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CANADA

REACHING CANADIANS WITH EFFECTIVE GOVERNMENT ADVERTISING

**Report of the Standing Committee on
Government Operations and Estimates**

Tom Lukiwski, Chair

**DECEMBER 2017
42nd PARLIAMENT, 1st SESSION**

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Chair**

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NOTICE TO READER

Reports from committee presented to the House of Commons

Presenting a report to the House is the way a committee makes public its findings and recommendations on a particular topic. Substantive reports on a subject-matter study usually contain a synopsis of the testimony heard, the recommendations made by the committee, as well as the reasons for those recommendations.

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THE STANDING COMMITTEE ON GOVERNMENT OPERATIONS AND ESTIMATES

has the honour to present its

TWELFTH REPORT

Pursuant to its mandate under Standing Order 108(2), the Committee has studied changes to the Government of Canada's Communications Policy pertaining to government advertising and has agreed to report the following:

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SUMMARY

On 15 June 2017, the House of Commons Standing Committee on Government Operations and Estimates (the Committee) undertook a study of the federal communications policy with respect to government advertising. In the course of its study, the Committee held 3 meetings, heard from 14 witnesses and received 2 briefs.

This report reviews the changes made in 2016 to the federal government's policy on communications and procedures for advertising and explores the best ways to ensure that government communications and advertising effectively reach Canadians. It outlines changes designed to avoid partisanship in government communications and advertising and suggests improvements. It also offers ways to provide proper and relevant oversight of government advertising activities and to increase government transparency with regard to communications and advertising. Ten recommendations address important challenges related to government communications and advertising.

In the opinion of the Committee, the main challenges of the federal communications policy as it applies to government advertising are the following:

- Communications evolve in a continuously changing environment.
- The limited information and data available to evaluate the impact of government communications and advertising hinders the ability of the federal government to assess whether it is effectively reaching Canadians.
- Rules surrounding non-partisan communications must be very clear so that public resources are not used to promote political agendas.
- A permanent third-party oversight body for federal government advertising activities does not exist.
- Some Canadians do not have access to social media platforms or are not active on them and so they do not consult Government of Canada digital advertising campaigns and activities.

The Committee's recommendations seek to address these challenges by proposing the following:

- The government policy and directive on government communications and advertising should be updated regularly.
- The government should ensure that all advertising campaigns, whether they involve traditional media or digital media, establish performance indicators to evaluate the effectiveness of advertising activities.
- The rules on non-partisan communications contained in the Government of Canada Policy on Communications and Federal Identity should be tested and reviewed regularly and updated as required.
- The federal government should explore various avenues to provide appropriate oversight of government communications and advertising.
- Information on government digital advertising campaigns and activities, including those on social media platforms, should be made available in a way that is accessible to all Canadians.

LIST OF RECOMMENDATIONS

As a result of their deliberations, committees may make recommendations which they include in their reports for the consideration of the House of Commons or the Government. In relation to this study, the Committee recommends that:

Recommendation 1

The Government of Canada regularly update its policy and directive on government communications and advertising and ensure it remains relevant to address the challenges associated with continually evolving communications. 31

Recommendation 2

The Government of Canada increase advertising purchasing for weekly, multicultural and community newspapers and other local media, so that the government meets the stated directive that communications are responsive to the diverse information needs of the public..... 39

Recommendation 3

The Government of Canada ensure that the medium of government advertising appropriately reflects the target audience. 39

Recommendation 4

The Government of Canada explore having departments and agencies establish performance indicators to evaluate the effectiveness of advertising activities for all advertising campaigns, similar to those in private industry, involving both traditional media and digital media, and that the results of these evaluations be publicly reported through its annual report on advertising. 39

Recommendation 5

The Government of Canada regularly assess and review its definition of the term "non-partisan communications" and update it as required. 46

Recommendation 6

The Government of Canada require that, where possible, all advertising campaigns be reviewed by a third party during by-elections to ensure non-partisan advertising..... 46

Recommendation 7

The Government of Canada review its threshold, which requires that advertising campaigns above \$500,000 be reviewed by a third party, in order to take into account the average budget of digital campaigns. 54

Recommendation 8

The Government of Canada establish what requirements should apply to any site accessed through a “first click” – the hyperlink that users first click on in advertising in digital media and in featured links to the Internet in traditional media. 54

Recommendation 9

The Government of Canada continue the practice of having the evaluation of government advertising campaigns performed by a competent external authority. 54

Recommendation 10

The Government of Canada create an online repository for government digital advertising campaigns and activities, including those on social media platforms, to ensure that Canadians have access to these campaigns and activities. 54



REACHING CANADIANS WITH EFFECTIVE GOVERNMENT ADVERTISING

“The Government of Canada has come a long way since Clifford Sifton, the Minister of the Interior in Wilfrid Laurier’s government, advertised Canada throughout Europe and described the winters in Canada as “bracing” and “invigorating”—a nose-stretcher, to be sure.”

Jonathan Rose,
Associate Professor, Department of Political Studies,
Queen’s University, as an Individual

Introduction

On 1 June 2017, the House of Commons Standing Committee on Government Operations and Estimates (the Committee) adopted a [motion](#) to undertake a study of the changes to the federal government’s communications policy as it pertains to government advertising, including the consideration of the policy and related procedures and the role of third-party oversight.

Between June and October 2017, the Committee held 3 meetings and heard from 14 witnesses, including federal officials from the Privy Council Office (PCO), the Treasury Board Secretariat (TBS), and Public Services and Procurement Canada (PSPC); representatives from Advertising Standards Canada (ASC); academics; and representatives from 4 media associations. The Committee also received two briefs. The full list of witnesses is available in Appendix A and the list of briefs submitted is found in Appendix B.

The report of the Committee’s findings contains five chapters:

- Chapter 1 includes an analysis of the government’s advertising expenses.
- Chapter 2 presents an overview of the 2016 changes to the government’s policy on communications and procedures for advertising, and a discussion of the relationship between communications and advertising activities.



- Chapter 3 addresses the information needs of Canadians and the effectiveness of the government's advertising in responding to those needs.
- Chapter 4 discusses the changes to the government communications policy with regard to partisanship and presents some suggestions made by witnesses that could enhance the requirement that communications be non-partisan.
- Chapter 5 presents current oversight mechanisms for government communications and advertising and includes witnesses' suggestions about new ways to ensure independent oversight and an effective complaints process.

CHAPTER 1

GOVERNMENT EXPENDITURES ON ADVERTISING

“ [An] important change last year was the commitment made by the President of the Treasury Board to reduce advertising expenditures, which was also confirmed in budget 2016.”

Christiane Fox,
Deputy Minister, Intergovernmental Affairs and Youth,
Privy Council Office

Government advertising may not represent a significant portion of total government spending, but it does receive a lot of attention – for both the messages it shares with citizens and its impact on the Canadian media industry.

In 2015–2016, the federal government spent \$42.2 million on advertising.¹ In comparison, advertising expenditures averaged around \$80 million per year between 2005–2006 and 2014–2015, as noted in testimony before the Committee by Christiane Fox, Deputy Minister of Intergovernmental Affairs and Youth at PCO.²

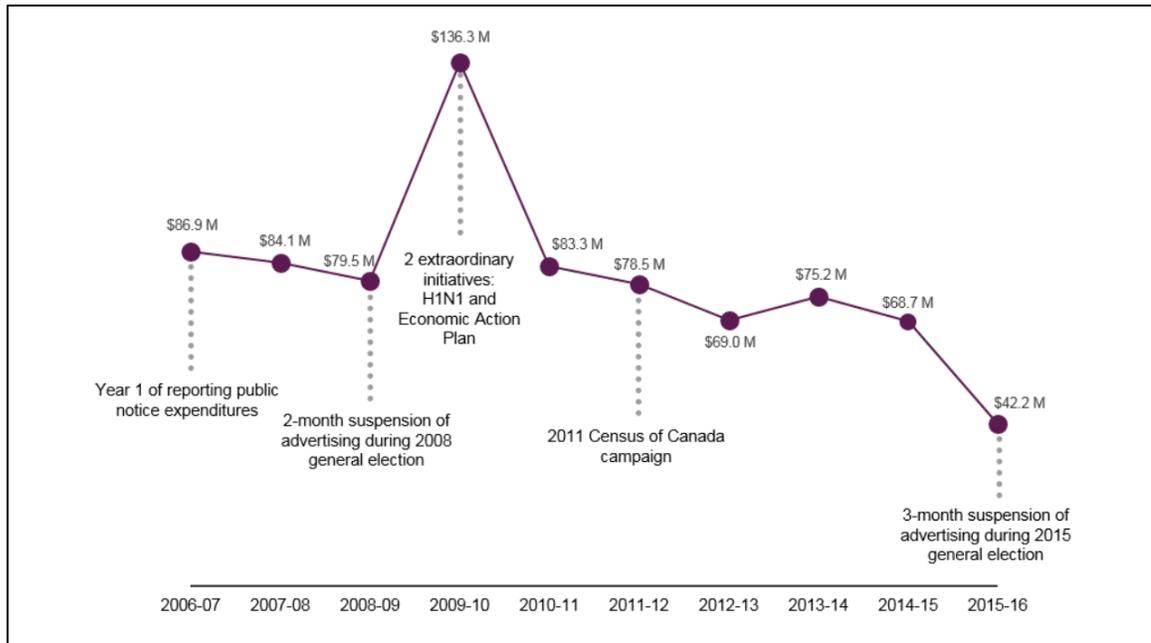
Figure 1 presents total advertising expenditures over the 10-year period between 2006–2007 and 2015–2016. As noted in the figure, the decrease for 2015–2016 is attributed in part to the three-month suspension of advertising during the 2015 general election. In addition, between 2010–2011 and 2015–2016, advertising expenditures generally decreased year over year, from \$83.3 million in 2010–2011 to \$42.4 million in 2015–2016.

1 Public Works and Government Services Canada, *Annual Report on Government of Canada Advertising Activities, 2015–2016*, p. 4.

2 Christiane Fox appeared in her capacity as the former Assistant Secretary to the Cabinet for Communications and Consultations.



**Figure 1 – Federal Government Advertising Expenditures (\$ millions),
2006–2007 to 2015–2016**



Source: Figure reproduced from Public Services and Procurement Canada, *Annual Report on Government of Canada Advertising Activities*, 2015–2016, p.7 (Chart 1: Advertising Expenditures – A Ten Year Perspective).

Government advertising is funded through the Central Advertising Fund administered by TBS and through departmental operating budgets. [Ms. Fox](#) told the Committee that the government announced a permanent reduction in advertising expenditures of \$40 million annually. [She](#) commented that, based on the most recent information collected by PSPC, the expenditures for 2016–2017 were expected to be approximately \$40 million and [she](#) added that between \$25 million and \$30 million of this amount will be funded through the Central Advertising Fund, with the balance from departmental expenditures. [Jonathan Rose](#), Associate Professor in the Department of Political Studies at Queen’s University, who testified as an individual, agreed that reducing government spending on advertising was a step in the right direction. He noted, however, that the final figures for this most recent fiscal year will not be available until the government publishes its annual report on advertising in January 2018, 10 months after the 2016–2017 fiscal year-end.³

3 Jonathan Rose, Associate Professor, Department of Political Studies, Queen’s University, [Brief](#) submitted to the House of Commons Standing Committee on Government Operations and Estimates [OGGO], 12 October 2017.

According to [Marc Saint-Pierre](#), Director General of Government Information Services Sector at PSPC, departments and agencies launched more than 70 campaigns in 2015–2016, and 11 institutions spent more than \$500,000 on their campaigns. Table 1 presents federal government advertising expenditures and major campaigns from 2009–2010 to 2015–2016.

Table 1 – Federal Government Advertising Expenditures and Major Advertising Campaigns, 2009–2010 to 2015–2016

Fiscal Year	Advertising Expenditures (\$ millions)	Major Advertising Campaigns
2009–2010	136.3	<ul style="list-style-type: none"> • 8 advertising campaigns on the Economic Action Plan (several departments and agencies: \$53.2 million) • H1N1/Pandemic Influenza (Public Health Agency of Canada and Health Canada: \$24.0 million)
2010–2011	83.3	<ul style="list-style-type: none"> • Canadian Forces National Recruitment (Department of National Defence: \$13.3 million) • Health and Safety of Canadian Children (Health Canada: \$7.4 million) • National Anti-Drug Strategy (Health Canada: \$6.1 million)
2011–2012	78.5	<ul style="list-style-type: none"> • 2011 Census (Statistics Canada: \$10.7 million) • Tax Relief Measures (Canada Revenue Agency: \$6.7 million)
2012–2013	69.0	<ul style="list-style-type: none"> • Economic Action Plan (Department of Finance: \$14.9 million) • Responsible Resource Development (Department of Natural Resources: \$8.2 million) • Tax Savings (Canada Revenue Agency: \$7.0 million)
2013–2014	75.2	<ul style="list-style-type: none"> • Better Jobs (Human Resources and Skills Development Canada: \$11.3 million) • Economic Action Plan (Department of Finance: \$10.5 million) • Wireless Telecommunications (Industry Canada: \$7.6 million)



Fiscal Year	Advertising Expenditures (\$ millions)	Major Advertising Campaigns
2014–2015	68.7	<ul style="list-style-type: none"> Economic Action Plan (Department of Finance: \$8.1 million) Recruitment: Excellence in Ops and Priority Occupations (National Defence: \$7.3 million) Prevention of Illicit Drug Use: Marijuana component (Health Canada: \$7.1 million) Canada Apprentice Loan (Employment and Social Development Canada: \$6.7 million) Canada 150 (Canadian Heritage: \$6.6 million)
2015–2016	42.2^a	<ul style="list-style-type: none"> 2016 Census (Statistics Canada: \$6.0 million) Economic Action Plan (Department of Finance: \$5.9 million) Canada 150 – The Great Canadian North (Canadian Heritage: \$5.5 million) Universal Child Care Benefit (Employment and Social Development Canada: \$4.2 million)

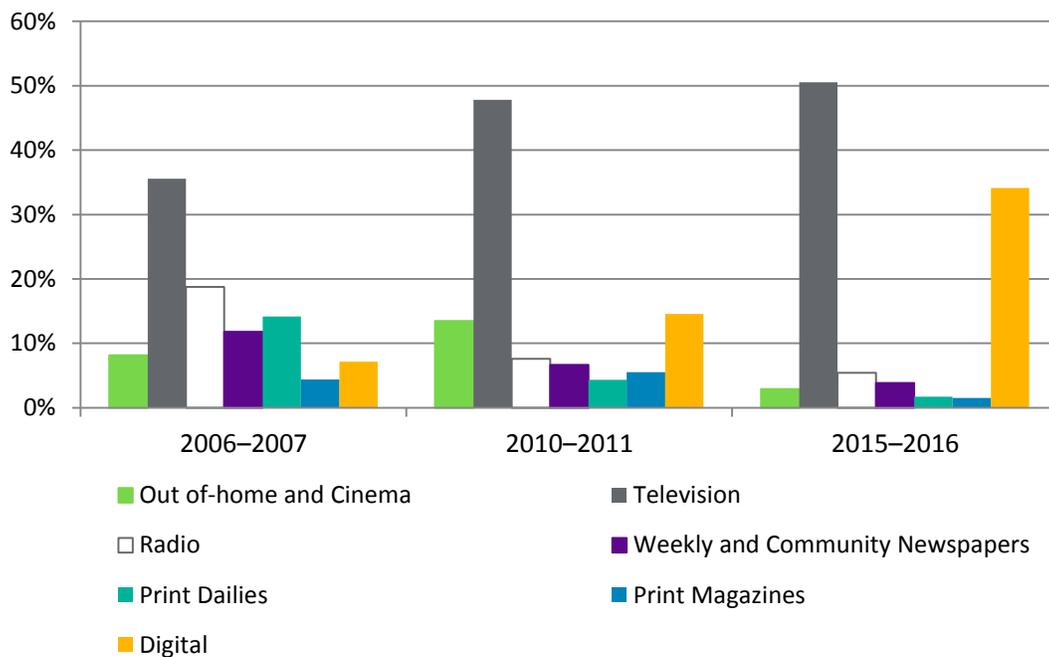
Note: a. Due to the federal election, there was a mandatory suspension of federal advertising for 94 days.

Sources: Table prepared using data obtained from Public Services and Procurement Canada, [2009–2010 Annual Report on Government of Canada Advertising Activities](#), pp. 17 and 20–22; [Annual Report on Government of Canada Advertising Activities 2010–2011](#), pp. 7 and 10; [Annual Report on Government of Canada Advertising Activities 2011–2012](#), pp. 3 and 8–12; [2012–2013 Annual Report on Government of Canada Advertising Activities](#), pp. 3 and 8–10; [2013–2014 Annual Report on Government of Canada Advertising Activities](#), pp. 3 and 7–9; [Annual Report on Government of Canada Advertising Activities 2014–2015](#), pp. 2 and 10–13; and [Annual Report on Government of Canada Advertising Activities 2015–2016](#), pp. 3 and 15–17.

The majority of government advertising is placed by the Agency of Record,⁴ a private company under contract with PSPC, in the various media channels. In its annual report on government advertising, PSPC presents expenditures for Agency of Record advertising placement.

Figure 2 presents Agency of Record advertising expenditures by media type as a percentage of annual totals for 2006–2007, 2010–2011 and 2015–2016. For 2015–2016, the government spent 51% on television, 34% on digital and a total of 15% on print, radio, and out-of-home advertising, according to [Mr. Saint-Pierre](#). The figure shows that government expenditures on most media types have declined in recent years, with the exception of digital media which is increasing significantly, and television advertising which fluctuates with an upward trend.

Figure 2 – Agency of Record Advertising Expenditures by Media Type (% of total), 2006–2007, 2010–2011 and 2015–2016



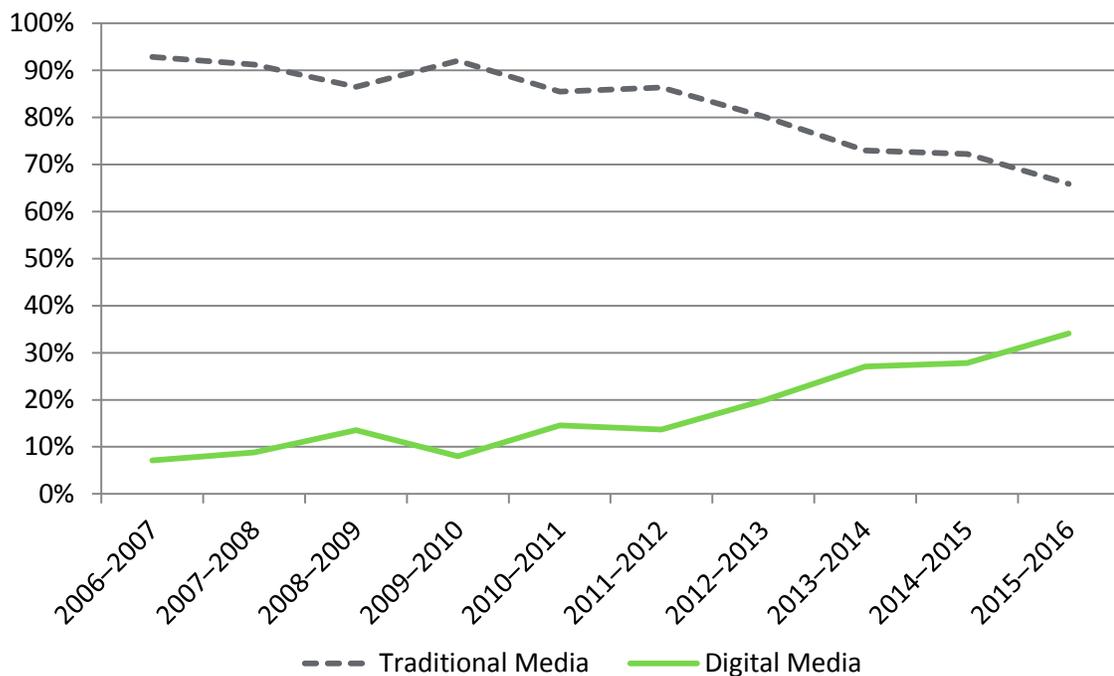
Source: Figure prepared using data from Public Services and Procurement Canada, [Advertising annual reports](#), 2006–2007, 2010–2011, and 2015–2016.

4 The federal government uses the services of an Agency of Record to develop media plans and purchase media space for government advertising, which enables the government to get better value by centralizing the collective buying power of departments and agencies. The current federal contract was awarded following a competitive process to Cossette Communication Inc. and is valid until 31 August 2018. See Public Services and Procurement Canada, "Agency of record," [Information for industry](#).



Figure 3 presents Agency of Record advertising expenditures for traditional media and digital media as a percentage of annual totals for the 10-year period from 2006–2007 to 2015–2016. [Ms. Fox](#) noted that in 2011–2012, the government spent 14% of its advertising expenditures on digital media, as compared to 34% in 2015–2016. Dr. Rose highlighted in a [brief](#) submitted to the Committee that “[i]nternet advertising by government has grown 126% from 2012 to 2015–16.” Figure 3 shows that traditional media expenditures have declined with the increase in digital media advertising.

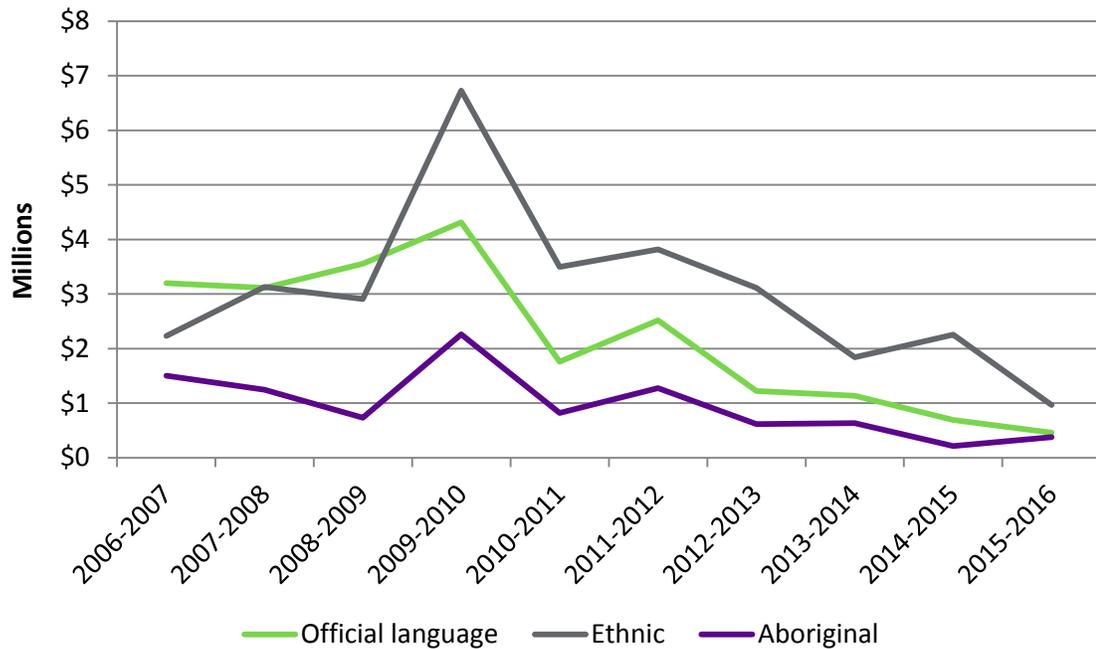
Figure 3 – Agency of Record Advertising Expenditures in Traditional Media and Digital Media (% of total), 2006–2007 to 2015–2016



Source: Figure prepared using data from Public Services and Procurement Canada, [Advertising annual reports](#), 2006–2007 to 2015–2016.

Figure 4 presents government advertising placed by the Agency of Record in specialized print, radio and television media aimed at official language minority, ethnic, and Aboriginal communities.

Figure 4 – Agency of Record Advertising Expenditures in Official-Language Minority, Ethnic and Aboriginal Media (in \$ millions), 2006–2007 to 2015–2016



Source: Figure prepared using data from Public Services and Procurement Canada, [Advertising annual reports](#), 2006–2007 to 2015–2016.

As Figure 4 shows, with the increasing emphasis on digital media, the government’s placement of advertising in community newspapers and ethnic media has declined. According to [Duff Jamison](#), Chairman of Government Affairs for the Alberta Weekly Newspapers Association, “A decade ago the federal government spent 47% of its ad budget in newspapers: 28% in dailies and 19% in community, ethnic, and aboriginal weeklies. In the 2014–15 fiscal year it spent 7% in total on newspapers: 1% in dailies and 6% in weeklies. In that same period, the spending with Internet companies rose from 6% to 28%.”

For the fiscal year 2015–2016, the government spent \$3.4 million on polling, in comparison with \$12.5 million for 2016–2017, according to [Mr. Saint-Pierre](#).

[Mr. Saint-Pierre](#) also said that the government spends very little on advertising outside of Canada and that most advertising is published in Canada in media directed to Canadians. In a follow-up response to the Committee, PSPC indicated that the federal government spent \$813,841 in 2014–2015, \$11,377 in 2015–2016 and \$3,318 in 2016–2017 on advertising in other countries.



When describing ways that the government can reduce costs, officials referred to the centralized purchasing of media space, as well as the impact of the coordination role. According to [Mr. Saint-Pierre](#), the Agency of Record, which purchases media space on behalf of the federal government, as well as other companies, realizes cost savings for the government because they are able to obtain the best price for media. The requirement for centralized purchasing of media space is outlined in the government’s policy. According to [Ms. Fox](#), this requirement is necessary to ensure that everyone follows the same approach given that government operations are large-scale and in some cases decentralized by the government’s regional presence. [She](#) added that planning campaigns over a longer period of time can lead to savings due to the guaranteed funding.

TBS and PSPC provided information on the number of full-time equivalent employees and total salaries related to federal government advertising at TBS, PCO and PSPC for the period 2014–2015 to 2017–2018. This information is presented in Table 2.

Table 2 – Number of Full-Time Equivalent (FTE) Employees and Total Salaries Related to Government Advertising for the Treasury Board Secretariat, Privy Council Office and Public Services and Procurement Canada, 2014–2015 to 2017–2018

Organization	2014–2015		2015–2016		2016–2017		2017–2018 (forecast)	
	FTE	Amount (\$) ^a	FTE	Amount (\$) ^a	FTE	Amount (\$) ^a	FTE	Amount (\$) ^a
Treasury Board Secretariat	0.50	42,858 to 46,235	0.50	43,394 to 46,663	1.00	83,770 to 97,822	1.00	84,818 to 99,047
Privy Council Office	3.75	336,873 to 371,160	3.75	340,536 to 374,253	3.75	345,108 to 380,085	3.75	348,420 to 383,658
Public Services and Procurement Canada	16.90	1,465,276	15.37	1,313,864	13.37	1,106,665	14.38	1,188,548
Total	21.15	1,845,007 to 1,882,671	19.62	1,697,794 to 1,734,780	18.12	1,535,543 to 1,584,572	19.13	1,621,786 to 1,671,253

Note: a. These amounts represent the salary range for each position associated with the FTEs.

Source: Table prepared using data obtained from Treasury Board Secretariat, Follow-up on the June 15, 2017 meeting of the Standing Committee on Government Operations and Estimates, pp. 2, 3 and 5 [Correspondence with OGGO, 25 October 2017].

TBS also indicated that internal advertising does not include “the Government of Canada’s own websites and unpaid social media presence.”⁵ TBS added that in 2015–2016, the federal government’s information technology (IT) expenditure was \$5.3 billion. However, it specified that “[g]iven the multi-purposed uses of IT and related personnel, it is not possible to isolate the Government of Canada’s expenditures on its external websites and social media. Though, generally, these expenditures would represent a very small portion of the Government’s overall spending on IT.”⁶

1.1 Committee Observations

The Committee recognizes the government’s new policy and its commitment to reduce partisan advertising. The Committee also recognizes that Canadians look to both traditional and digital media for information and supports the view that Canadian-content media is important for informing Canadians.

5 Treasury Board Secretariat, Follow-up on the June 15, 2017 meeting of the Standing Committee on Government Operations and Estimates, p. 4 [correspondence with OGGO, 25 October 2017].

6 Ibid.

CHAPTER 2

GOVERNMENT FRAMEWORK FOR COMMUNICATIONS AND ADVERTISING

“The consistent use of [the Government of Canada’s] identity helps brand initiatives, allowing Canadians to easily recognize government programs.”

Louise Baird,
Assistant Secretary, Strategic Communications and Ministerial Affairs,
Treasury Board Secretariat

2.1 Current Government Policy on Communications and Federal Identity

On 11 May 2016, the federal government adopted the [Policy on Communications and Federal Identity](#). The policy replaced the 2006 Communications Policy of the Government of Canada and the 1990 Federal Identity Program Policy. It applies to the government departments and agencies in [Schedule I](#) of the [Financial Administration Act](#) and to the divisions or branches of the federal public administration in [Schedule I.1](#) of the Act.

Certain sections of the policy and the requirements of the [Directive on the Management of Communications](#) do not apply to the Office of the Auditor General of Canada; the Office of the Chief Electoral Officer; the Office of the Commissioner of Lobbying of Canada; the Office of the Commissioner of Official Languages; the Office of the Public Sector Integrity Commissioner of Canada; the Office of the Information Commissioner of Canada; and the Office of the Privacy Commissioner of Canada. Further, [Alex Marland](#), Professor in the Department of Political Science at Memorial University of Newfoundland, testifying as an individual, commented that there should be a distinction between the different arms of government. For example, he said that Crown corporations, which are acting in a competitive market place, should not necessarily adhere to the same communications and advertising requirements as departments and agencies.



The policy has the following four objectives:

- Government of Canada communications are non-partisan, effectively managed, well-coordinated, clear and responsive to the diverse information needs of the public.
- The Government of Canada considers the views and interests of the public when developing policies, programs, services and initiatives.
- The Government of Canada is visible and recognizable to the public in Canada and abroad, and is projected equally in both official languages.
- Government of Canada communications and the administration of its corporate identity are cost-effective and achieve savings through standardization.

[Louise Baird](#), Assistant Secretary with Strategic Communications and Ministerial Affairs at TBS, told the Committee that the new policy replaces a policy that came into effect in 2002 and was updated in 2006. The policy sets out rules not only for the government's communications activities, but also for the way in which it communicates with Canadians about its policies, programs and services. She also pointed out that the policy established rules concerning the Government of Canada's corporate identity, which includes the Canada word mark, departmental signatures, and the arms of Canada, and that the Government of Canada's identity still has primacy over the identity of individual departments and agencies. In a response to a question from a Committee member, [Ms. Baird](#) clarified that the policy applies to all government communications including websites.

[Dr. Marland](#) suggested that Parliament regularly update the federal government communications policy and said that he was pleased to see that the Committee was undertaking this current study. In a response to a question from a Committee member, [Dr. Rose](#) articulated that any advertising policy should strive for independence and transparency.

2.1.1 Main Changes to the Previous Policy

“The changes that are made are, on the whole, welcome amendments... What they attempt to do is curtail the impulse of governments of all political stripes to use taxpayers’ money to buy voters’ favour. They also place adjudication of advertising in the hands of a third party, which I think ensures legitimacy.”

Jonathan Rose,
Associate Professor, Department of Political Studies,
Queen’s University, as an Individual

Ms. Baird indicated that the new policy includes the following four key changes:

- **Non-Partisan Communications:** The term “non-partisan communications” is now defined, unlike under the previous policy, which required the public service to carry out communications activities in a non-partisan manner without providing a definition for the term. In addition, under the new policy, to ensure non-partisanship, an independent third-party oversight mechanism has been established to review advertising campaigns with budgets of more than \$500,000. Also, federal departments and agencies, which had not been allowed to advertise during a general federal election, are now prohibited from advertising during the 90 days preceding a fixed general federal election date. Finally, the new policy prohibits advertising initiatives awaiting Parliament’s approval and trade agreements not yet ratified.
- **Spokespersons:** Although ministers continue to be the main spokespersons for their respective departments and agencies, the policy clarifies the role of departmental officials who may communicate with the media in order to inform Canadians in a complete and timely manner. Ms. Baird gave the example of scientists who, as subject matter experts, have the opportunity to speak publicly about their work even if they are not media spokespersons. She added that media spokespersons are still speaking in an official capacity on behalf of their departments and agencies about policies, programs, services and initiatives.
- **Digital Communications:** The policy outlines the federal government’s digital-first approach. Ms. Baird said that under this approach, departments and agencies use the Web and social media as the main channels to reach Canadians.



- **Public Opinion Research:** [Ms. Baird](#) told the Committee that public opinion research is conducted in order to gather useful data for policy development and the establishment of government programs. The policy moved public opinion research approval from the minister to the deputy head of a department or an agency. In the view of [Ms. Baird](#), this change “provides an additional safeguard against the potential of public opinion research becoming politicized.” In addition, the policy offers a new definition for the term “public opinion research,” which is, according to Ms. Baird, less restrictive.

2.2 Directive on the Management of Communications

To support the policy, the federal government released the Directive on the Management of Communications on 11 May 2016. The directive describes the key requirements for heads of communications, as well as the roles and responsibilities of PCO, PSPC, Service Canada, Global Affairs Canada, and Library and Archives Canada. It replaces the following Treasury Board policy instruments: the 2006 Communications Policy of the Government of Canada, the 1990 Federal Identity Program Policy, the 2014 Procedures for the Management of Advertising, the 2014 Procedures for the Management of Public Opinion Research, and the 2013 Standard on Social Media Account Management.

[Ms. Baird](#) explained that, in order to streamline the government policy, duplicative requirements from other Treasury Board policies were removed from it and as a result, the number of policy requirements regarding government communications has been reduced from 330 to 97. She said that the policy is more precise because it clarifies accountabilities for deputy heads and for heads of communications. She added, moreover, that the new policy gives departments and agencies more flexibility to determine roles and responsibilities based on their specific needs.

2.3 Mandatory Procedures for Advertising

The directive contains the [Mandatory Procedures for Advertising](#), which also took effect on 11 May 2016. The procedures describe that the communications branches of government departments and agencies must plan and coordinate, contract, and conduct production and media planning of advertising activities, and pretest and evaluate advertising campaigns costing more than \$1 million.

[Mr. Saint-Pierre](#) informed the Committee that every advertising campaign valued at over \$1 million has to be tested in advance and evaluated by an independent company, which

is usually a public opinion research company. He added that Library and Archives Canada publishes findings from companies' reports on its website as required by law and Treasury Board policies. [He](#) also explained that the costs related to the evaluation of advertising campaigns valued at over \$1 million are included in the total costs of advertising campaigns that departments and agencies incur and that they must forecast from the outset. [Dr. Rose](#) expressed the view that all government advertising plans, regardless of their total value, should come with a public opinion survey demonstrating the need for the campaign as it is the case in Ontario.

2.4 Roles of Federal Organizations

Several federal organizations are involved in the planning of government advertising activities. [Mr. Saint-Pierre](#) explained that under the policy, a department or an agency cannot develop an advertising campaign from start to finish without consulting and collaborating with PCO, TBS, and PSPC. As well, Global Affairs Canada advises departments and agencies on advertising in foreign markets.⁷

2.4.1 Government Departments and Agencies

Government department and agency heads of communications are responsible for preparing their organizations' advertising proposals by applying the principles of the [Canadian Code of Advertising Standards](#)⁸ and by complying with the definition of non-partisan communications set out in the policy and the directive.⁹

The Code which was first published in 1963 and has since been revised on a regular basis, was established in order to promote advertising. It is administered by ASC and its purpose is "to help set and maintain standards of honesty, truth, accuracy, fairness and propriety in advertising." It contains the following 14 provisions that advertisers, including the federal government,¹⁰ should adhere to both in letter and in spirit:

7 Government of Canada, [Directive on the Management of Communications](#), "Appendix B: Mandatory Procedures for Advertising."

8 Government of Canada, [Directive on the Management of Communications](#).

9 Government of Canada, [Terms of Reference – Advertising Standards Canada Review of Non-Partisan Advertising for the Government of Canada](#).

10 OGGO, [Evidence](#), 1st Session, 42nd Parliament, 15 June 2017, 0950 (Marc Saint-Pierre, Director General, Government Information Services Sector, Public Services and Procurement Canada).



- 1) **Accuracy and Clarity:** Among other things, advertisements must not include, or directly or by implication make, inaccurate, deceptive or otherwise misleading claims, statements, illustrations or representations.
- 2) **Disguised Advertising Techniques:** Advertisements must not be presented in a format or style that masks the fact that they are advertisements.
- 3) **Price Claims:** Advertisements must not include deceptive price claims or discounts as well as unrealistic price comparisons or exaggerated claims as to worth or value.
- 4) **Bait and Switch:** Advertisements must not misrepresent consumers' opportunity to purchase the goods and services at the terms presented. In cases where supply is limited or only limited demand can be fulfilled, the advertisement must clearly state it.
- 5) **Guarantees:** Advertisements must only offer a guarantee or warranty if the conditions and limits are fully explained and if the name of the guarantor or warrantor is provided, or if it is indicated where such information may be obtained.
- 6) **Comparative Advertising:** Advertisements must not unfairly discredit, disparage or attack one or more products, services, other advertisements, companies or entities. Moreover, advertisements must not exaggerate the nature or the importance of competitive differences.
- 7) **Testimonials:** Testimonials, endorsements or other representations of opinion must reflect genuine, reasonably current opinion of the individuals, groups or organizations making such statements.
- 8) **Professional or Scientific Claims:** Advertisements must not distort the true meaning of statements made by professionals or scientific authorities and must not imply that they have a scientific basis that they do not truly possess.
- 9) **Imitation:** Advertisers must not imitate the copy, slogans or illustrations of another advertiser in a way that misleads consumers.
- 10) **Safety:** Advertisements must not display a disregard for safety by presenting situations that might be reasonably interpreted as encouraging unsafe or dangerous practices or acts.

- 11) **Superstition and Fears:** Advertisements must not exploit superstitions or play upon fears in order to mislead consumers.
- 12) **Advertising to Children:** Advertising directed to children must not exploit their credulity, lack of experience or their sense of loyalty. Moreover, it must not present information or illustrations that could lead to their physical, emotional or moral harm.
- 13) **Advertising to Minors:** Products prohibited from sale to minors must not be advertised so that they are particularly appealing to persons under legal age. People in advertisements of such products must be, and clearly be seen to be, adults.
- 14) **Unacceptable Depictions and Portrayals:** Advertisements must not condone any form of personal discrimination; appear in a realistic manner to exploit, condone or incite violence; demean, denigrate or disparage identifiable people, groups, firms, organizations, industrial or commercial activities, professions, entities, products or services; and, undermine human dignity.

Government department and agency communications branches must submit all advertising campaigns with budgets greater than \$500,000 for mandatory ASC review¹¹ and ensure that advertising campaigns that have a total media buy of over \$1 million are evaluated using the Advertising Campaign Evaluation Tool issued by the Communications and Consultations Secretariat of PCO. They must also forward campaign performance indicators and research results to the Secretariat.¹²

As well, government departments and agencies must ensure that determinations made by ASC are addressed before publishing the advertising.¹³

11 Government of Canada, [*Terms of Reference – Advertising Standards Canada Review of Non-Partisan Advertising for the Government of Canada*](#).

12 Government of Canada, [*Directive on the Management of Communications*](#), “Appendix B: Mandatory Procedures for Advertising.”

13 Government of Canada, [*Terms of Reference – Advertising Standards Canada Review of Non-Partisan Advertising for the Government of Canada*](#).



2.4.2 Cabinet and the Privy Council Office

Cabinet receives all advertising proposals, decides which ones will proceed and determines the maximum funding amount and source of funds, from either existing departmental resources or the Central Advertising Fund.¹⁴

Ms. Fox indicated that PCO has a coordination role in government communications, which allows for the creation of synergies among departments and agencies that often work independently from one another. She also explained that PCO coordinates government communications and, in collaboration with departments and agencies, ministers' offices, and the Prime Minister's Office, the annual planning of advertising activities based on government priorities. The plans must be approved by the prime minister and presented to the Cabinet Committee on Open and Transparent Government and Parliament. In order to obtain the required funds for the approved advertising campaigns funded through the Central Advertising Fund, PCO prepares a submission to TBS.

Ms. Fox added that "PCO provides leadership, a challenge function, strategic direction and coordination during the implementation of major advertising campaigns." PCO also reviews draft creative materials, media buy strategies and plans and advises departments and agencies on their pretesting and evaluation plans for advertising campaigns with a total media buy of over \$1 million.¹⁵

In addition, PCO manages the Advertising Campaign Evaluation Tool used to evaluate all advertising campaigns that have a total media buy of over \$1 million.¹⁶

2.4.3 Public Services and Procurement Canada

The Advertising Coordination and Partnerships Directorate of PSPC determines whether a project falls within the definition of advertising and assists departments and agencies in developing advertising statements of work. This directorate also advises departments and agencies whether draft creative materials, media buy strategies and plans comply with legislative and policy requirements.¹⁷ Mr. Saint-Pierre told the Committee that PSPC

14 Government of Canada, [About Government Advertising](#).

15 Government of Canada, [Directive on the Management of Communications](#), "Appendix B: Mandatory Procedures for Advertising."

16 Government of Canada, [Terms of Reference – Advertising Standards Canada Review of Non-Partisan Advertising for the Government of Canada](#).

17 Government of Canada, [Directive on the Management of Communications](#), "Appendix B: Mandatory Procedures for Advertising."

provides departments and agencies with advisory and consulting services, as well as training, related to advertising.

The Communication Procurement Directorate of PSPC is responsible for administering contracts for the procurement of approved advertising activities, including pretesting, production, media placement and evaluation. As well, the Public Opinion Research Directorate of PSPC advises departments and agencies and coordinates the pretesting and evaluation of advertising campaigns that have a total media buy of over \$1 million.¹⁸

[Mr. Saint-Pierre](#) explained that PSPC's acquisitions branch is the contracting authority for the advertising services used by departments and agencies and as such, PSPC is responsible for the government contracting process for advertising and public opinion research.

PSPC is responsible for administering the Advertising Management Information System and publishing an annual report on federal advertising activities.¹⁹ It also coordinates with ASC the process for reviewing the creative materials for advertising campaigns.²⁰

[Ms. Fox](#) explained that PSPC acts as a liaison between departments and agencies and ASC during the ASC's review process. [Mr. Saint-Pierre](#) added that PSPC is responsible for disseminating materials and best practices related to advertising.

Lastly, [he](#) explained that PSPC manages the Agency of Record, which purchases the vast majority of advertising space and air time for departments and agencies subject to the policy.

2.4.4 Treasury Board Secretariat

TBS approves requests from departments and agencies for new advertising funds and presents the amounts in the estimates for parliamentary consideration and approval.²¹ It also has the delegated authority to amend or rescind the mandatory procedures related to the directive, including the Mandatory Procedures for Advertising.²²

As well, TBS annually reviews and makes the required amendments to the mandate, activities, terms of reference and criteria for the ASC review of non-partisan advertising for the federal government.²³

18 Ibid.

19 Government of Canada, [About Government Advertising](#).

20 Government of Canada, [Advertising oversight mechanism](#).

21 Government of Canada, [About Government Advertising](#).

22 Government of Canada, [Directive on the Management of Communications](#).

23 Government of Canada, [Terms of Reference – Advertising Standards Canada Review of Non-Partisan Advertising for the Government of Canada](#).



2.5 Communications and Advertising

“ [T]he Government of Canada has a duty to inform all Canadians about its programs, services, policies, and decisions. Advertising is one of the ways in which the government ensures that individuals, families, and businesses have the information they need to exercise their rights and responsibilities, and to make informed decisions about their health, safety, and security.”

[John Hinds](#),

President and Chief Executive Officer, News Media Canada

Under the Policy on Communications and Federal Identity, government communications must be objective, factual, non-partisan, clear, and written in plain language.²⁴ In the [Directive on the Management of Communications](#), a communications product is defined as

[a]ny product produced by or on behalf of the Government of Canada that informs the public about policies, programs, services and initiatives, as well as dangers or risks to health, safety or the environment. Communications products can also aim to explain the rights, entitlements and obligations of individuals. Communications products can be developed for a variety of media, including print, electronic and recording.²⁵

In addition, the directive defines advertising “as any message conveyed in Canada or abroad and paid for by the government for placement in media, including but not limited to newspapers, television, radio, cinema, billboards and other out-of-home media, mobile devices, the Internet, and any other digital medium.”²⁶ [Ms. Baird](#) cited this definition to the Committee. The federal government’s definition of a communications product and of advertising direct departments and agencies how to apply the requirements of the new policy and directive.

Government communications encompass more than advertising.²⁷ [Ms. Fox](#) explained that “[a]dvertising is complementary to other activities.” And as [she](#) confirmed, the government intends to meet its commitment of reducing annual government advertising expenditures by \$40 million by using both paid and unpaid communications to inform the public of its key programs and services. [Dr. Marland](#) echoed this view that

24 Government of Canada, [Policy on Communications and Federal Identity](#).

25 Government of Canada, [Directive on the Management of Communications](#), “Appendix A: Definitions.”

26 Ibid.

27 Jonathan Rose, [Brief](#) submitted to OGGO, 12 October 2017.

advertising is often just one component of communications, and as [he](#) later added, “advertising in some ways should be the last resort, not the first thing you do.” [He](#) supports the idea that there is a balance to be achieved between the government’s use of communications tools and its advertising strategy.

The testimony suggests that this relationship between communications and advertising should be considered when determining whether certain policies should be applied to content beyond the narrowly defined advertising activities of the government. As summarized by Dr. Rose in his [brief](#), “The principle here is simple: there needs to be rules in place so that if and when a government’s good judgment lapses, they can be held to account.”²⁸

As explained by [Ms. Baird](#), advertising is purchased space in a media outlet, which includes some social media. She said, however, that the government also uses social media for placements that are not paid, and that such placements would not be subject to the government’s standards on advertising. Similarly, [she](#) explained that a video that is produced and placed on a government website is not considered advertising under the advertising policy. Using another example, [Mr. Saint-Pierre](#) explained that a Health Canada billboard about “quitting smoking” that is posted on the Place du Portage government building is not considered advertising, whereas if the government paid to have the same billboard displayed elsewhere, such as along a highway, then it would be considered advertising. [He](#) later added that if a poster or sign was on an embassy outside of Canada, it would not be considered advertising.

While [Ms. Baird](#) considers the definition of advertising clear, some witnesses thought it too narrow. [Dr. Rose](#) suggested that the definition of government advertising could be expanded beyond “paid” to also include “proposing to pay.” This would capture government sponsorship of an organization, such as a theatre, or a program, where the Government of Canada logo is displayed or advertised. [Dr. Rose](#) also suggested that the Committee look to other jurisdictions such as Ontario, whose pre-2015 policy mandated reasons for advertising. [He](#) commented that the definition could also be expanded to include government householders.

28 [Ibid.](#)



2.6 The Digital-First Approach

“There is already a robust digital ecosystem in the Canadian media.”

Matthew Holmes,
President and Chief Executive Officer,
Magazines Canada

The federal government’s new communications policy has a “digital-first” approach. The federal government’s Web presence²⁹ and its official social media accounts³⁰ are the two main channels supporting this approach. According to Ms. Baird, “Canadians seek out their information through digital channels, and government now primarily interacts with the public through the Web and social media.” The requirement set out in the directive is that departmental heads of communications should be “[u]sing digital media and platforms as the primary means to connect and interact with the public while continuing to use multiple communications channels to meet the diverse information needs of the public.”³¹

While several witnesses raised concerns about social media expenditures supporting businesses outside of Canada, Matthew Holmes, President and Chief Executive Officer for Magazines Canada, noted that there are ways for the government to focus digital media on Canadian sites. He suggested that online community newspapers and dailies and other digital-only platforms are a way to reach Canadians online. However, Mr. Jamison explained to the Committee that “[d]igital advertising revenues, which are tied to ... news reporting, remain insignificant simply because community newspaper websites and social media feeds do not generate the traffic required to cover their reporting costs.”

Ms. Fox told the Committee that social media is a tool that departments are using more frequently in order to reach remote communities. She added that “it’s really about identifying that target audience and using everything in [a government department’s]

29 “Web presence,” as defined in “Appendix A: Definitions,” *Directive on the Management of Communications*, means “[t]he user-centric, mobile-optimized website that organizes Government of Canada content by themes. The Government of Canada Web presence is commonly known as Canada.ca.”

30 “Official social media accounts,” as defined in in “Appendix A: Definitions,” *Directive on the Management of Communications*, means “[a]n account on a social media platform used for official Government of Canada purposes such as communication, service delivery, collaboration and other purposes within the scope of a department's mandate.”

31 Government of Canada, *Directive on the Management of Communications*, “6.1 Requirements,” s. 6.11.

tool box to be able to support the community or support that group to raise awareness.” [Thomas Saras](#), President and Chief Executive Officer of the National Ethnic Press and Media Council of Canada, suggested that if the government is advertising online, it does not reach certain ethnic communities that do not speak one of the two official languages.

With respect to digital media, [Dr. Rose](#) highlighted that “[v]irtually all ads in traditional media of radio, print, and TV feature links to the Internet.” [He](#) added, “Without being able to scrutinize government websites, there is a potential for content that is laudatory, but that provides no information.”

Both academics, Dr. Rose and Dr. Marland, suggested that the government should adopt a “first-click” rule that would apply government advertising standards to Web pages that are accessed from the “first click” of a link appearing on a government advertisement.³² This change to the policy would ensure that those websites would be part of the advertising content review. [Dr. Rose](#) said that this is important because it would prevent government advertising from linking to content that does not adhere to government standards.

Along those lines, [Ms. Baird](#) noted that “in media and communications, digital is influencing communications greatly and is changing all the time,” and that TBS would continue to monitor the government's definition of advertising with that in mind.

2.7 Support for Traditional Media

“Many Canadians, particularly those living outside major cities, continue to rely on their local community newspaper for important information.”

[Duff Jamison](#),
Chairman, Government Affairs,
Alberta Weekly Newspapers Association

A concern raised by several witnesses from media associations is the challenge their members face with declining advertising revenues. Several witnesses told the Committee that print advertising is a major revenue contributor to community newspapers, and that most community papers are distributed free of charge. In his opening remarks, [Mr. Jamison](#) warned that “[c]ommunity newspapers face an uncertain future, as advertisers, including the federal government, have begun to rely more heavily

32 Jonathan Rose, [Brief](#) submitted to OGGO, 12 October 2017.



on digital platforms to communicate key messages.” In particular, he noted that national advertising in community papers has experienced the greatest decline. [Mr. Saras](#) echoed these views: he said that as a result of declining government revenues, a number of ethnocultural publications have struggled or even been shut down. He called it a “crisis that affects not only the members of the ethnic publications, but also the mainstream media.”

According to [Mr. Holmes](#),

the underlying economics of consumer magazine publishing in Canada have collapsed. Canadian print advertising spending has migrated to digital platforms, and digital advertising has, in turn, migrated offshore, largely to U.S.-based digital content distributors. Advertising revenues have decreased by half since 2007, from \$732 million to \$390 million. This decline has accelerated in the last four years by one-third.

Several witnesses agreed that the federal government should support Canadian businesses through Canadian media advertising. According to [John Hinds](#), President and Chief Executive Officer of News Media Canada, advertising in Canada's newspapers are not only effective, but they have the added advantage of strengthening Canadian businesses and Canada's communities. [Mr. Jamison](#) believes that the federal government has a role in supporting community newspapers. Along the same lines, [Dr. Marland](#) stated that “if we think about government as doing good things for the community, somewhere in all of this we have to balance the need for communications experts to focus directly on targeted messages with, at the same time, making sure our government is spreading public monies.”

Several witnesses commented that the federal government has had an impact on the media industry in Canada, through policy and legislation, but also with its advertising revenues. On the topic of foreign content, one witness raised concerns about the protection of Canadian values when financial contributions and advertising from foreign governments are part of Canadian media. As an example, [Mr. Saras](#) noted that Italian-language publications published in Canada receive money from the Italian government. He added, “The same thing happens ... with other governments and communities.” In his view, this allows foreign influence in Canada.

2.8 Committee Observations and Recommendations

The Committee recognizes that it is highly important for government to communicate effectively and clearly with Canadians, especially on matters that directly impact them such as health and safety. It is of the opinion that Canadians must be properly informed about government programs and services. Information such as how to qualify for government programs and where to find answers to their questions is primordial. Thus, the Committee believes that the government's new Policy on Communications and Federal Identity will help it to achieve these objectives.

The Committee's position is that government advertising must follow the same level of standards that apply to the private sector. It was therefore pleased to hear that government advertising is subject to the *Canadian Code of Advertising Standards*.

The Committee commends the government for streamlining its policies and reducing its policy requirements related to government communications, as it believes having a single overarching directive on government communications facilitates understanding of the directive and conformity to it. Moreover, the various stakeholders will find a single directive easier to navigate.

However, the Committee acknowledges that, because communications have rapidly evolved in the past decade, the policy and requirements surrounding government communications and advertising must be regularly updated.

The Committee agrees that communications and advertising activities are complementary. It notes that the government should use a mix of both in order to effectively share information with Canadians. It observes that there could be some misalignment between the government's digital-first strategy and the reality that many Canadians targeted by programs and services are best reached through more traditional media, including television, radio and print media.

In addition, the Committee understands the concerns of some witnesses that the decline in the government's spending on advertising in community newspapers and ethnic media has had a negative impact on those groups.

Consequently, the Committee recommends that:

Recommendation 1

The Government of Canada regularly update its policy and directive on government communications and advertising and ensure it remains relevant to address the challenges associated with continually evolving communications.

CHAPTER 3

THE EFFECTIVENESS OF GOVERNMENT ADVERTISING

3.1 The Needs and Interests of the Public

“[A]dvertising is one way, and it’s not always the only way or even always successful.”

Christiane Fox,
Deputy Minister, Intergovernmental Affairs and Youth,
Privy Council Office

The federal government defines the public as “[a]ll audiences, including employees of the Government of Canada and Canadians living or travelling abroad, who require information about Government of Canada decisions, policies, programs and services.”³³ Pursuant to the Directive on the Management of Communications, communications products and activities should be “[r]esponsive to the specific needs and interests of regional populations and multicultural and Indigenous communities.”³⁴ Further, the Mandatory Procedures for Advertising articulate a similar message – the requirement that “advertising activities consider the needs and interests of official language minority communities, as well as Indigenous and ethnocultural communities, as applicable.”³⁵ Identifying the needs of Canadians and how to reach a particular audience should be done in a holistic way, according to Ms. Fox.

According to Dr. Rose, “citizens want to be invited to be part of the public conversation but too often they don't feel that they're part of that, and much of the government communication is really seen as self-promotion.” To that point, he questioned how Canadians could be engaged in more meaningful ways in order for them to have an incentive to follow government information. His main concern, however, is that government advertising should fulfil a strong public service goal, whether it be informing

33 Government of Canada, *Directive on the Management of Communications*, “Appendix A: Definitions.”

34 Government of Canada, *Directive on the Management of Communications*, Paragraph 6.10.6.

35 Government of Canada, *Directive on the Management of Communications*, “Appendix B: Mandatory Procedures for Advertising.”



citizens of their rights or about services available to them, linked to a demand. According to [Dr. Rose](#), the greatest need for government advertising is in the area of health care.

With respect to sharing information with the public through government advertising, [Mr. Hinds](#) stated, “[W]hat we're looking for is engagement with Canadians about government programs and services in their communities.” Regarding a specific market, [Denis Merrell](#), Executive Director of the Alberta Weekly Newspapers Association, said that the association “has a Statistics Canada database blended in with [its] newspaper circulation area so that [it] can actually target pretty well whatever demographic group the federal government is trying to reach, whether it be seniors, or according to spending on certain services.” He believes that this is something that could be helpful to the federal government.

While some witnesses agreed that government advertising should be targeted to audiences based on the objectives of the advertisement, some expressed the view that the public should be able to see all government advertising. [Dr. Marland](#) gave the example of an online banner advertisement sponsored by the Government of Canada. He said that “it's important that all of us have a chance to see that banner advertisement, not only those of us who happen to be exposed to it through social media because of our particular demographics.”

3.2 Selecting the Appropriate Media

Regarding the needs of the public, [Dr. Marland](#) said that it is important to take a broader view of communications, of which advertising is one element. He argued that a good communications campaign uses all the different available forms of media, including direct marketing (traditional mail, telephone calls and email) and television or social media that repeat the message several times, to try to get the information to the appropriate individuals.

In a written response submitted to the Committee, PSPC noted that the choice of media is at a department’s or agency’s discretion. On this topic, [Mr. Saint-Pierre](#) said that “media choices are based on a number of factors including: campaign objectives; target audience and market; type, time and scope of the campaign; budget; and the cost of the various media options.” Using the examples of notices regarding permits or endangered species, and advertising related to promoting tourism, agricultural support programs or recruitment, [Ms. Fox](#) pointed out that departmental advertising is most often local and targeted.

[Mr. Holmes](#) proposed that the government include specific values in its advertising policy that address a requirement that advertising be placed with a diversity of media. He also suggested that there should be “some sort of assessment or benchmarking for the actual magnifier effect, the economic impact of that advertising that goes beyond just the audience.”

[Mr. Hinds](#) stated that his organization believes that “the Government of Canada's advertising policy should reflect where Canadians look to find information about their community, and that newspapers, both print and digital, play a vital role in informing Canadians.” As for how the government can reach Canadians, he remarked:

Almost nine in 10 Canadians read a newspaper every week, and that's up from five years ago. Six in 10 Canadians are reading print newspapers every week. Newspaper readership is now multi-platform, with three in 10 Canadians reading both print and digital formats. Even 85% of millennials are reading newspapers, with phone, of course, being their preferred platform.

As well, [Mr. Holmes](#) cited a study that found that 93% of Canadians read magazines.

Regarding meeting the needs of rural communities, according to [Mr. Jamison](#), “Many Canadians, particularly those living outside major cities, continue to rely on their local community newspaper for important information.” To support this view, he made reference to a 2016 study which showed that of 2,400 Canadians surveyed, 83% were community newspaper readers, with 63% stating that they wanted to see advertising in their community paper. In a related remark, [Mr. Merrell](#) stated that in order to reach community newspaper audiences, which are largely rural, the federal government should “look at newspapers because they're the one medium that can really effectively reach 80% to 90% of those folks living outside the major centres.”

[Mr. Hinds](#) remarked that Canadians trust advertisements that appear in newspapers and on news websites and said that the 2017 Reuters Institute *Digital News Report* notes that “eight out of 10 Canadians still consider traditional media and their brands among the most trustworthy sources.... Ads on social media, such as Facebook, and in search engines, such as Google, are among the least trusted.” He emphasized that this report also highlights that “only 18% of Canadians trust an ad on a mobile device, compared to almost 40% for a newspaper website.”

As well, some witnesses commented that digital advertising may be ineffective in reaching Canadians who have limited access to broadband internet. [Mr. Hinds](#) said that “While 95% of Canadians in the highest income quartile are connected, only 62% of those in the lowest income quartile have [Internet] access.” According to him, reaching that target audience can present a challenge if the government is using digital media to



advertise programs and services intended to meet the needs of Canadians in the lowest income bracket. [Mr. Hinds](#) suggested a “smart” government advertising policy that uses the appropriate medium to reach the people the government is targeting. He suggested, for example, that if the government is targeting seniors, it should look to newspapers.

As for reaching small and medium businesses in Canada, [Mr. Holmes](#) commented that the government could target certain groups by industry and geography through advertising in business-to-business and farm magazines. As well, according to [Mr. Hinds](#), newspapers can target businesses because 92% of business decision makers read newspapers, 71% of them print versions.

According to [Ms. Baird](#), the modernization of the communications policy keeps pace with how citizens communicate in a digital environment. [She](#) also acknowledged that, notwithstanding the shift to digital, some Canadians will continue to rely on traditional methods of communications and the government will continue to use multiple channels to meet the diverse needs of citizens. Several witnesses, especially those representing print media, suggested that this was not the case and that the decline in print advertising by the government was an indication that the government’s support for traditional media is also in decline.

3.3 Effectiveness of Government Advertising

To be effective, government advertising should be coordinated with other government communications. [Ms. Fox](#) explained that the government has “had campaigns where [it] did not reach the people [it] needed to reach” and for that reason, advertising “has to be complementary to other activities.”

Concerning the creation of effective advertising, [Ms. Fox](#) explained that not all departments and agencies have the same capacities and that sometimes it is better to use firms outside government to get advice. [She](#) also commented that there could be “synergies” between departments and agencies, where talent and creativity could be shared, whether on a specific campaign or through an expertise network.

According to [Dr. Rose](#), government advertising can be useful if it provides a lot of information or if it informs citizens about services that are available to them. [He](#) suggested that the government should avoid “feel good” advertising. However, [Dr. Marland](#) highlighted the challenge of balancing government advertising as a way to provide information, and the effectiveness of that government advertising. He commented that with too much emphasis on government advertising as information, advertising can provide information that actually ends up not giving very good value for

money. This, he said, was because, to be effective, an advertisement should try to provoke an emotional response or get people to pay attention to it.

As well, [Dr. Marland](#) suggested that in order to be effective, government advertising should be simple and avoid too much detail. [He](#) explained the notion of “cognitive shortcuts” and “heuristics,” which, he said, “is using very few information processing abilities to quickly see things and make impressions.” He also noted the importance of repeating common elements consistently in advertising in order to influence audiences. [He](#) believes that the federal government should use the official colours of Canada, red and white, in all advertising. He explained, that the official government colours “should be everywhere, and everybody should be able to recognize that. It’s very sensible from a brand point of view that if you see red and white, you think Government of Canada.”

According to [Dr. Marland](#), there is a “real incentive ... for government to use the limited amount of money that they have on advertising to repeat common, consistent messaging.” In his view, advertising is otherwise “quite ineffective.” [He](#) suggested that “it would be useful to have advertising that promotes the fact that you can find information through the Government of Canada’s information portal – just, generic, very high level, basic advertising that runs on a regular basis.”

3.4 Measuring the Effectiveness of Government Advertising

According to the Directive on the Management of Communications, departmental heads of communications are responsible for using “the Government of Canada’s social media analytics and official Web analytics tool to evaluate and optimize the effectiveness of digital content.”³⁶ As well, the departmental communications branch must “[e]stablish performance indicators for advertising campaigns that have a total media buy of over \$1 million.”³⁷ These campaign performance indicators and the related research results are shared with PCO.

To measure the effectiveness of digital communications, the government can employ usability testing, often used as an analytics tool in the development of Web content, noted [Ms. Baird](#). [Ms. Fox](#) told the Committee that “digital tools are allowing [the government] to do a lot of [shareable content] through social media.” With respect to

36 Government of Canada, [Directive on the Management of Communications](#), “6: Requirements,” s. 6.21.

37 Government of Canada, [Directive on the Management of Communications](#), “Appendix B: Mandatory Procedures for Advertising.”



online advertising, [she](#) noted that the average click-through rate³⁸ is 2%. For that reason, PCO considered the click-through rate of 8% for the Health Canada seasonal flu campaign a measure of success.

[Ms. Fox](#) commented that the federal government is able to “have more metrics through digital.” She said that the successful Facebook advertising click-through rate – the industry standard – is about 1% and that PCO was able to measure the click-through rate for Transport Canada’s drone safety campaign at 2.73%. [Stéphane Lévesque](#), Director General of Operations in Communications and Consultations at PCO, confirmed that the “clicks” and “click-through rate” data collected by the government is used to assess the impact of its communications and advertising activities, and for no other purpose. [He](#) later added that the data analytics from Facebook and Twitter posts that are collected are shared with some staff in order to help determine where to best place advertising, or communications.

As for other metrics, [Ms. Fox](#) noted that “PCO works with departments on what tools are available to them.” She gave the example of a very local campaign, where the measure could be the number of applications received on a job posting, compared to a previous posting that wasn’t advertised. [Ms. Fox](#) pointed out that departments and agencies can purchase advertising for less than \$25,000 directly, and she said that this helps them target a very specific audience, through a particular publication or tool.

Regarding evaluations, [Ms. Fox](#) explained that campaigns with a value of \$1 million and above involve a “full mandatory evaluation” but that PCO encourages departments to look at evaluation methods and results for all campaigns, regardless of their size. [She](#) added that departments often submit information on results and data for smaller campaigns to PCO through other mechanisms. For example, she said that they could be provided as part of a business case supporting a particular campaign or approach that was effective in the past.

Although there was some discussion of metrics for digital campaigns, there was little said about how the effectiveness of traditional campaigns is measured. According to [Dr. Rose](#), “we really do not know how effective advertising is in influencing the attitudes and behaviours of citizens.”

38 “Click-through rate” is “the percentage obtained by dividing the number of advertising clicks by the number of times the Web page was consulted.” Government of Canada, “[Click through rate](#),” *Termium Plus*. The ratio shows how often people who see an ad click on it.

3.5 Committee Observations and Recommendations

The Committee acknowledges that the federal government may not be effectively reaching Canadians with its increased use of digital media for advertising, a point raised by some witnesses. The Policy on Communications and Federal Identity directs departments and agencies to determine which media channels to use depending on their target audience. Based on what it heard, the Committee is concerned that the government's "digital-first" approach and its commitment to significantly reduce advertising expenditures might limit the choice of media – favouring digital media over perhaps more costly traditional media. Therefore, the Committee believes that the government should increase advertising in weekly, multicultural and community newspapers, magazines and other local media. In addition, it encourages the government to pay closer attention to selecting the appropriate media, in order to successfully reach the target audience for a particular advertising campaign.

The Committee feels there is limited information on the effectiveness of government advertising and that the government lacks the means to properly evaluate the impact of its communications and advertising on Canadians. Therefore, the Committee questions whether the federal government is effectively reaching Canadians through its communications and advertising activities.

Consequently, the Committee recommends that:

Recommendation 2

The Government of Canada increase advertising purchasing for weekly, multicultural and community newspapers and other local media, so that the government meets the stated directive that communications are responsive to the diverse information needs of the public.

Recommendation 3

The Government of Canada ensure that the medium of government advertising appropriately reflects the target audience.

Recommendation 4

The Government of Canada explore having departments and agencies establish performance indicators to evaluate the effectiveness of advertising activities for all advertising campaigns, similar to those in private industry, involving both traditional media and digital media, and that the results of these evaluations be publicly reported through its annual report on advertising.

CHAPTER 4

ADDRESSING PARTISANSHIP IN ADVERTISING

4.1 Non-Partisan Communications

“ [I]t should be the goal of all governments to limit or prohibit partisan government communications.”

Jonathan Rose,
Associate Professor, Department of Political Studies,
Queen’s University, as an Individual

Among the changes designed to address partisanship in the Policy on Communications and Federal Identity, there is the following definition of the term “non-partisan communications”:

In the context of all Government of Canada communications products and activities, “non-partisan” means:

- Objective, factual, and explanatory;
- Free from political party slogans, images, identifiers; bias; designation; or affiliation;
- The primary colour associated with the governing party is not used in a dominant way, unless an item is commonly depicted in that colour; and
- Advertising is devoid of any name, voice or image of a minister, member of Parliament or senator.

Dr. Rose commented that the most significant change in the policy is the banning of partisanship and further noted that the definition of the term “non-partisan communications” includes elements on which people can agree. However, he highlighted that with the exception of the first point – “non-partisan” means objective, factual and explanatory – the definition focuses on the absence of things and qualified it as a negative definition.



[Ms. Baird](#) emphasized that all government communications activities must be non-partisan and [she](#) specified that this includes ministers' speeches and videos of them. [Ms. Fox](#) added that “[a]ll Government of Canada activities, whether Web presence, a news release, or a social media shareable, [abide] by non-partisan communications standards.” In response to a question from a Committee member, [Ms. Baird](#) said that the last element of the definition relates to senators and members of Parliament and is being followed.

Some Committee members voiced concerns about the use of the Canadian colours by political parties and in government advertising. On the use of those colours, [Ms. Baird](#) responded that there are some exceptions such as the Canadian flag and the uniform of the RCMP, which are red and cannot be changed to another colour in an advertising campaign. However, [she](#) pointed out that 4 of 1,800 advertising pieces submitted to ASC for review were modified after ASC questioned their dominant use of the colour red, which she said is proof that the current review process is working.

Additionally, [Ms. Baird](#) explained that even if there are different shades of red and specific colour shades are used on government websites, “to the average Canadian, some of that distinction is lost.” She said that this is the reason why government officials do not look at specific shades of red, but rather at the red colour generally, in evaluating whether its use is appropriate. [Ms. Fox](#) specified that “[o]n the government websites, all communication would have to adhere to the colour requirements for the communications policy.”

As previously discussed, Dr. Marland suggested using the Canadian colours in government advertising. [He](#) acknowledged that these colours are also used by some political parties at different levels of government, and [he](#) suggested that, in order to ensure that there is no confusion between a political party and the government, political parties be prevented from using the official colours of the Government of Canada. [He](#) came to the conclusion, however, that this suggested solution would be very challenging to implement and therefore Canadians and governments have to contend with the fact that some political parties use the Canadian colours. In an answer to a question from a Committee member, [Dr. Marland](#) explained that the solution is not to restrict political parties from using Canadian colours since too much regulation is not optimal and could prevent people from communicating. Moreover, he highlighted that the *Canadian Charter of Rights and Freedoms* should be taken into account when exploring potential solutions.

[Dr. Rose](#) suggested that the policy include positive standards or goals to which government advertising must adhere. He noted that before it was amended in 2015, the

Province of Ontario’s *Government Advertising Act, 2004*,³⁹ was a good model, as it placed the burden on the government to defend the need for an advertising campaign. In addition to being non-partisan, all government advertising in Ontario “had to inform the public of policies or services, inform about rights, or encourage or discourage social behaviour in the public interest.” The Act also permitted the Auditor General of Ontario to review government advertising for context, but this was removed in 2015.

With respect to partisan advertising, [Dr. Rose](#) expressed the view that the context of advertising is crucial in the assessment of its non-partisanship. He explained that “[s]ometimes a perfectly appropriate government ad can be supplemented by a political party ad that communicates the same thing. In those cases, the government ad is a thinly disguised attempt to leverage party advertising through government advertising.” He encouraged the Committee to consider addressing political party advertising that piggybacks on government advertising, but [he](#) mentioned that all parties, when governing, campaign on what they have accomplished. On that point, [Dr. Marland](#) noted that some governments attempt to combine information in a way that makes it difficult to distinguish between government advertising and political advertising for the governing party. In his book, *Brand Command*, he suggested the creation of a political communications code of ethics that “should act as a moral compass for political actors who have different interpretations of the boundaries of freedom of speech.”⁴⁰

In analyzing the appropriateness of advertising, [Dr. Marland](#) suggested that the government should consider the concept of “policy.” [He](#) noted that, for example, advertising to Canadians about a health pandemic is about information, whereas other types of advertising that inform Canadians about a government policy could be seen to be highlighting something that was inherently political. On the other hand, [Dr. Rose](#) explained that in those cases, it would be appropriate for members of Parliament and others – and not government – to persuade citizens about the benefits or drawbacks of a particular policy.

[Dr. Marland](#) suggested eliminating financial support from taxpayers or any private donors for debranding or negative advertising “without people’s specific, explicit knowledge that money is going in that direction.” He explained in *Brand Command* that “[e]xcessive negativity and debranding are harmful to civic discourse and public engagement in a democratic system of government.”⁴¹ [He](#) voiced concerns about the fact that money spent on advertising during an election campaign “is essentially

39 [Government Advertising Act, 2004, S.O. 2004, c. 20.](#)

40 Alexander J. Marland, *Brand Command*, UBC Press, Vancouver, 2016, p. 370.

41 *Ibid.*, p. 371.



subsidized by taxpayers, either through the fact that donations to political parties are tax deductible, or because a portion of the spending is returned after the fact if you meet certain thresholds.” Therefore, in his book, he suggested that political donations be subject to a less generous tax refund scheme.⁴² Commenting on negative advertising, [Dr. Rose](#) informed the Committee that “studies in the United States have shown there is more information found in negative advertising than in positive advertising. There are more lies in positive advertising than there are in negative.”

Finally, [Dr. Marland](#) advocated for the development and the maintenance by a third party of a form of checklist to assess whether government advertising is appropriate and non-partisan. In his view, such a checklist would enable Canadians to readily assess whether a government advertisement is political or partisan and could expand on the basic framework laid out in the Ontario *Government Advertising Act*. Both [Dr. Marland](#) and [Dr. Rose](#) said that this checklist would encourage informed judgment, which according to [Dr. Marland](#) could lead to self-regulation by the federal government.

4.2 Ban on Government Advertising During Elections

Section 6.45 of the Directive on the Management of Communications provides that heads of communications are responsible for “suspending advertising activities 90 days prior to a fixed general federal election date.” Furthermore, the directive defines the term “advertising activities” as “[a]ctivities related to producing and placing advertising, including campaign planning, creative development, pretesting, production, media planning, placement of advertising and evaluation.”

[Dr. Rose](#) clarified that the ban on government advertising excludes job advertisements, requests for tenders and messages to the public regarding urgent matters affecting public health and safety.

Commenting about this 90-day ban, [Dr. Rose](#) observed that it is an important improvement. He pointed out that, however, according to his research, governments tend to spend more on advertising in the year preceding an election, which means that the 90-day ban might have little effect. In addition, he indicated that there is no rule restricting government advertising during by-elections. In his view, the logic used for general elections should apply to by-elections and consequently he urged the government to consider banning government advertising during by-elections. In a [brief](#) he submitted to the Committee, he explained that during the 41st Parliament, which was

42 *Ibid.*

in place from June 2011 until August 2015, there were 15 by-elections clustered around 4 dates.

While [Dr. Marland](#) agreed with this suggestion, he said that a cost-benefit analysis of advertising campaigns would be helpful as it is unknown how effective government advertising is in the first place. He added that by-elections are often outside governments' control and said that the government might want to establish a threshold for the number of by-elections taking place at the same time or within a given period above which government advertising would be banned. However, [Dr. Rose](#) argued that the government could change its behaviour and cluster by-elections in order to avoid a by-election threshold.

[Dr. Rose](#) informed the Committee that two provinces – Manitoba and Saskatchewan – limit government advertising during by-elections. Manitoba prohibits government advertising during the 90 days before by-elections. Saskatchewan bans such advertising during the election period, which is fixed at 27 days, and for 30 days before the election period. It also allows only advertising that provides information on government programs and during the 90 days before the election period. Finally, it prohibits spending more on advertising during the 120 days before an election period than it did during the same time frame the previous year.

[Dr. Rose](#) also said that modern communications are not bound by electoral districts and therefore, restricting government advertising to a specific electoral district and the surrounding ones during a by-election is meaningless. Moreover, [he](#) added that, according to some studies conducted on government advertising, government spiked its spending on advertising a year before an election and that party advertising during an election is mostly short-term and largely aimed at confirming existing beliefs, as opposed to negating them.

4.3 Committee Observations and Recommendations

The Committee is pleased to see a definition for "non-partisan communications" in the Policy on Communications and Federal Identity and furthermore believes that this definition should be regularly reviewed to ensure that it remains relevant and up to date. The Committee supports the principle that all government communications, including ministers' speeches and videos, be non-partisan, because its position is that the governing party should not use public resources and taxpayers' money to promote a political agenda.

The Committee recognizes that the Canadian colours have been used for decades by political parties at all levels of government and that they cannot be modified in



government advertising because they are important elements of the government trademark, and it agrees with some witnesses that it is a reality with which governments have to contend. It believes, however, that special attention must be given to the employment of these colours in the development and review of all government advertising to ensure an appropriate and justified use.

Regarding by-elections, the Committee believes that, because of their frequency, it would be difficult to treat by-elections as general elections and impose ban on government advertising for the 90 days preceding them in the affected electoral districts and surrounding areas. However, it is of the opinion that the government should be more cautious with its advertising campaigns during by-election periods and, where possible, make use of third-party oversight of its advertising during these periods.

Consequently, the Committee recommends that:

Recommendation 5

The Government of Canada regularly assess and review its definition of the term "non-partisan communications" and update it as required.

Recommendation 6

The Government of Canada require that, where possible, all advertising campaigns be reviewed by a third party during by-elections to ensure non-partisan advertising.

CHAPTER 5

GOVERNANCE AND TRANSPARENCY IN GOVERNMENT COMMUNICATIONS

“ [W]e should think about communications much as we think about ethics. By this I mean that a situation is rarely black and white; it's not as though somebody is always necessarily wrong or always necessarily right. Situations are constantly in a state of evolution, and we should think of a lot of it as a matter of opinion.”

Alex Marland,

Professor, Department of Political Science,
Memorial University of Newfoundland, as an Individual

5.1 Role of Advertising Standards Canada

ASC is a not-for-profit body that reviews Canadian advertising against legislative and regulatory requirements and administers the *Canadian Code of Advertising Standards*. Jani Yates, President and Chief Executive Officer of ASC, explained to the Committee that ASC

helps to ensure that advertising in five regulated categories [children’s advertising, alcohol, food and non-alcoholic beverages, cosmetics, and consumer-directed non-prescription drugs] complies with the government requirements affecting advertising, as well as specific industry codes and guidelines.

Regarding government advertising campaigns with budgets over \$500,000, ASC reviews against the established criteria for non-partisan communications all creative materials, in English and French, prior to distribution, posting or publication of advertising.⁴³ In response to a question from a Committee member, Ms. Baird explained that the mandatory review process is based on the total budget of government campaigns and that therefore anything that falls within one campaign cannot be split in order to circumvent this review.

43 Government of Canada, [Advertising oversight mechanism](#).



Advertising campaigns under \$500,000 are not subject to mandatory non-partisan review by ASC. However, they can still be sent for review on a voluntary basis. In response to a question from a Committee member, [Ms. Baird](#) indicated that so far two advertising campaigns with a budget value below \$500,000 had been voluntarily submitted to ASC for review.

[Ms. Baird](#) explained that the \$500,000-threshold was established because about 90% of government advertising campaigns were over that amount during the three-year period that was analyzed. However, she did not share the specific years of that period. In [her view](#), this threshold is a “good balance between having the third party oversight on as many [advertising campaigns] as possible and taking into consideration cost, volume and work.” She added that “[s]ome of the lower-dollar campaigns include the digital ones because those are less expensive ways to advertise. Often they have multiple creatives because they're different sizes and have many different placements, so the volume is actually quite high for a similar creative.” On that point, [Mr. Saint-Pierre](#) indicated that two years ago, the federal government spent between \$4 million and \$5 million on public notices such as notices of the temporary closure of a bridge and most of the notices cost under \$2,000 each. In response to a question from a Committee member, [Ms. Baird](#) said that around 50 advertising campaigns, or less than 20% of all advertising campaigns, were not reviewed by ASC in 2016–2017.

Regarding the \$500,000 threshold, [Dr. Rose](#) indicated that based on the cost of advertising in traditional media, \$500,000 is a reasonable amount, but he said that the increasing presence of digital media and their reduced costs should “raise some flags.” In order to address this challenge, he suggested either changing the culture of government departments and agencies to encourage them to voluntarily submit all their advertising campaigns to ASC for review or revising the threshold amount in order to take into account both the trend towards the use of digital marketing and other elements, such as ethnic media.

ASC’s review results and decisions are published on the [Government of Canada website](#). However, announcements of an administrative or operational nature – such as public hearings, employment offers, notices of public consultation, requests for tenders or changes to office business hours, and messages to the public regarding urgent matters affecting public health and safety or the environment – are not reviewed.⁴⁴

[Ms. Baird](#) indicated that ASC reviews are conducted “at two stages: an initial one, done in the planning stages with concepts and story boards; and a final review, done prior to

44 Ibid.

the advertising going to market.” She added that at the end of every ASC review, a report about the review is posted publicly on the Government of Canada’s website. Moreover, during the ASC review process, “should there be a disagreement, the matter will be referred to the secretary of the Treasury Board for resolution” and that “[t]o date, there have been no disagreements with the reviews.” Finally, she told the Committee that ASC carries out the reviews through a contract with the federal government and that TBS meets regularly with PSPC and ASC in order to discuss the review process and operational issues.

[Ms. Yates](#) mentioned that the federal government asked ASC in 2016 to review government advertising and that ASC undertook 1,800 reviews during that first year. She added that ASC recently signed a second-year contract with the federal government that will end on 31 March 2018. In response to a question from a Committee member, [Ms. Baird](#) said that the value of the contract with ASC was \$65,000 plus the Harmonized Sales Tax (HST) for the first year and \$73,000 for the second year.

[Dr. Rose](#) noted that although ASC is an excellent organization for monitoring and regulating commercial advertising, many of the 14 criteria of the Code it administers do not pertain to government advertising. For example, government advertising would not include deceptive price claims or bait and switch. Furthermore, [he](#) commented that ASC’s discretion is limited and advocated providing this independent review body with greater latitude and with appropriate means to hold the government to account.⁴⁵ [He](#) also suggested that the federal government emulate the Government of Ontario and consider the “first click” – in digital media, the first advertising hyperlink clicked by users, and in traditional media (i.e., radio, print and television), featured links to the Internet – to be part of the advertising and thus subject to review by ASC. In his view, if these websites are not subject to review, they could “serve as a way to drive traffic to a government website that does not adhere to the [non-partisan] criterion.”

5.1.1 Complaints Process

ASC manages a complaints process under which consumers can ask ASC to review advertising that they believe does not comply with the Code. Once a complaint is received, ASC conducts a preliminary review of the complaint to ensure that “based on the provisions of the Code reasonable grounds for the complaint appear to exist”⁴⁶ and sends an acknowledgment to the complainant.

45 OGGO, [Evidence](#), 1st Session, 42nd Parliament, 28 September 2017, 1105 and 1125 (Jonathan Rose).

46 Ad Standards [Advertising Standards Canada (ASC)], [Canadian Code of Advertising Standards](#), “The Consumer Complaint Procedure.”



Then, ASC refers the matter to one of the two councils, the Standards Council of Canada⁴⁷ or le Conseil des normes in Quebec, for adjudication. Although these two councils include industry and public representatives and are supported and coordinated by ASC, they act as independent bodies.⁴⁸

If during the complaint review process and before the Council's decision on the complaint, either ASC or the Council believes that the complaint is not a consumer complaint, but rather a trade complaint or a special interest group complaint, the process will be abandoned.⁴⁹ Moreover, the complainant will be notified that the

47 The Standards Council of Canada is a federal Crown corporation whose mandate is to promote efficient and effective standardization in Canada for products, services and systems. It includes representatives from Western Canada, Central Canada and Atlantic Canada. See Standards Council of Canada, [About the Standards Council of Canada](#).

48 ASC, [Canadian Code of Advertising Standards](#), "The Consumer Complaint Procedure."

49 The Canadian Code of Advertising Standards stipulates that "ASC or the Council shall decline to accept, or to proceed further with, a complaint, or any part thereof, where it is of the opinion that:

- a. the specific advertisement(s) about which the complainant alleges a Code violation has/have not been identified;
- b. based on the provisions of the Code, reasonable grounds for the complaint do not appear to exist;
- c. the advertising, or such part of the advertising to which the complaint refers:
 - i. is, substantially, also the subject of litigation or other legal action then actively undertaken and pursued in Canada; or
 - ii. is under review, or subject to an order, by a Canadian court, or an agent or agency (or some other comparable entity) of the Canadian Government; or
 - iii. generally meets, or exceeds, or is not inconsistent with, advertising standards articulated in regulations, guidelines, or otherwise by an agency (or some other comparable entity) of the Canadian government or a provincial government with respect to products or services that are fundamentally comparable to the products or services advertised in the advertising to which the complaint refers; or
 - iv. has been, specifically, approved by an agency (or some other comparable entity) of the Canadian Government; or that
- d. such advertising is not within the purview of the Code or, if in ASC's opinion, the complaint is beyond the resources or ability of ASC to resolve effectively, reasonably or conclusively under this *Procedure*; or if the matter to which such advertising refers has been identified by a competent authority such as an agency (or some other comparable entity) of the Canadian government or a provincial government as being outside the purview of ASC; or
- e. the complainant is abusing this *Consumer Complaint Procedure*."

complaint should be registered either under the ASC’s Advertising Dispute Procedure, which deals with advertising complaints between advertisers, or under the ASC’s Special Interest Group Complaint Procedure, which addresses advertising complaints from special interest groups.

In a response to a question from a Committee member, [Janet Feasby](#), Vice-President of Standards at ASC, explained that ASC reviews all complaints whether it is a government or a private advertising under the Code. She added that “[i]f a complaint is alleged about permanent advertising that falls under the Code, then [ASC] would review it under one of [its] 14 clauses. If a complaint alleges that an ad is partisan, that’s something [ASC] would forward to the government to deal with.”

5.2 Appropriate Oversight Mechanisms and Transparency

“[T]he default position of government, no matter which political party happens to be in government or whether we’re talking at the provincial-territorial level, should be transparency. More than that, the default should also be proactive disclosure, so that information is available before people even ask for it.”

[Alex Marland](#),
Professor, Department of Political Science,
Memorial University of Newfoundland, as an Individual

[Ms. Baird](#) informed the Committee that the Office of the Auditor General of Canada (OAG) had been asked “to audit the [federal government’s] review mechanism and criteria to assess the effectiveness of the process” and that the OAG “will confirm the scope and timing of this audit.” In a correspondence to the Committee, the OAG confirmed that it will audit the federal government’s new advertising oversight mechanism in 2018, and it anticipates reporting to Parliament in spring 2019. The OAG also commented that its role in the new advertising oversight mechanism is appropriate, because it is not part of the advertising decision process.⁵⁰

[Ms. Fox](#) added that the oversight mechanism involving ASC “will remain in effect until a permanent oversight mechanism is established, in the form of legislation.” Commenting on that future legislation, [Ms. Baird](#) said that TBS intends to develop legislation in order to make the third-party oversight a permanent solution.

50 Michael Ferguson, Auditor General of Canada, Correspondence with OGGO, 11 October 2017.



In a response to a question from a Committee member, [Dr. Marland](#) indicated that the OAG audit should take place at the earliest opportunity. On that subject, [Dr. Rose](#) indicated that the OAG is “really useful for doing an audit on value for money.”

[Mr. Saint-Pierre](#) explained that PSPC will release in January 2018 an annual report that will “provide information on the business volume of all of Government of Canada advertising campaigns contracted between April 1, 2016, and March 31, 2017, including all campaigns that went through [the] new review [process].” He added that federal government advertising activities “are governed by an administrative framework and various rules to ensure sound management of advertising campaigns.” Regarding the PSPC annual reports, [Dr. Rose](#) commented that although they are useful, they present aggregate numbers rather than valuable breakdowns as is done in Australia where each company hired for advertising by the government is listed on the government website, along with details on the advertising campaign and the funds the company received. He added that two factors make it difficult for opposition members to hold the government to account: not having these numbers and the release 10 months following the end of a fiscal year of the PSPC annual report.

[Dr. Rose](#) advocated the creation of an officer of Parliament, an advertising commissioner, who would be responsible to Parliament and would ensure that government communications and advertising were transparent by publishing relevant reports and data on those activities. In a [brief](#) he submitted to the Committee, Dr. Rose explained that having such an officer would ensure that the oversight office has clout and the means of enforcement. [He](#) also suggested that “[t]he institution of the ASC could easily be transplanted in a small officer of Parliament office that is responsible to Parliament.” [He](#) expressed the opinion that establishing such an officer would centralize where Canadians’ and political parties’ complaints and questions could be submitted and would provide clear accountability to Parliament. [In his view](#), oversight by ASC lacks the component of such accountability. He added that this oversight office would conduct public opinion research and assess whether government advertising fulfills its goal of informing Canadians. However, [Dr. Marland](#) voiced concerns that such an officer of Parliament could be “somehow seen as connected to the governing party” and questioned how to ensure that the position be at arms’ length from the government.

Dr. Marland also advocated increased transparency and proactive disclosure of government advertising as well as government’s public and media relations activities.⁵¹ For instance, he told the Committee that he views photographic opportunities

51 OGGO, [Evidence](#), 1st Session, 42nd Parliament, 28 September 2017, 1100 (Alex Marland, Professor, Political Science, Memorial University of Newfoundland, as an Individual); Alex Marland, [Brief](#) submitted to OGGO, 12 October 2017.

(commonly called “photo ops”) as “an alternative to advertising,” and he suggested that the government publish reports on public resources used for them much in the way it does for advertising and public opinion research. In a [brief](#) he submitted to the Committee, he voiced concerns that without proactive disclosure of resources used for photo ops, the government might be prone to spend less on advertising in favour of more on photo ops.

[Dr. Marland](#) also argued that all government communications planning templates such as planning documents for media inquiry processing and events should be available online by default.

Finally, [Dr. Marland](#) encouraged the federal government to proactively disclose social media campaigns to ensure that people who are not active on social media platforms have the opportunity to access the information. He suggested that the federal government create a repository where anything involving social media can be viewed by the public, and [Dr. Rose](#) fully endorsed this proposal.

5.3 Committee Observations and Recommendations

The Committee understands the concerns raised by some witnesses relating to proper oversight and transparency of government communications and advertising activities. It was pleased to learn that a third-party not-for-profit organization conducts non-partisan reviews of government advertising campaigns. However, the Committee is concerned that only government campaigns surpassing an advertising budget of \$500,000 must undergo a mandatory review. While this spending threshold may be appropriate for traditional media campaigns, it may not be appropriate for digital campaigns, which are considerably less expensive and offer the potential to reach a large number of Canadians. The Committee looks forward to reviewing the findings of the Auditor General of Canada on his audit of the government’s new advertising oversight mechanism.

The Committee acknowledges that most federal government advertising, whether through traditional or digital media, directs viewers to government websites for more information. It therefore questions if the policies and requirements applied to advertising, especially the requirement for review and oversight, should also be applied to the sites accessed through the hyperlink users’ first click on in advertising in digital media, and to featured links to the Internet included in traditional media.

The Committee questioned why ASC forwards complaints to the federal government from the public alleging that a government advertisement is partisan. It encourages the federal government to review this practice in order to incorporate a sufficient and



appropriate level of oversight. Moreover, it believes that proper governance and oversight is crucial to ensure that public funds are spent wisely and in a non-partisan manner. Therefore, it is of the opinion that, rather than awarding contracts annually to an oversight organization, a third-party oversight organization should be made permanent. The Committee recognizes the importance of independent oversight of government advertising and the policy governing it and encourages the federal government to study who would be best positioned to fulfill this role – an external third-party or an officer of Parliament.

Finally, the Committee recognizes that not all Canadians are active on or have access to social media platforms and thus, they cannot consult Government of Canada digital advertising campaigns and activities.

Consequently, the Committee recommends that:

Recommendation 7

The Government of Canada review its threshold, which requires that advertising campaigns above \$500,000 be reviewed by a third party, in order to take into account the average budget of digital campaigns.

Recommendation 8

The Government of Canada establish what requirements should apply to any site accessed through a “first click” – the hyperlink that users first click on in advertising in digital media and in featured links to the Internet in traditional media.

Recommendation 9

The Government of Canada continue the practice of having the evaluation of government advertising campaigns performed by a competent external authority.

Recommendation 10

The Government of Canada create an online repository for government digital advertising campaigns and activities, including those on social media platforms, to ensure that Canadians have access to these campaigns and activities.

CONCLUSION

Effective government communications and advertising – especially on matters that directly impact Canadians such as their health and safety – are highly important. The Committee believes that the Government of Canada must develop proper and effective channels to communicate with all Canadians. The Committee is confident that, by implementing the 10 recommendations outlined in this report, the Government of Canada will ensure that Canadians will benefit from better, proper and non-partisan federal government communications and advertising.

In the Committee’s opinion, the Government of Canada should strive to effectively reach as many Canadians as possible while ensuring that public resources are used ethically and not in a way that would promote political agendas. In order to achieve these goals, government communications and advertising must be improved by:

- regularly updating the government policy and directive on government communications and advertising;
- encouraging the Government of Canada to ensure that all advertising campaigns involving traditional media or digital media establish performance indicators to evaluate the effectiveness of advertising activities;
- regularly testing and reviewing the non-partisan rules related to Government of Canada advertising and updating them as required;
- asking the Government of Canada to explore other avenues to provide appropriate oversight on government communications and advertising; and
- disseminating information on government digital advertising campaigns and activities, including those on social media platforms, in a way that is accessible to Canadians.

APPENDIX A LIST OF WITNESSES

Organizations and Individuals	Date	Meeting
<p>Advertising Standards Canada</p> <p>Janet Feasby, Vice-President Standards</p> <p>Jani Yates, President and Chief Executive Officer</p>	2017/06/15	94
<p>Department of Public Works and Government Services</p> <p>Caroline Mitchell, Director Advertising Coordination and Partnerships</p> <p>Marc Saint-Pierre, Director General Government Information Services Sector</p>		
<p>Privy Council Office</p> <p>Christiane Fox, Deputy Minister Intergovernmental Affairs and Youth</p> <p>Stéphane Lévesque, Director General of Operations Communications and Consultations</p>		
<p>Treasury Board Secretariat</p> <p>Louise Baird, Assistant Secretary Strategic Communications and Ministerial Affairs</p>		
<p>As individuals</p> <p>Alex Marland, Professor Department of Political Science, Memorial University of Newfoundland</p> <p>Jonathan Rose, Associate Professor Department of Political Studies, Queen's University</p>	2017/09/28	97
<p>Alberta Weekly Newspapers Association</p> <p>Duff Jamison, Chairman Government Affairs</p> <p>Dennis Merrell, Executive Director</p>	2017/10/03	98

Organizations and Individuals	Date	Meeting
Magazines Canada Matthew Holmes, President and Chief Executive Officer	2017/10/03	98
National Ethnic Press and Media Council of Canada Thomas S. Saras, President and Chief Executive Officer		
News Media Canada John Hinds, President and Chief Executive Officer		

APPENDIX B LIST OF BRIEFS

Organizations and Individuals

Marland, Alex

Rose, Jonathan

REQUEST FOR GOVERNMENT RESPONSE

Pursuant to Standing Order 109, the Committee requests that the government table a comprehensive response to this Report.

A copy of the relevant *Minutes of Proceedings* ([Meetings Nos. 94, 97 to 99, 103, 108 and 109](#)) is tabled.

Respectfully submitted,

Tom Lukiwski
Chair

Supplementary Opinion from the Conservative Party of Canada

Conservative members of the House of Commons Standing Committee on Government Operations and Estimates (the Committee) would like to thank all witnesses for providing testimony to the Committee throughout the course of this study. While the Committee Report does a good job of summarizing the testimony we heard, the recommendations fall short of substantively ensuring that Government communications remain free of non-partisan influence.

During the study we heard that Ministers offices and staff were able to access data, analytics, and information gathered from social media advertising. While it is important that Ministers and their staff be fully informed of the opinions of Canadians, it would unfairly advantage members of the government if staff were to have full access to such detailed, taxpayer funded information. We heard no testimony on why such information should not remain at the disposal of public servants in lieu of Ministerial staff, given that it is the function of public servants to provide expert advice to the Minister.

Recommendation 1: The Government of Canada immediately end access of the Minister's political staff to advertising analytics to ensure the non-partisan nature of government advertising.

The Committee also heard that the government is unaware of the true ownership of data gathered through advertising with Facebook and Google. Conservative members believe it would be highly inappropriate for American information technology companies to own statistical analysis and information gathered by the Government of Canada. The testimony we heard did not sufficiently address our concerns about the data of Canadians being open to outside interference, especially during election periods.

Recommendation 2: The Government clarify ownership of data and information gathered through advertising purchased from foreign companies, and ensure that any sensitive information remains owned by Canadians.

