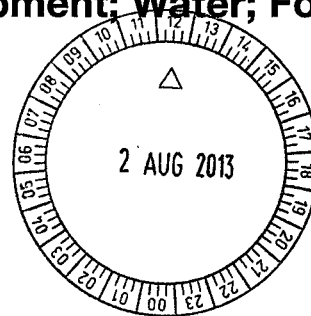




**The Hon Terry Redman MLA**  
**Minister for Training and Workforce Development; Water; Forestry**

Our ref: 39-22900



Hon Simon O'Brien MLC  
Chairman  
Standing Committee on Environment and Public Affairs  
Legislative Council  
Parliament House  
PERTH WA 6000

*Simon*

Dear Mr ~~O'Brien~~

**INQUIRY INTO THE SANDALWOOD INDUSTRY IN WESTERN AUSTRALIA –  
INTERIM REPORT 29**

Thank you for your letter dated 20 June 2013 regarding the Committee's Report 29, *Interim Report - Inquiry into the Sandalwood Industry in Western Australia*.

I have reviewed the Interim Report and can advise that I fully support Recommendations 1, 2(d) and 2(e), which consider the issues of illegal harvesting and changes to the relevant legislation.

I would like to make the following comments in relation to other recommendations in the Interim Report.

*Recommendation 2(a):* The Department of Parks and Wildlife (formerly the Department of Environment and Conservation) operates as regulator of the sandalwood resource and the Forest Products Commission (FPC) has responsibility for production and commercial sale of sandalwood products. These roles are consistent with the role of the two agencies in other areas of forest management. I do not believe there is any reason to further consider these roles in relation to management and commercialisation of sandalwood.

*Recommendation 2(b):* The FPC's objective is to manage the industry for the maximum benefit to the State. However, there is an inherent conflict between actions that would:

- Support local industries, which have a demand only for high grade products and do not pay the same price as international markets; and

- Maintain sales to international markets that can utilise the whole resource and provide maximum financial returns.


The sustainable level of harvest cannot satisfy the demand of all sectors and I suggest that any future scope arising from this recommendation acknowledges this limitation.

*Recommendation 2(c):* The FPC has completed a significant body of work in understanding the wild sandalwood resource and its regeneration requirements. This work is compiled in the Draft Management of the Rangeland Sandalwood Resource.

The FPC continues to invest over \$400,000 per annum into regeneration and is developing an automated seeding mechanism that will be deployed in 2013. The programme is expected to not only replace trees from current harvesting, but also start to redress the failure of regeneration for almost 100 years due to changes in the post European landscape.

I invite the committee to have further discussions with FPC in relation to the regeneration program and a field visit may be beneficial to further inform the committee on this innovative work.

Yours sincerely



TERRY REDMAN MLA  
**MINISTER FOR FORESTRY**

30 JUL 2013