



Office of the Auditor General of Ontario

Review of Government Advertising



December 2021

Review of Government Advertising

Annual Government Spending on Advertising Doubles

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* was proclaimed. In the fiscal year ending March 31, 2021, the government spent \$79.36 million on advertising, the highest amount spent annually on advertising since 2005, more than doubling its spending compared to the previous fiscal year. The majority of this spending (\$65.03 million and 82% of all expenditures) was related to the COVID-19 pandemic – providing either health-related public information, or other information about government programs and responses to COVID-19.

During 2020/21, our Office reviewed 1,438 advertisements in 161 submissions, valued at \$61.74 million, including production costs. See the **Appendix** for a breakdown of reviewable advertising costs by each government ministry. The government also spent \$6.48 million between April 1 and May 13, 2020 on urgent COVID-19 advertising that was not reviewed by our Office due to its urgent nature. Another \$11.14 million was spent on digital advertising on social media platforms and search-marketing services, which are exempt from our review. See **Figure 1** for a breakdown of the \$79.36 million spent on advertising for the 2020/21 fiscal year.

The top 10 advertising campaigns by expenditure for the 2020/21 fiscal year are listed in **Figure 2**. The

campaigns accounted for \$57.25 million or about 93% of the total expenditure on advertisements that were submitted and reviewed by our Office. The total cost of these campaigns was \$63.73 million however, as one of the 10 campaigns included the \$6.48 million in costs that our Office did not review due to its urgent nature.

Total government spending on advertising in 2020/21 of \$79.36 million is significant when compared to the previous fiscal year, when the government spent \$37.59 million. Spending in 2019/20 included advertising costs of \$27.34 million that we reviewed, as well as \$2.05 million on urgent COVID-19 advertising which was not reviewed and another \$8.20 million spent digital advertising, excluded by regulation from our review. See **Figure 3** for expenditure comparisons over the last 14 years, from when the *Government Advertising Act, 2004* (Act) was proclaimed, up to and including March 31, 2021.

Figure 1: Breakdown of Total Advertising Expenditures

Source: Office of the Auditor General of Ontario (OAGO)

Government Advertising for 2020/21	Cost (\$ million)
Reviewed by the OAGO as required by the Government Advertising Act, 2004	61.74
Not reviewed by our Office due to its urgent nature	6.48
Not reviewed by our Office due to Regulation 143/15 covering social media	7.72
Not reviewed by our Office due to Regulation 143/15 covering search-marketing services	3.42
Total	79.36

Figure 2: Top Ten Campaigns (\$) for the 2020/21 Fiscal Year (\$ million)

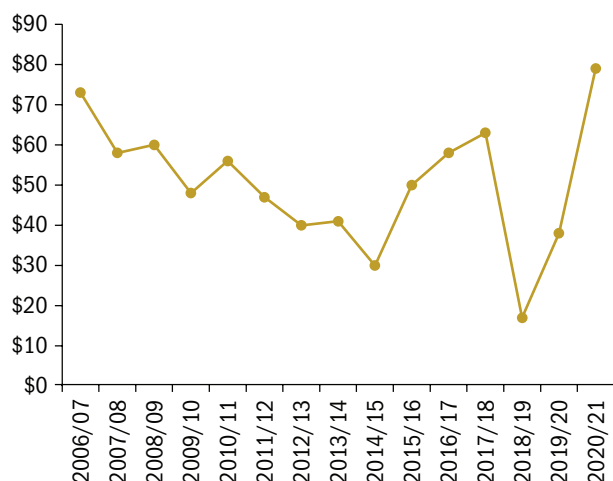
Source of data: Ontario government ministries

Topic	Ministry	Expenditure (\$ million)
Coronavirus (COVID-19) Awareness	Health	13.96
COVID-19 – Stay at Home	Health	10.87
COVID-19 – Reopening	Finance	9.31
COVID-19 – Wave 2	Health	7.33
EDU School ReOpening	Education	4.71
COVID-19 – Stop the Spread	Health	3.26
Small Business Support Grant	Finance	2.69
COVID-19 – Holiday Campaign	Health	2.13
Foodland Ontario	Agriculture, Food and Rural Affairs	1.59
COVID-19 – Vaccination	Health	1.40
Reviewed Total		57.25
Unreviewed Total		6.48*
Total		63.73

* \$6.48 million of total campaign spending was for Coronavirus (COVID-19) Awareness advertisements that our Office did not review due to their urgent nature.

Figure 3: Advertising Expenditures Since Proclamation of the *Government Advertising Act, 2004, 2006/07–2020/21 (\$ million)**

Source of data: Ontario ministries and Advertising Review Board



Note: Yearly expenditures include all digital advertising costs, including those that are exempted from our review, such as social media and search-marketing services.

* 2020/21 includes costs for COVID-19 advertisements that were not reviewed by our Office due to their urgent nature.

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. In the last fiscal year, there were no advertisements found in violation of the Act.

However, our Office continues to identify those advertisements that would not have passed our review under the former version of the Act. In fiscal 2020/21, all ads in the top 10 campaigns noted in **Figure 2** would have passed our review. Six ads related to the 2020 Ontario Budget would not have passed our review. This represents \$149,200 of ads submitted in 2020/21, less than one tenth of 1% of the value of the government's spending on reviewable advertising in the fiscal year.

Campaigns We Took Issue With in 2020/21

We had concerns with six ads in one campaign submitted to our Office in the last fiscal year. 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. When we issued our compliance opinion, we noted our reservations to the submitting ministry.

- 2020 Ontario Budget ads about the government's plans to combat COVID-19.** This \$149,200 campaign run by the Ministry of Finance, with digital ads in English and French, was about Ontario's plan to use the 2020 Budget to protect and support people, as well as help the economy recover from the COVID-19 pandemic. A campaign description, submitted with the advertisements, noted that "The Budget focuses on protecting people's health and safety during the COVID-19 pandemic, providing much-needed supports to families, workers, and employers, and laying the foundation for future growth, renewal and long-term economic recovery."

Our Office concluded that many of the claims presented in the ads were broad and sweeping, and were not supported by evidence. The three ads (including "Protect", "Support", and "Recover") implied that there were specific plans to achieve these objectives, but referred the public to a document that did not provide detailed information about these plans. As well, the ad within this campaign titled "Support" used a very similar colour compared to the trillium in the Ontario PC Party logo, violating section 6(1)2(d) of the Act. The ad titled "Recover" included an outstretched palm, which suggested, in a visual medium, that the government was providing handouts rather than "investing in people." This invites a false inference which could be seen as partisan. All three ads lacked a sufficient need for this spending, as none of these policies required any action from potential viewers of these ads to effect or implement the policy.

COVID-19 Pandemic and Related Advertising

The government declared a provincial emergency on March 17, 2020 due to the COVID-19 pandemic. The same day, the Ministry of Health notified our Office that it would invoke, on a temporary basis, the section of the *Government Advertising Act, 2004* that allows advertising to run without prior submission to and approval by our Office because this advertising would deal with "an urgent matter affecting health and safety." From then until the end of the fiscal year on March 31, the Ministry spent \$2.05 million on 72 ads across various media on COVID-19. From April 1 to May 13, 2020 of fiscal 2020/21, the Ministry spent another \$6.48 million on urgent COVID-19 ads that were not submitted to our Office.

Section 2(g) of the *Auditor General Act* requires the Auditor General to report annually on total expenditures for reviewable advertising. Over the months following the March state-of-emergency declaration, it became clear that COVID-19 and related advertising would dominate government advertising

for the foreseeable future. Our Office requested that this advertising be submitted to our Office. Acknowledging the time-sensitive nature, we committed to expediting our approval process for any COVID-19 ads, and instituted an email submission process. We also allowed English and French ad submissions from the Ministry of Health to act as approval for multi-cultural ads created for the same topics in the same advertising campaigns.

This fiscal year, our Office received 163 advertising submissions comprising 1,438 ads. By number of ads, the majority (1,070 or just over 74%) were related to COVID-19. By value, COVID-19 advertising added up to about 82% or \$65.03 million of all government advertising costs in 2020/21. These ads covered information about preventative health measures, the economy re-opening, school re-opening and vaccination. For information about COVID-19 related ad campaigns in 2020/21, see **Figure 4**. For

approximate in-market timelines of these campaigns, see **Figure 5**.

Other Issues of Interest

Continuing Predominance of Digital, with a Rise in Print and Radio

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 we could 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

Figure 4: COVID-19 Campaigns

Source of data: Ontario government ministries

Campaign	Ministry	Expenditure (\$ million)
Coronavirus (COVID-19) Awareness	Health	20.44 ¹
COVID-19 - Stay at Home	Health	10.87
COVID-19 ReOpening	Finance	9.31
COVID-19 Wave 2	Health	7.33
EDU School Reopening	Education	4.71
COVID - Stop the Spread	Health	3.26
Ontario Small Business Support Grant	Finance	2.69
COVID-19 Holiday Campaign	Health	2.13
COVID-19 Vaccination ²	Health	1.40
COVID-19 Emergency Measures	Health	1.08
Foodland COVID-19 Recovery	Agriculture, Food and Rural Affairs	0.59
COVID-19 Long-Term Care Opportunities	Long-Term Care	0.57
Winter 2021 School Reopening (COVID)	Education	0.50
2020 Budget	Finance	0.15
Spring Break Safety Campaign ³	Education	0.00
Total		65.03

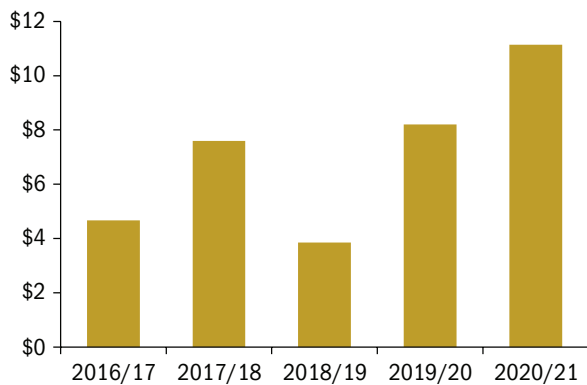
1. Includes \$13.96 million of reviewed advertisements and \$6.48 million of advertisements that our Office did not review due to their urgent nature.

2. More costs in fiscal year 2021-22.

3. Costs will be reported in fiscal year 2021-22.

Figure 6: Government Spending on Digital Advertising Exempt From Auditor General Review (\$ million)*

Source of data: Advertising Review Board



* Types of excluded digital advertising include those that appear on a social media website, such as Facebook or Twitter, and those are displayed on a website as a result of the government using a search-marketing service.

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

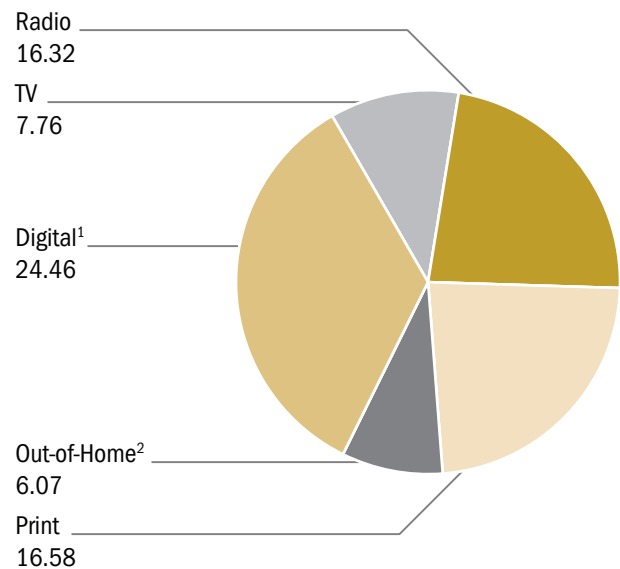
In the 2020/21 fiscal year, the government spent a total of \$11.14 million on digital ads that were excluded from our review. This includes \$7.72 million on ads that ran on social media websites and \$3.42 million on search-marketing services. This is an increase of about \$3 million from last year. (In 2019/20, the government spent \$6.16 million on ads on social media websites and \$2.04 million on search-marketing services.) **Figure 6** shows the trend in government spending on excluded digital advertising over the last five fiscal years.

In the last fiscal year, the government's use of, and spending on all digital advertising was more than all of its spending on TV, radio, print and out-of-home advertising combined. See **Figure 7** for a breakdown. In our view, given this significant trend, our Office should be required to review all of the digital ads the government pays for, without exception.

While digital advertising continues to dominate government spending on advertising, we did notice an increase in print and radio advertising spending in 2020/21, 41% of all expenditures. Spending on these media has fluctuated over the last three years, but doubled this year over last year.

Figure 7: Advertising Expenditure by Medium, 2020/21 (\$ million)

Source of data: Ontario government ministries/Advertising Board Review



Note: Agency fees and production costs of \$1.68 million are not included in this figure.

1. Includes costs of all digital advertising and search marketing services (including those types that are exempt from our review).
2. Includes such media as billboards, transit posters and digital screens.

Campaigns including the Ministry of Health's Coronavirus (COVID-19), Ministry of Finance's COVID-19 Reopening, Ministry of Education's School Reopening and Ministry of Agriculture, Food and Rural Affairs' Foodland Ontario included significant spending in these media.

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 undressed 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 not proposing any amendments to the Act at this time.

RECOMMENDATION 2

We recommend that the government revoke Regulation 143/15 to enable 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.

Appendix: Expenditures for Reviewable Advertisements under the *Government Advertising Act, 2004*, April 1, 2020–March 31, 2021¹

Source of data: Ontario government ministries

Ministry ²	# of Submissions	# of Items	Agency Fees and Production Costs (\$)	Media Costs (\$)					Total (\$)
				TV and Cinema	Radio	Print	Digital	Out-of-Home ³	
Agriculture, Food and Rural Affairs	6	130	16,135	227,655	1,269,312	539,388	131,700	—	2,184,190
Children, Community and Social Services	3	32	22,055	—	—	—	122,500	30,000	174,555
Economic Development, Job Creation and Trade	9	32	495	—	—	34,850	291,572	—	326,917
Education	11	64	269,600	928,563	1,936,651	1,213,584	860,391	—	5,208,789
Finance	36	287	434,692	—	3,569,127	3,858,736	3,134,744	1,154,014	12,151,313
Health	84	809	910,274	6,600,636	9,206,016	10,638,981	8,581,880	4,823,674	40,761,461
Heritage, Sport, Tourism and Culture Industries	1	19	—	—	—	51,340	94,020	—	145,360
Labour	1	2	—	—	—	2,000	—	—	2,000
Long-Term Care	1	4	30,000	—	—	210,712	—	—	567,800
Municipal Affairs and Housing	3	39	1,495	—	327,088	—	106,355	62,969	170,819
Natural Resources and Forestry	5	19	—	—	17,098	31,032	—	400	48,530
Solicitor General	1	1	—	—	—	1,770	—	—	1,770
Total	161	1,438	1,684,746	7,756,854	16,325,292	16,582,393	13,323,162	6,071,057	61,743,504

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

2. Only government ministries that incurred advertising costs are included.

3. Includes billboards, transit posters, digital screens, etc.



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