



WESTERN AUSTRALIA POLICE
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Mr Mark WARNER
Committee Clerk
Standing Committee on Environment and Public Affairs
Legislative Council
Parliament House
Perth WA 6000

Dear Mr Warner,

INQUIRY INTO THE SANDALWOOD INDUSTRY IN WESTERN AUSTRALIA

Thank you for providing Western Australia Police (WA Police) the opportunity to contribute to the Inquiry into the Sandalwood Industry in Western Australia. Sandalwood has not traditionally been a commodity of priority for The Agency as investigations into breaches of the Sandalwood Act are undertaken by the Department of Environment and Conservation (DEC) as the lead agency. In the past twelve months however, WA Police involvement in sandalwood related investigations has significantly increased.

Regulation and management of the sale and harvesting of wild sandalwood

Illegal sandalwood harvesting is becoming an increasing matter for concern for WA Police. Information sharing between WA Police and the DEC indicate a significant black market currently operates for illegally harvested wild sandalwood. In the past six months alone, WA Police and the DEC have seized well in excess of four million dollars of sandalwood believed to be destined for local, interstate and overseas markets. Our current understanding of this issue indicates that organised groups are involved in this trade and are actively exploiting current legislation to their advantage. We predict an increased involvement of organised crime in this industry in the coming years unless regulation of the industry is significantly tightened.

As the legislation currently stands, WA Police are not the primary investigating agency for matters relating to the Sandalwood Act or other related acts. WA Police has had increased exposure to the issues surrounding the illegal harvesting of sandalwood in the past year and has identified the following areas of concern in relation to the regulation and management of wild sandalwood:

- Regulation and management of the sale and harvesting of wild sandalwood is not managed by a single regulatory body
- Legislation governing the sale and harvesting of wild sandalwood is held across a number of acts that appear to be outdated and difficult to interpret
- There appears to be minimal resources dedicated to enforcing existing legislation surrounding sandalwood
- Although WA Police realise that illegal sandalwood harvesting is a significant problem, the true extent of it does not currently appear to be known

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- Fines and other legal remedies outlined in the acts governing sandalwood do not reflect the current economic value of wild sandalwood to Western Australia

Given the economic significance of wild sandalwood, WA Police is currently exploring whether or not a criminal charge of stealing may be applied to illegal sandalwood harvesters in some situations. We are currently waiting on an opinion from the State Solicitors Office.

Other relevant matters

Research recently undertaken by WA Police into the sandalwood industry (domestically and globally) revealed the following points which may be of interest to the Inquiry:

- Wild WA Sandalwood wood sells for as much as AUD\$14,800.00 tonne, more than twice the current price of copper.
- Western Australia is forecast to be the world's biggest producer of sandalwood by 2023.
- The sandalwood industry – legitimate and black market, is projected to be an industry of choice for organised criminals, now and into the next decade.
- Sandalwood is a globally sought after commodity. Demand outstrips supply. Sandalwood is popular in Europe, North America and the Middle East as an ingredient in perfume; it is popular across Asia as it is heavily tied to religious rites and ceremonies.
- Native sandalwood stocks in India (the world's biggest sandalwood consumer and exporter currently) are being harvested at an unsustainable rate – approximately 75% of Indian sandalwood is harvested illegally – leading to increased international demand for Australian sandalwood now and into the future.
- Global demand for Australian sandalwood is estimated to increase by 5% each year, while demand from China is increasing by 50% each year.

Thank you for taking the time to consider this submission

Yours sincerely



W J SMALPAGE APM
A/ASSISTANT COMMISSIONER
REGIONAL WESTERN AUSTRALIA

17 October, 2012

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