

February 2013

# Public Opinion of Kitimat Refinery Proposal



MUSTEL GROUP  
MARKET RESEARCH



## ➤ Introduction

### Background

- Mustel Group was commissioned to conduct a province-wide survey of British Columbia adults to gauge public opinion regarding a proposed refinery planned for the northwest coast of B.C.
- More specifically, the research has been designed to measure:
  - Awareness of the proposal;
  - Support for and opposition to the proposal amongst the public, as well as their reasons for doing so;
  - The impact upon opinion of various additional information regarding the proposed refinery;
  - Opinions regarding the transportation options of bitumen from Alberta to the B.C. coast; and
  - Support for the current Enbridge Northern Gateway plan to load bitumen on tankers for shipment offshore.

### Methodology

- A total of 800 on-line interviews were conducted with adults BC residents age 18 and over;
- To ensure the final sample was reflective of the BC adult population, weighting was applied by age within gender, and by region to match the most recent Statistic Canada Census data;
- The margin of error at the 95% level of confidence on the total sample is +/-3.5% (larger margin of error on sub-samples);
- Interviewing conducted February 18 to 24, 2013;
- The questionnaire used is appended;
- Detailed computer tabulations have been provided under separate cover.



## ➤ Executive Overview

- Almost eight-in-ten residents are currently aware of a proposal to build a refinery on British Columbia's northwest coast (79%).
- After being provided with information about the refinery, more than 52% express support for the proposal, in contrast to 39% who oppose it.
- However, if an environmentally sound method of transporting bitumen from Alberta to the refinery in B.C. were found, support for the proposal increases to 66% and opposition decreases to 24% (10% unsure).
- In addition to providing assurance of safe delivery of the bitumen, the main reasons for supporting the proposal include economic benefits for B.C., and the creation of jobs within the province.
- Knowing the refinery would employ leading technology to minimize pollution and emissions, generate considerable tax revenues, and provide value added to our natural resources also have positive impacts on resident opinions.
- The most common reasons for opposing the proposal are general concerns for the environment but these concerns appear to be more related to the transport of bitumen to the refinery and climate change issues, rather than to the refinery itself.
- Between the two possible methods for transporting bitumen from Alberta to the B.C. coast, there appears no real preference for either, with approximately one-third of residents that support rail (37%), and the same proportion that support the proposed Enbridge pipeline (36%). Support is no different for the suggested new pipeline proposal (38%).
- The majority of B.C. residents agrees that B.C. and Canada should add value to natural resources before exporting (86%), that it is better to refine bitumen within B.C. rather than offshore (76%), and with diversifying exports to find markets beyond the United States for Canada's petroleum products (70%).
- Furthermore, the majority of B.C. residents is opposed to the Northern Gateway Pipeline plan to ship unrefined bitumen offshore (57%), with less than one-third that expresses support (30%).
- In summary, if environmental concerns can be addressed related to the transport of bitumen, there is strong support for the proposed refinery from all regions of the province.

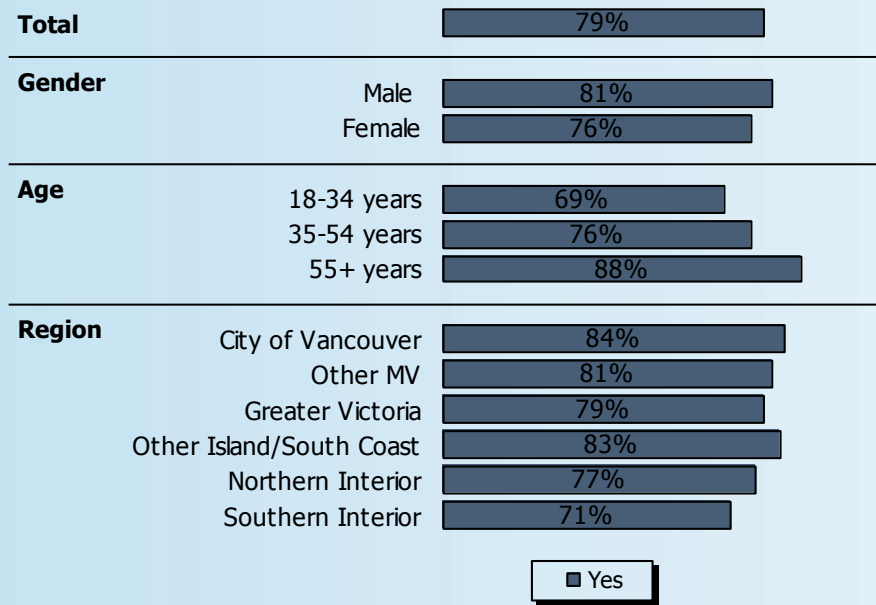


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# Key Findings



## ➤ Awareness of Proposed Refinery for Northwest Coast



- Almost eight-in-ten B.C. residents are currently aware of the proposal to build a refinery on British Columbia’s northwest coast (79%).
- Awareness does not differ significantly by gender or region, but those aged 55 years or older are more likely than younger residents to be aware of the proposal (88% versus 76% of those 35 to 54 years, and 69% of the under 35’s).

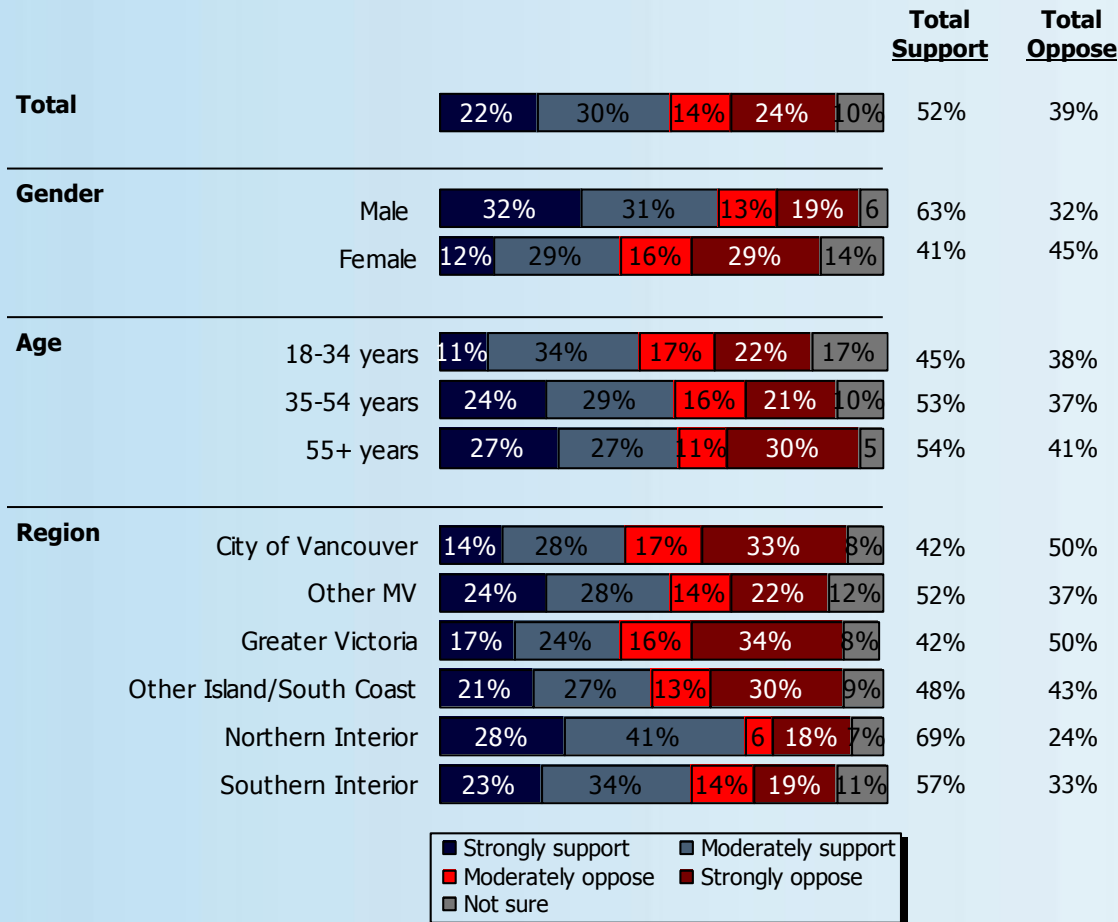
Base: Total (n=800)

*As you may know, a proposal is underway to build a \$13-billion refinery on British Columbia’s Northwest coast. The facility would refine oil sands bitumen into lighter petroleum products – such as diesel, gasoline or jet fuel – that would be largely exported to Asia.*

*Have you seen, read or heard anything about this proposal?*



## ➤ Level of Support for Refinery Proposal



- After being provide with information about the refinery, more than half of all residents express support for the proposal (52%), with more than one-in-five that strongly supports it (22%).
- About four-in-ten residents are opposed to the proposal (39%), with approximately one-quarter strongly opposed (24%).
- Those more likely to support the proposal include males (63% vs. 41% of females), and residents living in the north interior (69%), south interior (57%) and Metro Vancouver, outside the City of Vancouver (52%).
- Opinions are more divided on Vancouver Island and the south coast (outside Victoria) with 48% in support and 43% opposed.
- Opposition outweighs support in the City of Vancouver, and in Greater Victoria (50% oppose vs. 42% support in each city).

Base: Total (n=800)

Now that you have heard more about the proposed refinery, do you support or oppose this proposal?



## ➤ Impact of Information about the Refinery on Opinion

Approximately 3,000 permanent jobs would be created during the refinery's ongoing operations



The refinery would be built with state of the art, world leading technology that minimizes pollution and greenhouse gas emissions



Approximately 6,000 jobs would be created during the refinery's five year construction



The refinery would generate considerable tax revenues for B.C. and Canada



Refining oil in B.C. would add value to our natural resources before exporting



Local First Nations and local communities would benefit from tax revenue and employment generated by the refinery



Refined petroleum products – diesel, gasoline or jet fuel – would float and evaporate if spilled, mitigating the risk of offshore pollution or damaging B.C.'s coastline



More inclined
  Less inclined
  No impact

Base: Total (n=800)

The following is some further information about the proposed refinery. Please indicate if this information makes you more inclined to support the proposal, less inclined or has not impact on your opinions.

- The information most likely to build support for the proposal include:
  - the prospect of job creation, particularly permanent jobs, as well as the jobs created during the construction phase;
  - the refinery would employ leading technology to minimize pollution and emissions;
  - increased tax revenue; and
  - added value to exported natural resources brought about by the refinery.
- Even approximately 25% to 30% of those initially opposed to the proposal are more inclined to support it after learning this information.
- Having slightly less positive impact upon residents' opinions are the benefits to local First Nations and local communities, and information that draws attention to the fact petroleum products would float if spilled, so mitigating the risk of pollution (this latter information in fact has a negative impact on one-quarter).





## Reasons for Supporting Refinery after Hearing Information (Unprompted)

	Area of Residence						
	Total (800) %	City of Vancouver (143) %	Other MV (295) %	Greater Victoria (76) %	Other Is/ South Coast (93) %	Northern Interior (66) %	Southern Interior (127) %
Economic benefits for BC/increased revenue	20	15	21	13	18	20	24
Will create jobs	17	10	19	11	17	28	19
Need assurance that environmental safety concerns have been addressed	8	8	9	5	8	12	9
Refining petroleum products in Canada would create value added products	5	5	6	5	4	4	5
Would provide petroleum products which could be used within Canada	2	3	1	1	-	3	6
Refined petroleum products would have less environmental impact in the event of a spill (would float, evaporate)	2	1	2	3	2	2	2
Would expand the market for Canadian petroleum products/reduce dependency on US	2	1	2	1	2	2	2
May lower the price of gas in Canada	2	2	1	-	-	3	4

- The main reasons for expressing support include economic benefits for B.C., the creation of jobs within the province, and the belief refining within Canada will create value-added products for Canada.





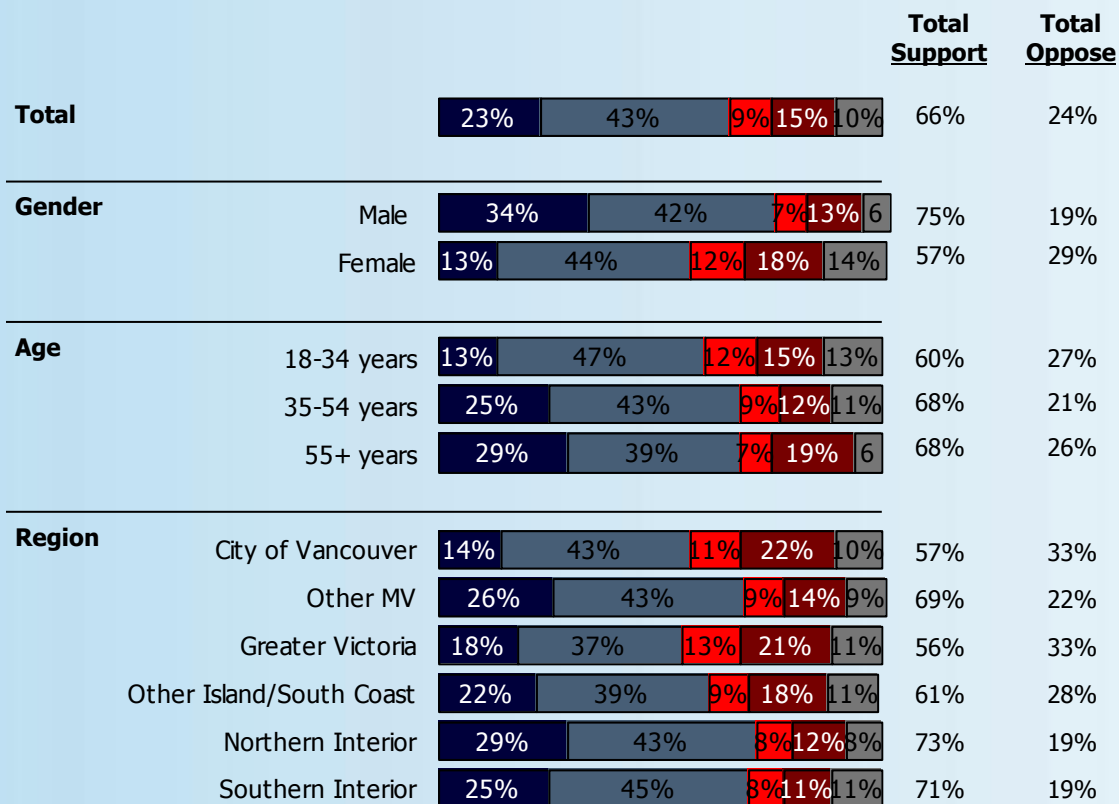
## Reasons for Opposing or Unsure about Refinery After Hearing Information (Unprompted)

	Area of Residence						
	Total (800) %	City of Vancouver (143) %	Other MV (295) %	Greater Victoria (76) %	Other Is/ South Coast (93) %	Northern Interior (66) %	Southern Interior (127) %
Environmental concerns in general	21	26	19	29	23	10	21
Concerns about oil spills in general	9	7	11	9	11	9	8
Distrustful/skeptical of information provided	9	11	10	5	9	11	6
Climate change concerns/reduce our petroleum dependency	7	9	7	16	9	1	5
Over estimation of economic benefits	6	7	7	4	5	10	4
Pipeline concerns (i.e. destruction of forests, risk of spills)	6	5	5	9	5	3	8
Distrust of oil industry in general	5	9	3	5	4	6	5
Downplaying of oil spill risk	4	7	5	4	2	7	1
Should not export resources	4	2	3	7	1	3	6
Distrust of government in general	3	5	3	-	3	5	1
First Nations concerns (i.e. land rights, compensation)	3	4	2	1	1	4	4
Concerns about oil tankers navigating BC coastline	3	2	2	2	7	5	2
Refinery should be built in Alberta/another location	2	-	2	1	8	4	2
Negative comments about Alberta oil/tar sands production	2	4	2	2	2	3	1
Need more information about proposal	10	7	10	6	12	6	12
Has not changed my previous opinion	10	9	12	10	9	14	6
Miscellaneous	4	6	4	4	3	5	1
Not stated	4	8	3	6	4	4	3

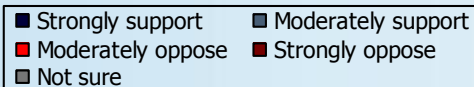
- Reasons for opposing the proposal appear to fall into two main categories.
- Firstly are those regarding environmental concerns, climate change, concerns about pipelines and oil spills.
- Secondly there is distrust or skepticism regarding information about the refinery, that economic benefits are overestimated while dangers have been down-played.



## Level of Support for Proposal with Environmentally Sound Method of Transporting Bitumen



- If an environmentally sound method of transporting bitumen to the refinery was found, support for the proposal increases to 66% and opposition declines to 24%.
- If this assurance can be made, all demographic segments and regions of the province would support the proposed refinery.

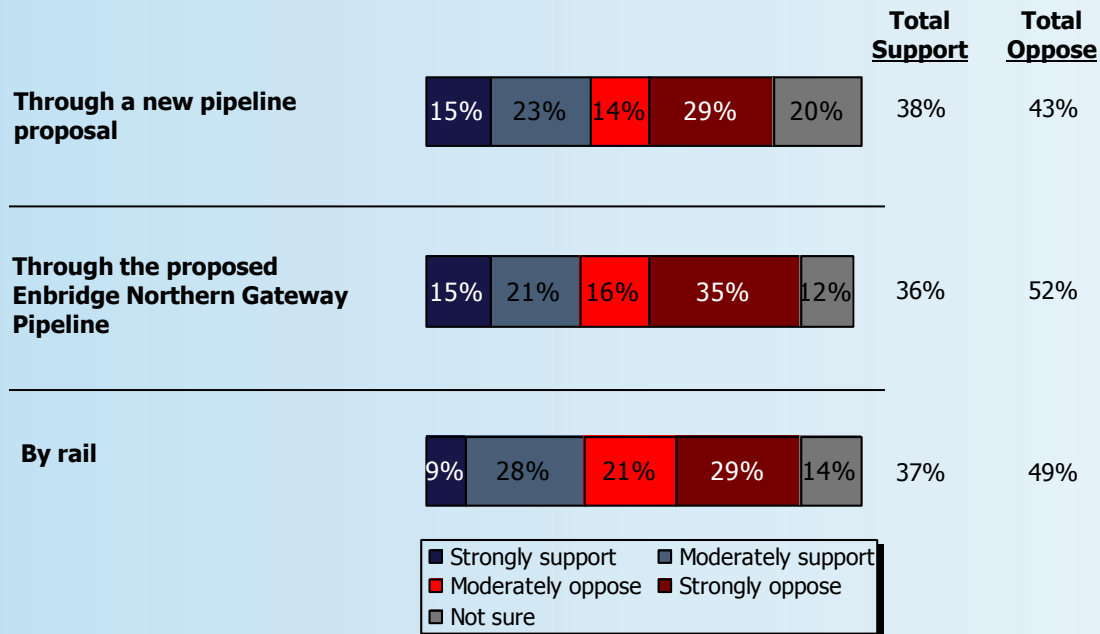


Base: Total (n=800)

If an environmentally sound way of transporting the bitumen to the refinery was found, would you support or oppose the proposal?



## ➤ Preferred Method for Transporting Bitumen



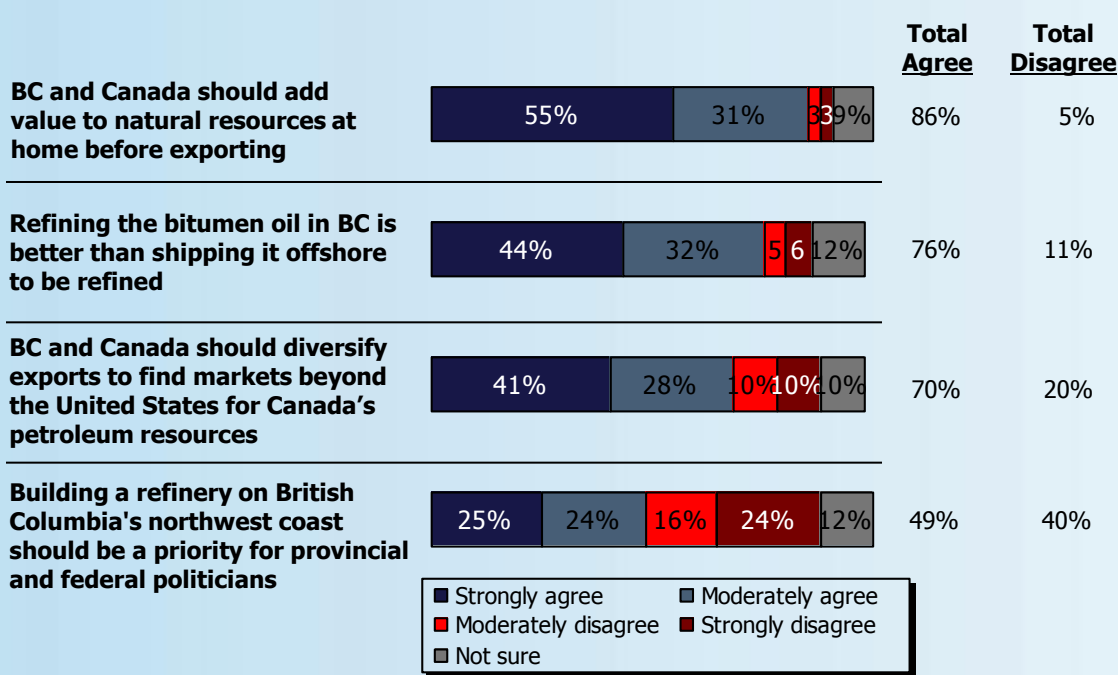
- Presented with the two possible methods for transporting bitumen from Alberta to the B.C. coast there appears no real preference for either, with approximately one-third of residents that support rail (37%), and the same proportion that support the proposed Enbridge pipeline (36%).
- Support is no different for the suggested new pipeline proposal (38%).
- In terms of rail transport, support is quite consistent amongst most demographic segments, with the majority opposed.

Base: Total (n=800)

*There are only two methods to transport bitumen from the Alberta oil sands to British Columbia's northwest coast: through pipelines and by rail. Thinking about this, do you support or oppose each one of these methods of transporting bitumen from the Alberta oil sands to a West Coast refinery?*



## ➤ Agreement with Statements on Issue



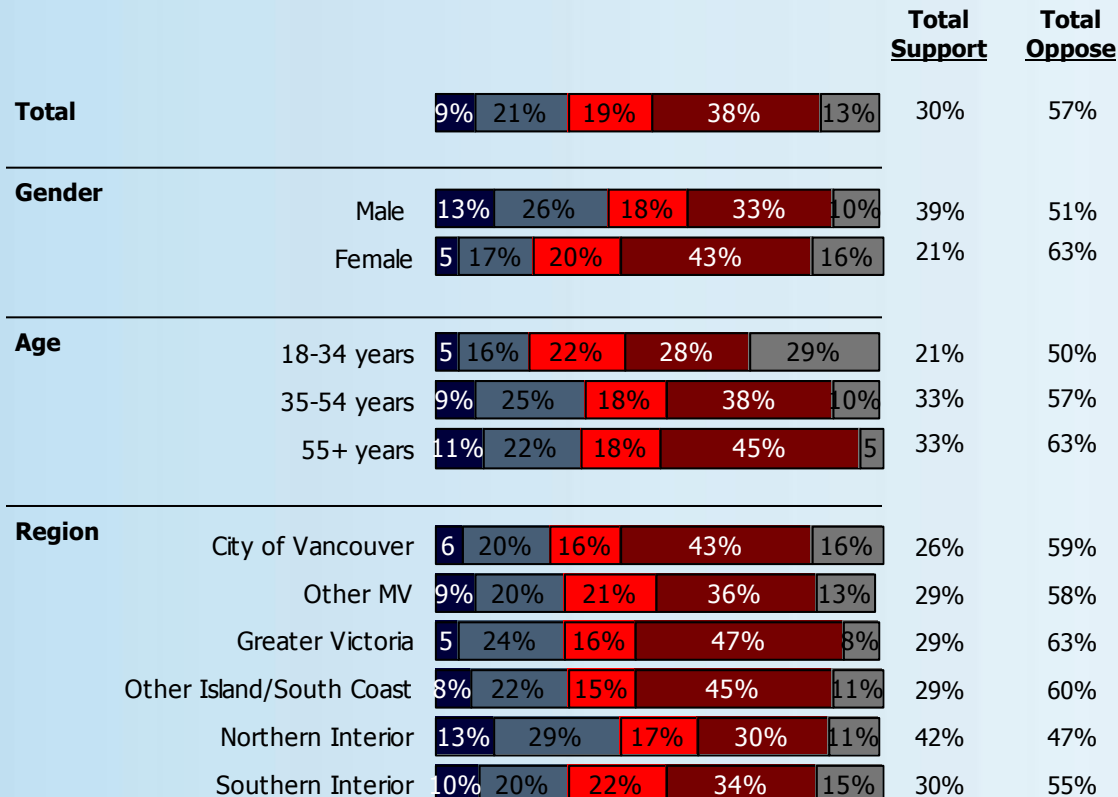
- The large majority of B.C. residents agrees that B.C. and Canada should add value to natural resources before exporting (86%, with 55% that agrees strongly).
- Furthermore, three-quarters of residents agree it is better to refine bitumen within B.C. rather than offshore (76%, with 44% that agrees strongly).
- More than two-thirds of all residents also agree with diversifying exports to find markets beyond the United States for Canada's petroleum products (70%, with 41% that agrees strongly).
- But less than half agree with politicians prioritizing the building of a refinery on B.C.'s northwest (49% agree and 40% disagree).
- Agreement with these statements is generally consistent amongst most demographic groups, though somewhat stronger amongst males and those aged 35 years or older.

Base: Total (n=800)

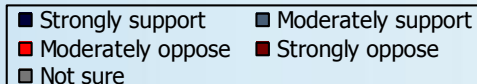
All things considered, do you agree or disagree with each one of these statements?



## ➤ Level of Support for Current Northern Gateway Pipeline Plan



- Currently the majority of B.C. residents is opposed to the Northern Gateway Pipeline plan to ship bitumen by tankers offshore (57%), with less than one-third that expresses support (30%).
- Those most opposed include women, those 35 years of age or older, and coastal residents.



Base: Total (n=800)

Are you in favour of or opposed to the current Northern Gateway pipeline plan to load bitumen from the Alberta oil sands on tankers in Kitimat for shipment offshore?



## ➤ Demographic Profile

	<u>Total</u> (800) %
<b>Gender</b>	
Male	48
Female	52
<b>Age</b>	
18-34	27
35-44	17
45-54	20
55-64	17
65+	19
<b>Level of Education</b>	
High school or less	15
Vocational or technical school	19
University or college degree	52
Post graduate degree	15
<b>Region</b>	
Greater Victoria	8
Other Vancouver Island/South Coast	10
Northern Interior (North of Kamloops)	7
Southern Interior (Kamloops and South)	22
City of Vancouver	15
Other Metro Vancouver	38