



FOREST NB
FORÊT NB

January 11, 2016

Mr. David McTimoney
ASD-West
1135 Prospect Street
Fredericton, N.B. E3B 3B9

Re: Submission from Forest NB to the Anglophone School District West Education Council on the Matter of Nackawic Schools Sustainability Study

Dear Mr. McTimoney,

In follow up to our conversation at the January 7th sustainability meeting I am providing for consideration by the District Education Council this correspondence in support of the status quo model of schooling for the Town of Nackawic.

Forest NB is a not for profit industry association representing the interests of core contributors to the forestry sector of New Brunswick. Our member companies represent a diversity of product manufacturers located primarily in rural communities throughout the province.

We would like to make representation in support of maintaining the current schooling model in the Town of Nackawic with the following arguments to be considered by the council as they formulate their recommendation to government.

The forest sector in New Brunswick is the leading contributor to the economy of the province as represented by \$1.5 billion in value-added activity which represents 5.3% of the province's GDP. This activity is disproportionately created in rural communities where 80% of the forestry related economic activity originates.

Our association realizes and supports the need to rationalize spending across all government departments especially given the current financial challenges our province faces. What we would desire for the council is to consider the strategic value of schools as essential infrastructure for not only educating our youth but also as a significant factor in commercial competitiveness for what is arguably our most important manufacturing sector.

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The Nackawic situation is somewhat unique from a broader perspective in that its major employer, AV Nackawic, is considered an "anchor mill" within the province's highly integrated forest supply chain. To clarify, AV Nackawic is a producer of dissolving pulp which is used in the manufacture of rayon fibre ultimately sold into the textile markets of the world. It is a very competitive market place with pressure from competing countries in South Africa, South East Asia and South America. These are countries where factors like wages, environmental stewardship, material and energy costs are not as constraining or bear the same consideration as in New Brunswick. Where our industry needs to outperform is in productivity and integral to this is a skilled workforce. Today, labour resources are becoming increasingly mobile meaning people with marketable skills will, in addition to work considerations, base relocation decisions on the services and amenities a community has to offer. Topping the list are schools and health care.

The AV facility in Nackawic is facing a pending human resource crisis in that approximately 50% of its labour force will retire over the next 10 years. Should this facility not be able to attract the best and brightest in order to remain competitive it would signal a slippery descent into lower productivity and ultimately an inability to compete globally. The impact of this reverberates throughout the sector's supply chain and would have negative consequences beyond Nackawic. In order to manage wood costs, all the different species and quality of trees harvested need to find a place to be processed. Weakening any link reverberates throughout the supply chain and it is particularly pronounced when it is an anchor mill like AV Nackawic that provides a high value-added outlet for most of the province's lower grade hardwood.

To conclude I would state that the DEC's task is not an enviable one as ultimately some communities will face disappointment but I would impress upon the council to take a broader look at the unique importance of the educational infrastructure in Nackawic and also take into consideration the impact beyond the town's limits. A decision to maintain the status quo with regard to schools would be of strategic significance to the benefit of not only the citizens of Nackawic but the province as well.

Regards,

A handwritten signature in black ink, appearing to read 'M. Legere', with a long horizontal flourish extending to the right.

Mike Legere, Executive Director
Forest NB