THE STRATEGIC COUNSEL

EXPERIENCE • PASSION • CREATIVITY

TORONTO | OTTAWA | CALGARY
www.thestrategiccounsel.com

A REPORT TO ALBERTA CHAMBERS OF COMMERCE

ALBERTA TODAY: PUBLIC AND BUSINESS ATTITUDES TO KEY POLICY ISSUES

JULY 2022

TABLE OF CONTENTS

1

ABOUT THE RESEARCH

About the Research

OBJECTIVES

- This is the Alberta Chambers of Commerce's (ACC) fourth annual survey that includes both public and business community perspectives.
- Surveys including the public take place annually, with the first public survey held in the summer of 2019.
- This survey includes a wide variety of tracking questions that primarily explore perceptions of the province's economic situation.
- The ACC will make use of these surveys in a number of ways:
  - Use the findings to broaden and deepen the evidence the ACC and local chambers can bring forward to articulate the perspectives of the province's business community;
  - Compare and contrast the viewpoints of the public and business communities; and
  - Make the research available to individual chambers for their own use with local municipalities.

METHODOLOGY

- Utilizing the Alberta Perspectives platform, the ACC sent an invitation with a link to the online survey to all member chambers across the province. Chambers then sent this invitation to their members. Other sources were also used to survey businesses, including non chamber members.
- A total of 564 participants completed the survey through this approach. As part of the survey, those experiencing supply chain issues were also asked to complete a few additional questions related to this issue, with a further 293 answering these questions
- This large number of responses allows the ACC to speak with authority about members' views, strengthening advocacy on behalf of Alberta's business community.
- As in previous years, the ACC made use of an online panel of 800 members of the public, living in Alberta, who agreed to complete a survey in return for an incentive.
- The business survey took place between June 14th and June 30th, 2022.
- The public survey took place between June 30th and July 12th, 2022.

2

OVERVIEW

Overview

- The dramatic increase in oil and gas prices (O/G), partly fueled by the Ukraine/Russia war, has led to a significant and positive change in the economic and fiscal mood of the province. At the same time, supply chain disruptions are evident and a major source of concern for businesses in the province. This, and the high level of concern among both the public and businesses over inflation, are dampening factors on the more positive mindset among the public and the business community.

- The rise in the price of O/G and the subsequent increase in provincial government revenues appears to have revitalized flagging perceptions of the 'vital' importance of the sector to the province's economy.

- There is also support to maximize O/G extraction to meet market demands. But at the same time, there are some in the province who opt for less extraction in order to become carbon neutral; this group notably has a very different set of priories than others. For most, though, climate change is not a key issue of concern (5% among the public and 3% among businesses rate it a major issue facing the province).

Overview

- Business and the public's resistance to any cuts in major government programs, and continued resistance to tax increases make dealing with the deficit, from a business and public perspective, very challenging.

- Diversification away from the reliance on O/G continues to be a major priority. There also continues to be a strong belief in the Albertan business community's ability to create new and emerging businesses. Furthermore, there continues to be far less confidence in the provincial government as a partner in this venture, despite perceptions of the province's improved financial situation.

- While 'paying down the debt' and balancing the provincial budget appear to have lost some of the urgency of last year, there is nonetheless caution in spending royalties on services and programs (with the exception of health care, where there has been dramatic increase in the desire to see spending increased). For businesses, the other priority is infrastructure spending. Aside from these, the preference is more to use excess revenue to pay down the debt rather than new spending.

3

KEY FINDINGS

Key Findings

1

THERE HAS BEEN A DRAMATIC SHIFT OVER THE LAST YEAR FOR BOTH BUSINESS AND THE PUBLIC IN THE ISSUES THAT CONCERN THEM.

In all, a quarter of each group identify inflation as a pressing issue for them, replacing concerns about the economy overall as the top issue.

In fact, nine-in-ten among both business and the public say inflation is impacting them in a wide variety of ways.

At the same time, there has also been a substantial increase among both groups, especially the public, in concerns about access to and the quality of the health care system. Among the public, this concern is almost equal to inflation.

2

THE BUSINESS COMMUNITY HAS BECOME SIGNIFICANTLY MORE POSITIVE ABOUT THE LONG-TERM FUTURE OF THE PROVINCE, ALTHOUGH THESE VIEWS ARE VOLATILE.

Their views are now aligned with the public, with over half in both groups now having a positive view of the province’s long-term future.

The views of both groups are now coming close to the high levels seen in 2019.

Key Findings

3

PERCEPTIONS OF THE IMPORTANCE OF THE OIL AND GAS SECTOR FOR THE PROVINCE'S ECONOMY HAVE BOUNCED BACK FROM 2021 LOWS.

While both business and the public believe the sector is important, the business community continues to be well ahead of the public in seeing the sector as of vital importance.

Consistent with the perceived growth of the O/G sector to the economy, there has also been a substantial decline to 2019 levels in those saying it will be less important in the future (17% business and 20% public).

4

HOWEVER, THERE ARE CHALLENGES TO THE SECTOR COMING FROM THOSE CONCERNED WITH CLIMATE CHANGE ISSUES.

While majorities say the province should extract as much O/G as it can sell (excl. don't know responses), almost a third of the public (31%) but half that among businesses (16%) say the province should reduce the amount of O/G extracted.

Those expressing this view hold distinctly different views from those who are pro-extraction in terms of having less concern and focus on the province's financial situation, being less business friendly and more concerned with COVID.

Key Findings

5

CHANGES IN PERCEPTION OVER ONE YEAR AGO ARE NO MORE DRAMATICALLY ILLUSTRATED THAN IN VIEWS OF THE PROVINCE'S FINANCIAL SITUATION.

The proportion of businesses and the public now saying provincial finances are at least fair (75%) is at its highest this tracking has recorded, going back to 2019.

At the same time, both businesses and the public remain cautious. Large majorities (three quarters or more) while less than previous years, say they continue to be at least somewhat concerned.

6

DESPITE OBVIOUS PERCEPTUAL SHIFTS, DIVERSIFICATION BEYOND O/G AND REDUCING TAXES REMAIN THE TWO MOST IMPORTANT PRIORITES FOR BOTH GROUPS.

In addition, for businesses, strengthening local supply chains and encouraging local shopping are new emerging priorities.

The state of provincial finances (i.e., balancing the budget, reducing the debt, etc.) while remaining important appear to be less pressing than in previous years and has been displaced by other emerging issues cited in this summary.

Key Findings

7

WHILE PAYING DOWN THE PROVINCIAL DEBT REMAINS AN IMPORTANT PRIORITY, OTHERS ARE NOW EMERGING.

This is evident from the fact that when asked how to use O/G royalty revenues, paying down the debt was well ahead of other spending priorities.

Among businesses, debt repayment is easily the most important way to use the royalty revenue, but infrastructure investment is an important second choice.

Pressure to spend on health care is also apparent. When asked about spending priorities, six-in-ten among the public and four-in-ten among businesses are in favour of an increase in spending on health care. This represents a dramatic increase over 2021 for both groups.

The more positive outlook regarding the province's finances and concerns over inflation also seems to have reduced slightly, the already limited support for a variety of potential tax and fee increases.

8

THE ALBERTAN BUSINESS COMMUNITY CONTINUES TO BE SEEN AS THE BEST OPTION FOR DIVERSIFICATION AND THE EMERGENCE OF NEW BUSINESSES.

In fact, faith in the business community's ability to provide the needed leadership remains high among businesses, but remains lower, although strong, among the public.

While the Albertan business community continues to have support in leading the way in creating emerging new businesses, perceptions of the ability of the provincial government to be the major contributor have declined substantially since 2019 among both the public and businesses.

9

CONCERNS ABOUT THE COST OF ENERGY AMONG BUISNESSES REMAINS HIGH.

In addition to significant inflation concerns the cost of electricity and gas continue to be a significant concern for businesses, although somewhat less so than a few months ago.

Half continue to express a very high level of concern, with over half of those concerned saying their costs over the last six months have gone up by 20% or more.

4

DETAILED FINDINGS

- Economic Outlook and Expectations
- What Are The Issues?
- How Are Issues To Be Resolved?
- Who Can Resolve Issues?
- Supply Chain Ombudsman

There has been a dramatic shift in business and public concerns over the past year. Fully a quarter of the two groups now identify inflation as the most important issue facing the province. In contrast, the provincial economy, which was last year's major issue, has declined significantly in mentions.

- With concerns about COVID-19 receding among business and the public, access to and the quality of the healthcare system (especially among seniors, 34%) has also emerged as a significant concern for the public, although somewhat less so for business.

BUSINESS

	Jul '19	Jul '20	Jul '21	Jul '22
Inflation	-	-	-	25%
Ensuring access to, and the quality of, our health care system	8%	4%	4%	12% ↑
Exporting Alberta's oil and gas (gas added Jul'22)	26%	23%	11%↓	11%
Negative attitudes towards the oil and gas industry	-	-	11%	9%
The provincial economy	28%	32%	28%	8% ↓
Relations with the federal government	1%	3%	3%	5%
Ensuring access to, and the quality of, our education system	6%	4%	3%	4%
The provincial deficit and debt	5%	5%	8%	3%
Regulatory burden on business	4%	4%	4%	3%
The level of taxes	4%	3%	3%	3%
Climate change/global warming	8%	2%	4%	3%
Interests rates	-	-	-	3%
Controlling provincial government spending	4%	2%	3%	2%
Unemployment	3%	8%	3%	1%
Continued development of coal resources	-	-	<1%	1%
Public safety regarding COVID-19	-	6%	5%	-
Other	3%	4%	10%	8%

PUBLIC

	Jul '19	Jul '20	Jul '21	Jul '22
Inflation	-	-	-	24%
Ensuring access to, and the quality of, our health care system	12%	9%	13%	22% ↑
The provincial economy	24%	25%	20%	7% ↓
Exporting Alberta's oil and gas (gas added Jul'22)	26%	17%	12%	7%
Negative attitudes towards the oil and gas industry	-	-	-	7%
Climate change/global warming	7%	3%	6%	5%
Unemployment	9%	11%	10%	4%
The level of taxes	5%	2%	4%	4%
Ensuring access to, and the quality of, our education system	3%	5%	6%	3%
Relations with the federal government	2%	2%	3%	3%
Interest rates	-	-	-	3%
Public safety regarding COVID-19	-	12%	7%	2%
The provincial deficit and debt	4%	6%	10%	2% ↓
Controlling provincial government spending	3%	3%	3%	2%
Continued development of Alberta's coal resources	-	-	-	1%
Regulatory burden on business	1%	<1%	1%	<1%
Other	3%	4%	4%	5%

Q1. (B) Which of the following do you believe to be the most important issue facing Alberta, that is the one you are personally most concerned about?
(P) Which of the following do you believe to be the most important issue facing Alberta, that is the one you are personally most concerned about? (previous phrasing) Which of the following do you believe to be the most important issue facing Alberta, that is the one about which you are most concerned?

Base: Business: Jul'19 n=714, Jul'20 n=502, Jul'21 n=613, Jul'22 n=564; Public: Jul'19 n=834, Jul'20 n=800, Jul'21 n=801, Jul'22 n=800

Positive attitudes among business and the public about the province's long term future have increased dramatically over a year ago and are now approaching levels last seen in July 2019.

- Of note, the public are slightly less positive than in March of this year and this may be a result of the emergence of inflation as a concern; among those greatly concerned with inflation, 47% have a positive view of the future compared with 55% who do not share this level of concern.
- Among the public, age is significantly linked to perceptions of the future; as age increases positive views about the provinces future also increase; 18-34 (43%) to 65+ (64%).
- Small businesses (1- 4 employees) are less positive about the long term future with only 46% saying they feel positive compared with 66% among all larger businesses.

	BUSINESS										PUBLIC					
	Jul '19	Nov '19	Mar'20	Jul '20	Nov'20	Mar '21	Jul '21	Nov'21	Jul '22	NET Change Nov'21 – Jul'22	Jul '19	Jul '20	Jul '21	Mar'22	Jul '22	NET Change Mar'22 – Jul'22
TOTAL POSITIVE	62%	42%	42%	36%	41%	53%	44%	43%	59%	+16	57%	42%	44%	64%	52%	-12
Very positive	10%	6%	6%	3%	5%	8%	5%	7%	10%	+3	8%	5%	6%	14%	8%	-6
Somewhat positive	52%	36%	37%	33%	36%	45%	40%	36%	49%	+13	49%	37%	38%	50%	44%	-6
Somewhat negative	27%	36%	35%	43%	37%	32%	38%	32%	29%	-3	30%	36%	36%	20%	29%	+9
Very negative	6%	18%	17%	17%	20%	12%	14%	23%	9%	-14	6%	15%	14%	7%	11%	+4
TOTAL NEGATIVE	33%	54%	53%	60%	57%	44	52%	55%	39%	-16	36%	51%	49%	28%	40%	+12
Don't know/not sure	5%	4%	5%	3%	2%	3%	4%	2%	3%	+1	7%	7%	6%	8%	8%	0

Q2. Overall, how do you feel about the long-term future of the province?

Base: Total sample Business: Jul'19 n=714, Nov'19 n=1028, March'20 n=353, Jul'20 n=502, Nov'20 n=847, Jul'21 n=613, Nov'21 n=359, Jul'22 n=564; Public: Jul'19 n=834, Jul'20 n=800, Jul'21 n=801, Mar'22 n=800, Jul'22 n=800

There has been a significant increase, especially among the public, in those saying the oil and gas sector is ‘vitally/very’ important to Alberta’s economy and will be more important over the next few years.

- Presumably, this increase in the sense of importance now and in the next few years is a result of the rise in oil prices and the dramatic impact on the province’s finances.
- However, the public lags business considerably in the extent to which the sector is seen as ‘vitally’ important. This is in large part linked to attitudes toward O/G extraction (see slide 20).
- Among businesses, those in the Calgary and the south/central (54%) area are much less likely to say the sector is vitally important than those in Edmonton (62%) or the north (71%).

Importance of Industry for Province’s Economy

	BUSINESS				PUBLIC			
	Jul ’19	Jul ’20	Jul ’21	Jul ’22	Jul ’19	Jul ’20	Jul ’21	Jul ’22
TOTAL VITALLY/VERY IMPORTANT	**89%**	**82%**	**82%**	**88%**	**88%**	**82%**	**76%**	**82%**
Vitally important	59%	60%	51%	**60%**	52%	43%	36%	**41%**
Very important	30%	22%	30%	**28%**	36%	39%	39%	**41%**
Somewhat important	9%	14%	13%	**8%**	10%	15%	19%	**13%**
Not too important	1%	3%	4%	**2%**	1%	2%	3%	**2%**
Not at all important	1%	1%	1%	**2%**	<1%	<1%	1%	**1%**
TOTAL NOT TOO/NOT AT ALL IMPORTANT	**2%**	**4%**	**5%**	**4%**	**1%**	**2%**	**4%**	**3%**
Don’t know	-	-	-	**<1%**	1%	1%	1%	**1%**

Expectations as to Continued Importance of Industry

	BUSINESS				PUBLIC			
	Jul ’19	Jul ’20	Jul ’21	Jul ’22	Jul ’19	Jul ’20	Jul ’21	Jul ’22
Will be more important	24%	23%	21%	27%	22%	17%	12%	21%
Will continue to be as important as it is today	60%	51%	53%	55%	59%	51%	48%	55%
Will be less important	16%	25%	26%	17%	16%	30%	37%	20%
Don't know/not sure	<1%	1%	<1%	1%	3%	3%	3%	5%

Q8. How important is the oil and gas industry for the province’s economy?
Base: Business: Jul’19 n=714, Jul’20 n=502, Jul’21 n=613, Jul’22 n=564; Public: Jul’19 n=834, Jul’20 n=800, Jul’21 n=801, Jul’22 n=800
Q9. Over the next few years, what are your expectations for the importance of the oil and gas industry for the province’s economy? (In 2019 the question was slightly different: Overall, what are your expectations over the next few years regarding the importance of the oil and gas industry?)
Base: Business: Jul’19 n=714, Jul’20 n=502, Jul’21 n=613, Jul’22 n=564; Public: Jul’19 n=834, Jul’20 n=800, Jul’21 n=801, Jul’22 n=800

When offered two positions on oil and gas extraction, by wide margins, and especially among business, there is support for extracting as much oil and gas as possible in order to realize the economic benefits, as opposed to reducing oil and gas extraction.

- There is considerable evidence that those seeking to limit extraction also have very different views on the importance on a number of issues (see box below).
- Among businesses, those working with companies of 200 or more employees are somewhat more likely to support less extraction (29%).

	BUSINESS	PUBLIC
	Jul ’22	Jul ’22
That the province should extract as much oil and gas as it can sell to ensure that the economic benefits are realized, even if this means it will take longer to reach carbon neutrality.	76%	56%
That the amount of oil and gas extracted in Alberta should be reduced over the next few years, despite the economic cost, to help Canada reach its carbon neutral targets.	15%	25%
Don’t know/not sure	9%	19%

- Are much less likely (15%) to say the oil and gas sector is vitally important compared with the pro-extraction group (72%)
- Less likely to say they are very concerned about the provinces financial situation (55%) compared with those who are pro-extraction 80%)
- And believe royalty revenues should go toward social services (45%) compared with those who are pro extraction (16%)

- Similar to business are also much less likely (15%) to say the oil and gas sector is vitally important compared with the pro-extraction group (72%)
- Are much more likely to be positive about the future of the province (37%) compared to those for more extraction (60%)
- Those in the north part of the province are less likely to support reduced O/G extraction (18%)

Q10(B) Q10(P). There has been discussion in the media about oil and gas extraction in Alberta with two primary narratives: Which one best reflects your point of view? (P) which one of the options below best reflects your view?

Base: Business: Jul’22 n=564; Public: Jul’22 n=800

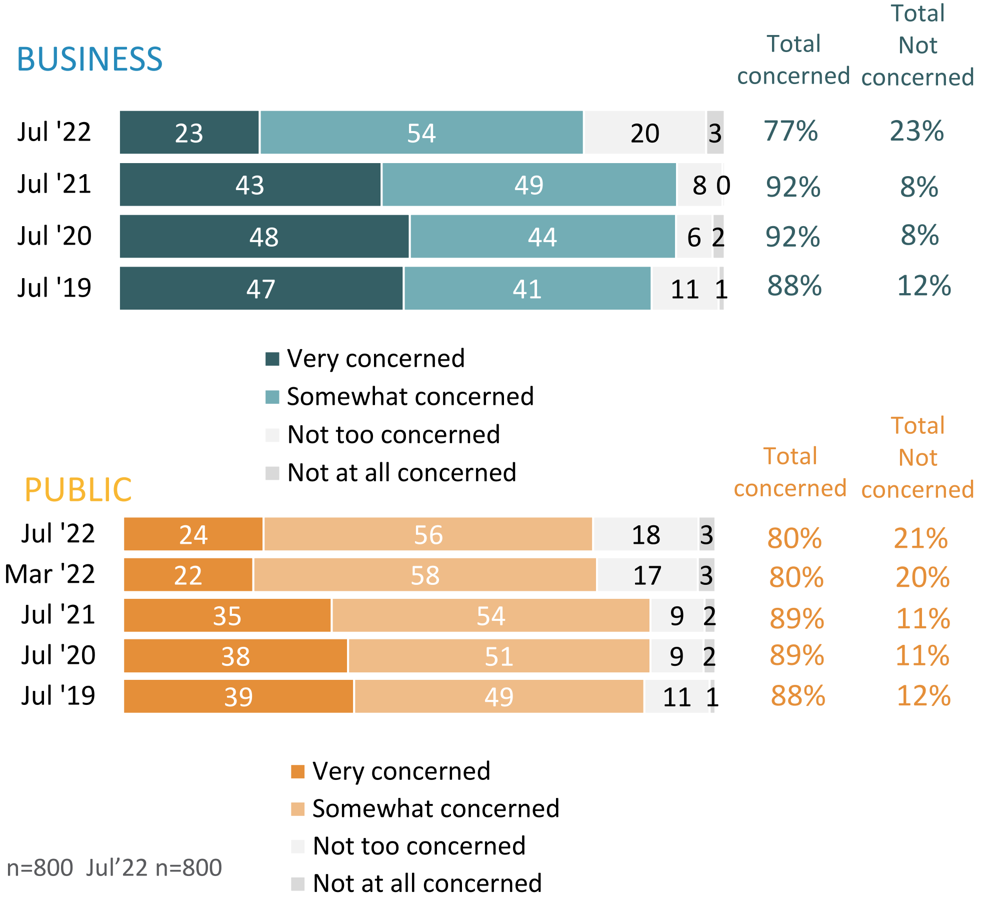
Changes in perception over the last year are no more dramatically illustrated than in views of the province's financial situation. While few say 'excellent', large majorities (three quarters) of both groups say at least 'fair'; the proportion saying 'very concerned' is down substantially.

- However, large majorities in both groups continue to express some level of concern about the state of the province's finances.

Perception of Alberta's Financial Situation

	BUSINESS Jul '19	Jul '20	Jul '21	Jul '22	PUBLIC Jul '19	Jul '20	Jul '21	Mar'22	Jul '22
TOTAL EXCELLENT/GOOD/FAIR	47%	31%	34%	76%	54%	46%	42%	68%	75%
Excellent	1%	-	<1%	5%	0%	<1	<1	5%	5%
Good	10%	5%	5%	28%	13%	7%	7%	23%	32%
Fair	36%	26%	29%	43%	41%	38%	35%	40%	38%
Poor	35%	45%	39%	15%	32%	36%	36%	19%	15%
Very poor	16%	23%	24%	5%	12%	15%	17%	7%	5%
TOTAL POOR/VERY POOR	51%	68%	62%	20%	44%	51%	54%	26%	20%
Don't know/not sure	2%	1%	3%	3%	2%	4%	4%	5%	5%

Level of Concern about Alberta's Finances



Q14(B) Q14(P). Overall, how would you describe the province's financial situation?
Base: Business: Jul'19 n=714, Jul'20 n=502, Jul'21 n=613, Jul'22 n=564; Public: Jul'19 n=834, Jul'20 n=800, Jul'21 n=801, Mar'22 n=800 Jul'22 n=800
Q15(B) Q15(P). How concerned are you about the state of the province's finances?
Base: Business: Jul'19 n=714, Jul'20 n=502, Jul'21 n=613, Jul'22 n=564; Public: Jul'19 n=834, Jul'20 n=800, Jul'21 n=801, Mar'22 n=800, Jul'22 n=800

Almost all say inflation is having some impact, but more so for business (60%, greatly) than the public (44%).

- The tourism sector, relative to others, appears to be more greatly affected by inflation (80% to 56%).
- Businesses with fewer than 50 employees compared with larger one's are slightly more likely to say they are 'greatly' affected by inflation (54% to 61%).
- Among the public, there are key demographic as well as attitudinal differences in terms of their perceptions of the impact of inflation (see box below).

	BUSINESS	PUBLIC
	Jul '22	Jul '22
TOTAL GREATLY/SOMEWHAT	93%	89%
Greatly	60%	44%
Somewhat	34%	45%
Not too much	4%	8%
Not at all	1%	1%
TOTAL NOT TOO MUCH/NOT AT ALL	5%	9%
Don't know/not sure	1%	2%

- Males (40%) females (49%)
- 65 years + (34%)
- Household income $100K + (35%), <$50K (58%)
- Oil/gas industry vitally important (58%)
- Limit oil/gas extraction (34%)

Q6(B) Q6(P). To what extent, if at all, is inflation impacting your business? (P) To what extent, if at all, is inflation impacting your household?
Base: Business: Jul'22 n=564; Public: Jul'22 n=800

For both business and the public, many say inflation is having an impact in multiple ways, primarily in terms of the cost of materials for businesses, and the cost of household and grocery items for the public.

BUSINESS

	Jul '22
Cost of materials	23%
Customers buying less	12%
Staff pressuring for wage increases	10%
Difficulty hiring staff	5%
Unable to increase prices	4%
All of these	40%
Other, please specify	3%
Don't know/not sure	2%

PUBLIC

	Jul '22
Cost of household items/groceries	47%
Harder to make ends meet	10%
Going out less	3%
Driving less	2%
Buying fewer things	2%
All of these	35%
Other, specify	2%
Don't know/not sure	1%

Q7(B) Q7(P). Which of the following is the most important way inflation is impacting your business? Please check on only)) (P) Which of the following is the most important way inflation is impacting your household? Please check one only))

Base: Business: Jul'22 n=526; Public: Jul'22 n=715

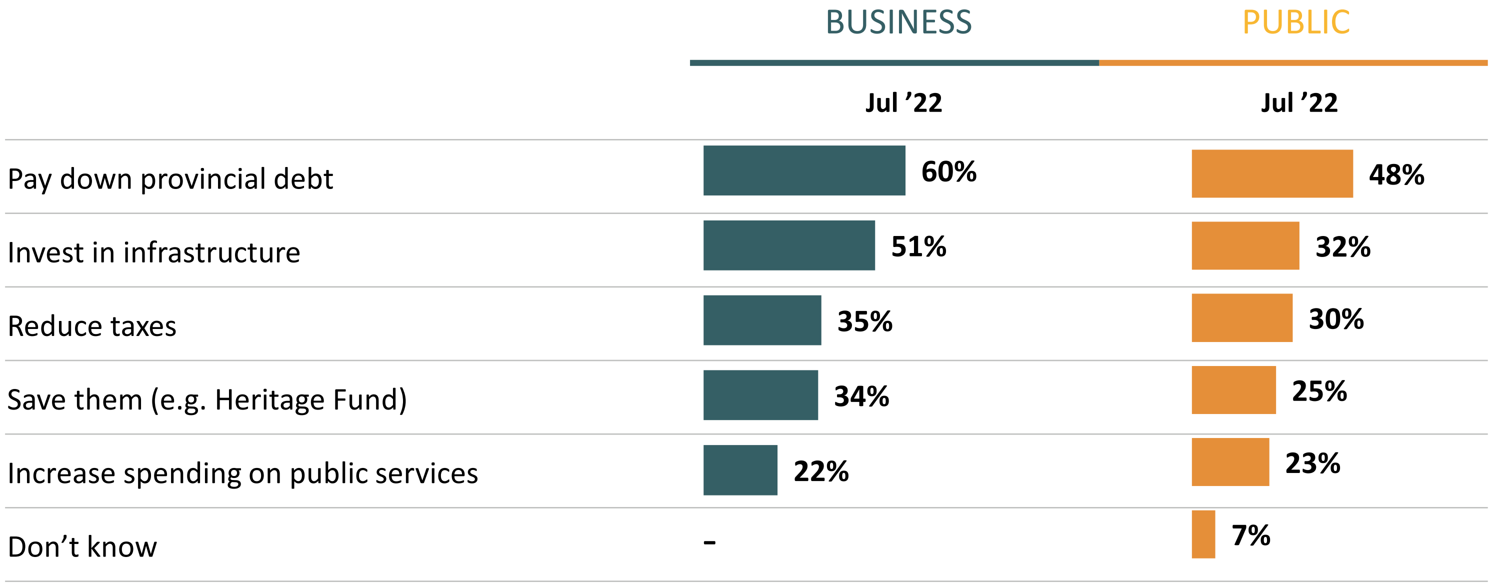
5

DETAILED FINDINGS

- Economic Outlook and Expectations
- What Are The Issues?
- How Are Issues To Be Resolved?
- Who Can Resolve Issues?
- Supply Chain Ombudsman

Of the two choices allowed, paying down the provincial debt is the most important priority for O/G royalties for both business and the public, although it is a much stronger preference for the former. Investing in infrastructure is a clear second preference for business, but there is no clear second choice for the public.

- Among businesses, those from larger companies (200+) are far less likely to focus on paying down the debt (46%) and more on saving the money (44%).
- Businesses in the tourism sector are the most likely to want infrastructure spending (56%) and are less focused on paying down the debt (44%).



Among the public:
- Paying down to debt and saving the money increase steadily with age.
- Among younger Albertans no one option stands out .
- Males are more strongly focused on paying the debt than females (53% to 43%).
- Those in favour of less oil extraction are also more likely to want infrastructure spending (44%) and spending on public services (40%) than debt payment (36%).

Q17(B) Q17(P). Oil and gas royalty revenues for the province have increased significantly in recent months. Which of the following options are your top priorities for what the province should do with these non-renewable resource revenues? (Please rank two options)

Base: Business: Jul’22 n=564; Public: Jul’22 n=800

Support for Canada developing a self-reliant energy infrastructure remains high; although, with the memory of the Keystone pipeline cancellation fading, there has been a 10% drop in businesses saying this is 'vitally important'.

- Among business and the public those most concerned about the provinces finances are most likely to say energy infrastructure self-reliance is vitally important.

	BUSINESS		PUBLIC
	Jul '21	Jul '22	Jul '22
TOTAL IMPORTANT	85%	**82%**	**79%**
Vitally important	53%	**43%**	**41%**
Very important	31%	**39%**	**38%**
Somewhat important	12%	**13%**	**14%**
Not too important	2%	**3%**	**2%**
Not at all important	1%	**1%**	**1%**
TOTAL NOT IMPORTANT	3%	**4%**	**3%**
Don't know/not sure	1%	**1%**	**4%**

Q11. How important is it to you that Canada develops a self-reliant energy infrastructure that is independent from the United States?
Base: Total sample Business: Jul'21 n=613, Jul'22 n=564; Public: Jul'22 n=800

Large majorities of both groups say it is at least 'somewhat important' that the provincial government achieve balanced budgets as soon as possible. A third say this is 'very important'.

- Among businesses, those in tourism (29%) and those working in the public sector or NGOs (27%) are less likely than others to say a balanced budget is very important.
- Among businesses, those who want limited O/G extraction are far less likely than those supporting extraction (11% to 40%) to say a balanced budget is very important.

	BUSINESS	PUBLIC
	Jul '22	Jul '22
TOTAL VERY/SOMEWHAT IMPORTANT	80%	77%
Very important	35%	34%
Somewhat important	45%	43%
Not too important	13%	15%
Not at all important	6%	6%
TOTAL NOT TOO/NOT AT ALL IMPORTANT	19%	21%
Don't know/not sure	1%	3%

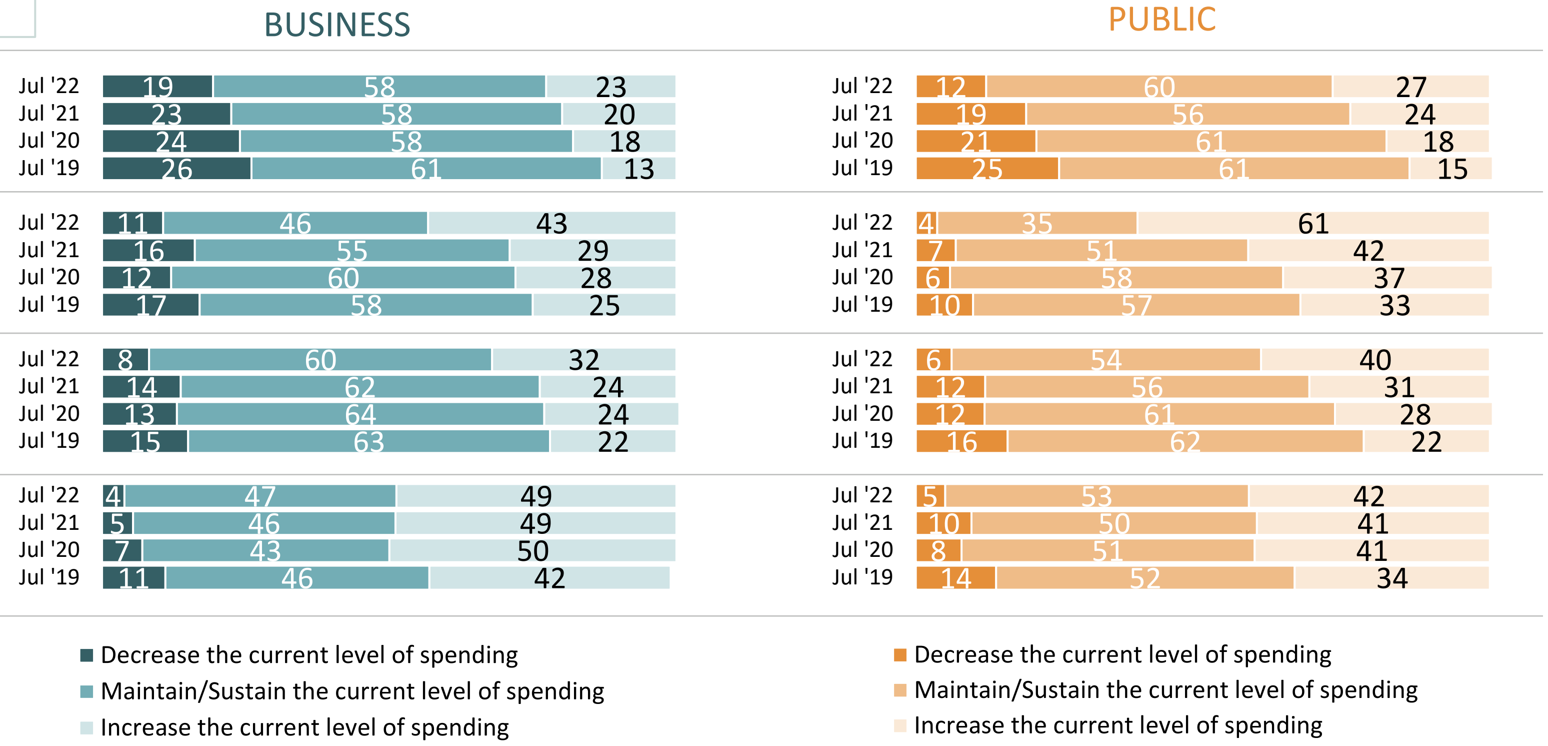
- Age - <55 (29%) 55+ (38%)
- Pro O/G extraction (40%) against (22%)
- O/G vital for future (48%)
- Very inflation concerned (40%)

Q16(B) Q16(P). How important is it to you that the provincial government achieve balanced budgets as soon as possible?
Base: Business: Jul'22 n=564; Public: Jul'22 n=800

While maintaining current levels of spending continues to be the preferred option for most key priorities, the desire for increased health care spending has increased dramatically, especially among the public.

- Among the public, the desire for increased spending on both the public school and the post secondary system has steadily increased over time, especially this year.
- Economic development continues to be a high spending priority for both groups.
- Among both groups, the divide between those who are pro O/G extraction and against is significant, with the pro group being far less likely to support more spending, with the exception of economic development (where both groups hold similar views).

Among businesses, those in the private sector are far less likely to support increased spending than those in the public/NGO. The exception is economic development where the private sector is well ahead



Priority	Year	Business: Decrease	Business: Maintain	Business: Increase	Public: Decrease	Public: Maintain	Public: Increase
Post-secondary education system	Jul '22	19	58	23	12	60	27
	Jul '21	23	58	20	19	56	24
	Jul '20	24	58	18	21	61	18
	Jul '19	26	61	13	25	61	15
The health care system	Jul '22	11	46	43	4	35	61
	Jul '21	16	55	29	7	51	42
	Jul '20	12	60	28	6	58	37
	Jul '19	17	58	25	10	57	33
The public school system	Jul '22	8	60	32	6	54	40
	Jul '21	14	62	24	12	56	31
	Jul '20	13	64	24	12	61	28
	Jul '19	15	63	22	16	62	22
Economic development	Jul '22	4	47	49	5	53	42
	Jul '21	5	46	49	10	50	41
	Jul '20	7	43	50	8	51	41
	Jul '19	11	46	42	14	52	34

Q19 (B) Q19 (P). What do you think is the appropriate action for government spending on each of the following priorities? (previous phrasing) For the following priorities, what level of government spending do you prefer?
Base: Business: Jul'19 n=714, Jul'20 n=502, Jul'21 n=613, Jul'22 n=564; Public: Jul'19 n=834, Jul'20 n=800, Jul'21 n=801, Jul'22 n=800

ACCEPTABILITY OF TYPES OF TAX INCREASES OR NEW TAXES TO BALANCE BUDGET

In general, there are slight declines in support for most fees and taxes tested, although increasing corporate taxes remains a favoured public option. There is no consensus among businesses on increasing fees or taxes.

- Among the public, support for higher taxes or fees is linked to feelings around inflation; the greater the concern around inflation, the lower the support for increases.
- Support for a tax on carbon-based products is largely driven by those who support reducing O/G extraction. Among the public who support reducing extraction, 60% support a tax on carbon compared with 17% who want to maximize extraction; among businesses, the response is similar (71% to 17% respectively).
- Among the public, age is a major differentiator regarding support for a carbon tax. Among those 18-34, 40% support a tax compared with 25% among those 65 and over.

Among businesses, support for a corporate tax increase is highest among those with 200 or more employees (54%).

% Very acceptable/Somewhat acceptable

	BUSINESS TOP 2 BOX				PUBLIC TOP 2 BOX			
	Jul '19	**Jul '20**	**Jul '21**	**Jul '22**	**Jul '19**	**Jul '20**	**Jul '21**	**Jul '22**
Increasing corporate taxes	45%	40%	41%	**39%**	67%	64%	68%	**65%**
Increasing or introducing user fees	45%	40%	37%	**38%**	32%	27%	22%	**18%**
Taxing the public on carbon-based products	36%	38%	33%	**27%**	45%	38%	35%	**30%**
The introduction of a provincial sales tax	33%	38%	32%	**26%**	28%	33%	27%	**21%**
Increasing education taxes	-	22%	21%	**16%**	-	24%	21%	**20%**
Introducing an employer health tax	-	-	-	**15%**	-	-	-	**28%**
Increasing personal income tax	26%	22%	18%	**13%**	23%	24%	20%	**15%**

Q18(B) Q18(P). If the provincial government decided that some form of tax increase or new tax was necessary to both balance the budget and save revenues from non-renewable resources, how acceptable to you is each of the following? (Previous phrasing) If the provincial government decided that some form of tax increase or new tax was necessary to balance the budget, how acceptable to you is each of the following?

Base: Business: Jul'19 n=714, Jul'20 n=502, Jul'21 n=613, Jul'22 n=564; Public: Jul'19 n=834, Jul'20 n=800, Jul'21 n=801, Jul'22 n=xx

Among those accepting of a tax increase only if necessary, views have remained relatively stable over the four years of tracking. This continues to suggest very limited support for tax increases and resistance remains high and is not softening.

- Concerns around inflation are strongly linked to opposition to tax or fee increases.

% Only acceptable if absolutely necessary

	BUSINESS TOP 2 BOX				PUBLIC TOP 2 BOX			
	Jul '19	Jul '20	Jul '21	Jul '22	Jul '19	Jul '20	Jul '21	Jul '22
Increasing personal income tax	42%	45%	44%	40%	43%	39%	38%	37%
Increasing education taxes	-	43%	42%	40%	-	43%	39%	43%
Increasing corporate taxes	34%	36%	34%	34%	25%	27%	24%	25%
Introducing an employer health tax	-	-	-	33%	-	-	-	40%
Taxing the public on carbon-based products	28%	32%	32%	29%	26%	33%	30%	34%
Increasing or introducing user fees	31%	33%	32%	27%	33%	32%	34%	34%
The introduction of a provincial sales tax	24%	26%	27%	23%	30%	28%	32%	28%

Q18(B) Q18(P). If the provincial government decided that some form of tax increase or new tax was necessary to both balance the budget and save revenues from non-renewable resources, how acceptable to you is each of the following? (Previous phrasing) If the provincial government decided that some form of tax increase or new tax was necessary to balance the budget, how acceptable to you is each of the following?

Base: Business: Jul'19 n=714, Jul'20 n=502, Jul'21 n=613, Jul'22 n=564; Public: Jul'19 n=834, Jul'20 n=800, Jul'21 n=801, Jul'22 n=800

6

DETAILED FINDINGS

- Economic Outlook and Expectations
- What Are The Issues?
- How Are Issues To Be Resolved?
- Who Can Resolve Issues?
- Supply Chain Ombudsman

Businesses and the public continue to share some priorities but are moving further apart on others. Diversifying the economy continues to be a major focus for both groups as does a new priority – strengthening local supply chains. Strongly linked to inflation concerns, there is also significant growth among the public in reducing taxes.

- No issue appears to divide the public and business on their priorities more than their views related to the amount of O/G extraction that should take place. Views on this issue are also associated with wide differences in priorities, in addition to the environment and related to O/G (e.g., diversifying the economy and reducing greenhouse gas emissions) but also those dealing with fiscal issues: reducing taxes, balancing the budget, paying down the debt (much more important for those pro-extraction); but also reducing the regulatory burden on business (much more important for those pro-extraction) and minimizing the spread of COVID-19 (much more important for those opposed to more O/G extraction).

BUSINESS

	Very Important			
	Jul '19	Jul '20	Jul '21	Jul '22
Strengthening local supply chains	-	-	-	63%
Encouraging businesses and the public to shop locally	-	-	-	59%
Diversifying the province's economy beyond oil/gas industry	52%	63%	62%	52% ↓
Reducing the regulatory burden on business	53%	48%	52%	51%
Balancing the provincial budget	45%	30%	37%	41%
Saving royalties from government oil and gas revenues	37%	35%	37%	40%
Reducing the provincial debt	47%	34%	41%	38%
Reducing taxes	38%	25%	32%	38%
Developing clean/non-polluting technologies	35%	31%	37%	34%
Maintaining the current level of government services	28%	32%	29%	29%
Reducing greenhouse gas emissions	26%	15%	19%	18%
Minimizing COVID-19 community spread	-	49%	41%	15% ↓

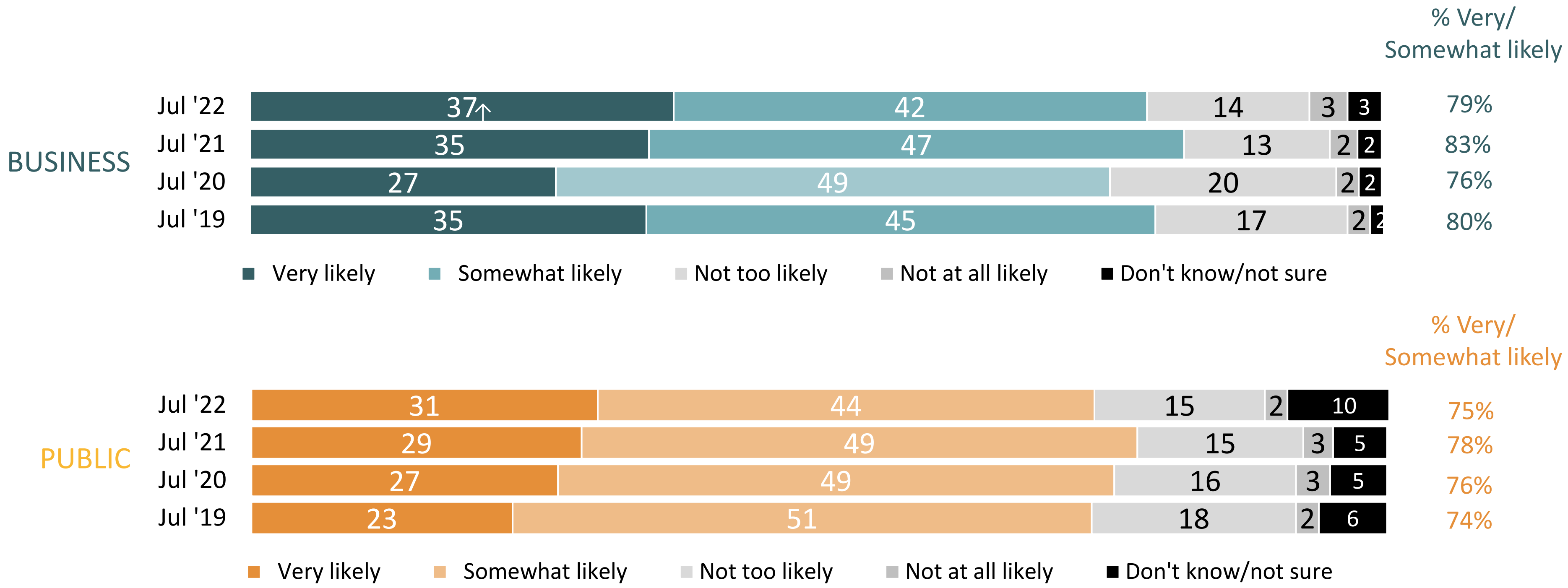
PUBLIC

	Very Important			
	Jul '19	Jul '20	Jul '21	Jul '22
Diversifying the province's economy beyond oil/gas industry	57%	57%	63%	54% ↓
Strengthening local supply chains	-	-	-	47%
Reducing taxes	37%	29%	36%	45% ↑
Reducing the provincial debt	45%	37%	44%	42%
Saving royalties from government oil and gas revenues	39%	35%	41%	42%
Minimizing COVID-19 community spread	-	64%	61%	40% ↓
Developing clean/non-polluting technologies	39%	35%	43%	40%
Balancing the provincial budget	42%	34%	42%	40%
Maintaining the current level of government services	35%	35%	36%	37%
Encouraging businesses and the public to shop locally	-	-	-	36%
Reducing greenhouse gas emissions	30%	27%	34%	32%
Reducing the regulatory burden on business	27%	21%	27%	24%
Don't know	-	-	-	-

Q3. How important to you are each of the following priorities?
Base: Excluding DK responses. Business: Jul'19 n=714, Jul'20 n=502, Jul'21 n=613, Jul'22 n=564; Public: Jul'19 n=834, Jul'20 n=800, Jul'21 n=801, Jul'22 n=800.

Albertans continue to believe it is likely that new businesses, not dependent on resource extraction, can emerge in the province. Businesses continue to be somewhat more likely than the public to believe this.

- Those in favour of reduced O/G extraction are also more likely than those pro-extraction to say it is very likely new businesses will emerge (business – 50% to 34%, respectively, public 39% to 29%, respectively).



Q12(B) Q12(P). How likely do you think it is that new businesses can emerge in Alberta that are not dependent upon resource extraction?
Base: Business: Jul'19 n=714, Jul'20 n=502, Jul'21 n=613, Jul'22 n=564; Public: Jul'19 n=834, Jul'20 n=800, Jul'21 n=801, Jul'22 n=800

Both the public and business continue to identify agriculture food products as the single best opportunity in Alberta for industries not reliant on growing oil and gas exports. In addition, digital technologies/AI, tourism, and for business encouraging entrepreneurial activity continue to be identified as important ways to diversify.

- Among the public, rural broadband connectivity is cited as a diversification opportunity by those living in central Alberta (31%) compared to (17%) for those in the balance of the province.

BUSINESS

	Jul '19	Jul '20	Jul '21	Jul '22
Agriculture food products	56%	69%	64%	60%
Encouraging entrepreneurial activity	59%	65%	57%	49% ↓
Digital technologies/Artificial intelligence	48%	53%	46%	48%
Tourism	43%	51%	52%	46%
Manufacturing	40%	50%	49%	42%
Hydrogen Industry	-	-	-	39%
Health innovation	45%	48%	45%	38% ↓
Rural broadband connectivity	26%	27%	33%	31%
Value-add petrochemical products	38%	40%	38%	30% ↓
Enabling commercialization of research and products	32%	36%	32%	27%
Forestry value-added products	24%	28%	32%	27%
Connecting Alberta businesses to overseas opportunities	34%	39%	30%	25%
Nuclear energy	13%	13%	23%	25%
Increasing the number of int'l students at Alberta's colleges and universities	7%	11%	10%	11%
Other	5%	6%	4%	4%
None of these	1%	1%	1%	1%
Don't know/not sure	4%	2%	3%	4%

PUBLIC

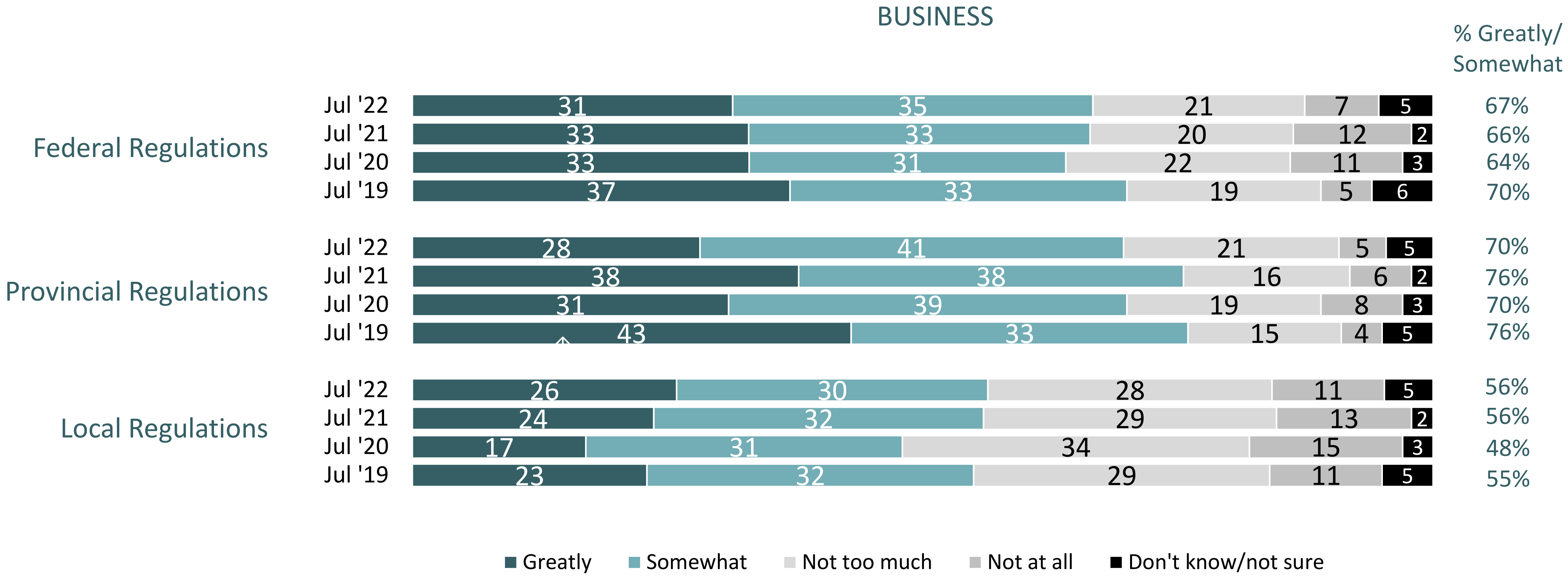
	Jul '19	Jul '20	Jul '21	Jul '22
Agriculture food products	48%	53%	52%	53%
Digital technologies/Artificial intelligence	49%	51%	54%	46% ↓
00Health innovation	48%	51%	50%	46%
Tourism	45%	48%	51%	45%
Manufacturing	34%	42%	38%	40%
Encouraging entrepreneurial activity	46%	46%	42%	37%
Hydrogen Industry	-	-	-	35%
Connecting Alberta businesses to overseas opportunities	42%	35%	33%	28%
Enabling commercialization of research and products	30%	32%	29%	26%
Forestry value-added products	21%	24%	24%	25%
Value-add petrochemical products	29%	29%	27%	24%
Nuclear energy	15%	15%	22%	21%
Rural broadband connectivity	15%	17%	20%	19%
Increasing the number of int'l students at Alberta's colleges and universities	10%	10%	13%	13%
Other	2%	3%	4%	2%
None of these	1%	1%	1%	3%
Don't know/not sure	8%	6%	7%	11%

Q13(B) Q13(P). Which of the following offer the best opportunities in Alberta for industries not reliant on growing oil and gas exports? (Please check all that apply) (previously phrasing) Which of the following offer the best opportunities for the emergence of industries not reliant on growing oil and gas exports?

Base: Business: Jul'19 n=714, Jul'20 n=502, Jul'21 n=613, Jul'22 n=564; Public: Jul'19 n=834, Jul'20 n=800, Jul'21 n=801, Jul'22 n=800

The regulatory environments at all three levels of government are still seen as hampering business. Local regulations are considered the least likely to negatively impact business, however over half of businesses still report a negative impact.

- However, those businesses working in the tourism sector are far more likely than other businesses to believe that local regulations (76% to 54%, respectively) and to a lesser extent provincial regulations (77% to 67%, respectively) negatively impact their business.



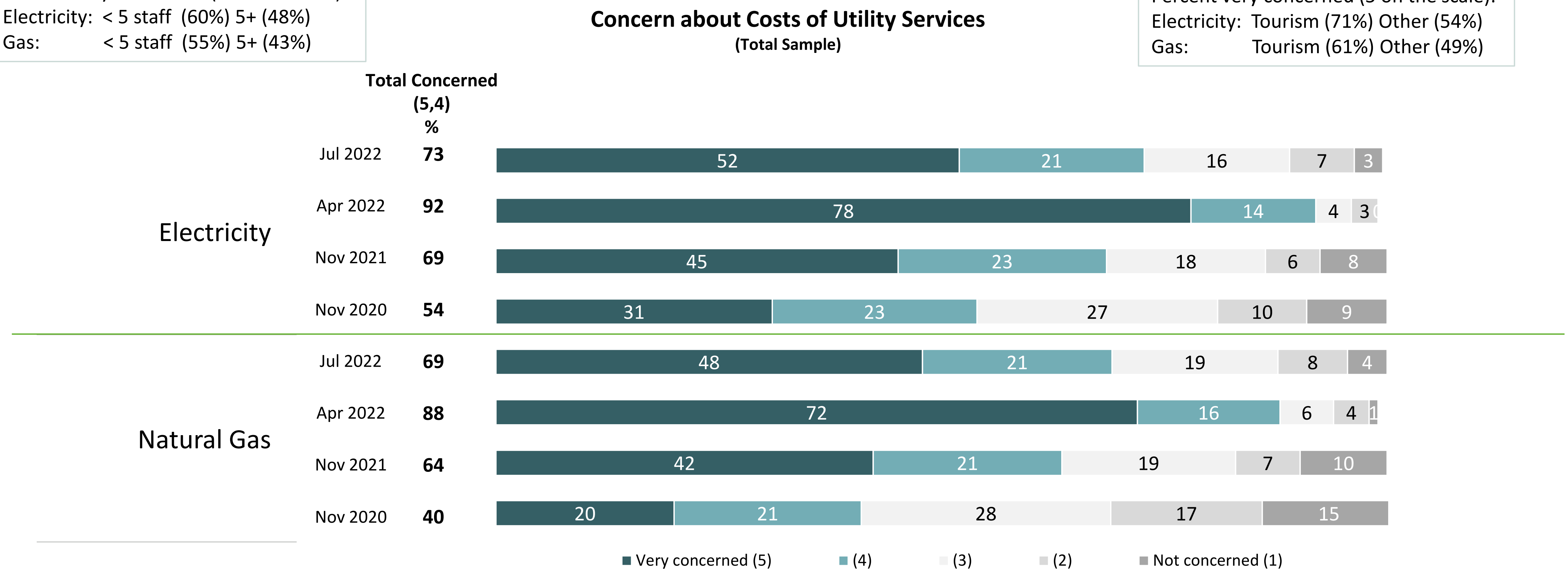
Q20. To what extent do regulations at each of the following levels of government directly and negatively impact your business?
Base: Business: Jul’19 n=714, Jul’20 n=502, Jul’21 n=613, Jul’22 n=564

Concerns surrounding the rising costs of energy have dropped somewhat from the high of April this year, yet remain high, with half of businesses giving a five on the 'concern' scale.

- Those most concerned about energy costs are in the tourism sector compared with those in other sectors (see box below).
- Size of business is also linked to energy costs concerns (see box below).

Percent very concerned (5 on the scale):
Electricity: < 5 staff (60%) 5+ (48%)
Gas: < 5 staff (55%) 5+ (43%)

Percent very concerned (5 on the scale):
Electricity: Tourism (71%) Other (54%)
Gas: Tourism (61%) Other (49%)



Q21. On a scale of 1 to 5, how concerned are you about the costs to your business of the following utility services?
Base: Total sample (Jul 2022 n=564, Nov 2021 n=359; Nov 2020 n=243)

Among those concerned about energy costs, the increase for both forms of energy (as a percent of monthly operating costs), while down slightly from April, is still very significant. A third say both energy sources have increased by 25% or more in the last six months.

Estimation of Electricity and Gas Costs Increase
(Increased as a percentage of monthly operating costs)

	Electricity			*Gas*		
	Nov'21	Apr '22	Jul'22	Nov'21	Apr'22	Jul'22
Less than 5%	9%	1%	3	11%	2%	3
5%-9%	12%	5%	8	12%	6%	9
10%-14%	11%	8%	13	11%	8%	12
15%-19%	10%	13%	14	9%	13%	13
20%-24%	8%	20%	16	9%	18%	16
25% or more	25%	42%	34	22%	40%	33
Don't know/not sure	25%	11%	12	26%	12%	14

Q22 Asked in April and July 2022. How much do you estimate electricity and gas utility costs for your business have increased as a percentage of your monthly operating costs over the last 6 months?
Q14. Asked in Nov 2021. How much do you estimate power and gas utility costs for your business has increased as a percentage of your monthly revenue for August 2021 compared to August 2020?
Base: "Concerned" at Q12 (Nov 2021 n=258, April 2022 n= 489, Jul'22 n=459)

7

DETAILED FINDINGS

- Economic Outlook and Expectations
- What Are The Issues?
- How Are Issues To Be Resolved?
- Who Can Resolve Issues?
- Supply Chain Ombudsman

Business and the public continue to be aligned in their declining assessment of the provincial government's ability to contribute to the emergence of new business and subsequent economic growth. In its place, the business community (especially among businesses but increasingly by the public), continues to be seen as the best hope for the emergence of new businesses.

- Among businesses respondents, those in the private sector are somewhat more positive about business as an engine of growth via new business (60%) compared with public/NGOs (50%). The non-tourist sector is also more positive (57%) than businesses in tourism (47%). By region, Calgary (61%) and central Alberta (62%) have far more faith in business than Edmonton businesses (45%).
- Among the public, age is the major factor associated with belief in business and the provincial government and in a reverse relationship (see box below).
- Among both groups, those who seek a reduction in O/G extraction continue to see a role for the business community; with 51% among business and 37% among the public citing business as the most likely player to facilitate the emergence of new businesses.

BUSINESS

	Jul '19	Jul '20	Jul '21	Jul '22
The Alberta based business community	65%	54%	59%	56%
The provincial government	41%	22%	17%	16%
Municipal governments	16%	5%	4%	7%
The international business community	14%	6%	7%	4%
The federal government	10%	5%	5%	3%
None of these	2%	3%	3%	3%
Don't Know	5%	6%	6%	11%

PUBLIC

	Jul '19	Jul '20	Jul '21	Jul '22
The Alberta based business community	44%	56%	34%	40%
The provincial government	41%	44%	25%	19%
The international business community	13%	25%	9%	5%
Municipal governments	8%	22%	5%	5%
The federal government	9%	21%	6%	4%
None of these	2%	3%	5%	4%
Don't Know	12%	12%	15%	22%

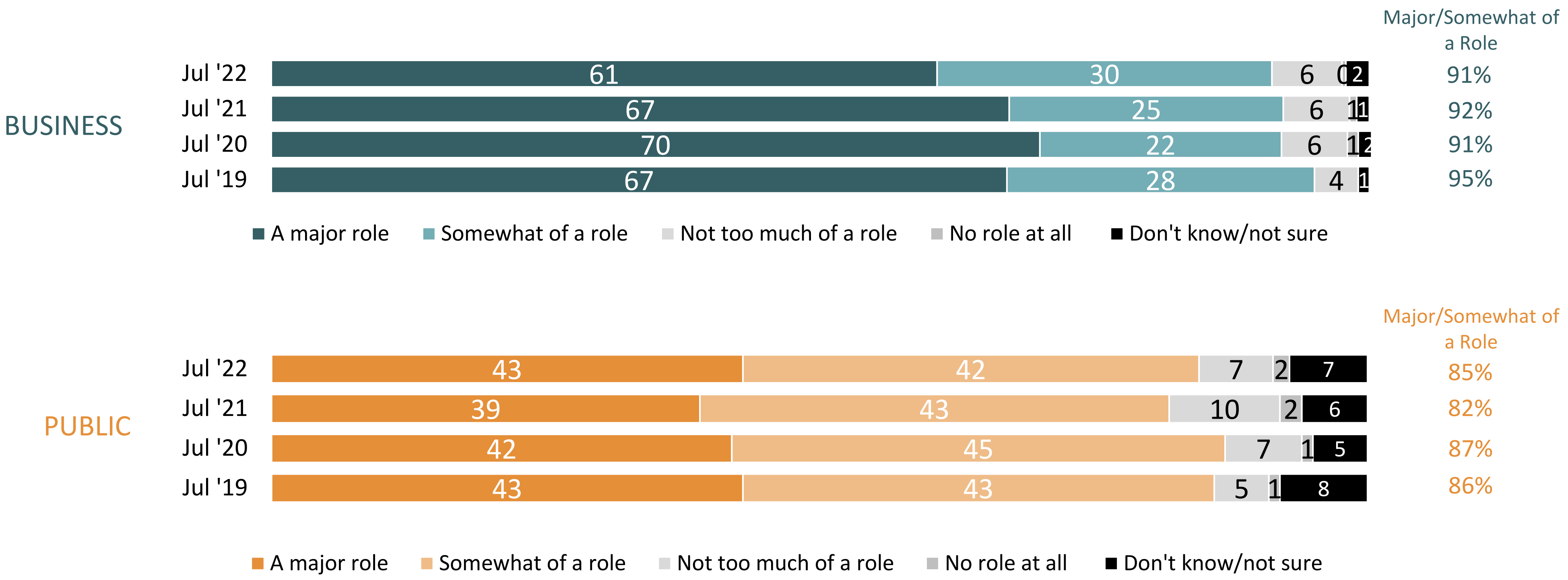
AB business community: 18 – 34 (24%) 65+ (50%)
Provincial Govt: 18 -34 (26%) 50+ (17%)

Q24(B) Q24(P). Which (one) of the following groups is most likely to contribute to emerging new businesses that can grow Alberta's economy? (previous phrasing) And, which one of the following groups is most likely to facilitate the emergence of new businesses to contribute to the growth of the Alberta economy?

Base: Business: Jul'19 n=714, Jul'20 n=502, Jul'21 n=613, Jul'22 n=564; Public: Jul'19 n=834, Jul'20 n=800, Jul'21 n=801, Jul'22 n=800

As in previous years, both business and the public continue to believe the business community has a role in assisting the province to move forward.

- For business, this is a 'major role,' while the public is less certain regarding the extent of the role. There is somewhat of a decline this year (6%) amongst business to the extent of the role, while there was a slight increase (4%) amongst the public.



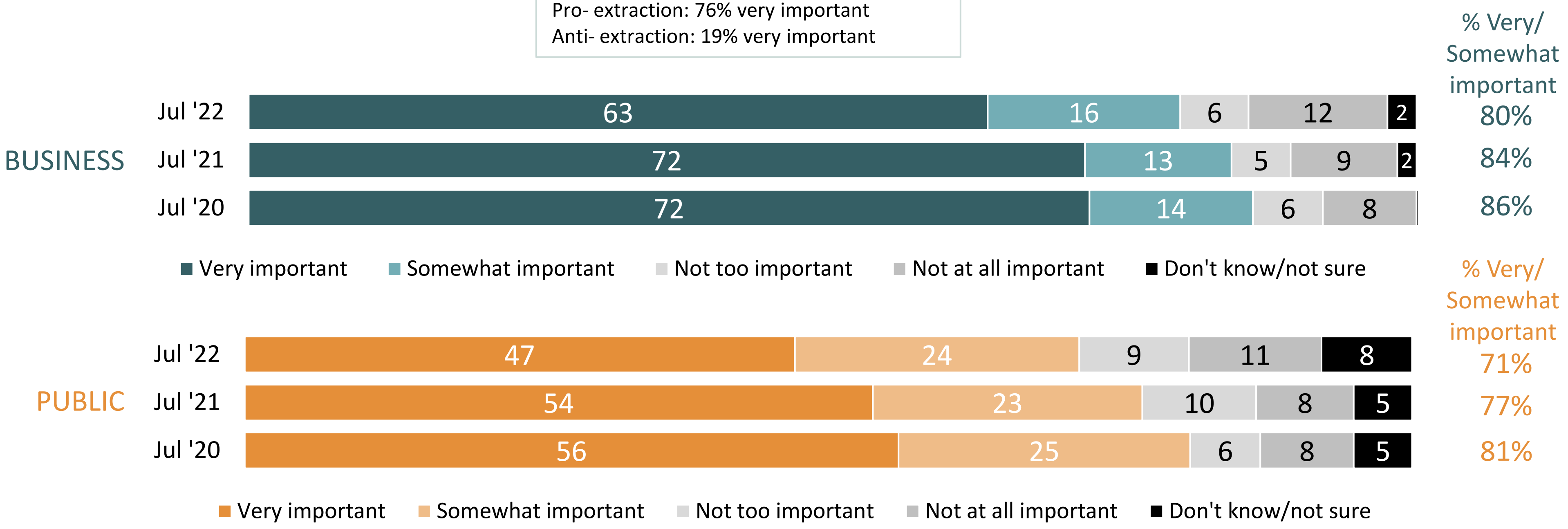
Q23(B) Q23(P). To what extent does the business community in Alberta have a role in developing a vision and providing leadership to move the province forward?
(previous phrasing) To what extent does the business community in Alberta have a role in developing a vision and providing leadership to assist the province to move forward?

Base: Business: Jul'19 n=714, Jul'20 n=502, Jul'21 n=613, Jul'22 n=564; Public: Jul'19 n=834, Jul'20 n=800, Jul'21 n=801, Jul'22 n=800

While renegotiating the terms of equalization payments among the provinces with the federal government remains ‘very important’, there have been measurable declines in importance this year. However, the public remain well below the business community in their sense of importance.

- Among businesses, those most concerned about the province’s finances are most likely to say it is ‘very important’ (74%) to negotiate new terms.
- Once again, the divide between those wanting a reduction in O/G extraction and those seeking greater extraction is apparent (see below).

Pro- extraction: 76% very important
Anti- extraction: 19% very important



Pro more extraction: 61% very important
Anti more extraction: 21% very important

Q25(B) Q25(P). How important or unimportant is it to you that Alberta negotiate new terms with the federal government regarding equalization payments among the provinces?
Base: Business: Jul’20 n=502, Jul’21 n=613, Jul’22 n=564; Public: Jul’20 n=800, Jul’21 n=801, Jul’22 n=800

8

DETAILED FINDINGS

- Economic Outlook and Expectations
- What Are The Issues?
- How Are Issues To Be Resolved?
- Who Can Resolve Issues?
- Supply Chain Ombudsman

Almost all businesses report some level of disruption to their business due to supply chain issues. Among those ‘greatly’ or ‘somewhat' affected by the issue (and agreeing to answer supply-related questions), almost two thirds (62%) report difficulty finding local suppliers.

- Businesses more likely to report at least some disruption were in the tourism sector (92%) or were small to mid sized (10 – 199 staff) (82%).

Extent Supply Chain Disruption is Impacting Business

	BUSINESS Jul ’22
TOTAL GREATLY/SOMEWHAT	72%
Greatly	31%
Somewhat	41%
Not too much	19%
Not at all	8%
TOTAL NOT TOO MUCH/NOT AT ALL	26%
Don’t know/not sure	2%

Business Struggles to find Local Suppliers

	BUSINESS Jul ’22
Yes	62%
No	30%
Don’t know/not sure	7%

Q5. To what extent, if at all, is supply chain disruption impacting your business?
Base: Jul’22 n=564
Q30. Does your business struggle to find local suppliers?
Base: Jul’22 n=293

Among those ‘greatly’ or ‘somewhat’ affected by the issue (and agreeing to answer supply-related questions), most are not producing or manufacturing.

Does business produce or manufacture?

	BUSINESS
	Jul ’22
Yes	28%
No	71%
Don’t know/not sure	2%

Interested in being contacted by local Chamber when more information about work to strengthen local supply chains is available

	BUSINESS
	Jul ’22
Yes	37%
No	63%
Don’t know/not sure	-

Q31. Does your business produce or manufacture?
Base: Jul’22 n=293
Q32. Would you be interested in being contacted by your chamber when more information about our work to strengthen local supply chains is available?
Base: Jul’22 n=293

10

ABOUT THE RESPONDENTS

Respondent Profile – Business

% GENDER n=564

47	Female
47	Male
<1	Transgender
<1	None of the above
5	Prefer not to answer

% REGION n=544

23	All regions of Alberta
12	Calgary area
23	Central
12	Edmonton area
31	NET - Northern AB/Mountain
3	Mountain parks
13	Northeast
17	Northwest
12	NET - Rest of South
6	Southeast
8	Southwest

% JOB TITLE n=564

58	President, CEO, Owner or Executive Director
4	Vice president or equivalent
1	C-Suite executive (CFO, CMO, CTO, CXO)
8	Partner, advisor or associate
10	Other senior manager
8	Contractor or self-employed
8	Assistant, coordinator or manager (or equivalent)
<1	Unemployed
3	Other

% IN TOURISM INDUSTRY n=348

22	Yes
78	No

% YEARS IN BUSINESS n=359

2	1 year or less
5	1 – 2 years
9	3 – 5 years
11	6 – 10 years
11	11 – 15 years
11	16 – 20 years
15	21 – 30 years
16	31 – 50 years
19	More than 50 years
2	Don’t know/not sure

% SECTOR n=564

20	Public
65	Private
15	Not for profit

% OWNER/PARTNER IN ORGANIZATION n=480

78	Yes
22	No

% MEMBER OF LOCAL CHAMBER OF COMMERCE n=563

85	Yes
13	No
1	Don’t know/not sure

% INDUSTRY BUSINESS OPERATES n=564
(Mentions of 2% and above are shown)

13	Retail Trade
13	Professional, Scientific and Technical Services
12	Other Services (except public administration)
7	Finance
6	Construction
5	Food Services
4	Agriculture
4	Health Care
4	Manufacturing
4	Recreation
4	Oil & Gas Extraction
3	Public Administration
2	Educational Services
2	Accommodation
2	Private Real Estate
2	Insurance
2	Administrative and Support
2	Information and Cultural Industries
2	Rental and Leasing

% SIZE OF COMPANY n=564

37	1-4
20	5-9
15	10-19
9	20-49
19	NET - 50+
10	50-199
2	200-499
7	500+

Respondent Profile – Public

% GENDER n=800

50	Male
49	Female
<1	Transgender
<1	Other
<1	Prefer not to answer

% AGE n=800

3	18 – 24
17	25 – 34
15	35 – 44
17	45 – 54
22	55 – 64
28	65 and over

% REGION n=800

33	Calgary area
13	Elsewhere in southern Alberta
12	Central Alberta
32	Edmonton area
5	Northwest Alberta
4	Northeast Alberta
1	Mountain parks

% HOUSEHOLD INCOME n=800

18	Under $50,000
31	$50,000 - $99,000
21	$100,000 - $149,000
16	$150,000 or more
14	Prefer not to answer

% EDUCATION n=800

18	High school
10	Some college
28	College certificate/diploma
27	Bachelor’s degree
10	Post-graduate degree
7	Professional degree
1	Other

% YEARS LIVED IN ALBERTA n=800

33	All my life
7	5 years or less
7	6 – 10 years
6	11 – 15 years
47	More than 15 years