

## Fly-in Fly-out in the RMWB

### WHAT IS A ROTATIONAL WORKFORCE?

Although rotational workers stay in a variety of locations, the one defining characteristic of these workers is they do not commute to their permanent residence on a daily basis. A rotational workforce includes the use of fly-in fly-out (FIFO).

FIFO workers are not unique to Alberta or the oil sands industry—other sectors such as hospitality, health, and mining use a rotational workforce. Rotational arrangements include specific number of days on (at work) and days off (off work) and scheduled daily shifts (day, night, or other).

### QUICK FACTS:

- While a couple of smaller projects are within commuting distance, the majority of FIFO-based projects are remote and located outside of a sustainable daily commute distance for shift workers. One-way door-to-door travel times range between 90 minutes to three hours. *Source: OSCA 2017*
- Approximately 78 per cent of camps are more than 50 kilometres away from Fort McMurray. *Source: OSCA 2018*
- Eleven oil sands projects utilize five private aerodromes located in the Regional Municipality of Wood Buffalo (RMWB) and two in Lac La Biche. *Source: Nichols 2017*
- Substantial FIFO-activity utilizes the Fort McMurray International Airport. Eight oil sands projects exclusively use the airport. *Source: OSCA 2019*

### HISTORY OF FIFO

Over the last decade, housing was identified as the most significant challenge in the RMWB as rapid population increase strained local infrastructure. The RMWB suggested the pace of development be slowed to permit infrastructure growth at a more orderly and carefully planned rate. In the following years, the RMWB recognized that FIFO and camps were an important tool to address chronic housing shortages in the region. Industry has invested hundreds of millions of dollars in infrastructure to support FIFO, justified by years of future operational use. **Aerodromes can cost up to \$100 million to build while full-service lodge facilities can cost up to \$250 million.**

Industry has historically been, and continues to be, committed to hiring locally. Member companies seek local employees through job postings and career fairs. **Local hires in companies can be as high as 94 per cent of total employees.**

In addition to competitive salaries, oil sands companies offer a variety of incentives for employees to live locally. These include:

- Relocation expenses
- Fort McMurray uptick allowance (typically 15 per cent of base salary)
- Rental assistance program (\$1,000-1,500/month)
- Mortgage Assistance Program
- One-time housing allowance/down payment (up to \$40,000)
- Transportation (buses and shuttles) to and from site, or bus allowance



### A long-term commitment

Industry has invested hundreds of millions of dollars in infrastructure to support FIFO and camps, justified by years of future operational use.

## RATIONALE FOR FIFO

FIFO is not an either/or decision. FIFO is a necessary component of the oil sands industry's recruitment and retention efforts. However, camps are not only used for operations. They are also used for construction, drilling, scheduled turnaround and maintenance. Companies remain committed to hiring locally and developing the regional labour force, while also using workers from outside the region to effectively staff operations.

Worker safety is a key component in oil sands operations. The considerable driving distance from many work sites to Fort McMurray poses a significant challenge. A daily commute would add a minimum of three hours onto a 10- or 12-hour workday, introducing performance and safety concerns. **Most companies consider the safe daily driving limit for 12-hour shifts to be 60 minutes per one-way trip.**

## LOCAL ECONOMIC BENEFITS

Camps and FIFO provide a buffer for the RMWB and reduce social strains from population swings that inevitably happen in a resource-based economy. Between 2015 and 2017 camp-based population declined by 30 per cent – a reduction that would have been more acutely felt if the workers had been residents of RMWB.

- Annual tax revenue to RMWB of over \$16 million. *Source: OSCA 2018*
- Procurement spend for camps and catering services with local Indigenous businesses was \$335 million in 2015-2016. *Source: CAPP 2016*
- Rotational workers account for nearly half (40 per cent or 296,000 of 740,000) of monthly passenger movements at the airport. *Source: Fort McMurray International Airport 2017*
- Oil sands rotational workers spent over \$82 million in Fort McMurray in 2017. 84 per cent of services used were private sector (retail, food, hospitality). This represents \$33 million in local gross domestic product (GDP) and an additional \$20 million to the rest of the province. *Source: OSCA 2017*

## REDUCING THE MUNICIPALITY'S ECONOMIC BURDEN

Recently there has been debate about the financial benefit of relocating FIFO workers to the RMWB. According to The Rotational Workforce in Athabasca Oil Sands Area, community residents typically consume more in programs and services than they contribute in property taxes, resulting in a net loss for the municipality. Industrial land users generally require few municipal services and contribute more in property taxes than the cost of the services they consume, resulting in a net profit for the municipality. **Revenue generated per residential housing unit is 95 per cent less than the costs to the municipality of extending services to the residents of those units.**

Rotational work and residential employment programs are complementary approaches in workforce management. The use of FIFO and camps provides a net benefit to the RMWB through tax revenues, millions of dollars in contracting opportunities, and passenger traffic for the airport. These benefits of camps far outweigh the costs of servicing new residents.

## A solution for multiple labour needs

Camps are not only used for operations. They are also used for construction, drilling, scheduled turnaround and maintenance.

## Balance is the key to successful operations

Companies remain committed to hiring locally and developing the regional labour force, while also using workers from outside the region to effectively staff operations.