

Statement of Expectations Evaluation Report

Victoria Police – Licensing and Regulation Division

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1. Introduction and background

A Statement of Expectations (SOE) is an agreement on performance improvements and targets between the minister and the regulator.

The Victorian Government’s Statement of Expectations Framework for Regulators (the SOE Framework), requires departments to evaluate the SOEs of their portfolio regulators.

The Guidelines for Evaluations of Statements of Expectations for Regulators (the SOE Guidelines) also require that these evaluation reports be published, along with a link to the relevant SOE and the regulator’s response to its SOE, on both the regulator’s website and the Department of Justice and Community Safety’s (DJCS) website.

In June 2019, Evidence and Insights (E&I) was commissioned by the Regulation Division of DJCS to undertake an evaluation of the 1 June 2018 to 30 June 2020 SOE for Victoria Police’s Licensing and Regulation Division (LRD). E&I provide evaluation services across the department, including process and outcomes evaluations and the development of evaluation frameworks and plans.

1.1 Evaluation purpose

Consistent with the SOE Framework, the purpose of this evaluation is to assist LRD to identify opportunities, and develop plans, to:

- improve regulator performance
- improve regulator outcomes
- reduce costs on regulated parties.

1.2 Statement of Expectations

The SOE Framework seeks to improve regulator performance by promoting greater efficiency and effectiveness in the administration and enforcement of regulation to deliver better economic and social outcomes for Victoria. The SOE Framework includes elements of good regulatory practice, which are summarised in Table 1 below:

Table 1: Elements of Good Regulatory Practice – SOE Guidelines

	MANDATORY ELEMENTS
Performance	Timeliness
	Risk-based strategies
	Compliance related assistance and advice
	RECOMMENDED ELEMENTS
	Incentive-based regulation
	SUGGESTED ELEMENTS
Governance	Clear and consistent regulatory activities
	Role clarity
	Cooperation amongst regulators
	Stakeholder consultation and engagement
	Accountability and transparency

The SOE Framework requires the preparation of the SOE letter, the regulator response and the evaluation report.

In developing the SOE letter, government departments consult with regulators to identify key elements of good regulatory practice, and develop:

- a self-assessment against the elements of good regulatory practice being undertaken in order to establish a baseline of current performance
- a Good Regulatory Practice Plan, focusing on elements identified in the self-assessment as having the greatest opportunity for improvement.

The regulator then prepares SOE targets for their minister's consideration using the SOE Framework and Guidelines.

Based on consultation with the regulator, the minister identifies key areas of governance and operational performance where there are opportunities for the regulator to make improvements. The minister sends an SOE letter to the regulator, asking it to respond with activities it will undertake to achieve specified performance improvements and targets.

The regulator develops its response, consulting with business and the broader community (as appropriate) outlining how it will achieve the required improvements and targets. The response details the actions that will be taken to meet the minister's expectations and performance targets, and is published on the regulator's website, with progress reports provided regularly through corporate planning and annual financial reporting cycles.

1.3 Licensing and Regulation Division

Victoria Police is responsible for the regulation of the firearm, private security and weapon industries in Victoria. LRD provides services to more than 300,000 industry members through the administration of the *Firearms Act 1996*, *Control of Weapons Act 1990* and *Private Security Act 2004*. Table 2 describes the branches in LRD directly involved with the SOE process:

Table 2: LRD Branches

BRANCH	ACTIVITIES UNDERTAKEN
Regulation Support Unit	<ul style="list-style-type: none"> • Investigation of licence or permit applicants where there are probity concerns • Investigation of complaints made against Private Security licence holders • Audits of firearms dealers and private security businesses
Assessment and Determinations	<ul style="list-style-type: none"> • Firearms transactions and permits – licensing and administrative activities related to Firearms Dealers • Firearms transactions and permits – assessment of application for Firearms permits, both for individuals and businesses • Licences and Authorities – licensing and administrative activities related to longarms, both for individuals and businesses • Licences and Authorities - licensing and administrative activities related to Private Security individuals and businesses • Weapons transactions and permits – assessment of application for weapons permits, both for individuals and dealers
LRD Projects	<ul style="list-style-type: none"> • Development of LRDs Electronic Lodgement Program (ELP)

1.4 Victoria Police Statement of Expectations

On 18 July 2018, the Minister for Police wrote to Victoria Police, setting out her expectations and requesting Victoria Police undertake several activities to achieve performance improvements and targets. Victoria Police responded to the minister's letter and published its response on its website (Table 3).

Table 3: Statement of Expectations improvement statements and regulator response

TIMELINESS	
SOE IMPROVEMENT STATEMENT	REGULATOR RESPONSE
New Private Security and Firearm Licence application forms converted to online e-forms by 30 June 2020	<ul style="list-style-type: none"> Reduce paper-based processes with an efficient digital service that improves compliance enforcement and data accuracy, and provides for more timely approval and better customer service Electronic payment of licences to replace current payment processes
Firearm and Private Security Licence renewal application forms converted to online e-forms by 30 June 2020	<ul style="list-style-type: none"> Improved model for renewal processes that automates high volume paper-based forms and applications through electronic access and provides for more timely renewal and better customer service Modifications to payments processes to further increase timeliness
Information previously provided to LRD by individuals and businesses including small businesses is automatically pre-populated in renewal applications by 30 June 2020	<ul style="list-style-type: none"> Implement External Lodgement Process Project
Online access to the status of a Firearm or Private Security Licence application by 30 June 2020	<ul style="list-style-type: none"> Improve timely access to information for licensees by enabling better access to the online portal from all devices

RISK-BASED STRATEGIES	
SOE IMPROVEMENT STATEMENT	REGULATOR RESPONSE
A risk-based framework that supports compliance activities within the Regulation Support Unit of LRD	A risk-based framework will be established that will provide a guide to the work of LRD and improve the use of intelligence received.

The SOE applies for the period 1 June 2018 to 30 June 2020.

The full SOE letter and Victoria Police's response are in Appendix 3.

1.5 Evaluation methodology

The evaluation of the Victoria Police SOE collected quantitative and qualitative data to understand the extent to which Victoria Police has achieved the minister's expectations.

The evaluation plan includes a program logic model that articulates the rationale for the SOE and informs the evaluation parameters. The program logic model identifies:

- Background: the minister's expectations as to Victoria Police's continued contribution to the government's Regulation Reform Program and on broader improvements for Victoria Police's performance; and the initiatives Victoria Police has agreed to implement in response to the minister's expectations

- Activities: the key deliverables that Victoria Police will produce
- Outcomes: the efficiencies and improvements made by Victoria Police in the administration and enforcement of regulation.

The program logic model was developed in conjunction with key LRD project team members responsible for delivering the projects in the regulator response.

Interviews were held with both departmental and LRD key staff, and the evaluation team analysed a wide range of documents including project plans, reports, risk registers, policies and procedures. Relevant websites and databases were also utilised as data sources.

The evaluation was conducted between 1 July 2019 and 31 November 2019, in accordance with the SOE Framework, and this report provides the observations, findings and recommendations of the evaluation.

2. Process evaluation

This section addresses the process evaluation questions set out at **Error! Reference source not found.**

2.1 Was the evidence base appropriate to develop the Statement of Expectations letter?

In 2010, Victoria Police commenced the External Lodgement Process (ELP) Project. This project has multiple phases over several years and involves a series of phased improvements to LRD forms, including the introduction of smart forms and forms with prepopulated details. The ELP Project aligned with the SOE aims of improving regulatory practice, given its key objectives were to improve timeliness and compliance. The ELP project aims to provide efficiencies for Victoria Police, with estimated reduction in handling times and data entry allowing staff to be utilised for activities which will improve the quality of licensing decisions, such as analysis and investigation.

In 2014, LRD, in consultation with DJCS, completed a self-assessment of its current regulatory practices against government benchmarks. From this document, the Good Regulatory Practice Plan was prepared, and five performance measures and strategies were identified as opportunities for improvement. These improvement measures were reflected in the 2014-15 and the 2015-16 SOEs and involved a number of initiatives from the ELP project.

As the ELP project is a multi-year project, the SOE improvement statements for each year are based on the expected outcomes of the ELP project for that timeframe.

2.2 How appropriate was the process for developing the Statement of Expectations letter?

In May 2018, Victoria Police's LRD reviewed the SOE as part of the quarterly review of achievement of performance against the set objectives. This internal review was led by LRD's Policy and Publications Unit and was the subject of a number of meetings of LRD subject matter experts in the projects and operations which were the focus of the SOE. Five initiatives were selected for inclusion in the 2018-20 SOE letter.

2.3 Was sufficient time allocated to complete each part of the process?

The Minister for Police was provided with the new SOE initiatives in June 2018. The linkage of the ELP Project to the SOE process provides for an effective and efficient means of developing initiatives for SOEs. The development of the SOE letter and response was able to be completed within the timeframes, as the key priorities for regulatory reform were already established in the ELP Project planning documentation.

2.4 Were all parties satisfied with the Statement of Expectations development process?

LRD met with DJCS to discuss the 2018-20 SOE, and, in particular, that the five objectives were mostly in the Timeliness and Risk-based categories. Of some concern was that there were no initiatives under the mandatory "Compliance related assistance & advice" category, as required in the SOE framework. At the end of that meeting it was agreed between the parties that, due to the challenges in Victoria Police having limited control over compliance, particularly in terms of the applications' processes, there were difficulties in achieving such an objective under this element. LRD already provide extensive advice on firearms registration and ELP implementation is not expected to impact this advice.

3. Outcomes evaluation

For the SOE Framework, three elements of good regulatory practice have been identified as mandatory for all regulators. These three elements are timeliness, risk-based regulation, and compliance related assistance and advice.

No improvement statement was specifically allocated to the compliance related assistance and advice element for the 2018-20 SOE, as noted in Section 2. The initiatives under the timeliness element do, however, to a certain extent address improvements in compliance also.

This section addresses the outcome evaluation questions set out at Appendix 2.

3.1 Timeliness

Table 4 sets out the minister's improvement statements under the timeliness element, along with the response from Victoria Police and progress towards completion of the improvement.

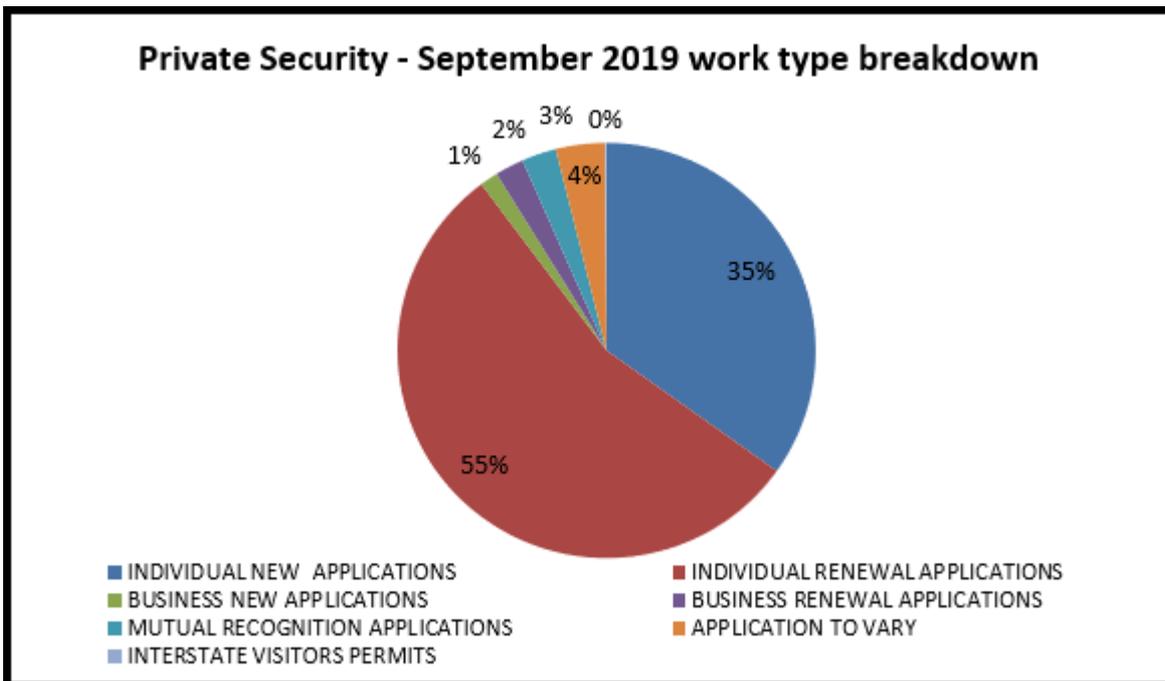
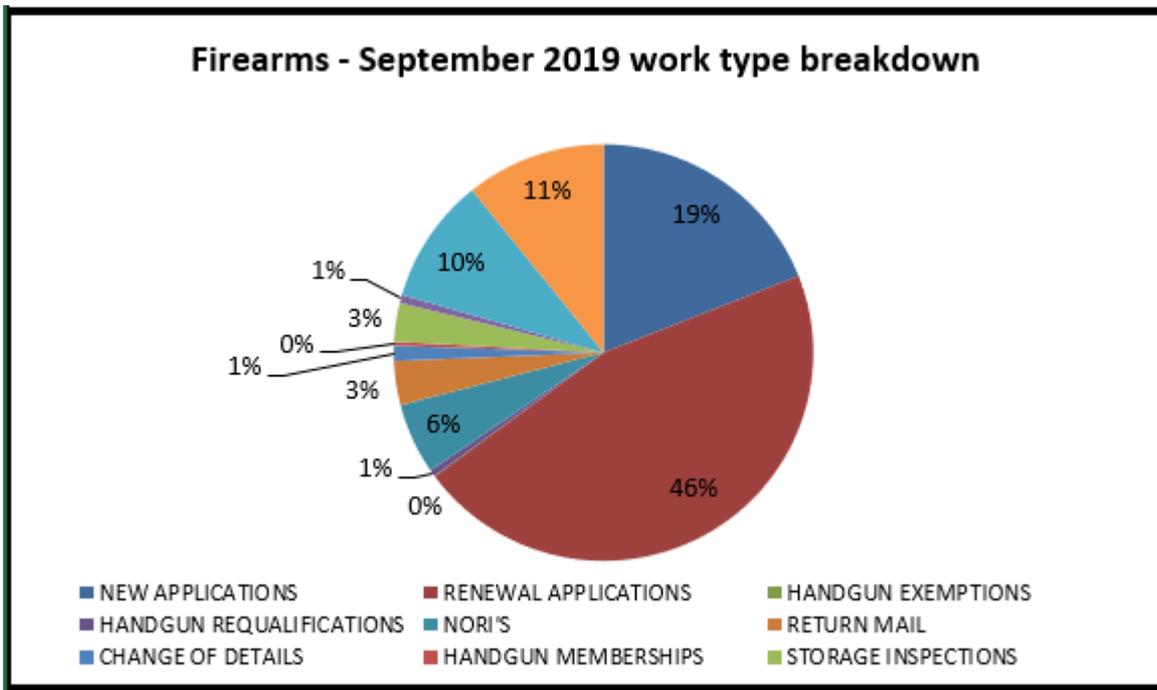
Table 4: Regulator response to the SOE letter – Timeliness element

SOE IMPROVEMENT STATEMENT	REGULATOR RESPONSE AND ACTIONS FROM THE 2018-20 SOE	PROGRESS
New Firearm Licence application forms converted to online e-forms	<ul style="list-style-type: none"> Reduce paper-based processes with an efficient digital service that improves compliance enforcement and data accuracy, and provides for more timely approval and better customer service Electronic payment of licences to replace current payment processes 	<p>Complete: New applications can be made on line for the majority of firearm types, reducing paper-based processes</p> <p>Complete: BPay has been introduced</p>
Firearm and Private Security Licence renewal application forms converted to online e-forms	<ul style="list-style-type: none"> Improved model for renewal processes that automates high volume paper-based forms and applications through electronic access and provides for more timely renewal and better customer service Modifications to payments processes to further increase timeliness 	<p>In progress: Private Security renewal processes scheduled to be online by June 30 2020, and Firearms by December 2020</p> <p>Complete: BPay has been introduced</p>
Information previously provided to LRD by individuals and businesses including small businesses is automatically pre-populated in renewal applications	<ul style="list-style-type: none"> Implement External Lodgement Process Project 	<p>Complete: Renewal forms contain pre populated information</p>
Online access to the status of a Firearm or Private Security Licence application	<ul style="list-style-type: none"> Improve timely access to information for licensees by enabling better access to the online portal from all devices 	<p>Complete: Applicants can now check the status of applications, and have access to the system on multiple devices</p>

New applications

As noted in Section 1.3, LRD are responsible for assessments and determinations in relation to firearms and private security. The following graphs break down the LRD workload for September 2019, showing that the processing of new and renewal applications was 65 per cent of the overall firearms workload, and 90 percent of the private security workload (Figure 2).

Figure 2: Work type breakdown



The Victoria Police eServices Portal is a self-service portal that allows people to complete application forms for licences and registrations online.

The eServices Portal enables applicants to submit their application forms for all new Private Security Licence and Private Security Registrations (both business and individual); and for new Longarms, Handguns, Provisional, Heirloom and Junior Firearm Licences. All other firearm licence forms can be downloaded.

Applicants start the process by creating a Victoria Police Licensing eServices Account, which identifies what they are applying for and their contact details. An email is then sent to the applicant with a unique identifying code which the applicant needs to verify. Once the eForm is submitted, applicants need to provide a hard copy and supporting documentation to LRD.

The eForms do not allow applicants to lodge an incomplete form.

In developing the eForms, LRD made several enhancements to existing processes, including improved and simplified language, and the inclusion of eligibility questions which automatically move applicants to the appropriate components of the form. This removes the need for applicants to search through and identify those questions that are not relevant to their application. The eForm provides improved clarity of advice for applicants in relation to the documents they need to include with their application, as the eForm now individually scopes the documents to the type of licence being applied for. The new eForms are also shorter, as some sections have been combined. Applicants will only be shown questions and instructions relevant to them, based on their responses (Figure 1).

Figure 1: Sample question from the Longarms Licence Application Form

Sample question (taken from Longarms Licence Application Form):

Do you **currently** hold, or have you within the **past 12 months** held a Victorian Longarms Licence that was **not** cancelled? *

Note: This includes a Junior Firearm Licence (Supervised Longarms)

Yes No

- A response of 'Yes' to the above question will prompt the applicant to provide their licence details;

Please enter your Longarms Licence number. * Please indicate the expiry date *

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- The applicant will **not** receive instruction to provide a firearm safety course certificate; and
- The applicant will **not** receive instructions relevant to providing Identification Reference.

These changes enable faster completion and reduce accidental non-compliance in application submissions. Prior to the eForms going live in March 2019, all forms were received in hard copy. As at September 2019, only 12 per cent of new firearms licence applications received were hard copy.

Divisional Firearms Officers (DFOs) received training in the new firearms licence application process, including those applications currently online and those yet to be made electronic. The training covered the process of creating an individual account and the key changes to the application forms. Presentations were also delivered to LRD and business unit team meetings and covered not only the application process but topics such as managing difficult customers.

Training manuals for ELP Firearms Licence – “eServices Portal and Transaction Manager”¹ and “ELP Firearms Licence – LARS Training User Manual” were made available to all staff both online and in hard copy, as was a short ‘quick hints’ document.

When the ELP project first commenced, LRD identified there was significant customer dissatisfaction with current processes, in particular complex licence application forms and a cumbersome lodgement/payment/processing system. There has been a 53% improvement in the rate of incomplete applications that need to be returned to the applicant since the commencement of the ELP Project (Table 5):

Table 5: Incomplete applications

	2016 (12 MONTHS BEFORE ELP RELEASE1)	2019 (AFTER ELP RELEASE 1 AND 2 HAS GONE LIVE)
Incomplete applications	2.3%	0.98%

Renewal applications

Currently, for a firearms renewal, Victoria Police generate a renewal form. This form is then paired with other relevant attachments and posted to the licence holder – this is referred to as the renewal pack. Renewal notices are sent by post to the licence holder eight weeks prior to the expiry of a current licence or registration. The contents of the letter and renewal pack vary depending on the licence type, but all include a firearms list, a list of VicRoads photo point locations and the Firearms Licence Renewal Application Guidelines.

For private security renewals, the process is similar. The contents of the letter and renewal pack vary depending on whether the licence/registration is for an individual or a business.

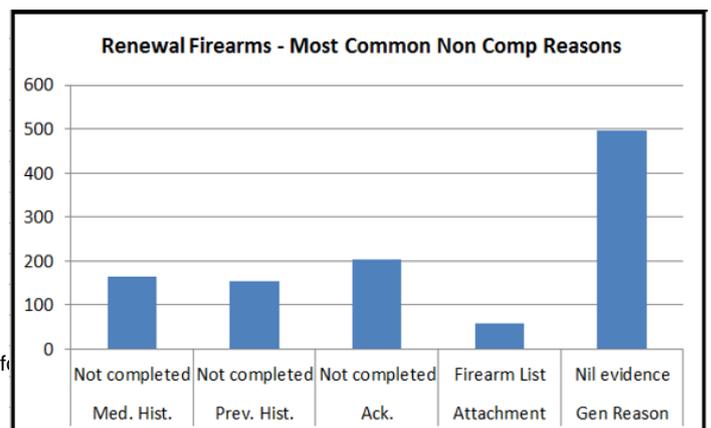
Once the process is automated, the letter will only contain an identifier, enabling the recipient to create an account and login to the eServices portal. Once the account has been set up, the licensee can download their renewal form, that has already been prepopulated with their licence details. The licensee then validates or makes changes appropriate to their current circumstances.

The new process will provide greater security, as no private information will be sent through the post. If the renewal advice is mislaid, a new identifier can be provided to the applicant.

Pre-population of forms

The following charts show the most common reasons applications (both new and for renewal) are deemed non-compliant (Figure 4 and Figure 5).

Figure 4 : Non-compliance reasons for new firearms applications and renewals September 2019



¹ Transaction Manager is the name of the eForms software that holds the firearms data is stored in that database.

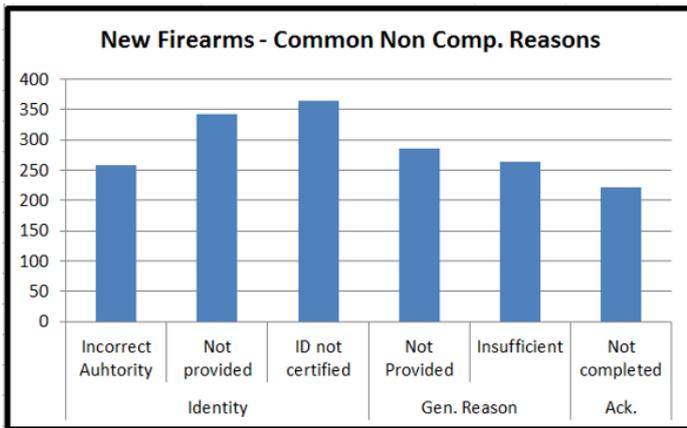
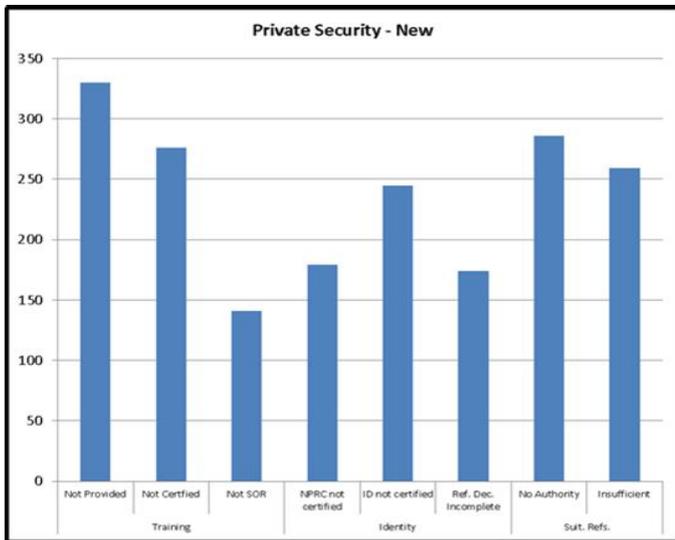
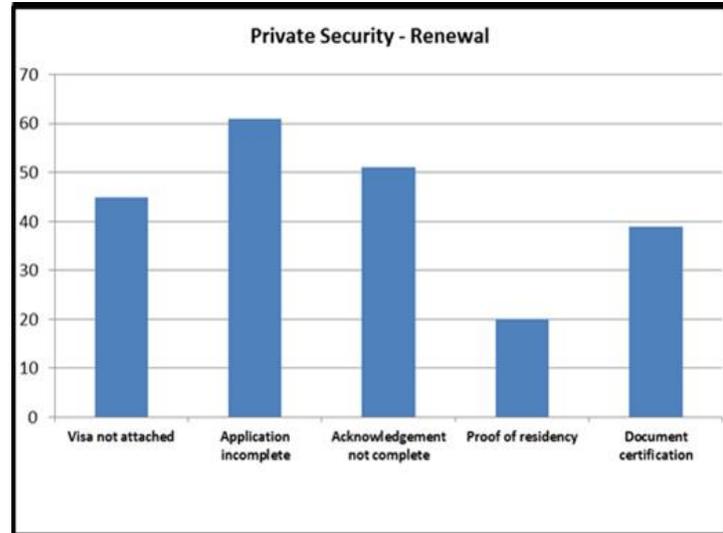


Figure 5 : Non-compliance reasons for new private security applications and renewals September 2019



The new electronic renewal process counters potential non-compliance in several ways not possible with the manual paper-based process as follows:

- The electronic form, in some sections, doesn't allow the applicant to proceed to the next section on the form until a section is completed.
- The electronic form provides "individualised help" information for the applicant for each section, as they progress through the form, rather than the applicant having to refer to

generalised tables of information to find what they need to comply with that section. For example, an applicant is required to confirm their "genuine reason" for holding a firearms license (or change it) and provide the required evidence for that reason. In the current form the applicant must manually search to identify the required evidence for the relevant genuine reason and its variations. The electronic form will show them what evidence they need and how they can upload it; or if it is a certified document, how to deliver it to LRD.

- Applicants currently make changes to the paper form, rather than filling out a "change of details" form. These hand-written changes need to be manually entered, which provides the possibility for errors, and potential for applicants to not include confirming evidence documentation. The new process will allow applicants to change information on the form electronically, for example their genuine reason, address, firearms storage details. It also allows the changes to be made as part of the same renewal process, rather than applicants needing to access and fill out another paper form with various attachments.

The pre-population of renewal forms will not only speed up the process for applicants but will also reduce the potential for applications to be submitted containing errors, which then requires the applicant to resubmit the forms.

Electronic payments

Another improvement in the application process is the introduction of BPay. Prior to the introduction of BPay, applicants were required to attend a bank to make payment. Applicants in rural areas often had large distances to travel to reach a bank, and the provision of a BPay option has made it easier for this cohort to complete their application.

The application process is further restricted by a whole of Victorian government contract which allows for over the counter payments to be made at only one of the four major banks.

Since its introduction, the uptake of payments by BPay has been steadily increasing, as shown in Table 6:

Table 6: Payment method breakdown to September 2019

PAYMENT METHOD	JANUARY 2019	SEPTEMBER 2019
Over the counter payment	60%	56%
BPay	40%	44%

BPay has also impacted on the number of refunds made as a result of over payment. Whilst refunds can be granted for a variety of reasons, such as the application being refused, a large percentage of payments were refunded due to over payment. Figure 6 shows the total payment errors between April 2018-September 2019.

Figure 6: Total payment errors since April 2018



Between April 2018 and September 2019, 19 per cent of Private Security application (renewals and new applications) and 62 percent of Firearm application (renewals and new applications) payment errors were refunded due to over payment. In some cases, the overpayment was due to a misunderstanding by bank personnel as to the correct process, and other over payments were due to applicant error. The introduction of BPay, and the improved online processes, will reduce the number of refunds made as a result of over payment errors.

Status checking

The eServices Account enables applicants to commence filling in forms, save forms to be completed at a later date, and view the history of forms they have submitted.

When completing an application, the system will automatically save the progress. Applicants are able to save a partially completed application and return to it at a later time by logging into their eServices account.

Access through different devices

One of the aims of the ELP project was to enable better access to LRD services through a variety of devices, including hand held. The eServices portal is compatible with all devices and browsers. Applications can now be completed on any smart device or personal computer, and the new website is customisable for mobile phones.

Summary

LRD is seeking to make the application process easier and provide more timely information to applicants. The website contains a comprehensive list of Frequently Asked Questions in relation to the licencing and registration process.

The implementation of the ELP project enables applicants to complete new applications in a more timely manner. When the renewal forms come online, this will produce further time savings and improvements. The addition of BPay has reduced payment errors and provided easier access to applicants who may not be close to a physical bank.

LRD undertook an internal and external communications campaign in relation to the introduction of online forms. Internally, this took the form of posters, bulletins and information on the website, and an email was sent to all Superintendents. Externally, the Firearms User Group (including clubs, dealers and trainers) were provided with information, which also went into the industry newsletter. LRD also conducted a survey of DFOs to ascertain what the major points of resistance would be for applicants and to gather feedback on improving processes.

The ELP Project Steering Committee has noted that there are still improvements to be made internally, with a report on the feedback sessions held for Release 2 of the ELP recommending:

- the need for more internal communication to keep internal stakeholders better informed
- incorporating more practical hands sessions in training
- improved format in testing reports to provide a clearer picture for the Steering Committee.

A long lead time for the introduction of online forms was designed to give as many people as much notification as possible, and LRD allowed flexibility in accepting hard copy applications over the first two months following the introduction.

LRD has also sought external feedback, seeking to further reduce the regulatory burden for applicants. LRD included a survey for applicants in the last round of renewals, which sought information on the key issues in completing the renewal, how comfortable applicants were in using the internet for application processes, and what type of device they used. Applicants were given the opportunity to suggest improvements. LRD has taken the results from this survey and is currently reviewing its processes, including talking to industry groups, to continue to make the system more accessible and user friendly. This internal and external feedback will be built in to Phase 3 of the ELP project.

3.2 Risk-based strategies

Table 7 sets out the minister's improvement statement under the risk-based strategies element, along with the response from Victoria Police and progress towards completion of the improvements.

Table 7: Regulator response to the SOE letter – Risk-based strategies element

SOE IMPROVEMENT STATEMENT	REGULATOR RESPONSE AND ACTIONS FROM THE 2018-20 SOE	PROGRESS
A risk-based framework that supports compliance activities within the Regulation Support Unit of LRD	A risk-based framework will be established that will provide a guide to the work of LRD and improve the use of intelligence received.	Risk-based framework established and use of risk-based compliance model ongoing

LRD employs a risk-based compliance model in its role as regulator of the firearms, weapons and private security industries. The Regulation Support Unit (RSU) conducts all compliance and enforcement activities on behalf of LRD.

Risk-based compliance is based on the following principles:

- maintaining public safety and the integrity of Victoria's licensing regime through pre-entry assessment to post-entry regulation
- conducting regulation by combining professional experience and judgement with organisational risks
- using intelligence-based information to identify and prioritise risks
- reducing regulatory burden by the effective use of technology-based application solutions.

The risk-based framework identifies areas of highest risk to which resources should be applied. As well as this risk overlay, a tasking and coordination application has been tailored and adjusted for use by the RSU. This application allows RSU management to allocate tasks to individuals and prioritise each task according to a risk review. The application was implemented in 2018.

The principles of the LRD risk-based regulation framework are also applied to:

- **RSU weekly management meetings:** the management team of the RSU meets weekly to discuss and mitigate emerging operational risks. LRD resources are prioritised according to risk which allows for targeted and prioritised operations based on intelligence and developed through a risk lens.
- **Tasking and coordination meetings:** managers of the RSU and intelligence analysts meet monthly to monitor the progress of active tasks and investigations, forward plan for proactive tasking, and analyse intelligence holdings.
- **ADU/RSU escalation meetings:** managers from the Assessments and Determination Unit (ADU) and the RSU meet weekly to review new and renewal firearm and private security applications. Managers review the Law Enforcement Assistance Program (LEAP) history of the applicant and determine whether the application can proceed to licensing; be escalated to RSU for further investigation; or issue an Intention to Refuse letter.

The Prioritised Storage Inspection Tool (PSIT) was also developed in 2018. It assists the RSU to identify high risk firearm licence holders and conduct firearm storage inspections accordingly. PSIT provides a list of the top ten high risk licence holders and RSU prioritise storage inspections accordingly.

Summary

The risk-based framework provides guidance and an overall philosophy that dictates the manner in which all compliance and enforcement activities are conducted and enables resources to be allocated to priorities accordingly.

3.3 Assessment of regulator performance against Statement of Expectations targets

A number of improvements and targets established in the SOE letter are not due for completion until 2020, so a full post-implementation evaluation of these initiatives has not been possible. The projects are progressing on track and SOE reporting requirements have been met through the Victoria Police Annual Report.

The evaluation finds that, at the time of this report, the LRD initiatives are either complete or are on schedule for delivery within the timeframes of the SOE.

Timeliness element

The roll-out of the ELP project responds to the standards of the Timeliness element in the SOE Framework, and when complete will meet the characteristics of best practice under this element.

LRD have instituted processes or systems to simplify the application process – whether new applications or renewals. The LRD page of the Victoria Police website contains concise and clear information about each step of the process, and the timing for applications.

Through the eService online system, applicants can easily submit required data and check on the status of applications.

Risk-based strategies element

LRD consistently applies risk assessment across all its activities. The risk-based framework is an overlay applied to identify where areas of highest risk to which resources should be applied. This risk-based approach enables resources to be applied to areas of greatest risk, and informs inspection targeting.

4. Lessons learned

4.1 Alignment to Statement of Expectations Framework

LRD noted that its SOE for 2018-20 does not include any initiatives that respond to the mandatory ‘Compliance Related Advice and Assistance’ element. LRD was concerned that potential future priority projects may also not align with the mandatory performance targets, and that it might have difficulty in fulfilling these elements in the next SOE cycle. LRD noted that it would not be logical to make changes to business practices simply in order to align with the SOE Framework, and that they would continue to focus on key regulatory reform projects that aligned with its business priorities and existing work plans.

In reviewing the SOE Framework and SOE Guidelines, it would be helpful if DTF could make the SOE process more adaptable to take account of the different roles and types of regulators.

As noted in Section 2, the timeliness element of the SOE is aligned with the ELP Project. This enabled the smooth development of the SOE without creating an exceptional additional workload. This also allows for more meaningful evaluation, rather than the inclusion of projects that simply meet the mandatory criteria.

In future, Victoria Police could group outcomes under one key initiative, for example “Implement External Lodgement Process Project Phase 3”, with the key components of the rollout then listed as separate objectives. This would improve the focus on outcomes and remove ambiguity.

4.2 Resourcing and planning

It was also noted that the selection of initiatives to meet the mandatory requirements could have funding implications. Regulators may not be able to make commitments where future budgets are unknown but feel compelled to include projects that fit the mandatory elements. This could create issues in achieving against the intended outcomes, if funding is not confirmed.

Guidance from DTF as to how regulators should proceed where they have projects that do not fit into the mandatory elements but deliver improved regulatory processes, especially where those projects are funded and key to the regulators strategic plans, would be helpful to DJCS and regulators.

4.3 Red Tape Reduction

LRD sought further clarification as to how the red tape reduction program aligns or overlaps with the SOE process. Both the regulator and DJCS expressed a view that the SOE Guidelines and the SOE Framework could have been more concise, with clearer explanations on the purpose of the SOE within the regulatory framework, key roles and responsibilities, processes and timelines.

Appendix 1 Process evaluation methodology

The SOE Guidelines provided a suggested data collection table for the SOE process evaluation. The key evaluation questions in this table were:

- How appropriate was the process for developing the SOE letter?
- Did the regulator deliver the improvements and targets established in the SOE letter and regulator response on time and on budget?

These over-arching questions guided the process questions and measures set out below.

Lesson learned questions

KEY QUESTION	SUB QUESTION
“Demographic” information	What was your involvement in the development of the SOE?
How appropriate was the process for developing the SOE letter?	What level of clarity did you have regarding the steps and timing for developing the 2018-2020 SOE?
	Did you adopt the process recommended in the SOE Framework?
	Was a regulator self-assessment carried out?
	If not, why not, and what process did you use?
	How satisfied were all parties involved in the development of the SOE?
Was the evidence base appropriate to develop the SOE letter?	What level of clarity did you have regarding the content that should be included in the SOE?
	How was an appropriate evidence base on which to develop the SOE letter identified?
Was sufficient time allocated to complete each part of the process?	How easy was it to get the information to create the required response to the SOE?
	How many days did it take to prepare the SOE?
	Do you think this was the right level of effort to spend on developing the SOE?
	Was sufficient time allocated to complete the SOE?
	How many internal staff were involved in the development of the SOE?
	What, if any, external stakeholders were involved in the development of your part of the SOE?
	If external stakeholders were involved, how many people in total from these organisations provided input directly into your SOE?
Are there areas of best practice that have been identified?	What were the biggest challenges in developing the SOE?
	What were the key learnings you took from the process?
	How do you think the SOE development process could be improved?
	Did you identify any areas of best practice?
	Did you deliver/are you delivering the improvements and targets established in the SOE letter and regulator response on time and on budget?

EVALUATION ELEMENT	MEASURE(S)
Developing the SOE letter	<ul style="list-style-type: none"> Identified appropriate baseline of current performance against each of the elements of good regulatory practice Time invested in development of SOE Identification of best practice
Delivery of improvements and targets in the SOE letter	<ul style="list-style-type: none"> Appropriateness of SOE targets

Data sources and evidence

EVIDENCE REVIEWED	
Ministerial briefings on SOE Development	Victoria Police annual reports
Previous SOE correspondence	Good Regulatory Practice Plan
Red Tape Reduction Report	
INTERVIEWS	
Senior Victoria Police LRD team members	

Appendix 2 Outcome evaluation methodology

The SOE Guidelines provided a suggested data collection table for the SOE outcome evaluation. The key evaluation questions in this table were:

- What difference did the SOE make towards achieving greater efficiency and effectiveness in the administration and enforcement of regulation?
- To what extent did the regulator improve the elements of good regulatory practice as set out in the governance and performance matrix as outlined in the SOE Guidelines?

In the SOE Framework, three elements of good regulatory practice were identified as mandatory for all regulators. These over-arching questions guided the outcomes questions and measures set out below across these elements.

Timeliness

SOE FRAMEWORK MINIMUM STANDARDS AND CHARACTERISTICS OF BEST PRACTICE - TIMELINESS	
MINIMUM STANDARDS	CHARACTERISTICS OF BEST PRACTICE
<ul style="list-style-type: none"> • Processes/systems are in place to make it as easy as possible for businesses to complete forms. • Regulator provides clarity about the timing and scope of regulatory processes. • Timetables for completing forms take into account all requests for information that a regulated party is dealing with, including requests from other regulators. • Processes/systems are in place to make it easy for businesses to submit required data and to check on the status of any applications. 	<ul style="list-style-type: none"> • Regulator strives for improved e-capability.

Evaluation questions – ELP Project

SOE IMPROVEMENT STATEMENT	REGULATOR RESPONSE	KEY QUESTIONS	SUGGESTED MEASURES
New Private Security and Firearm Licence application forms converted to online e-forms	<ul style="list-style-type: none"> • Reduce paper-based processes with an efficient digital service that improves compliance enforcement and data accuracy, and provides for more timely approval and better customer service • Electronic payment of licences to replace current payment processes 	<ul style="list-style-type: none"> • How have processing time changed? • How has personnel resourcing changed? • How many new applications are being approved within 28 days of receipt? • What is the average time saved per application? • How has the use of electronic forms improved data accuracy? • How many forms are incomplete? • How many processes were removed or incorporated into other processes? 	<ul style="list-style-type: none"> • Victoria Police processing times • Improved resourcing at Victoria Police • Increased rate of new applications approved within 28 days of receipt • Average time saved per application • Improved data accuracy • Reduced incidence of incomplete application forms requiring return to sender • More timely payment of fees as greater options for payment • measure monthly percentage take-up of BPay online payments

SOE IMPROVEMENT STATEMENT	REGULATOR RESPONSE	KEY QUESTIONS	SUGGESTED MEASURES
		<ul style="list-style-type: none"> • What is the volume of traffic on the website? • Are payments being received in a more timely manner? • What is the take-up of BPay online? • How many payments are made through the BPay system as opposed to through banking payments? • How were stakeholders consulted about the changes in design and functionality? • What feedback did stakeholders make about the changes and how was this incorporated? • What staff training was undertaken? • What guidance materials were provided for internal and external stakeholders? • Where is this information available? • Had feedback from stakeholders been integrated into future design planning? • What is the average time saved per applicant? • What barriers were there to implementation? 	<p>vs Westpac/Bendigo Bank payments</p> <ul style="list-style-type: none"> • Review of consultation with stakeholders • Staff training • Guidance on website • Example of other stakeholder communications
<p>Firearm and Private Security Licence renewal application forms converted to online e-forms</p>	<ul style="list-style-type: none"> • Improved model for renewal processes that automates high volume paper-based forms and applications through electronic access and provides for more timely renewal and better customer service • Modifications to payments processes to further increase timeliness 	<ul style="list-style-type: none"> • What proportion of forms were non-compliant? • What is the volume of traffic on the website? • What internal cost savings have been made? • How have processing times changed? • How many forms are incomplete? • How many backroom processes have been automated? 	<ul style="list-style-type: none"> • Reduction in phone calls • Reduced incidence of incomplete application forms • Number of 'backroom' processes automated • Improved data accuracy • More timely payment of fees • Number of forms replaced with number of digitised forms • Staff training • Review of consultation with stakeholders

SOE IMPROVEMENT STATEMENT	REGULATOR RESPONSE	KEY QUESTIONS	SUGGESTED MEASURES
		<ul style="list-style-type: none"> • How has the use of electronic forms improved data accuracy? • What new mechanisms are in place to provide advice and information (such as guidelines)? • What staff training was undertaken? • What guidance materials were provided for internal and external stakeholders? • Where is this information available? • Had feedback from stakeholders been integrated into future design planning? • What is the average time saved per applicant? • How has LRD improved its responsiveness in time/processes? • What is the average time saved per applicant? • What barriers were there to implementation? 	<ul style="list-style-type: none"> • Guidance on website • Example of other stakeholder communications
<p>Information previously provided to LRD by individuals and businesses including small businesses is automatically pre-populated in renewal applications</p>	<p>Implement External Lodgement Process Project</p>	<ul style="list-style-type: none"> • What proportion of forms were non-compliant? • Can applicants check the progress of their application on line (milestone reporting)? • What is the volume of traffic on the website? • How many backroom processes have been automated? • How many incomplete applications are there? • How have processing times improved? • What staff training was undertaken? • What guidance materials were provided for internal and 	<ul style="list-style-type: none"> • Improved accuracy of data • Number of 'backroom' processes automated • Reduced rate of incomplete applications • Faster completion of forms

SOE IMPROVEMENT STATEMENT	REGULATOR RESPONSE	KEY QUESTIONS	SUGGESTED MEASURES
		<p>external stakeholders?</p> <ul style="list-style-type: none"> Where is this information available? 	
Online access to the status of a Firearm or Private Security Licence application	Improve timely access to information for licensees by enabling better access to the online portal from all devices	<ul style="list-style-type: none"> Can applicants check the progress of their application on line (milestone reporting)? What proportion of forms were non-compliant? Are fees being received in a more timely manner? What guidance materials were provided for internal and external stakeholders? Where is this information available? How many platforms is the information on? Had feedback from stakeholders been integrated into future design planning? 	<ul style="list-style-type: none"> Ability of applicant to check status online Improved data accuracy Reduced incidence of incomplete application forms requiring return to sender More timely payment of fees Staff training Reduction in complaints Review of consultation with stakeholders Guidance on website Example of other stakeholder communications Hardware platforms that licensing process is available on Quality of user experience

Data sources and evidence - Submit data on-line and check application status

EVIDENCE REVIEWED	
Victoria Police annual reports	LRD monthly reporting
ELP project documentation including Steering Committee Terms of Reference and minutes, Progress report, Risk assessment reports	Activity Based Costing model for Firearms, Weapons and Private Security (February 2017)
Firearm Industry Newsletters	eServices Quick Guide
ELP Release 2 User Training Cheat Sheet	ELP Firearms Licence-LARS Training User Manual
ELP Firearms Licence Training User Manual – eServices Portal and Transact Manager	Regulatory impact Statements
INTERVIEWS	
Senior Victoria Police LRD team members	

Risk-based strategies –

SOE FRAMEWORK MINIMUM STANDARDS AND CHARACTERISTICS OF BEST PRACTICE – RISK-BASED STRATEGIES

MINIMUM STANDARDS	CHARACTERISTICS OF BEST PRACTICE
<ul style="list-style-type: none"> Regulator has collected relevant data to inform a risk-based approach to regulation, and to evaluate outcomes. Regulator has an established approach to risk assessment. Requests for data from regulated parties are proportionate to risk. Risk-based approaches to compliance and enforcement are considered and adopted where appropriate (for example, regulator tailors sanctions so that they are proportionate and meaningful). 	<ul style="list-style-type: none"> Risk assessment is consistently applied across all activities. Knowledge of risk informs inspection targeting. Risk assessment processes and methodologies are transparent. Resources are concentrated in areas of greatest risk to the achievement of outcomes.

Evaluation questions and suggested measures

SOE IMPROVEMENT STATEMENT	REGULATOR RESPONSE	KEY QUESTIONS	SUGGESTED MEASURES
A risk-based framework that supports compliance activities within the Regulation Support Unit of LRD	A risk-based framework will be established that will provide a guide to the work of LRD and improve the use of intelligence received.	<ul style="list-style-type: none"> Has a risk-based framework been established? How was it developed? How has risk management improved? How have staff been trained in the new framework? What has been the change in resource allocation as a result of the new framework? How have inspection processes changed? How have identification processes changed? How has risk been integrated into tasking? How many intelligence analysts are there? How is the intelligence being used? How is the forward plan for proactive tasking utilised? 	<ul style="list-style-type: none"> Changes in model to incorporate improved risk management Resource allocation based on priorities Changes in inspection processes Changes in identification processes Integration of risk targeting into tasking Number of intelligence analysts

Data sources and evidence

EVIDENCE REVIEWED	
Internal briefing documents	
INTERVIEWS	
Senior Victoria Police LRD team members	

Appendix 3 Statement of Expectations



Minister for Police

8 Nicholson Street
East Melbourne Victoria 3002
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Our ref: CD/18/401649

Mr Graham Ashton AM
Chief Commissioner of Police
Victoria Police Centre
637 Flinders Street
DOCKLANDS VIC 3008

Dear Chief Commissioner 

2018-20 STATEMENT OF EXPECTATIONS (SOE) FOR VICTORIA POLICE'S LICENSING & REGULATION DIVISION (LRD).

I am pleased to provide you with this 2018-20 SOE for Victoria Police's LRD which applies for the period 1 July 2018 to 30 June 2020, or until otherwise amended.

Improving the administration and enforcement of regulation

This SOE sets out my expectations of LRD's contribution to the Government's Regulation Reform Program to reduce red tape affecting business, not-for-profit organisations, government service providers and households by promoting greater efficiency and effectiveness in the administration and enforcement of regulation. It also outlines my expectations on broader improvements for LRD's performance.

As Minister for Police, I am responsible for administering the *Firearms Act 1996*, *Private Security Act 2004*, *Control of Weapons Act 1990* and other associated Regulations that affect businesses and the broader Victorian community. This SOE should be read within the context of the objectives, obligations and functions outlined in these Acts as amended.

This SOE continues outline the key governance, performance objectives and targets aimed at improving the administration; and enforcement of regulation; and thus reducing its cost impact on businesses and community.

The current six performance targets that have been identified for LRD's 2017-18 SOE were carried forward from 2016-17 SOE; and were expected to be reported at the end of June 2018. These will be published in both the Victoria Police 2017-18 Annual Report and website.

Improvements and targets

Based on consultation between Department of Justice and Regulation and LRD, I have identified five new performance improvements for the 2018-20 SOE, mainly encompassing the timeliness and risk-based regulation elements of the key areas of governance and operational performance, where there are opportunities for LRD to make improvement that would reduce cost impacts on business.



The LRD is expected to identify activities it will undertake to achieve the following performance improvements by 30 June 2020:

- New Firearm Licence application forms converted to online e-forms;
- Firearm and Private Security Licence renewal application forms converted to online e-forms;
- Information previously provided to LRD by individuals and businesses including small businesses is automatically pre-populated in renewal applications;
- Online access to the status of a Firearm or Private Security Licence application; and
- A risk based framework that supports compliance activities within the Regulation Support Unit of LRD.

In developing actions to achieve these improvements, LRD is expected to consult with the Red Tape Commissioner, business and the broader community as appropriate.

Reporting

Reporting on your progress to achieve these SOE performance improvements should be undertaken in the context of annual reporting to avoid dual reporting streams. As part of annual reporting, regulators are expected to report on:

- current baseline levels for performance improvements set in this SOE; and
- activities to be undertaken to reach the performance improvements set out in this SOE.

I expect that these SOE performance improvements should be published on Victoria Police's website upon receipt.

I also ask that Victoria Police responds to this letter by 30 June 2018, outlining how it intends to achieve the performance improvements are set out in this SOE. This response should include details of the specific activities that will be undertaken by the LRD; and should also be published on the Victoria Police website.

I have been advised of the co-operative way in which LRD has worked with the Department of Justice and Regulation in fulfilling the requirements of this SOE, and I look forward to LRD continuously working towards achieving best practice in the administration and enforcement of regulation.

Yours sincerely



Hon Lisa Neville MP
Minister for Police

21/6/18

TRIM ID: CD/18/401649



VICTORIA POLICE

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Our Ref: FF-103629

The Hon Lisa Neville MP
Minister for Police
8 Nicholson Street,
East Melbourne, Victoria, 3002

Dear Minister

2018-20 Statement of Expectations – Reducing Red Tape for the Licensing & Regulation Division

I acknowledge receipt of your letter dated 21 June 2018 providing your Statement of Expectations (SOE) for the Licensing and Regulation Division (LRD) of Victoria Police.

The SOE communicated your expectations of the LRD to reduce red tape by promoting greater efficiency and effectiveness in the administration and enforcement of regulation and applies for the period 1 July 2018 to 30 June 2020, or until otherwise amended.

This letter confirms the LRD's strong commitment in continuing to reduce red tape and to achieving the following performance targets and objectives as listed in the SOE:

1. New Firearm Licence application forms converted to online e-forms.
2. Firearm and Private Security Licence renewal application forms converted to online e-forms.
3. Information previously provided to LRD by individuals and businesses including small businesses is automatically pre-populated in renewal applications.
4. Online access to the status of a Firearm or Private Security Licence application.
5. A risk based framework that supports compliance activities within the Regulation Support Unit of LRD is implemented.

The SOE performance targets along with this response letter will be published on the Victoria Police website.

The LRD and Victoria Police are committed to continuously working towards identifying opportunities for further improvement in order to achieve best practice in the administration and enforcement of firearms, weapons and private security regulation.

Yours sincerely



Graham Ashton AM
Chief Commissioner

26/6/18

5. Document information

Document details

Criteria	Details
TRIM ID:	CD/19/930470
Document title:	Evaluation Report Victoria Police LRD
Document owner:	Evidence & Insights

Document approval

This document requires the following approval:

Name	Title	Organisation
Fiona Dowsley	Director, Evidence & Insights	DJCS
Sarah Davey-Moore	Acting Director, Police Policy and Strategy	DJCS

Audience

The audience for this document is Victoria Police to provide the findings of the SOE evaluation.

Acronyms

Acronyms	Description
DJCS	Department of Justice and Community Safety
LRD	Licensing and Regulation Division
E&I	Evidence & Insights
SOE	Statement of Expectations
ELP	Electronic Lodgement Program
DFOs	Divisional Firearms Officers
RSU	Regulation Support Unit
ADU	Assessments and Determinations unit
PSIT	Prioritised Storage Tool
LEAP	Law Enforcement Assistance Program