

Review of Government Advertising



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Review of Government Advertising

1. Highest Ever Recorded Government Spending on Advertisements, Totalling \$103.5 Million

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

For the most recent fiscal year ending March 31, 2024, the Ontario government spent \$103.5 million on advertising. This was over three times as much as what was spent in the previous fiscal year, \$33.7 million, and the most the government has ever spent on advertising in a year.

Figure 1 shows the trend in government advertising expenditures over the past 10 fiscal years. As shown, spending follows a wave-like pattern that correlates with Ontario's provincial elections. Spending climbed to peak in 2017/18 and again in 2021/22, the years immediately preceding provincial elections (held in June 2018 and June 2022). Spending dipped significantly in 2018/19 and 2022/23, the years immediately following those elections. The trend in expenditures was also impacted by higher costs in 2020/21 for health-related advertising about the COVID-19 pandemic.

Figure 1: Ten-Year Trend in Government Advertising Expenditures (\$ million)

Source of data: Ontario ministries and Advertising Review Board (now Supply Chain Ontario)

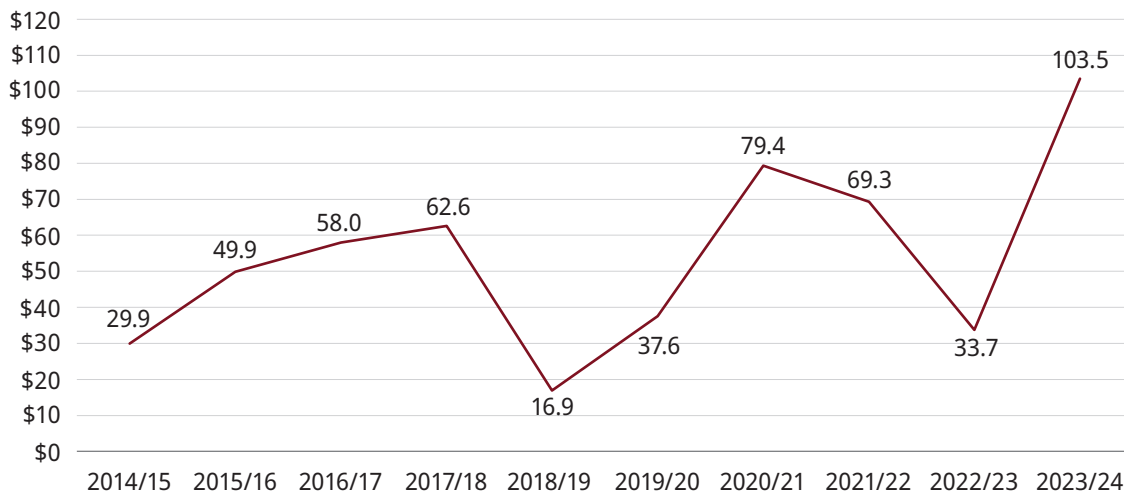


Figure 2: Top 10 Advertising Campaigns by Cost, 2023/24

Source of data: Ontario ministries and Advertising Review Board (now Supply Chain Ontario)

Campaign Name	Host Ministry	Expenditure (\$ million)
Let's Build Ontario	Finance	43.18
Invest in Ontario	Economic Development, Job Creation and Trade	23.70
Housing Supply	Municipal Affairs and Housing	8.39
Health Care Services	Health	6.98
Funding in Schools	Education	3.04
Ontario Place Redevelopment	Infrastructure	2.15
Foodland Ontario – Supporting Ontario Food and Farmers	Agriculture, Food and Rural Affairs	2.07
ServiceOntario AlwaysON	Public and Business Service Delivery	2.00
Remembrance Day Campaign	Tourism, Culture and Sport	1.94
Consumer Protection	Public and Business Service Delivery	1.76
Total		95.21

 Flagged by our Office as an “Other Matters” submission, see Section 4.

Figure 2 lists the top 10 advertising campaigns by expenditure. These 10 campaigns accounted for \$95.2 million (or 92%) of the total amount spent on advertisements in 2023/24. The expenditure amounts include both the cost to create and/or produce the advertisement and to distribute it in the media.

The two biggest campaigns, which focused on promoting Ontario’s economy, accounted for 65% of government advertising spending in 2023/24.

The largest campaign, the “Let’s Build Ontario” campaign (\$43.2 million), rolled out four pillars in 2023/24 that marketed the province to Ontarians.

- » In “The Future is Electric” videos, people dressed in retro clothing found their hair standing on end when they thought about Ontario’s future in the manufacturing sector. Over \$16 million was spent on this pillar, primarily for television and cinema spots.
- » The “It’s Happening Here” pillar included videos showing scenes of rural and urban everyday life with a voiceover saying “more people are working than ever before” and used the tagline: “What if I told you that you already live here?” This pillar which cost \$18.9 million ran TV spots in early 2023 in expensive time slots such as during NHL games and the Superbowl.



- » The “Skilled Trades” pillar (\$6.1 million) of the campaign aimed at promoting skilled trades to Ontarians as a career path. The ads presented various business/administrative professional workers looking bored and then cut to excited people watching skilled trades people at work.
- » The “Highways and Infrastructure” pillar includes individual online videos, digital display and radio ads about roads and transit in Ontario regions and with Ontario-wide versions of the ads. The video voiceover says: “We have a plan that’s connecting Ontario. Building new roads and highways to shorten daily commutes and expanding public transit to connect growing regions...” This pillar cost \$1.6 million for March 2024.

The second-largest campaign, the “Invest in Ontario” campaign (\$23.7 million), ran internationally in television and print but predominantly via digital media. The Ministry of Economic Trade and Development (MEDJCT) spent \$2.6 million on agency fees for this multi-faceted campaign that presented Ontario as an “innovation partner” and listed business-related attributes of the province such as “competitive business costs” and “access to global markets.”

Although all of the advertisements complied with the Act as amended in 2014, our Office flagged five of the top 10 campaigns (see **Section 4**), including the “Let’s Build Ontario” campaign, because we assessed their primary purpose as promoting the governing party. Under the original Act, these advertisements would not have been approved by our Office.

Appendix 1 provides a detailed breakdown of reviewable advertising costs by government ministry. **Appendix 2** shows what was changed when the original Act was amended in 2014.

2. Reviewable and Non-Reviewable Advertising

In 2023/24, our Office received 131 submissions for review, involving 2,105 advertisements. These reviewable items cost the government \$90.7 million.

Our Office is not required by the Act to review every government-funded advertisement that is published. Some advertising is exempted, depending on who is responsible for making it, what it is about, and the circumstances in which it is promoted.

Examples of Reviewable Items:

- print newspaper ads
- billboard displays
- radio broadcasts
- television commercials
- cinema ads
- unaddressed bulk mail
- webpage banner ads
- digital screen “posters”
- “first click” website content

First, the Act applies only to advertisements published by “government offices,” namely provincial ministries, the Cabinet Office and the Office of the Premier. We do not review advertising by government agencies, such as Metrolinx or LCBO, or institutions in the broader public sector that receive government funding, like hospitals or colleges.

Under a 2005 agreement, we have the authority to review third-party advertising when an independent organization is funded by the government to promote something. If a government office funded the item, approved the content and permitted the party to use the Ontario logo, then the Auditor General is required to review the advertisement.

Second, certain kinds of ads that government offices purchase are exempted from our review. For example, job advertisements for specific roles are not considered eligible for review, as well as public notices required by law or for urgent matters affecting public health or safety.

Signage at Construction Sites

Under a February 1, 2011 agreement with the government, signage at construction projects, when it is paid for by the Province, is considered reviewable advertising if:

- » the government provides funding for the project and requires signage; or
- » the government provides funding to a third party that is intended to pay in whole or in part for the sign production and costs for displaying the sign.

The 2011 agreement exempts *highway* construction signs from our Office’s review. As a result, our Office was not asked to review the blue billboards on Highways 400, 401, 404 and 10 that advertise the future Highway 413 and the Bradford Bypass. This signage includes the tagline: “Part of our \$28 billion plan to build roads and highways.” Because the signage is exempted from our review, we do not know the cost.

Similar blue signage related to past and future construction projects at high schools was not submitted to us for review. The signs include the tag line “Part of our \$16 billion plan to build and renew schools.” **Figure 3** shows one such example. The cost of these signs is unknown to us; it has been reported in the media as being paid for out of the school boards’ capital project budget.

Figure 3: Image of Signage Related to Capital Improvements at an Ontario School



Digital Advertising

Following Regulation 143/15 of the Act, our Office does not review some kinds of digital advertising engaged in by government offices. We do not review ad items that run on social media platforms, for example, advertisements on Meta, X or Instagram. We also do not review spending on search marketing services such as Google ads or search engine optimization.

Although we do not review these kinds of digital advertising items, we are empowered to report how much the government has spent on them. **Figure 4** compares what was spent by the provincial government on reviewable and non-reviewable digital advertisements (social media and search marketing services) in 2023/24.

In the past fiscal year, the government spent a total of \$12.8 million on digital ads and services that were excluded from our review. This marked an increase of more than 250% from the year prior, when \$4.9 million was spent.

The majority of social media advertisements were run as part of larger, reviewable campaigns that used different delivery channels. For example, the Ministry of Transportation’s “Winter Safe Driving” campaign cost approximately \$873,000 of which \$156,000 was spent on social media advertising.

Some advertising campaigns were distributed solely via social media, such as the Ministry of Finance’s campaign about the Fall Economic Statement that cost \$92,600.

Figure 4 shows the annual amounts spent by the government on social media and search marketing services over the last eight fiscal years. Non-reviewable search marketing services and social media buys are only a fraction of the digital media landscape.

Reviewable expenditures were **\$90.7 million** in 2023/24, compared with **\$12.8 million** of digital spending that was exempted from our review.

Figure 4: Government Spending on Exempted Digital Advertising (\$ million)

Source of data: Advertising Review Board (now Supply Chain Ontario), Ontario ministries

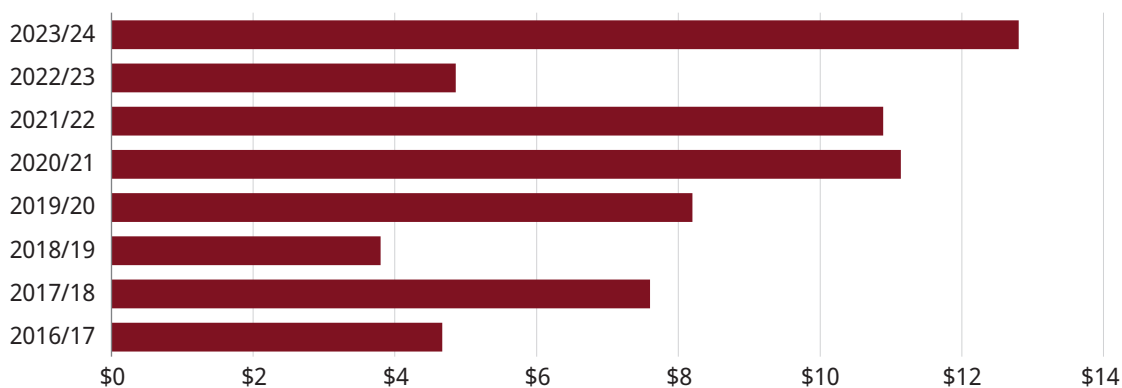
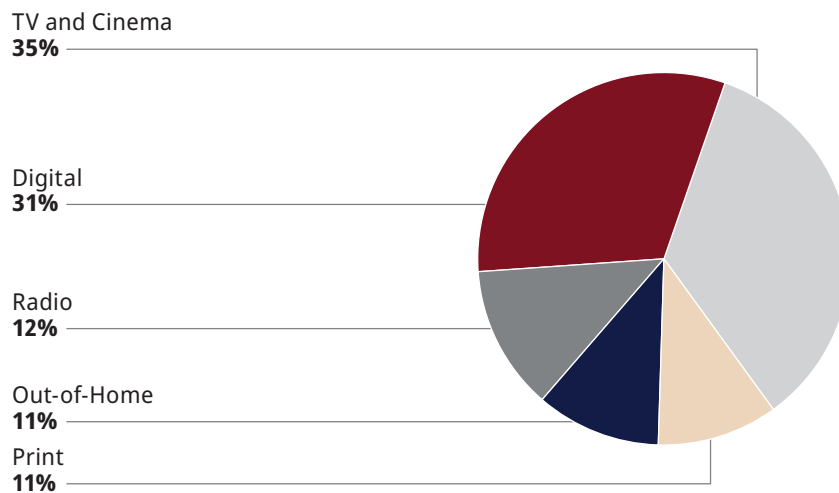


Figure 5 shows the proportionate amount spent on various types of reviewable media delivery in the past fiscal year. The television/cinema spend was the highest in 2023/24, costing the government \$23.9 million, which represented 35% of delivery costs. Radio, print and out-of-home channels were roughly equivalent.

Figure 5: 2023/24 Government Spending on Advertising by Medium (\$ million)

Source of data: Ontario ministries



Limited Review of Websites Mentioned in Advertisements

Soon after the original Act was passed, our Office came to an agreement with the government that the first page, or “first 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 landing page or lacks meaningful content, in which case we review the next page. We examine the page for 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.

3. Our Review Process

One of the main purposes of the Act is to ensure that advertising that is paid for with public funds is not partisan. When the Act passed into law in 2005, the Auditor General was empowered to review and approve or reject proposed advertisements on this basis.

Government ministries submit proposed advertisements to us for review before publication. If our Office finds that an ad item is not in compliance with the Act, the ministry is not permitted to run it. A revised version of the item can be submitted for review. If we do not communicate a decision within five business days of a government advertising submission, the submitting ministry is deemed to have received notice of compliance.

In 2015, changes were made to the Act that narrowed the definition of “partisan” and removed the Auditor General’s discretion in determining an ad item’s status.

Today, besides verifying the “paid for by the Government of Ontario” symbol, our Office determines whether the proposed ad:

- » 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.

If an ad item does not contain any of these features, no matter what else it may communicate, it qualifies as non-partisan and our Office is bound by law to approve it. Even if factually inaccurate, we have to approve the advertisement. Our Office does, however, routinely ask for factual support to be provided.

Our Office continues to identify and flag those ads that would not have passed our review under the original version of the Act. These are ad campaigns where, in our evaluation, the primary objective of the advertising is to foster a positive impression of the governing party, some of which we report on here (see **Section 4**). In these “other matters” cases, we document our concerns and communicate them to submitting ministries.

4. Campaigns We Flagged in 2023/24

In the past fiscal year, our Office flagged five campaigns totalling \$63.7 million—about 62% of the total dollars spent in 2023/24. These campaigns were:

- » **Let's Build Ontario:**
Ministry of Finance
\$43.2 million
- » **Health Care Services:**
Ministry of Health
\$7.0 million
- » **Ontario Place
Redevelopment:**
Ministry of Infrastructure
\$2.1 million
- » **Housing Supply:**
Ministry of Municipal
Affairs and Housing
\$8.4 million
- » **Funding in Schools:**
Ministry of Education
\$3.0 million



Let's Build Ontario

As discussed in **Section 2**, the "Let's Build Ontario" campaign totalled more than \$43.2 million. Our assessment found that ads in two pillars of this campaign were designed to improve Ontarians' impression of the current state of Ontario, the sub-text of which was to promote the governing party. These ads were aimed at a general audience, with claims ("more people are working than ever before") rather than providing the public with useful information about government programs or services.

Housing Supply

The Housing Supply campaign advertisements, mainly video spots, cost \$8.4 million. The content featured young families spending quality time together and a voice-over stated: "We're helping build more housing so you can build your home."

Campaign ads stated that "more than 500,000 people moved here and they need somewhere to live. That's why the Ontario government is taking action to help build more homes, like unlocking land..."

The first pre-review submission was received on August 31, 2023, when the Province was in the midst of its project to remove sites from the Greenbelt Plan. The initial phase commenced in September 2023 and ads began running on March 11, 2024.

Given the lack of context and the use of data that did not directly address or support the claims of the government, we concluded that the primary objective of the Housing Supply advertisements was to promote the governing party.

Health Care Services

Costing \$7.0 million, the Health Care Services campaign ran on radio, television and social media. One of the video ads opened on a busy hospital scene with doctors and nurses with the voice-over saying: "It's the 15,000 new nurses hired in just the past year." On-screen text read: "It's care. When and where you need it. See all the ways we're connecting you to care at ontario.ca/YourHealth."

**63,000
nurses**

24% were internationally
educated

**7,800
physicians**

37% were internationally
educated

The associated website information included statements about hiring “63,000 nurses” and “7,800 physicians.” By January 2024, the numbers had increased to “80,000 nurses” and “10,000 physicians.”

We found that little context or evidence was provided to back up these claims. We determined that the primary purpose of the campaign was to create a positive impression of the governing party.

Funding in Schools

Similarly, in the Funding in Schools campaign, the script presented Ontario schools as heavily funded and well-staffed. The voice-over statements were:

- » “We’re hiring thousands of new educators (screen text: ‘2,000 new educators’) ... to work alongside some of the best paid teachers in Canada.”
- » “We’re investing in new reading and math supports (screen text: ‘\$180 million for reading and math’) and spending billions to upgrade and build state-of-the-art schools (screen text: ‘\$15 billion for school upgrades’).”

On our review, these ad items offered no context or evidence to back up the claims. The “first click” website information included statements about “hiring 2,000 new teachers,” “\$180 million toward math and reading this year” and without sources provided. The “\$15 billion over 10 years to expand and renew schools” was a promise.

We concluded that the primary objective of the ads was to foster a positive impression of the governing party.

When the *Government Advertising Act, 2004* (Act) was proclaimed it was put in place as a safeguard to provide the people of Ontario value for the money spent by the government on advertising. The intent was to ensure that taxpayers’ money is not used to promote the governing party of the day, and that advertisements are informative and non-partisan. The above are cases where the Act, as amended in 2014, does not give our Office the ability to provide this oversight.

Recommendations and Auditee Responses

Recommendation 1

We continue to recommend that the previous version of the *Government Advertising Act, 2004* that was in force from January 30, 2006, to June 3, 2015, be reinstated.

Treasury Board Response

The government continues to ensure the Office of the Auditor General reviews and approves advertising 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.

Recommendation 2

We continue to recommend that the government revoke Ontario Regulation 143/15 under the *Government Advertising Act, 2004* to enable the Office of the Auditor General of Ontario to review all digital advertising paid for by the government, without exception.

Treasury Board Response

Under the *Government Advertising Act, 2004* the Office of the Auditor General of Ontario continues to review and approve all advertising as set out in the Act. Paid social advertising often 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 1: Expenditures for Reviewable Advertisements by Ministry in Fiscal Year 2023/24

Prepared by the Office of the Auditor General of Ontario

Ministry	# of Ad Submissions	# of Ad Items	Agency Fees and Production Costs (\$)	Media Costs (\$)					Total
				TV and Cinema	Radio	Print	Digital	Out-of-Home	
Agriculture, Food and Rural Affairs	10	44	130,700	0	1,081,035	123,940	10,982	0	1,346,657
Colleges and Universities	1	23	15,643	0	0	0	379,244	0	394,887
Economic Development, Job Creation and Trade	15	341	2,578,799	7,911,006	0	3,616,466	5,209,667	3,468,704	22,784,642
Education	5	16	246,139	719,468	1,181,632	0	422,875	0	2,570,114
Environment, Conservation and Parks	1	4	0	0	0	0	10,426	0	10,426
Finance	37	932	14,346,587	10,761,002	2,951,878	3,378,360	6,458,686	3,888,374	41,784,887
Health	10	169	1,376,638	2,226,097	1,603,885	0	2,277,006	0	7,483,626
Indigenous Affairs	2	26	0	0	0	0	506,088	0	506,088
Infrastructure	1	61	122,000	64,344	381,125	0	1,080,666	10,650	1,658,785
Municipal Affairs and Housing	11	56	2,039,045	1,903,253	939,180	0	2,556,860	0	7,438,338
Natural Resources and Forestry	4	24	166	0	0	35,287	9,620	400	45,473
Public Business Service and Delivery	6	166	59,998	0	0	0	1,990,919	0	2,050,917
Solicitor General	2	2	0	0	0	2,170	0	0	2,170
Tourism Culture and Sport	25	201	946,300	297,000	139,819	61,877	405,238	100,000	1,950,234
Transportation	1	40	39,817	0	358,109	0	319,406	0	717,332
Total	131	2,105	21,901,832	23,882,170	8,636,663	7,218,100	21,637,683	7,468,128	90,744,576

Appendix 2: Section 6 of the *Government Advertising Act, 2004*, Original and Amended

Source of data: *Government Advertising Act, 2004*

Original

Required standards

6. (1) The following are the standards that an item is required to meet:
1. It must be a reasonable means of achieving one or more of the following purposes:
 - i. To inform the public of current or proposed government policies, programs or services available to them.
 - ii. To inform the public of their rights and responsibilities under the law.
 - iii. To encourage or discourage specific social behaviour, in the public interest.
 - iv. To promote Ontario or any part of Ontario as a good place to live, work, invest, study or visit or to promote any economic activity or sector of Ontario's economy.
 2. It must include a statement that the item is paid for by the Government of Ontario.
 3. It must not include the name, voice or image of a member of the Executive Council or a member of the Assembly.
 4. It must not be partisan.
 5. It must not be a primary objective of the item to foster a positive impression of the governing party or a negative impression of a person or entity who is critical of the government.
 6. It must meet such additional standards as may be prescribed. 2004, c. 20, s. 6 (1).

Advertising outside Ontario

Paragraph 3 of subsection (1) does not apply with respect to an item for which the primary target audience is located outside of Ontario. 2004, c. 20, s. 6 (2)

Partisan advertising

- (2) An item is partisan if, in the opinion of the Auditor General, a primary objective of the item is to promote the partisan political interests of the governing party. 2004, c. 20, s. 6 (3).

Same

- (3) The Auditor General shall consider such factors as may be prescribed, and may consider such additional factors as he or she considers appropriate, in deciding whether a primary objective of an item is to promote the partisan political interests of the governing party. 2004, c. 20, s.

Amended

Standards

6. (1) The following are the standards that an item is required to meet:
1. It must include a statement that the item is paid for by the Government of Ontario.
 2. It must not be partisan as determined under subsection (2).
 3. It must meet any additional standards that may be prescribed.

Partisan advertising

- (2) An item is partisan if,
- (a) 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;
 - (b) it includes the name or logo of a recognized party, within the meaning of subsection 62 (5) of the Legislative Assembly Act;
 - (c) it directly identifies and criticizes a recognized party or a member of the Assembly; or
 - (d) it includes, to a significant degree, a colour associated with the governing party, subject to subsection (4).

Reference to title

- (3) Clause (2)(a) does not prevent the use of a member's title.

Exception, colour

- (4) Clause (2)(d) does not apply to the depiction of a thing that is commonly depicted in a colour associated with the governing party.

 repealed text

 new text



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