

#### Office of the Auditor General of Ontario

Review of Government Advertising

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November 2022

# Review of Government Advertising

# Advertising Defined as Partisan by Original *Government Advertising Act, 2004* Increases Significantly

The Office of the Auditor General has been reviewing government advertising and related government spending each year since 2005 when the *Government Advertising Act*, 2004 (Act) was proclaimed.

In the fiscal year ending March 31, 2022, the government spent \$69.33 million (see **Figure 1**) on advertising, a reduction of just over \$10 million from the previous fiscal year when spending on government advertising in Ontario reached an all-time high of \$79.36 million. See **Figure 2** for

Figure 1: Advertising Expenditures Reviewable and Exempt from Auditor General Review, 2021/22

Prepared by the Office of the Auditor General of Ontario

Government Advertising	Cost (\$ million)
Reviewed by the OAGO as required by the Government Advertising Act, 2004	58.49
Not reviewed by our Office due to Regulation 143/15 covering social media	7.87
Not reviewed by our Office due to Regulation 143/15 covering search-marketing services	2.97
Total*	69.33

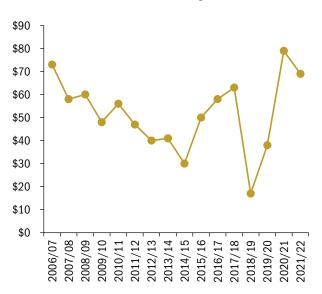
May not add due to rounding.

expenditure comparisons over the last 15 years, from when the Act was proclaimed, up to and including March 31, 2022.

Similarly to 2020/21, COVID-19 advertising campaigns collectively represented a significant proportion of total advertising dollars spent in the 2021/22 fiscal year. Ministry of Health (Ministry) advertising on COVID-19 vaccination and related initiatives totalled \$45.68 million, or 66% of all government advertising in 2021/22. This is a higher percentage of total government advertising dollars than the Ministry spent on COVID-19 awareness,

Figure 2: Trend in Government Advertising Expenditures, 2005/06-2021/22 (\$ million)

Source of data: Ontario ministries and Advertising Review Board



safety and other topics (\$46.51 million of \$79.36 million, or 59%) in 2020/21. See **Figure 3** for a list of COVID-19 health-related ad campaigns and the Ministry's spending on them.

Our Office noted two campaigns totalling about \$13.75 million—almost 20% of the total dollars spent on government advertising in 2021/22—including reviewable costs and social media and search marketing costs exempt by regulation from our review. These campaigns would have been

Figure 3: COVID-19 Campaigns, 2021/22

Source of data: Ontario Ministry of Health

Campaign	Expenditure (\$ million)
COVID-19 - Stay at Home/Your Turn Is Coming*	18.81
COVID-19 - Do Your Part	8.41
COVID-19 - Winter Safety	7.95
COVID-19 - Things We've Missed	4.74
COVID-19 - Roll Up Your Sleeves	2.1
COVID-19 - Last Mile	1.45
COVID-19 - Vaccine Receipts	1.29
COVID-19 - QR Code	0.93
Total	45.68

Media costs for "Stay at Home" and "Your Turn Is Coming" campaigns were shared in 2021.

considered as partisan advertising by our Office under the original Act. Changes made to the Act in 2015, however, narrowed the definition of partisan, and therefore we were required to find these ads in compliance with the Act.

While the government's total spending on advertising in 2021/22 amounted to \$69.33 million, our Office reviewed \$58.49 million in costs for 117 submissions including 1,373 advertisements. Costs included both the purchase of advertising media and production costs. See the **Appendix** for a breakdown of reviewable advertising costs by each government ministry.

Some types of digital advertising, including ads on social media platforms and through search-marketing services, are exempt from our review according to the Act. In 2021/22, digital advertising in these media totalled \$10.85 million.

The top 10 advertising campaigns by expenditure for the 2021/22 fiscal year are listed in **Figure 4**. These campaigns accounted for \$63.47 million or about 92% of the total expenditure on advertisements in 2021/22. Our Office reviewed content created for reviewable forms of media for these campaigns, but did not review content created for social media and search-marketing services, as it is exempt by regulation from our review.

Figure 4: Top 10 Advertising Campaigns (\$) for 2021/22

Source of data: Ontario government ministries

Topic	Ministry	Expenditure¹ (\$ million)
COVID-19 - Stay at Home/Your Turn Is Coming <sup>2</sup>	Health	18.81
Recovery and Relief ("Stronger Ontario")	Finance	13.45
COVID-19 - Do Your Part	Health	8.41
COVID-19 – Winter Safety	Health	7.95
COVID-19 – Things We've Missed	Health	4.74
Foodland Ontario <sup>3</sup>	Agriculture, Food and Rural Affairs	3.53
COVID-19 - Roll Up Your Sleeves	Health	2.1
Careers in Caring	Long-Term Care	1.72
COVID-19 - Last Mile	Health	1.45
Service Ontario Online Renewal	Government and Consumer Services	1.31
Total		63.47

- 1. Expenditure totals include both reviewable and non-reviewable media.
- $2. \ \ \text{Media costs for "Stay at Home" and "Your Turn Is Coming" campaign were shared in 2021.}$
- 3. Foodland Ontario total includes all in-year submissions for Foodland Ontario.

#### Our Office's Review under the Government Advertising Act, 2004

The Act, which took effect in late 2005, required the government to submit advertisements to the Auditor General for review to ensure, among other things, that they were not partisan. Only advertisements that passed this review could run.

This Act gave the Auditor General discretionary authority to determine what is partisan. Under this system, our Office took issue with a very small proportion (less than 1%) of ads, and approved the overwhelming majority of the thousands of advertisements submitted to us. When significant amendments to the Act were introduced by the government in 2015, we cautioned that these would weaken the Act and open the door to publicly funded partisan and self-congratulatory government advertisements on television and radio, in print and online.

The amendments imposed a specific and narrow definition of "partisan" as the only measure we could use in our reviews. Essentially, as long as the government avoids using the name, voice or image of an elected official or the logo of a political party, directly identifying and criticizing a recognized party or a member of the Assembly or including, to a significant degree, a colour associated with the governing party in an advertisement, the Auditor General cannot find it partisan under the Act. Our approval is still required under the amended Act before an advertisement can run; however, this approval is almost always automatic. The only other condition that must be met is that the ad must say it was paid for by the government of Ontario.

However, our Office continues to identify those advertisements that would not have passed our review under the former version of the Act.

# Campaigns We Took Issue With in 2021/22

In fiscal 2021/22, we had concerns with 158 ads in two campaigns submitted to our Office by the

Ministry of Finance. Under the previous version of the Act, these ads would not have passed our review. However, we were required to find them in compliance under the current legislation.

Our Office concluded that many of the claims presented in these ads were broad and sweeping, and were not supported by evidence. The websites referred to did not provide detailed information about the plans noted in the ads. In our view, there was not sufficient need for spending on these ad campaigns, as none of these policies required any action from potential viewers of these ads to effect or implement the policy, and some policies and programs were only proposals. A description of these two ad campaigns follows.

- Fall Economic Statement campaign. The 36 ads in English and French in this campaign directed Ontarians to a website that listed proposed investments announced in conjunction with the Fall Economic Statement. The purpose of the campaign, according to a document submitted to our Office, was to inform Ontarians about the Statement, promote "key themes" and make people "aware of how the government is managing the province's finances." However, in our view, the purpose of the ads was to foster a positive opinion of the government. The ads, which cost over \$300,000, state that "building Ontario will support a growing province" and "investments in skilled trades and new training opportunities will help people get new jobs" and that the government is "helping workers find good jobs in every region of the province" without context or substantiation. When we issued our compliance opinion, we noted our reservations to the submitting ministry.
- Recovery and Relief ("Ontario Is Getting Stronger") campaign. All 120 ads related to the Recovery and Relief campaign would not have passed our review under the former Act. This campaign represents \$13.45 million in advertising spending—one of the highest dollar value campaigns of any campaign in 2021/22—of the

\$69.33 million total, more than 19% of the government's spending on advertising in the fiscal year. Only the combined COVID-19 campaigns— "Stay at Home"/"Your Turn Is Coming"—had a higher dollar value. See Figure 4 for the top 10 campaigns of 2021/22. This campaign utilized TV, radio, print, out-of-home (billboards, transit posters, etc.) and digital ads, including social media and search-marketing service ads exempt from our review, in English and French. In our view, the purpose of the campaign was to foster a positive impression of the government. The ads claimed "Ontario is getting stronger," "New highways, homes and public transit are being built for a growing province" and "Our economy is growing stronger than ever" without context or substantiation. They directed Ontarians to a website (Ontario.ca/stronger) to help make Ontarians aware of programs and initiatives to assist them and to strengthen the economy from the effects of the COVID-19 pandemic, but the information on the website lacked detail. The purpose of the campaign, according to a document submitted to our Office, was to provide information to "address uneasiness that has grown throughout the pandemic and instill confidence in Ontario's short and medium-term future." Our Office met with staff from the Ministry of Finance and the Cabinet Office to express our concerns. As we were required to find the campaign in compliance due to the narrow definition of "partisan" in the current Act, we issued an "Approval with Qualification" clearly restating these concerns. Despite our efforts, the ads ran as planned for one month, immediately before a pre-writ period, during which government advertising is restricted, before the 2022 provincial election.

#### **Pre-election Government Advertising**

Amendments made in 2015 to the *Government Advertising Act*, 2004 stipulate that the government cannot advertise as of the day when an election writ is issued. Additional changes made in 2016 to election financing rules placed further limits on when the government can advertise prior to a scheduled election: government advertising is now prohibited 60 days before the writ is issued. In both cases, these rules do not apply if the government determines that the advertising relates to a revenue-generating activity, is time-sensitive, or meets any other criteria that it may prescribe.

In the period leading up to the June 2, 2022, election, we noted that the government observed these statutory requirements. Government offices made 18 submissions to our Office for review of items they proposed to run in the pre-writ period (March 6, 2022, to May 3, 2022) and/or the writ period (May 4, 2022, to June 2, 2022).

Fifteen of these submissions clearly fell within the revenue-generating or time-sensitive categories. They included cancer screening and Lyme disease awareness ads, ads for parks and heritage sites, and international advertisements aimed at attracting investment to Ontario.

Three submissions, two relating to a new mental health initiative and one about economic investment in Ontario, were withdrawn when our Office questioned the assertion made by submitting ministries that the ads were time-sensitive.

#### **COVID-19 Advertising**

Ads relating to COVID-19 remained a significant factor in government advertising in 2021/22, as they had been since March 2020 when the pandemic was declared. Our Office acknowledged the urgent

nature of health-related COVID-19 advertising, and continued our commitment, made initially in 2020, to expedite approvals for COVID-19-related ads submitted by the Ministry of Health. This ensured our Office would be able to report annually on total expenditures for reviewable advertising as required by Section 2(g) of the *Auditor General Act*.

This fiscal year, our Office received 53 advertising submissions from the Ministry of Health for eight COVID-19 campaigns with a total of 614 ads. Of the total number of ads submitted in 2021/22, more than half were COVID-19 health-related ads. The Ministry also made significant use of the opportunity to extend advertising approval by our Office for a period of up to one year from the original approval by advising us of the nature and estimated cost of the extension. The Ministry advised our office of extensions to COVID-19 vaccination campaigns including "Stay at Home," "Your Turn Is Coming," "Do Your Part" and "Things We've Missed." By value, health-related COVID-19 advertising added up to about 66% or \$45.68 million of all government advertising costs in 2021/22. These ads covered information about preventive health measures and vaccination initiatives. For information about COVID-19 health-related ad campaigns in 2021/22, see Figure 3.

#### Other Issues of Interest

## Advertising on Digital Platforms, Especially Social Media, Plays a Greater Role

Our authority to review digital advertising came into effect with other changes made to the Act in June 2015. This type of advertising includes video, text, images and any combination of these that the government proposes to pay to have displayed on a website. However, at the same time, Regulation 143/15 came into force, limiting what types of digital advertising require our review. Our Office can review only digital ads displayed on a website "other than a social media website such as Facebook or Twitter." As well, ads displayed as a result of the government

using a search-marketing service, such as Google AdWords, are not subject to our review.

In the 2021/22 fiscal year, the government spent a total of \$10.85 million on digital ads that were excluded from our review. This includes \$7.87 million on ads that ran on social media websites and \$2.97 million on search-marketing services. While this amount represents a decrease from 2020/21, it represents an increase in the percentage of total dollars spent on advertising from last year. In 2020/21, the government spent \$11.14 million on ads on social media websites and search-marketing services, or about 14% of the record-high \$79.36 million spent on all advertising that year. In 2021/22, the government spent \$10.85 million on these types of ads, or almost 16% of the \$69.33 million in total spending. **Figure 5** shows the trend in government spending on excluded digital advertising over the last five fiscal years.

In 2021/22, spending on digital advertising, not including agency fees, accounted for \$26.36 million, compared to \$39.50 million for all other types of advertising. More than 40% of that amount is exempt by regulation from our Office's review. (See **Figure 6** for a breakdown by medium.) In 2020/21, as reported last year, the government's use of, and spending on, all digital advertising was

Figure 5: Government Spending on Digital Advertising Exempt from Auditor General Review (\$ million)

Source of data: Ministry of Public and Business Service Delivery (2021/22) and Advertising Review Board (all other years)

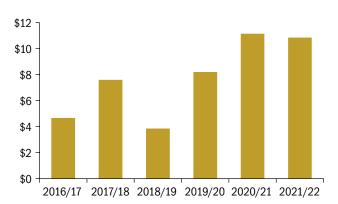
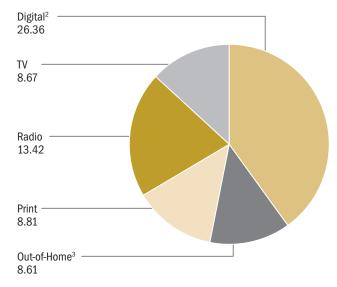


Figure 6: Advertising Expenditures by Medium<sup>1</sup> (\$ million)

Source of data: Ministry of Public and Business Service Delivery and other Ontario ministries



- 1. Amounts include fees for media only; agency fees are not included.
- Includes media costs of all digital and social media advertising, and search marketing services (including those types that are exempt from our review); does not include agency fees and production costs.
- 3. Includes billboards, transit posters, digital screens, etc.

more than all of its spending on TV, radio, print and out-of-home advertising combined. In our view, given this significant trend, our Office should be required to review all digital ads the government pays for, without exception.

# Overview of Our Compliance Function

#### What Falls under the Act

The Act applies to advertisements that government offices—specifically, government ministries, Cabinet Office and the Office of the Premier—propose to pay to have published in a newspaper or magazine, displayed on a billboard, displayed digitally in a prescribed form or manner, or broadcast on radio or television, or in a cinema. It also applies to printed

matter that a government office proposes to pay to have distributed to households in Ontario by unaddressed bulk mail or another method of bulk delivery. Advertisements meeting any of these definitions are known as "reviewable items" and must be submitted to our Office for review and approval before they can run.

The Act requires government offices to submit all reviewable items to our Office. They cannot publish, display, broadcast or distribute the item until the head of that office (usually the deputy minister) receives notice, or is deemed to have received notice, that the advertisement has been found in compliance with legislation.

If our Office does not render a decision within the five business days set out in regulation, then the government office is deemed to have received notice that the item complies with the Act and may run it.

If our Office notifies the government office that the item is not in compliance with the Act, the item may not run. However, the government office may submit a revised version of the rejected item for another review. Compliance approvals are valid for the life of the proposed media campaign.

In addition, all proposed ads planned for broadcast on television and in a cinema, along with bulk-distributed printed materials (householders), must be submitted in early versions for a preliminary review in each language in which the government intends to run them. After receiving a preliminary approval, the proposed advertisements must be resubmitted to our Office in their final form for approval. (Under the old Act, preliminary reviews were voluntary, and usually only ads in English were submitted for preliminary review. This was a more efficient process.)

The Act excludes from our review advertisements for specific government jobs (but not generic recruitment campaigns) and notices to the public required by law. Also exempt are advertisements on the provision of goods and services to a government office, and those regarding urgent matters affecting public health or safety.

The advertising done by government agencies is also exempt from the Act and thus our review. However, agencies' ads could be captured by the Act under a 2005 agreement with the government that gives us the authority to review third-party advertising if all three of the following criteria apply:

- A government office provided the third party with funds intended to pay part or all of the cost of publishing, displaying, broadcasting or distributing the item.
- The government office approved the content of the item.
- The government granted the third party permission to use the Ontario logo or another official provincial visual identifier in the item.

## **Revised Criteria for Proposed Advertisements**

In conducting its review, the Auditor General's Office now determines only whether the proposed advertisement complies with the amended Act. The following are the requirements with which the advertisement must comply:

- 1. It must include a statement that it is paid for by the government of Ontario.
- 2. It must not be partisan. The revised Act says an item is "partisan" only if it:
  - includes the name, voice or image of a member of the Executive Council or of a member of the Assembly (unless the item's primary target audience is located outside of Ontario);
  - includes the name or logo of a recognized party;
  - directly identifies and criticizes a recognized party or a member of the Assembly; and/or
  - includes, to a significant degree, a colour associated with the governing party.

We have no authority to consider any other factors, such as factual accuracy, context or tone, to determine whether an item is partisan.

#### **Other Review Protocols**

Since assuming responsibility for the review of government advertising in 2005, our Office has worked with the government to clarify procedures to cover areas where the Act is silent. In April 2019, our Office posted updated Government Advertising Review Guidelines. These Guidelines are intended to help government staff comply with the Act. They detail the submission, review and approval process, and reflect legal requirements, practices and conventions. The Guidelines can be found at www.auditor.on.ca/en/content/adreview/adreview.html.

What follows is a brief description of the significant areas that have been clarified over the years.

#### Websites Used in Advertisements

Although government websites were not specifically referred to in the original Act, we took the position that a website or similar destination whose link is used in an advertisement is an extension of the advertisement. Following discussions, our Office came to an agreement with the government soon after the legislation was passed that the first page, or "click," of a website cited in a reviewable item would be included in our review.

We continue to consider the content only of the first click, unless it is a gateway page or lacks meaningful content, in which case we review the next page. We examine the page for any content that does not meet the standards of the amended Act. For example, the page must not include a minister's name or photo, or the name or logo of a recognized party.

#### Social Media Used in Advertisements

The government has significantly increased its presence on social media platforms over the last decade. Our Office receives advertisements for approval that at times use icons leading the user to the government's presence on various social media, such as Facebook and Twitter.

Although the original Act was silent on the use of social media, we reached an agreement with the government in 2012 that we would perform an initial scan of any social media page cited in an ad to ensure that the standards of the Act are being followed, in the same way that we examine websites referenced in ads. We recognize that content changes frequently and can be beyond the control of the government office, so our limited review focuses only on the content that the government office controls.

However, the government's social media accounts and any content that its administrators post to it do not constitute reviewable advertising under the Act.

# The Future of Our Office's Role in Government Advertising

Amendments to the Act in 2015 did away with our Office's discretionary authority to determine what constitutes partisan advertising. These amendments weakened the Act and paved the way for potential publicly paid partisan advertising by government. We will continue to identify those advertisements that would not have passed our review under the former version of the Act.

#### **RECOMMENDATION 1**

We recommend that the previous version of the *Government Advertising Act, 2004* that appeared on June 3, 2015 be reinstated, but also include the amendment that added digital advertising as a reviewable medium.

#### TREASURY BOARD RESPONSE

The government continues to ensure the Office of the Auditor General reviews and approves advertising spends under the guidelines as set out in the Act. The government reviews all advertising paid for by the province to ensure it is delivered in the most efficient and cost-effective manner, to maximize value for taxpayers.

The government is maintaining the status quo at this time.

#### **RECOMMENDATION 2**

We recommend that the government amend Regulation 143/15 to require the Office of the Auditor General of Ontario to review all digital advertising paid for by the government, with no exceptions.

#### TREASURY BOARD RESPONSE

Under the *Government Advertising Act, 2004* the Office of the Auditor General continues to review and approve all advertising spends as set out in the Act.

Paid social advertising usually forms part of any government marketing campaign. Social assets created for the campaigns provide the same message and look and feel as those created for print, multicultural, video and digital banner ads, which are all reviewable under the Act.

The government is maintaining the status quo at this time.

# ppendix: Expenditures for Reviewable Advertisements under the *Government Advertising Act, 2004*, April 1, 2021-March 31, 20221

Source of data: Ontario government ministries

			Agency		2	Media Costs (\$)			
Ministry <sup>2</sup>	# of Submissions	# of Items	Fees and Production Costs (\$)	TV and Cinema	Radio	Print	Digital	Digital Out-of-Home <sup>3</sup>	Total (\$)
Agriculture, Food and Rural Affairs	11	88	990,627	368,035	1,255,451	305,009	235,494	1	3,154,616
Economic Development, Job Creation and Trade	4	16	197,304	ı	ı	I	286,274	ı	483,578
Education	9	29	47,541	154,362	286,039	I	121,159	I	609,101
Finance	12	191	1,527,490	2,025,872	1,653,620	1,152,732	3,017,788	2,952,947	12,330,449
Government and Consumer Services	5	105	32,251	I	669,077	265,499	213,017		1,179,844
Health <sup>4</sup>	61	730	643,590	6,121,935	8,872,296	7,020,880	11,065,115	5,653,333	39,377,149
Heritage, Sport, Tourism and Culture Industries	4	26	24,316	I	I	39,564	111,535	I	175,415
Labour, Training and Skills Development	1	2	I	I	I	13,500	I	I	13,500
Long-Term Care	2	41	ı	I	666,540	I	442,208	I	1,108,748
Northern Development, Mines, Natural Resources and Forestry	9	105	5,880	I	17,132	9,876	20,000	400	53,288
Solicitor General	2	2	1	-	ı	-	192	_	192
Total	117	1,373	3,468,999	8,670,204	13,420,155	8,807,060	15,512,782	8,606,680	58,485,880

<sup>1.</sup> The Auditor General Act requires our Office to report annually on expenditures for advertising and printed matter reviewable under the Government Advertising Act, 2004 (Act). In order to verify completeness and accuracy, we may review selected payments and supporting documentation. We may also examine compliance relating to the sections of the Act dealing with submission requirements and use of advertisements during the Auditor

<sup>2.</sup> Only government ministries that incurred advertising costs are included.

<sup>3.</sup> Includes billboards, transit posters, digital screens, etc.

<sup>4.</sup> Data does not include two submissions made in 2021/22 where costs were to be incurred in 2022/23 only. Financial data includes costs incurred in 2021/22 relating to ad extensions granted for 2020/21 submissions.



### Office of the Auditor General of Ontario

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