

**JOINT STANDING COMMITTEE ON  
DELEGATED LEGISLATION**

**INQUIRY INTO THE FIREARMS AMENDMENT REGULATIONS 2013**

**TRANSCRIPT OF EVIDENCE  
TAKEN AT PERTH,  
WEDNESDAY, 11 SEPTEMBER 2013**

**Members**

**Mr P. Abetz (Chair)  
Hon Ljiljanna Ravlich (Deputy Chair)  
Mr G.M. Castrilli  
Hon Robin Chapple  
Hon Peter Katsambanis  
Hon Mark Lewis  
Ms S.F. McGurk  
Mr P.B. Watson**

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**Hearing commenced at 10.39 am**

**MIGRO, MR JAMES MARTIN**

**Detective Superintendent, Western Australia Police, sworn and examined:**

**FOO, MS FLORENCE**

**Executive Manager, Western Australia Police, sworn and examined:**

**FISHER, MR CARL**

**Senior Sergeant, Western Australia Police, OIC Firearms Licensing Services, sworn and examined:**

**The CHAIR:** On behalf of the committee, I would like to welcome you to the meeting, but before we begin, I need to ask you to make either the oath or the affirmation.

[Witnesses took the oath or affirmation.]

**The CHAIR:** Thank you very much. You will have signed a document entitled “Information for Witnesses”. Have you read and understood that document?

**Mr Migro:** Yes.

**The CHAIR:** Thank you. These proceedings are being recorded by Hansard; a transcript of your evidence will be provided to you. To assist the committee and Hansard, please quote the full title of any document you refer to during the course of this hearing for the record, and please be aware of the microphones and try to talk into them, ensuring you do not cover them with papers or make noises near them because we will all hear that.

I will remind you that your transcript will become a matter for the public record. If for some reason you wish to make a confidential statement during today’s proceedings, you should request that the evidence be taken in a closed session. If the committee grants your request, any public and media in attendance will be excluded from the hearing. Please note that until such time as the transcript of your public evidence is finalised, it should not be made public. I advise you that the publication or disclosure of the uncorrected transcript of evidence may constitute a contempt of Parliament and may mean that the material published or disclosed is not subject to parliamentary privilege.

I would just like to introduce the members of the committee: Simone McGurk; Robin Chapple; Peter Katsambanis; Ljiljana Ravlich, deputy chairman; myself, Peter Abetz, chairman; Ann Turner is one of the committee staff; Mark Lewis and Peter Watson. Thank you.

At this point we should invite the people into the public gallery; we will just pause for a moment.

My name is Peter Abetz; I am the chairman of the committee. I would just like to extend a welcome to the people in the public gallery. I will just remind you all please, if you have not done so already, to turn off your mobile phones. I also would like to remind you that while we very warmly welcome your interest, you are actually observers rather than participants. At no stage are you able to ask questions or make comments. I would kindly request that that protocol be observed. I would also like to welcome the parliamentary delegation from Canada, from the state of Saskatchewan; it is great to have you with us observing these proceedings.

We have with us, for the benefit of the people in the public gallery, James Migro, Detective Superintendent with WA Police; Ms Florence Foo, Executive Manager from WA Police; and Carl Fisher, Senior Sergeant, Officer in Charge, Firearms Licensing Services.

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I would just like to give you the opportunity to make an opening statement, if you would like, before the committee starts asking questions.

**Mr Migro:** Yes, I would be happy to just make an opening statement to give you a bit of a background on what the issues are and how we got to where we are today.

Back in about 2007, the Western Australia Police had a look at a number of issues and our Frontline First policy was a major concern about getting police on to the front-line of services. As part of that, there was a look at what were the things that got the general public to go to police stations. It identified that the three main reasons people went to police stations were, firstly, to report traffic crashes; secondly, to apply for police clearance certificates; and, thirdly, to apply for police firearm licences.

So that was looked upon as a way that, if we can do away with those administrative functions at police stations, it would make police more available for operational front-line duties. Stemming from that, a decision was made that firearms licensing applications were to be processed through Australia Post; police certificate applications are also done through there and online

reporting was put in place for traffic crashes.

[10.45 am]

Now part of the basis of, particularly the firearm licensing, in addition to the Frontline First issue, was the fact that throughout Western Australia there are 158 police stations; Australia Post had about 220 venues where people could go and apply for licenses. On top of that with Australia Post, during business hours, Monday to Friday, they were always open; whereas, police stations, it could not be guaranteed that they would be open.

Additionally, part of the process previously had included that people always used to take firearms into police stations; police would test it for its safety or serviceability. So changes were made there that firearm dealers carry out that process so that you did not have police officers—and a lot of them are very much like me, do not know a lot about guns—were confronted with looking at firearms; there were dangers there. You also had the public carrying firearms back and forth to police stations. So on those safety issues also, we went down that path.

In about 2008, we moved into and established the Licensing Enforcement Division, which I am now currently the divisional superintendent in charge of; and there, in addition to firearm licensing, we also do second-hand dealers, pawnbrokers and also the security industry. So it is our main licensing area for WA Police. We moved into there with Australia Post taking over the process of accepting applications. They then come into our area where the applications are assessed and processed.

Previous to that, they were all done at individual police stations, and a decision was really made at the whim of the officer at the police station. Now we have a centralised area, and there are constant decisions that are made in accordance with the act. Of course, if people are aggrieved by that, they can go to SAT to have the matter adjudicated.

So, that is the main basis of where we have got to now. We have got this licensing area. From there, as part of our normal fees and charges process through our finance department, we sit down and look at and make suggestions on what the fees and charges should reflect. This particular year some options were put up to our minister to cabinet and a decision was made.

**The CHAIR:** Perhaps for the benefit of the people in the public gallery, fees can never be more than cost-reflective, because otherwise they are deemed a tax, and that is not allowed. So fees can only be up to 100 per cent cost-reflective.

Could you just pick any licence and explain its processing; for example, at what stage does an unsworn officer hand over processing responsibility to a sworn officer and some of the resulting costs that go with that; just in terms of what is the process?

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**Mr Fisher:** I will probably answer part of it but the costs I would have to hand over to Ms Foo. Before I start explaining the process, there are over 700 firearm calibres listed within our firearms system and federally over 1 200, and we have to try to match them. I will try to pick the simplest application, which is probably a class A, low-powered for recreational hunting shooting. It is probably the easiest and simplest to go through. A person goes to a dealer, gets the dealer's certificate and details of the firearm, applies online through the website, fills it out, prints it out and takes it to Australia Post, pays his fee and hands over the appropriate forms. And in about 48 hours' time if it comes through electronically, it arrives at the firearms licensing services area, not quite in the firearms branch; it is in an area called probity, who first look at the application details and the person making the application—I presume this is for an original. These are unsworn officers but, obviously, under the Firearms Act they are overseen by police through the powers of authority. So the unsworn officer assesses the antecedents of the applicant—if that is what you would like to say—and if he is from the eastern states or from another country or we do not know him, we will do checks with CrimTrac or other states, or overseas if we have to, to find out if they are suitable. And that varies in time depending on who answers the inquiry we are doing from wherever we sent it. After a period of time, and normally it would take about five days, it will then be handed over to one of the firearm licensing services' assessors, which is another unsworn officer who would then look at the application in terms of actually licensing the firearm. So he will compare the calibre and the property that the person wants to shoot on, and he will take into account sections 11A and 11B of the act and the genuine needs, and will assume that after he has made any inquiries he might have to do with the property owner to ensure that he has had the authority to shoot on it. This is where the changeover goes from a civilian assessor to the supervisor who is normally a police sergeant. We will assume there is nothing wrong with the application at that stage. The assessor will make a recommendation, yes or no, the sergeant will then look at it and make his own assessment of it. If it is pre-approved, it will then go back to the assessor for a form 22, which is a storage security requirement for the firearm. The assessor will then fill out the forms and send them out to the applicant, which is a statutory declaration form. We require photographs of how it is going to be stored. We give them 28 days to return that form, which is applicable under the act, and when it comes back it will be sent then to the approver again for final approval if everything is correct. Once it is approved, the approver will then send it to what we call the loading clerk, because the process at this stage has been in the firearm portal and the actual licence is issued in the firearm registry system. There is no automatic link between these two, so we have to manually take it out of one system and manually load it into the actual firearm registry system. Once loaded in the system, and it is a civilian who does the actual loading, the details are then sent to Post Connect, which is the APO, and the licence is forwarded out.

**The CHAIR:** Could you just clarify the two systems there? Data is entered into a computer system at one point but then at the final point there is no connection between those computer systems, which means that someone has to manually re-enter all the data concerning that person and their firearm; is that correct?

**Mr Fisher:** That is correct. When the application first comes in in the firearm processing portal, a large amount of that data has been scanned in by Australia Post, and so a lot of it will come across within the application. Some of the details will not match the firearm registry system as far as the actual firearm goes because, as I said earlier, we have 750 types of calibres. If there is a calibre difference, then the assessor will have to try to work out what the issue is. He can update the firearm registry or he can adjust the application depending on which one is wrong. This is a manual process. From the moment it is scanned in, any other alteration from then on is a manual process done generally by the unsworn officer. The firearm portal is a stand-alone system separate from the firearm registry. So, when it is all approved in the end they have to take it out of the portal and manually load it into the firearm registry.

**The CHAIR:** So, there is no way of saving that for transferring it across?

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**Mr Fisher:** There is no link between the two systems. That was brought in in 2008, whenever they moved to Australia Post.

**The CHAIR:** What sorts of cost savings would be possible if they were linked?

**Mr Fisher:** It is very hard for me to answer that. Obviously, you would be working on one system, so you would not be reloading.

**The CHAIR:** What time frames are involved in loading the information; is it half an hour's work or what?

**Mr Fisher:** Per application?

**The CHAIR:** Yes.

**Mr Fisher:** Probably 10 minutes per application, as long as there is no issue with it.

**The CHAIR:** But every time there is processing there is another potential for human error in terms of entering data as well, I guess.

**Mr Fisher:** Yes.

**The CHAIR:** What sorts of hours are involved in this? The schedule of fees that was provided—the people in the public gallery probably need binoculars to read that slide, but they have probably seen it on paper. The costs involved and the time frames seem quite significant. Do you have any comments on that?

**Ms Foo:** Just to give you a bit of background on how we arrived at hours or the time taken for application, back in last year or two years ago WA Police actually engaged a third party consultant to conduct a review at licensing enforcement division. So it included full examinations of the business processes, the business structure, in relation to firearm activities, security licences and pawnbrokers. So, with those consultants, they actually developed a business process and also conducted time and motion studies. So, in that information we were able to determine the time taken by the officers at different levels between sworn officers and also unsworn officers looking at the full application of simple and complex applications from the start to the end. The consultant also did stopwatch studies in relation to different applications as well. So, when that information has been collected from the consultation with the stakeholders at licensing enforcement division, the information feedback came to WA Police finance and we looked at the information collected. What we did was a weighted average calculation based on the different types of application, and we worked out the average estimated time taken for each application licensing time. And based on that, we think that it is the most reasonable way of doing the calculation for the time taken in setting up the fees.

**Mr P.B. WATSON:** We are charging all this extra money now, but the service has dropped and people are waiting a lot longer for their licences. This is great on paper, but I think the main issue is that the price has gone up and the service and standards have dropped.

[11.00 am]

**Mr Migro:** I am sorry; I disagree with that because with our current level of service we have been delivering, on average, new applications in about 31 to 32 days, bearing in mind there is a 28-day cooling off period before a licence can be issued, and additional applications are getting done in about 28 days at present. That is very historic.

**Mr P.B. WATSON:** Mr Migro, I can only go on the people who come and speak to me in my electorate about it. They say it is the worst service in the department. I have one more thing I want to ask. The Australia Post component is \$53.36. However, in answer to a question on notice in the Legislative Assembly dated 7 August 2013, the member representing the minister said that the current cost was \$46.65 including GST, and \$2 including GST for data transfer and printing. Can you explain why now it is \$53.36? Is there any reason for that?

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**Ms Foo:** The difference between that \$53.36 and \$46.65 was in relation to the additional cost incurred within WA Police due to the system enhancement cost so that we can do the system interfacing between Australia Post's system and the WA Police system. As Carl explained before, Australia Post needs to scan the application to WA Police, so that is the integration cost that we have incurred within WA Police system at the licensing enforcement division. That cost does not belong to Australia Post, but is as a result of the outsourcing of the application process to Australia Post; therefore, we need to capture that additional cost.

**Mr P.B. WATSON:** That is \$7 for each licence all over Western Australia. That is a lot of money.

**Ms Foo:** I am sorry?

**Mr P.B. WATSON:** It is an extra \$7, which you say you have captured to do something, but you are whacking that on to every licence.

**Ms Foo:** That \$46.65 is actually inclusive of GST. The \$53.36 that we have there is excluding GST, and the difference relates to the system enhancement cost and there is also the electronic letter set-up cost that has been charged, because we need to send out electronic letters to the applicants for the approval of the licence, the refusals of the licence, and it can be for anything else. It needs to also include the automated system between transferring data between the two systems as well. There are all different components to the makeup of that \$53.36.

**Hon LJILJANNA RAVLICH:** I have a question for Mr Migro in relation to the value for money review which was done by PricewaterCoopers, from memory. Are you across that?

**Mr Migro:** I have limited knowledge of it. That is something the commissioner or the director of finance would look after.

**Hon LJILJANNA RAVLICH:** The commissioner was before the Standing Committee on Estimates and Financial Operations a year or so ago saying that that audit took place and, basically, there was not much fat to cut from police. I suppose it goes to the heart of my question: are some of these increases in fees actually done for cost recovery or are they done because the department is short of funding?

**Mr Migro:** No; they were purely done in relation to moving to full cost recovery. This has been a process that we have been looking at for a couple of years. In the previous costs in the 2012–13 financial year, we also put a proposal up to the minister's office at that stage asking to go to full cost recovery. That was not granted, but we did get full cost recovery in relation to the other licensing functions we perform at the office in relation to second-hand dealers and pawnbrokers, and the security industry.

**Hon LJILJANNA RAVLICH:** I will run through some of the greatest cost increases. I will refer here specifically to a number of fees, and I hope you might be across them; they are your three biggest fee increases. One is for the application for firearm licences R3A and 3B and for a person with such a licence wanting a licence for one or more additional firearms. The old fee was \$72.50 and the new fee is \$169.50. The net increase is a 133.8 per cent increase. What is that made up of?

**Ms Foo:** For your information, WA Police has always set up the fees which are under full cost recovery in the past. So as part of our annual process, we conduct the process in line with government policy; and that is in relation to the costing and pricing guidelines. The objectives of that annual review being undertaken by WA Police finance each year was to try to reflect movements like inflation impacts and also the demand drive factors.

**Hon LJILJANNA RAVLICH:** That is a lot of inflation.

**Mr P.B. WATSON:** I was going to say it is a very large inflation component.

**Ms Foo:** But it is also in relation to trying to achieve full cost recovery wherever appropriate. But in the past we have been subsidising part of the services. I am not sure if you have that information

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here, but historically we have been flagging to the minister that we do not achieve full cost recovery.

**Hon LJILJANNA RAVLICH:** The committee wishes to have a copy of your costing and pricing guidelines, if you can provide that to the committee.

**Ms Foo:** I will need to take that on notice.

**The CHAIR:** That is fine. That is number 1.

**Hon LJILJANNA RAVLICH:** Also, you made a comment in relation to subsidising other parts of services. I am interpreting that to mean that you are cross-subsidising other areas; is that correct?

**Ms Foo:** No; because the way we set up the fees we review the actual activity associated with firearms applications; that is being undertaken at the licensing and enforcement division. We do not look at any cross areas—like any activity associated with other licences; we just focus on the firearm activity. What we did in the time-motion study as part of the business process review was look at all these different types of licence type and then conduct a time-motion study for each. There was a process developed for each activity.

**Hon LJILJANNA RAVLICH:** I have a last question because I know other members want to ask questions also. In that increase from \$72.50 to \$169.50, representing a 133.8 per cent increase, I want you to provide to the committee the actual breakdown, to the last cent, of how you came to that figure. Also, I want you to provide to the committee how that is full cost recovery, rather than its being a tax or a fee over and above full cost recovery. If that information is on the slide, could you walk us through that?

**Ms Foo:** The breakdown is on the slide, as shown.

**The CHAIR:** The rate per hour seems a fairly high rate; could you explain that as you go through?

**Ms Foo:** On the rate per hour, is the Chairman referring to \$181.58?

**The CHAIR:** Yes; it is roughly \$90 an hour.

**Ms Foo:** That rate per hour was calculated based on the weighted average hourly rate of the time taken—that is, for sworn and unsworn officers—which equates to roughly \$86 and then it is multiplied by the 2.1 hours that was determined as part of the time-motion study.

**Ms S.F. McGURK:** One of our questions concerned the hourly rate and why it was so high.

**Ms Foo:** The hourly rate for that \$86 was arrived at using the calculation of the salary components of the officers undertaking the firearm activities, plus the operating cost that has been incurred, such as vehicle cost, accommodation cost, utility cost and everything else. As part of the costing price guideline, we need to consider the direct components of the activities and also the indirect components.

**Ms S.F. McGURK:** So it is those oncosts.

**The CHAIR:** Therefore, that includes all the costs, including the rent of premises.

**Ms Foo:** Yes, all the costs associated to activities at our licensing enforcement division, but only in relation to firearms activities.

**Hon LJILJANNA RAVLICH:** Mr Chairman, I would like a clarification of what I have asked to be provided on notice. I want Ms Foo to provide the committee with all the costs—every single cost! That means if it includes staying in a hotel, meals, telephone calls—whatever those costs might be, so that we have a comprehensive understanding of each of those component parts that make up the whole of this cost that you referred to. I want to be clear on that.

**The CHAIR:** That is clarification on the previous question.

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**Hon MARK LEWIS:** If you could clarify both variable and fixed overhead costs, because I want to see whether the commissioner's salary is being attributed down.

**Ms Foo:** Okay.

**Hon MARK LEWIS:** Do you understand what I am saying?

**Ms Foo:** I will just have to go back to the office and try to get the information for you.

**Hon MARK LEWIS:** I realise you cannot get it now.

**Ms S.F. McGURK:** So that we are clear, we are talking about the hourly rate and exactly how you arrived at those hourly rates and what are the oncosts. That would be helpful.

**Hon ROBIN CHAPPLE:** You referred to a consultant's report, which was doing the weighted calculations. Is that consultancy report available, and can it be tendered to the committee?

**Ms Foo:** I have to go back and request if that information can be released to the committee, because the information has been provided as part of the process for the submissions to the minister seeking endorsement for the fees and charges increases.

**Hon ROBIN CHAPPLE:** Can we make that 2?

**The CHAIR:** Yes.

**Hon ROBIN CHAPPLE:** I understand there might be areas you do not want covered, but wherever it is possible.

**Ms Foo:** That report includes the whole of the licensing and enforcement division, which includes other sections' activities.

**Ms S.F. McGURK:** Part of the review that we want relates to the conclusions that you came to; for instance, the time in motion study et cetera. I hope I am not speaking out of turn to say that we only want that part of the report that relates to these deliberations.

**Ms Foo:** Is that to the arrival of the estimated time table?

**Hon PETER KATSAMBANIS:** No; all of the components of firearms licensing fees.

**Ms Foo:** That review is only looking at the business processes and business structures and also the resourcing requirement, so that review does not include calculations of how the fees are arrived.

**Hon ROBIN CHAPPLE:** That is fine.

**Hon PETER KATSAMBANIS:** That is fine.

**Hon MARK LEWIS:** This is sort of a converse question. In this process what does the consolidated fund provide? You are already getting funds in the consolidated budget to turn the lights on, for cleaners and to do the upgrades. There is a converse question there. You are already getting paid and I wonder whether that is being accounted for as well.

**Ms Foo:** That will be part of the overall operating cost in relation to the areas undertaking the firearm activity. What we did was to look at the actual cost incurred in that area.

**Hon MARK LEWIS:** I understand that.

**Ms Foo:** And we only considered the actual cost in that area in our calculations in developing the fees. Also, as part of the whole process in our review, we also conduct a reasonable test to make sure we do not over-recover the cost they actually incur by that activity and other areas as well.

**Hon ROBIN CHAPPLE:** Obviously, from the figures you are providing us, and we have come across this with a number of other agencies, you have not been doing cost recovery. When did your cost recovery start getting implemented?

[11.15 am]

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**Ms Foo:** This is the first time we have actually moved towards full cost recovery. In the past, we have tried to do that. Last year, as I remember, we tried to move towards full cost recovery. However, the submission was not supported by the Economic and Expenditure Reform Committee. Therefore, last year, the fees had to remain unchanged as per the 2011–12 fees. Again, because of that unsuccessful request that was made through the upper-level management, we tried to push for full cost recovery as part of the 2013–14 review, and this time it was supported by the minister and Treasury and also by cabinet.

**Hon ROBIN CHAPPLE:** There is a subset to that. If you were not doing cost recovery previously, what was your take on general revenue to subsidise firearm licensing within your department? Do you have a figure on that? Obviously, if you were not getting full cost recovery, money was coming out of general revenue to pay for the police and whoever else was involved in the licensing process. Do you have an idea of what that figure coming out of general revenue was prior to going to full cost recovery? Was it \$10 million, \$7 million, \$5 million or \$1 million?

**Ms Foo:** Based on the information there, the total cost for that service is roughly \$6 million. That is the full cost recovery. That was part of the parliamentary question that has come back to us in the past. If I do not achieve full cost recovery, I do not have that variance. It really depends on the options of where the minister would want us to go towards in setting up the fees. When we put up the fees, we actually considered other options, which included not achieving full cost recovery. But in putting that to the minister, we also articulated that if we do not achieve full cost recovery, it may have an impact on the resources in processing the applications. Also, it will have an impact on the level of services provided to the community, which may lead to putting the community at risk. So all these factors were also articulated to the minister when we were setting up the fees.

**Hon ROBIN CHAPPLE:** In terms of that very point—this may be another question on notice—could we get a breakdown from you of what licensing was costing you in the budget period 2010–11 as a cost to the department because of not having full cost recovery? That would be very useful.

**Ms Foo:** Can you clarify that?

**Hon ROBIN CHAPPLE:** If we could get the costs for 2009–10, 2010–11 and 2011–12, that would be great, so that we know whether you were actually making a loss and therefore you had to go to full cost recovery.

**Mr P.B. WATSON:** Can we put a rider on that and also ask what you are going to get in the next 12 months, so that we can see the difference in what you are going to pick up in revenue? Do you have a rough idea about that, or could you do it on, say, last year's fees and this year's fees?

**Ms Foo:** I can give you an idea of the total revenue received last year, in comparison with the total cost incurred at the licensing enforcement division for firearms activity, because I did have a review of that, and we are definitely not over-recovering the cost.

**Mr P.B. WATSON:** We just want to make sure about that.

**Hon LJILJANNA RAVLICH:** Could we have what you have just described for the financial years 2009–10, 2010–11, 2011–12, 2012–13 and 2013–14 so that we can see the history.

**Ms Foo:** Do you want the detailed breakdown or just the total cost?

**Hon LJILJANNA RAVLICH:** Just the total cost.

**Ms Foo:** We will give you the total revenue cost and the total cost incurred for those years for firearms activity and licensing activity.

**Hon LJILJANNA RAVLICH:** Yes, and if we need more information in terms of fine-grain detail, we will come back to you. Could you also provide the committee with the proposed timeframe for when you anticipate that full cost recovery will be achieved?

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**Ms Foo:** Full cost recovery will depend on the volume that comes in in that year. As part of this process, we work together with the licensing enforcement division to come up with the projected volume for the year. If we do not achieve the projected volume, we will not be achieving full cost recovery.

**Ms S.F. McGURK:** You have allocated \$53.36 to Australia Post in set-up costs. Can you give us the breakdown of how you arrived at that figure?

**Ms Foo:** The \$53.36 consists of the application component charged by Australia Post of roughly \$43.26. It also includes the form design and postage costs of about \$1.04. We have also included the project management cost and solution testing cost when the outsourcing process was conducted, and that equates to \$3.48. We have the system interfacing cost of \$3.80. We also include the time taken for call centres, and also the advertising cost, of about 52 cents. There is also the electronic letters set-up cost, and also the automated file transferring cost, of about \$1.25. All the costs that I have just spelt out equate to the total of \$53.36.

**Ms S.F. McGURK:** For some of those costs—for instance, project management costs, setting up the template, et cetera—how long have you given for full cost recovery for that process?

**Ms Foo:** That cost was determined when the outsourcing happened two years ago, I think, and we actually amortised it over four years.

**Ms S.F. McGURK:** So after four years, the cost could be expected to decrease?

**Ms Foo:** Yes. It will depend on the review at that time, because as we go through the annual review process for the fees and charges, we will sit together with Australia Post and negotiate, and it all depends on the common user agreement as well, to see if there is any change to the process.

**Hon PETER KATSAMBANIS:** I want to ask a series of questions about how we got here and then interrogate some of the figures. At the start, can you confirm what is the total budgeted cost of firearms licensing in this state for 2013–14?

**Ms Foo:** I would not be able to provide that information at this time. I can also reflect back to how we arrived at that figure, and with the projected volume, because we actually set that as a full cost recovery.

**Hon PETER KATSAMBANIS:** We are in the year 2013–14. There is a budget. How much is budgeted for the cost of this system, and how much is budgeted to be recovered through these fees for this current financial year?

**Ms Foo:** Based on the projected volume that we have been advised for 2013–14, I think it was approximately \$6 million, which is the total cost of that activity.

**Hon PETER KATSAMBANIS:** Can we take as a question on notice the actual budgeted amount in the firearms licensing fees regime—that is, what is budgeted to be recovered, and what is budgeted that it will cost—so that we will know for 2013–14? We will take a figure of around \$6 million for now, but I would like that on notice for 2013–14.

**The CHAIR:** That is question number 4.

**Hon PETER KATSAMBANIS:** Before we arrived at these figures, you said that some work was done around the consultants' report that was effectively a scoping time-and-motion study and costing study. Is that separate from the PWC value-for-money audit that was conducted in 2011?

**Ms Foo:** I am not aware of the PWC audit so I cannot really relate to that.

**Hon PETER KATSAMBANIS:** Are you able to tell us who the consultants were for what you said before was a time-and-motion consultants' study?

**Ms Foo:** That was by Fujitsu. It was an external business analyst from Fujitsu.

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**Hon PETER KATSAMBANIS:** Okay. Was any work done in relation to that review around finding and then driving efficiencies in the system, or was it solely a costing exercise?

**Ms Foo:** I am not really fully aware of that report because I was not involved in conducting that review.

**Hon PETER KATSAMBANIS:** Are any of the other people here able to assist us with that?

**Mr Migro:** I was not involved in that part at the time either. But my understanding is that it looked at the processes and how things could be improved. It was not just about what actually happens but were they doing things the right way.

**Hon PETER KATSAMBANIS:** Are we able to get some indication, perhaps on notice, about what inefficiencies were found in the system and then what changes were implemented to drive efficiencies?

**Mr Migro:** It would have to be whatever was actually in the consultants' report.

**Hon PETER KATSAMBANIS:** Are we able to get a copy of that report? I think we have already asked for that.

**Mr Migro:** Yes.

**Hon PETER KATSAMBANIS:** Outside of that report, has there been any other study to look at what efficiencies can be gained in the system to reduce the cost from the current around \$6 million to some lower figure?

**Mr Migro:** At present, in relation to moving to our new computerised licensing system, we have business analysts mapping all of the processes in the whole licensing process to make sure all the systems will link and work in with each other to prevent the double-handling type situation, and as part of that business mapping, which is going on and which is the driver for the new licensing system, that is all being looked at to see whether they all need to be done or whether they can be changed.

**Hon PETER KATSAMBANIS:** That is a small component of the question that I am asking. I am asking for any broader scoping study about what other efficiencies can be achieved. Obviously, whether we can process a piece of paper more quickly, or whether we can make the systems sing with each other, that is great. But is there anything else that can be done to reduce the cost? Can we look at legislative changes or regulatory changes that would drive a more efficient system? Has any work been done around that?

**Mr Migro:** We operate in accordance with what is set out in the Firearms Act and regulations. We are bound to operate in accordance with that. The minister has announced that a review of the Firearms Act and regulations will be conducted by the Law Reform Commission, and we are waiting for that and we will be participants in that.

**Hon PETER KATSAMBANIS:** But you do not have any input into pushing up the line the fact that something could be done more efficiently?

**Mr Migro:** Put it this way, WA Police, like other people when the Law Reform Commission calls for submissions, will be making submissions in relation to the act.

**Hon PETER KATSAMBANIS:** So outside of that review, WA Police has not conducted any other separate review to see how it can do things better, faster and cheaper?

**Mr Migro:** At this stage, no. But there is also at present a review of all WA Police activities being conducted by Deputy Commissioner Brown, where they are going through every actual unit, and our licensing enforcement division will be one unit that is looked at, most probably commencing January or February next year.

**Hon PETER KATSAMBANIS:** Is there a timeframe for that review to be concluded?

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**Mr Migro:** I am not aware of what the timeframe is for that.

**Hon PETER KATSAMBANIS:** Coming to some of the figures on that table, the first three fees have an hour component and an hourly-rate component. The first two equate to around \$85 as the hourly rate. But for the third one, the noting fee, which also is the one that has gone up substantially, the hourly rate appears to be significantly lower at \$55. Why is there a discrepancy between the two hourly rates?

**Ms Foo:** As I explained before, the calculation of the rate was based on the weighted average of the hourly rate for sworn and unsworn officers, and the difference between the original issue and the noting fee is that the noting fee is for additional firearms to be added to the original application. So to avoid any over cost recovery, we discounted the hourly rate to exclude the operational costs. To give you an example, if the applicant has come to us for original issue and has paid the first lot of the roughly \$246 fee, and in one month's time the applicant comes back to us to add additional firearms to the licence, we want to make sure that we are not double counting on the operational cost itself. So we actually discounted the hourly rate to exclude the operating cost component.

[11.30 am]

**Hon PETER KATSAMBANIS:** So only the operating cost component has been built into —

**Ms Foo:** The original issue.

**Hon PETER KATSAMBANIS:** — the original or the renewal, because that seems to be about the same rate, rather than the noting fee?

**Ms Foo:** Correct.

**Hon PETER KATSAMBANIS:** On what basis was that done?

**Ms Foo:** I was not really involved at the time when the decision was made for that adjustment. It was done based on the reasonable check. When we do the calculations, and based on the projected volume for that year, we look at the total revenue received for that activity to make sure that we are not over-recovering the actual cost incurred that is expected for that year.

**The CHAIR:** We received a submission from a Mr Tom Hunter, who is a collector of historical firearms. He points out that he has already been found to be a fit and proper person to own 120 firearms, and he asks the question, quite reasonably, I think: how can WA Police justify the cost of \$179.20 for noting an additional firearm on his licence? You know all about him, he already has 119 guns, so for one more gun to be noted, one would think that would be purely an administrative thing that might cost \$20 or \$30 or \$40, maximum.

**Mr Migro:** The title of that—a noting fee—is a misnomer. It is an application for an additional firearm to be added to the licence. Under the act, we are required to look at genuine need and genuine reason for that additional firearm. Therefore, it has to go through the process that is in accordance with the act.

**The CHAIR:** So basically every additional firearm is treated almost like a brand new application, because the act requires you do that?

**Mr Migro:** The act requires us to look at it under genuine need and genuine reason.

**Hon PETER KATSAMBANIS:** On whose interpretation is that a requirement? Have you received advice on this issue from the Solicitor-General or anybody else?

**Mr Fisher:** It comes under sections 11A and 11B of the act—genuine need and genuine reason. All firearm applications will be addressed in the same manner. The legislation says that we need to treat them all in the same manner.

**Hon PETER KATSAMBANIS:** Is that for an application to own a firearm or an application to note?

**Mr Fisher:** It is for all applications.

**Hon PETER KATSAMBANIS:** Is that the Solicitor-General's interpretation?

**Mr Fisher:** I could not tell you that.

**Hon PETER KATSAMBANIS:** I am aware of a significant disparity of view among people in the general community who believe, firstly, that WA Police's interpretation of the act is far more rigorous or far more onerous than what was intended by the legislation and, secondly, that in the aftermath of the Port Arthur massacre, where there was a move for more uniformity of licensing across Australia, the intent was not to go down that onerous path of treating every application for another firearm as a new application. I guess there are two components to that. One is a concern that WA Police is applying an overly restrictive interpretation of the act, and the other is that the act itself does not reflect the national view as it existed post Port Arthur and therefore needs amending. I will not labour you on the second point, because that is beyond your scope, but I would like some indication of what type of legal advice you have received on the first point around the fact that an application to have another firearm licence is itself considered to be a de novo, or new, licensing application.

**Mr Migro:** It is just what is in the act.

**Hon PETER KATSAMBANIS:** It is your interpretation of what is in the act. Given the consternation and given that there are significant sections of the public who do not believe that is a correct interpretation, and obviously the costs of debating that in a court of law are prohibitive, have you sought advice to make sure that you are on the right path around that? I would expect that a quick request to the Solicitor-General for advice would provide that level of comfort for the community.

**Mr Migro:** We have not had any concerns with that interpretation.

**Hon PETER KATSAMBANIS:** Let me put on the record now that I have, and I have been a member of Parliament for three months!

**Mr Migro:** In all of the parliamentary questions and ministerial files that I have received in the last 18 months, that has never come up as an issue.

**Hon PETER KATSAMBANIS:** Seeing that I have raised it, can you provide us with some form of legal basis that goes beyond, "That is what the act says"? I am requesting you to provide the legal advice that you have for this determination of how you are proceeding with firearm licensing.

**The CHAIR:** That will be number five.

**Hon LJILJANNA RAVLICH:** While we are on the noting fee, I want to refer to correspondence that was received by the committee from Hon Rick Mazza, MLC. He states in that correspondence that the noting fee has risen by 134 per cent to \$169.50 for the addition of a new firearm to an existing licence, and for each existing licensee to co-license a single firearm. The fee for an addition to a licence is \$9.20 in Victoria and \$40 in New South Wales. Can you explain to me why there is a cost discrepancy between Victoria and New South Wales and Western Australia at \$169.50?

**Mr Migro:** I do not know what the licensing setups are in those states. Our only comment on that has been that we have moved to full cost recovery, and those other jurisdictions do not operate under full cost recovery. I am also informed that there are differences in legislation across jurisdictions.

**Hon PETER KATSAMBANIS:** I want to refer to another issue that has been raised by my colleague Hon Rick Mazza, who is in the public gallery today but due to our standing orders is unable to participate in this hearing. He states also in his correspondence to the committee that a report by the Auditor General last year found that the firearm management system is inaccurate and

unreliable. What has WA Police done to correct that anomaly in the firearm management system and make it more reliable and more accurate? What action has been taken in response to that report?

**Mr Migro:** Part of the process has been the movement towards the development of a new firearm licensing registry system, which is currently progressing, and the government has approved money—I think about \$6.87 million—for a new firearm licensing registry system.

**Hon PETER KATSAMBANIS:** Are applicants under the current system, given that we are working with the current system, being forced to pay for that inaccuracy and that unreliability?

**Mr Migro:** No. A lot of the comments that were made by the Office of the Auditor General in that report related to issues of some inefficiencies, the way that police systems did not talk to each other, how our registry system did not necessarily always link into IMS, and a number of general other issues there and faults actually in the system in relation to deceased estates as well.

**Hon PETER KATSAMBANIS:** But inefficiencies mean time, and time, under the tables that you have provided, means a lot of money. So inefficiencies would ipso facto lead to the fact that people are being charged for this system that is not doing what it was intended to do.

**Mr P.B. WATSON:** Have those inefficiency costs been added in?

**Ms Foo:** This was developed based on the weighted average of the applications. We have simple and complex applications, which also includes some efficiency in the processing, maybe. The way that we calculated the time was based on the weighted average, so we think that is reasonable enough to be used for developing the fees.

**Mr P.B. WATSON:** So will the fees drop when your inefficiencies get better?

**Ms Foo:** It is the weighted average time. If 40 out of 100 applications are simple and 60 out of that 100 are complex, those 60 applications may take five hours or six hours in the application process, versus probably one hour for the simple applications, so that time was developed based on the weighted average.

**Hon PETER KATSAMBANIS:** I understand that. But it includes the inefficient use of time as identified by the Auditor General.

**Mr Migro:** Most of those things that were identified were not in relation to the licensing process. They were about some of the record keeping in relation to deceased estates, et cetera.

**Hon PETER KATSAMBANIS:** How is that then taken out of the costing model? I would assume that the time taken to deal with those applications would be included as part of the total resourcing of the licensing area—it would have to be, unless it was done by some other section.

**Mr Migro:** No. In order to fix some of those problems, we have brought in additional staff, and that is not included in the fees and charges.

**Ms Foo:** For your information, there was a backlog a couple of years ago, and the commissioner has put in additional temporary resourcing to help to assist with the backlog of applications. Because those resources were given to us for a temporary period to fix up the issue with the application process, that part of the cost has not been included as part of my fees.

**Hon PETER KATSAMBANIS:** That goes back to, again, the need for us to receive that information about the annual budgeted costs and budgeted revenue so that we can identify that. So I would appreciate it if that could be provided to us before we make our deliberations on these fees.

**Hon LJILJANNA RAVLICH:** This may well have been answered and I may have missed it, but does the firearms branch have a costing or pricing guideline or policy for services?

**Ms Foo:** The pricing policy is in line with the government policies, which is given to us from Treasury. So the costings are in line with the Treasury guidelines in setting up the fees.

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**Hon LJILJANNA RAVLICH:** Could you provide a copy of that to the committee; and if you have any other costing or pricing guidelines that are used by the firearms branch, could you also provide that.

**Ms Foo:** I think that has been requested previously.

**The CHAIR:** Yes, so that is fine. The time has now run out for this hearing. Do you want to make any closing comments or statements?

**Mr Migro:** No; we are just happy to come before you!

**Hon PETER KATSAMBANIS:** And we are always happy to have you!

**The CHAIR:** Thank you very much. You have certainly given us some useful information, and there are some issues in terms of the legislation and the difference between “noting” and “new applications” that need to be looked at and that hopefully will drive prices down, but we will wait to see what happens.

For the benefit of everyone, including those in the public gallery, because this is a public hearing, once the transcript has been finalised, the people who participated in this hearing will be given a copy of the transcript and they will be given a certain number of days to make any corrections to it and return it to us, and it will then be posted on the committee website and will be publicly available for everyone to look at and to communicate about. So I thank everyone for their interest, and I thank WA Police also for providing us with that information.

**Hearing concluded at 11.44 am**

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