

Dorset Community Economic Development Group (EDG)

Press Release

Socio-Economic Impact Assessment: Auspine Mills, Dorset

19/02/07

“Dorset Community Economic Development Group’s (EDG) *Socio-Economic Impact Assessment (SEIA)* puts the Dorset *community* at the centre of the Auspine dispute.”

“This *Socio-Economic Impact Assessment (SEIA)* paints a picture – beyond and including the data presented – of a community, Dorset municipality, on a precipice in terms of its sustainability and viability.” EDG Chair, Tas Rainbow said today.

The SEIA is a preliminary step extending the broader Tasmanian’s community focus beyond the immediacy of the potential crisis confronting Auspine, the company, its employees, contractors and suppliers recognises that this situation is about real people, a real community with real uncertainty and hardship. The situation requires immediate but well planned response that directly engages the Dorset community and all stakeholders in the exploration of opportunities and solutions.

“Having suffered two significant enterprise closures in less than 10 years – Bonlac at Legerwood in 2000; Simplot in 2003; will this potential 2007 crisis be the breaking point of the community’s resilience? At what point will population and employment decline in Dorset affect the capacity of the municipality to maintain the viability of its existing educational (6 schools) and health facilities?” Mr Rainbow questioned.

The SEIA report outlines both data and an argument that a potential crisis does exist. Dorset EDG calls for the development a collaborative and co-operative response to the potential loss of one or two of the current Auspine operations in Dorset. Key components of the socio-economic crisis confronting the Dorset community are:

- Potential loss of 296 direct jobs with a multiplier flow on of up to 800;
- Direct annual employee wage and salary losses exceeding \$16m with a multiplier increasing to \$26.5m;
- Production loss of \$80m per year;
- \$1.5m per annum paid to suppliers, 80% located in Dorset or Northern region of Tasmania;
- 60% of the job loss from Scottsdale alone; over 90% of employees live in the municipality;
- 55% of employees have a predominant skill: milling;
- Significant enrolment decline in three (3) primary schools in the municipality (1996-2006).

“Dorset already faces dual challenges: population decline and an aging population.

The loss of major private enterprise and employer following on from recent ‘employment shocks’ will challenge Dorset’s capacity to respond to the significant regional development issues confronting our isolated regional areas: what new forms of competitive advantage will emerge in the region? Where will future capital flows

come from? How will Dorset ensure that now and into the future people will want to live and work in the municipality?” Mr Rainbow emphasised.

The SEIA report does little to placate the anxieties of those affected. Dorset EDG recognises the report does highlight the reach extent of the potential impact into the fabric of the broader community. A community presently struggling to come to grips with decisions they struggle to understand or where explanations appear scant, illogical or lacking in transparency.

“Dorset EDG as a voluntary community-based organisation will continue to pursue a range of strategies promoting opportunities. Job security is number one and timely policy and positive action options for the consideration of community, Auspine and government at all levels is paramount.

In this case, what must endure is sufficient community goodwill to overcome self-interests for genuine public interest aimed at job and industry stability” Dorset EDG Chair, Tas Rainbow concluded.

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