safety risk.
 - Jurisdictions currently have limited ability to verify the movement of firearms interstate or offshore, allowing criminal networks to avoid law enforcement detection by falsely reporting firearms as exported or transferred interstate while diverting them to the illicit market.
 - For example, New South Wales (NSW) Police-led Operation Myosoti involved a firearms dealer falsely reporting around 300 handguns as being transferred to other interstate jurisdictions, when all firearms were in fact diverted to organised crime. This illicit diversion could only be detected via highly manual processes, by which point they had been used in organised crime shootings in NSW and Queensland.
- The staged uplift approach under Option 2 will leave these issues largely unaddressed across the 7 year period, and could create temporary havens in jurisdictions that could be exploited by serious and organised crime to facilitate the illicit trafficking of firearms.

Required jurisdictional uplift

- The effectiveness of a Register will be dependent on its ability to automate information-sharing, which can only occur if it receives accurate, timely and consistent data from agencies.
- Agencies' systems require extensive uplift to improve firearms data to a state where it can be automatically shared, including:
 - Uniquely identifying firearms, frames, receivers and suppressors through serialisation and using the National Firearms Identification Database in describing their make, model, manufacturer, firearm type and action type.

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- Cleansing existing data sets and changing data capture practices to ensure that all descriptions of firearms, frames, receivers and suppressors align with the above standards.
 - Replacing some agencies' existing paper-based registry systems with digital alternatives.
 - Requiring real-time reporting of article location and movement through mandatory use of digital portals maintained by registries.
 - Verifying data through enhanced independent auditing activity – including active tracking and auditing of export movements.
 - Changing legislation to: adopt common serialisation standards, require dealers to report firearms information (including movements) and use the national licence verification service before selling articles, share information automatically with authorised end users and move registries from paper based to digital systems.
 - Enhancing privacy and cybersecurity protections for information shared through the Register.
- This uplift is a necessary precondition for automation to occur for the Register to achieve its core capabilities. Under Option 1 this uplift must be completed in 2-3 years.
 - Due to inconsistencies and gaps in data, only 6,332 firearms of approximately 3.9 million registered firearms in Australia can currently be matched and allocated one National Firearms ID number, and approximately 500,000 records cannot be linked to a specific person.

Dealer integration

- As part of the Register, it is proposed that a dealer portal in state and territory registries would provide the ability for trusted non-government entities to, in near real-time, verify firearms licencing and permit information at point of sale, and submit and manage information regarding dealer firearms stock and related articles.
- Point of sale electronic verifications will be critical to prevent firearm stock and related articles being sold to those whose licences have been cancelled or suspended. This will increase trust in the industry and reduce overall regulatory burden.
- The role of dealers is critical to the success of the Register in achieving a real-time picture of firearms and firearms ownership. The likely impost caused by the initial digital uplift and training for some dealers to access and input information will likely be offset by ongoing efficiencies and accuracy in data input and verification in addition to the contribution to police and community safety through the improved firearms picture.

Tracking ammunition

- The prevention of unauthorised purchases of ammunition will be assisted through the Register's licence verification service.
- The 3 April 2023 PMC asked agencies to consider the inclusion of tracking ammunition as an additional feature under the Register.
- The indicative cost of an ammunition tracking inclusion is an additional \$15m under Option 1 or an additional \$14.7m under Option 2.
- Tracking ammunition sales would require jurisdictions to amend legislation to introduce reporting obligations on dealers, and consequently necessitate additional resources to monitor the resulting intelligence stream.

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- Due to the wide variety of reasons for which ammunition is purchased, it will be initially difficult to establish expected purchase levels to indicate a risk to the community as distinct from an authorised use. Law enforcement has therefore indicated that it will take considerable time before the intelligence gained through this capability contributes to the overriding purpose and objectives of the Register.
- After exploring the costs and benefits of this inclusion, agencies recommend that further analysis be undertaken later in the project's life to understand the intelligence value balanced against the anticipated regulatory impost.

Alternative options – AFIN, NSW Gun Safe and a National Firearms Management System

- A review of the existing AFIN system found it is not fit for purpose and would require significant investment to upgrade and enable the key capabilities identified as required under the Register.
- Similarly, New South Wales Police Force's Gun Safe solution does not meet all the capabilities identified as required under the Register.
- The creation of a single National Firearms Management System could prove to be a lower cost way, over time, to achieve the capabilities outlined by National Cabinet (rather than a National Register that pulls from jurisdictional data), but initial costs are expected to be higher than a National Register (Option 1 and Option 2).
 - A National Firearms Management System would require all jurisdictions to use the one system, resulting in savings to be realised for jurisdictions as they would no longer need to maintain their own systems. A National Firearms Management System would best support data quality and consistency, and would be less complex over time.
 - However, this approach carries the highest implementation risk. It would:
 - limit jurisdictions' autonomy over business practices and make any minor system changes reliant on the agreement of all jurisdictions,
 - require consistent legislation before the build, a task that would require significant resource allocation, and
 - replace existing registry systems and some connections to other jurisdiction operational and corporate systems, unfairly disadvantaging jurisdictions that have already invested heavily in their existing registry systems.
 - Detailed analysis of the costs and implementation timing for a National Firearms Management System has not been undertaken.

Key Risks

- Costing estimates carry an uncertainty of approximately 33%, and are a rough order of magnitude based on a co-design of the relevant operating model. These costs will be refined further in the lead up to National Cabinet to reduce this uncertainty.
 - While the costs of developing the operating model of a Register are high, the Register may reduce long term costs on jurisdictions by automating information sharing arrangements that would otherwise have taken place through resource-intensive manual processes.
- A Register is likely to have a regulatory impost on the firearms community, particularly firearms dealers, by requiring them to keep particular records, digitise their systems and report on firearms movements through a jurisdictional portals.

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- Any regulatory impost, however, is likely to be reduced through streamlined reporting requirements, faster licence issuing, the licence verification service and opportunities for automation under the Register.
- The creation of a Register has raised privacy concerns amongst the firearms community, with many submissions expressing concern about the security of data provided through a Register. Jurisdictional uplift would address these concerns through legislation change, appropriate cybersecurity protections, strict access controls and adapting relevant privacy notices used by firearms regulators in issuing licences and permits.
- The success of a Register may also be limited by differences between jurisdictions' firearms laws. National Cabinet has committed to addressing these discrepancies through the Firearms and Weapons Policy Working Group (FWPWG) and it is proposed that PMC report back to National Cabinet on their progress in resolving these discrepancies in late-2024.

Current Firearms Risk

- The Australian public has an expectation that firearms access is well managed. Failure to improve data sharing arrangements will increase the number of firearms that cannot be reconciled following cross-border movements, increasing the chances that a preventable firearms incident will occur in the future.
- Without the Register, considerable public safety risks will continue to exist:
 - Law enforcement will often be unaware of the presence of a firearm when attending a property as, under existing manual processes, jurisdictions can experience a delay of up to 37 days in identifying the location of firearms.
 - Jurisdictions will be unable to verify interstate and international transfers of firearms in a timely fashion, and organised crime groups would continue to exploit this vulnerability in diverting firearms to the illicit market.
 - Frames, receivers and suppressors will continue to be moved around Australia with limited oversight, fuelling illicit diversion and subsequent illegal manufacture of firearms.
 - Without a licence verification service, individuals will be able to use physical copies of revoked or suspended firearms licences to obtain ammunition and firearms-related articles.
 - Jurisdictions will continue to experience delays in obtaining information that would disqualify a person from holding a firearms licence, with even small delays in the actioning of this information carrying potentially fatal consequences.
- Case studies that illustrate these risks are provided at **Attachment C**, along with information on how a Register would have effectively addressed the risks in each case.

Governance arrangements

- Necessary legislation changes and ongoing national consistency initiatives will continue to be progressed by the Commonwealth Attorney-General's Department through the FWPWG. The ACIC will provide ongoing governance for data quality and support jurisdictions in progressing data cleansing activities.
- It is proposed that the PMC will provide ongoing oversight with reports provided by the Attorney-General's Department, in consultation with jurisdictions, every 6 months.
- It is also recommended that the PMC report back to National Cabinet in late-2024 on the progress in implementing a Register and working towards national consistency of firearms laws.

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- This will give jurisdictions time to obtain resources and staff, commence the data cleansing and legislative change required to integrate into a Register.
- Completion of these steps will provide immediate operational benefits, allowing better tracing of firearms through the AFIN, greater awareness by law enforcement of the location of firearms and more efficient licensing and compliance functions.

BACKGROUND

Public consultation

- Public consultation on the Register opened Monday 3 April and closed on Tuesday 25 April; 86 submissions were received from individuals and organisations.
- Stakeholders generally agreed that the biggest challenge to the success of a Register is timely and accurate data.
- Submissions from firearm users, industry and representative groups supported the community safety objectives of the Register and the related verification service, advocated for increased data security to protect firearm owner information, and expressed concern regarding implementation and the need for further consultation.
 - Individual firearms owners also provided submissions that challenged the overriding objectives of Australia's firearms control framework. These submissions did not raise issues specific to the establishment of the Register.
 - Respondents were generally resistant to the inclusion of ammunition tracing at this stage, due to the significant regulatory burden this would place on dealers and registries.
- Gun safety advocacy groups strongly supported the Register and highlighted significant community safety and law enforcement benefits from:
 - providing police with real-time information, particularly during an incident/event, and
 - connecting information from firearms licensing processes with family law proceedings, including ensuring that allegations of domestic violence are communicated to firearms registries in a timely manner.
- Gun safety advocacy groups also recognised that the Register will collect sensitive and personal information in order to carry out its functions and stressed the importance of data security.

CONSULTATION

The Commonwealth Attorney-General's Department has consulted with the Australian Federal Police, ACIC, state and territory police, state and territory firearms registries, the Australian Border Force, the Department of Defence, the Department of Home Affairs, in developing the relevant materials.

ATTACHMENTS

Attachment A: Federated operating model for the Register

Attachment B: Cost breakdown

Attachment C: Firearms risks to the community