

President
of the Treasury Board



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Ottawa, Canada K1A 0R5

Tom Lukiwski, M.P.
Chair
Standing Committee on Government Operations and Estimates
House of Commons
Ottawa, Ontario
K1A 0A6

Dear Mr. Lukiwski:

Pursuant to Standing Order 109 of the House of Commons, please accept this as the Government Response to the Twelfth Report of the Standing Committee on Government Operations and Estimates (OGGO) entitled: *Reaching Canadians with Effective Government Advertising*. I would like to take the opportunity to thank you and the members of the Standing Committee for your consideration of the issues surrounding Government of Canada advertising and suggesting ways to increase its effectiveness.

The Government of Canada has a responsibility to inform Canadians about policies, programs, services and initiatives, and of their rights and responsibilities under the law. Advertising is one method used by government departments to reach Canadians.

Our government recognized that the policy framework for Government of Canada communications was outdated and did not consistently meet the expectations of Canadians for communications that are open and transparent, digitally-focused, cost-effective, and non-partisan.

That is why, in May 2016, we introduced the first significant updates to the communications policy framework since 2002. The new, combined *Policy on Communications and Federal Identity*, supported by the *Directive on the Management of Communications*, modernizes Government of Canada communications practices to be in line with today's digital environment. It also provides clear and simplified guidance to officials on the requirements for government communications activities, including advertising.

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The new Policy explicitly defines, for the first time, the term “non-partisan communications” and mandates that all government communications – including advertising – be objective, factual, non-partisan, and cost-effective. The Policy also prohibits advertising government programs or trade agreements that have yet to receive Parliamentary approval, and states that advertising activities must be suspended 90 days prior to a fixed general federal election date.

In terms of further strengthening oversight of advertising, a formal agreement between the Government of Canada and Advertising Standards Canada has been established to ensure government advertising is reviewed against the non-partisan definition. ASC is an independent, national, not-for-profit organization that administers the Canadian Code of Advertising Standards. They have extensive experience in reviewing advertising against legislative and regulatory requirements.

The Office of the Auditor General has started an audit of the advertising oversight mechanism. While the scope of the audit has yet to be determined, a report is expected in spring 2019. The Government looks forward to any observations and recommendations from the Auditor General.

The Government has carefully considered the recommendations contained in the Report as it moves forward with improvements to the management of government advertising and considers options for permanent advertising oversight. These are addressed below according to the four themes outlined in the document:

Framework for communications and advertising (Recommendations 1 and 5)

The Government supports the Committee’s recommendations with respect to regularly reviewing and considering updates to the policies and directives on government advertising, as well as the definition of “non-partisan communications”.

All Treasury Board policies are periodically reviewed by the Treasury Board of Canada Secretariat, in consultation with departments and other stakeholders, to ensure they remain relevant, clear, and current, with recommendations for any necessary adjustments made to the Treasury Board.

Policy centres must follow core principles set out in the Foundation Framework for Treasury Board Policies. The Framework promotes a consistent and disciplined approach to rule making and continually improves upon the recurring themes of efficiency, effectiveness, transparency and accountability, and preserving public trust.

The Government agrees that this type of periodic review is important for policies related to government communications, given the environment evolves rapidly, particularly with digital communications tools and technologies. Indeed, in 2002, when the last significant updates to the communications policy were made, smartphones did not exist, nor did social media channels such as Twitter and Facebook.

While the changes made to the Policy in 2016 emphasize the importance of using innovative digital tools and online platforms in communicating with Canadians, the Government is committed to ensuring that the policy instruments are reviewed regularly in order to continue to meet the evolving expectations of Canadians.

The Effectiveness of Government Advertising (Recommendation 3, 4, and 8)

The Government of Canada recognizes the importance of ensuring that government advertising is effective and meets the diverse information needs of the public. The *Policy on Communications and Federal Identity* requires departments to tailor their messages to specific audiences, thus increasing the impact of how these messages are received. In addition, departments are required to balance the use of traditional communications methods with digital communications technologies to meet the diverse information needs of the public and ensure they reach and engage with Canadians effectively and efficiently, and in the official language of their choice.

The Government of Canada employs the expertise of a number of national advertising agencies and a single media buying agency (i.e. the Agency of Record) to develop comprehensive advertising campaign strategies and media plans to ensure that advertising campaigns reach their intended audiences. Furthermore, Public Services and Procurement Canada, through its role in providing government-wide advertising coordination services, works with industry experts to deliver learning sessions to departments that profile various types of media and provide information on how to best reach target groups.

The Government of Canada has in place a number of post-campaign evaluation tools to ensure that government advertising is effective and achieves its intended objectives. All campaigns executed by the Agency of Record receive a post-campaign performance report that provides information on advertising placements, reach and frequency, broken down by media. Departments also complete a campaign performance report, which compares campaign objective data against government-wide post-campaign performance data.

In addition, all campaigns with media buys exceeding \$1 million undergo mandatory pre-testing with the intended target audience, along with a post-campaign evaluation. These tools are managed by the Privy Council Office, which plays a central role in the coordination of Government advertising. To maintain the Government's commitment to openness and transparency, all campaign pre-testing and post-campaign data reports are available publicly on the Library and Archives website.

The Government of Canada establishes key performance indicators to measure visibility, engagement and performance of advertising campaigns. Government of Canada social media, web, and advertising data are tracked using platforms developed by private-sector digital media experts. These analytics allow the Government to assess campaign performance and compare against historical data.

The Government recognizes the importance of ensuring that all communications products and activities, including advertising and websites, are non-partisan and comply with Policy requirements. This responsibility rests with heads of communications in government departments and agencies to ensure that all communications products and activities align with government priorities, themes and objectives. This oversight also extends to Government of Canada websites. Regardless of the format in which government communications is received by the public, it must be clear, objective, factual, non-partisan, and written in plain language.

In light of a constantly evolving communications environment, the Government is committed to continuing to analyze and improve how effectiveness and value-for-money are measured in its advertising. This will include learning from best practices in both the public and private sectors.

Addressing Partisanship in Advertising (Recommendations 6, 7, and 9)

The Government takes its commitment seriously around ensuring government communications, including advertising, is non-partisan.

Currently all government advertising with budgets greater than \$500,000 must undergo an independent review to ensure it is non-partisan. These reviews are conducted by Advertising Standards Canada regardless of the nature of the message, the region in which the advertising will appear, or if advertising were to take place during a by-election.

As noted in May 2016, this is considered an interim oversight review mechanism. However, the Government is committed to ensuring that there continues to be strong, independent oversight of advertising until such time as a permanent review mechanism is in place.

With regard to Recommendation 7 and as part of its ongoing assessment of policies, the Government will undertake a review of the current \$500,000 advertising threshold. This also supports the Committee's recommendation to regularly update the policy on communications and advertising to ensure it remains relevant.

To make sure that government advertising cannot be used for partisan purposes in the future, the Government will carefully consider the Committee's recommendations, as well as those of stakeholders, as we move forward with considering options to entrench third-party oversight of government advertising into legislation.

Governance and Transparency in Government Communications **(Recommendations 2 and 10)**

With respect to Recommendation 2, the Government of Canada uses a wide variety of paid and unpaid media to ensure that its communications reach Canadians effectively, and in the official language of their choice. The choice of media used in departmental advertising campaigns is determined based on budgets, timing, objectives, and target audience.

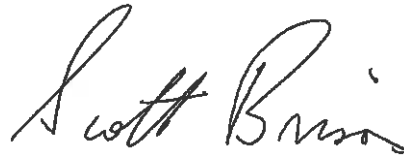
This can result in the Government of Canada's advertising being placed on digital platforms as well as in local, regional, Indigenous and/or multicultural media. In fact, the *Directive on the Management of Communications* requires departments to be responsive to the specific needs and interests of regional populations and multicultural and Indigenous communities.

The Government acknowledges the important role that media and journalism play in Canadian society. The Government of Canada also recognizes the challenges brought about by the rise of digital media and platforms, particularly on the business models and revenue sources of traditional media. However, as noted in the Government Response to the Sixth Report of the Standing Committee on Canadian Heritage: "Disruption: Change and Churning in Canada's Media Landscape", while the Government is committed to reaching Canada's diverse communities through its communications activities, the Canada Periodical Fund is a more direct and tailored means of supporting non-daily community and multicultural newspapers. While the Canada Periodical Fund is intended to provide financial assistance to Canadian print magazines, non-daily newspapers and digital periodicals to enable them to overcome market disadvantages, government advertising is not designed to provide such support. Instead, the purchasing of advertising is based on specific objectives, budgets and audiences.

In closing, the Government has long recognized that some Canadians do not have access to, or are not active on, social media and therefore, information needs to be freely available without placing a burden on the public. The Government will ensure that equivalent information posted on social media platforms about policies, programs and services is also available on its websites. It is worth noting that the Government has efforts in place to improve the usability of its websites. This will support Recommendation 10 of the Report.

Once again, the Government thanks the members of the Standing Committee for their review of Government of Canada advertising and for the opportunity to address the recommendations brought forth in this study.

Yours sincerely,

A handwritten signature in black ink that reads "Scott Brison". The signature is written in a cursive style with a large, sweeping initial "S".

The Honourable Scott Brison, P.C., M.P.