

The following table extracted from the FAFPIC plan details optimal industry investment in new manufacturing facilities to the year 2030 :-

Type of Mill	Number	Cost \$m
Hardwood, pulp	3	2800
Softwood, pulp and paper	6	6000
Softwood, sawn	34	1700
Softwood, panel and reconstituted products	12	840

While it is apparent that the window of opportunity for some of these major projects has been closed for the time being due to the downturn in world demand for pulp, the high cost of money and the Australian dollar exchange rate and the uncertainty within industry about Government environmental guidelines, nonetheless the FAFPIC study is still seen as the blueprint for major developmental activity in the Australian forestry sector. Certain aspects of the plan will have to be adjusted to meet changing conditions but, generally speaking, the resource is either readily available for these projects or can be developed.

2.2 SUSTAINABLE DEVELOPMENT

In keeping with other major industrial nations Australia is attempting to strike a balance between the development of a useful, renewable and growing resource and the creation of job opportunities and export earnings that accompany such projects and the need to satisfy demands by the conservation lobby and concerned citizens generally. When the well-publicised Wesley Vale bleached kraft pulpmill was abandoned by its joint venture partners (APPM and Noranda Forests) in March 1989 the Federal Government commissioned the CSIRO (roughly equivalent to the Canadian National Research Council) to produce guidelines for such pulpmills. When these were handed down in December 1989 they were viewed by industry as being attainable under current procedures and, in fact, the Wesley Vale mill would have met those guidelines.

However, while other subsequent studies have cleared the way for a bleached kraft pulpmill to be built in northern Tasmania no decision has as yet been taken by either industry or government to proceed with a pulpmill of this magnitude.

In the meantime, the Federal Government has established the Resource Assessment Commission to carry out an assessment of Australia's forestry and timber resource and to identify how best these resources might be used now and in the future. The RAC report is not expected to be completed before the end of 1991.

At the State level, decisions are expected before the end of this year on resource access and utilisation in three States, namely, Tasmania, Victoria and New South Wales. Should these decisions be favourably disposed towards industrial development the outcome could result in up to three export-oriented pulpmills being established within the next 3 to 5 years. Considerable opposition is expected from the environmental lobby towards the building of any or all of these mills.