

**Subject: Strategic Fly In, Fly Out Reduction Incentives Update****APPROVALS:****Annette Antoniak**\_\_\_\_\_  
Director\_\_\_\_\_  
Chief Administrative Officer**Recommended Motion:**

1. THAT Administration continue to collaborate with the Oil Sands Community Alliance (OSCA) and other stakeholders to develop a formal partnership to execute a plan and strategies to attract workers to reside in the region rather than choosing Fly In, Fly Out.
2. THAT the Wood Buffalo Steering Group present quarterly progress updates to Council on proposed options.

**Summary:**

The RMWB 2018 - 2021 Strategic Plan includes Regional Economic Development as one of four pillars. Initiative 3a, Work with Industry and Suppliers - Fly In, Fly Out (FIFO) outlines that the RMWB will collaborate with the Oil Sands Community Alliance and other stakeholders to attract workers to reside in the region rather than choosing Fly In, Fly Out.

A preliminary list of options to decrease the number of FIFO participants for further consideration and evaluation was presented to the Wood Buffalo Steering Group (WBSG). A cost determination and legal review is required before moving forward with any of the options. The WBSG is tasked with determining which options to engage in a greater level of scrutiny and review before broader stakeholder engagement and presentation to Council by no later than the end of the first quarter 2019.

The preliminary list of options includes recreation, transportation, education and direct incentives through grants and taxation.

**Background:**

The WBSG was originally formed in 2017 to collaborate and to prepare a transition plan for achieving a 5:1 tax ratio. Membership includes the Mayor, members of Council and municipal administration, industry leaders and representatives from the Oil Sands Community Alliance (OSCA).

Through the WBSG meetings, the RMWB has raised the issue of FIFO workers as a topic of interest to the community. FIFO can relate to all forms of long distance commuting including Fly In, Fly Out, drive in, drive out and bus in, bus out. Long distance commuting refers to workers that travel beyond the boundaries of the RMWB for their primary residence regardless of the industry or sector they are working for. The use of a FIFO workforce is not unique to the RMWB as it is commonly used in resource extraction industries as well as other sectors which are located outside of major urban centres.

Based on the 2015 Municipal Census, camp population for all sectors accounted for 30.6% of the region's population, or 38,264 people out of a total population of 125,032. Since the onset of the economic downturn, companies have sought efficiencies to reduce costs which was also reflective in a 30% decrease in FIFO numbers (construction, maintenance and operations workforce).

The 2018 Municipal Census enumerated the camp population this past Spring and Summer. The results of that Census have yet to be approved by the Government of Alberta - upon which time analysis will occur related to camp population trends in our region. The Municipal Development Plan (MDP) set population distribution targets by 2030 where 85% of the region's total population would reside in Fort McMurray, 10% in work camps, with the remaining 5% in rural hamlets.

For all sectors that utilize FIFO, there are 109 work camps (temporary and permanent) in the region with a constructed capacity of 55,065 beds and an approved build-out of 68,753 beds.

There are 31 aerodromes regulated and approved through Transport Canada which are used by various sectors in the region. To facilitate the FIFO model, industry utilizes the Fort McMurray International Airport and six privately owned aerodromes located at oil sands sites both north and south of Fort McMurray.

In the first quarter of 2018, OSCA released a position paper *FIFO in the Oil Sands: Fly-In/Fly-Out Operations in the RMWB and the Oil Sands Operations-Related Rotational Workforce Study* (Workforce Study). The Workforce Study, which was prepared by industry, included the rationale for rotational/FIFO workforce as follows:

- Remote factor
- Safety
- Quality of life
- Worker performance
- Competition for skilled labour
- Time and cost efficiencies
- Worker turnover

The Rotational Workforce Study concluded that of operations-related rotational workers surveyed, only 5% live in the region, while 58% commute by flying from a nearby or on-site airstrip, 24% drive and 16% travel in/out of the Fort McMurray International Airport.

Further, 48% of operations-related rotational workers surveyed indicated that increased job security in the oil sands sector, improved housing incentives, and increased employment opportunities (for self/partner) are key changes that would make them consider living in the region.

**Rationale for Recommendation:**

The RMWB 2018 - 2021 Strategic Plan includes Regional Economic Development as one of four pillars. Initiative 3a, Work with Industry and Suppliers - Fly In, Fly Out (FIFO) outlines that the RMWB will collaborate with the Oil Sands Community Alliance and other stakeholders to attract workers to reside in the region rather than choosing Fly In, Fly Out. By addressing this issue in partnership with stakeholders, holistic initiatives can be sought to provide workers with more choices.

**Strategic Priorities:**

Regional Economic Development