

SANDALWOOD INDUSTRY

Statement by Minister for Forestry

MS M.J. DAVIES (Central Wheatbelt — Minister for Forestry) [12.15 pm]: I rise to update the house on the new structure and industry reforms taking place in the Western Australian wild sandalwood industry. These are significant and important changes for this key industry in Western Australia. The Forest Products Commission's strategic objective for the sandalwood industry is to facilitate a sustainable and ethical industry that creates jobs and opportunities in Western Australia's regional and Aboriginal communities.

The state government completed extensive consultation on the sandalwood industry ahead of key contracts for the sale, processing and marketing of the products coming to an end on 30 June 2016. This was in addition to various parliamentary inquiries conducted over the past two years. The majority of respondents to the independent consultation process wanted to see modifications to the existing sales and marketing structure.

The Forest Products Commission has since developed a new industry structure that aims to provide market stability, opportunities for new entrants in the industry, employment and investment opportunities in regional Western Australia, greater Aboriginal involvement in the industry, and a smooth transition to a mixed wild and plantation-based industry into the future.

Plantation sandalwood represents an investment diversification from traditional cropping and stock management in arid areas and will help with the long-term sustainability of the wild sandalwood population. The new industry structure for sandalwood has taken into account the views of community and industry stakeholders and broad government objectives to position the industry for a long, viable future.

Contracts for new processing, sales and marketing arrangements for WA's wild sandalwood resource are now open for tender. This is a request-for-proposal process and interested parties should visit the Forest Products Commission's website or contact the commission through its nominated contact person. The recent reduction in Western Australia's annual harvest quota of wild sandalwood announced by Hon Albert Jacobs is also set to improve conservation and management outcomes for the sought-after native tree. The Forest Products Commission and the Department of Parks and Wildlife continue to work together on the protection and management of this state resource.

The sandalwood industry is an important component of the state's forestry strategy, particularly for remote and regional communities. Demand for sandalwood oil and wood, particularly in Asia for incense sticks and religious carvings, has been strong for centuries. Increasing demand from China and India represents a significant opportunity for the growth of this industry and an excellent opportunity for WA. I am pleased to see the progress of this overall industry reform towards better resource management and expanding the involvement of regional communities in the Western Australian wild sandalwood resource.