

What to Know About Political Ad Spending Requirements Ahead of Canada's Federal Election

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Paul Briggs

Digital campaigning is crucial to candidates running for election worldwide, and it's no different in Canada. But new requirements—which kicked in earlier this summer—mean that political parties need to be more efficient with their ad dollars.

With the upcoming federal election happening in October, here's what you need to know about the [Elections Modernization Act \(EMA\)](#).

Passed late last year, existing regulations were amended to clearly define the length of federal election campaign spending windows and allowances for advertising.

- For the first time, there are spending restrictions in the roughly two-month period immediately before a campaign is officially launched, when Canada's parliament issues a "writ of election."
- Political parties can spend a maximum of \$2 million on advertising in the prewrit period—which began in July this year—that was historically a heavy spending season when oversight was absent.

- Once the writ is dropped—about six weeks prior to the October 21 election—spending caps are raised. Altogether, the spending restrictions cover a campaign season up to four months long.

The Liberal Party of Canada's electoral reform law promises restrictions to rein in spending that was caused by aggressive fundraising from all parties in recent elections. Additionally, the EMA aims to protect the government against election meddling from domestic and foreign actors that use social media advertising to spread misinformation.

The new legislation made an impact to the way social media platforms will be operating during the election season. Facebook acknowledged its role in the political process in Canada—more than half (53.8%) of the population uses the platform—and positioned itself as a collaborator to prevent election meddling. It created a **political advertising registry last fall** to enable the tracking of advertising funds in Canada and other key markets with upcoming elections. The EMA adopted this registry approach and made it mandatory for all social platforms that accept political advertising during this year's campaign.

Facebook's leadership position as an election ad platform was further bolstered by actions from Google and Twitter: Both said they would suspend political ads on their platforms either entirely or for a period of time this year, citing onerous reporting requirements in the EMA. In March, **Google banned political advertising** for the upcoming election, saying the new transparency rules would be too difficult to comply with, mainly the requirement that publishers keep a detailed registry of all political ads they directly or indirectly publish.

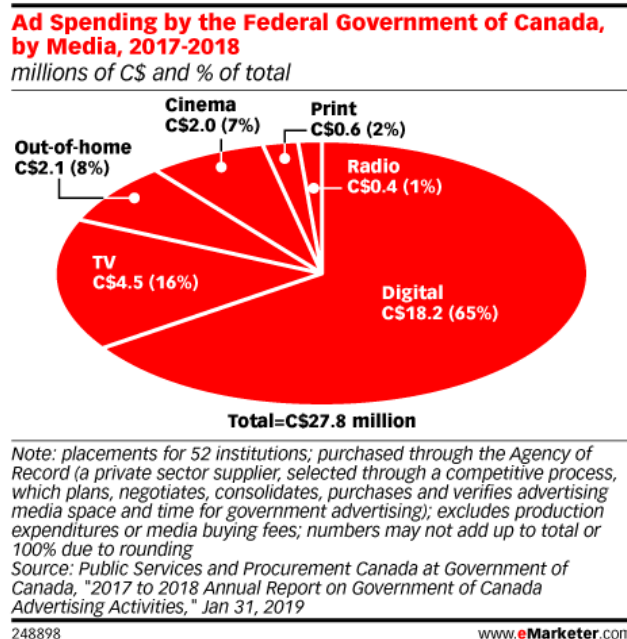
In June, Twitter said it would ban campaign ads citing the same regulations. However, the company will allow those ads once the official campaign has begun after the writ is public. At that time, the company will make an online registry of advertisers available, similar to Facebook's registry.

Elections Canada, a nonpartisan agency that reports to the Canadian parliament, **published to its website** that "some platforms may decide not to sell regulated advertising rather than create a registry. Any platform that adopts this approach must still take steps to ensure that no regulated advertising appears on the platform. If regulated ads are

displayed on a platform without being included in a registry, the platform could be investigated and even prosecuted, depending on the circumstances.”

Before the new rules were enacted, it was already evident that digital campaigning was a proven path to election success. In the 2015 federal election, the victorious Liberal Party of Canada led by Justin Trudeau **spent four times as much** on digital advertising and voter contact than the second place Conservative Party, according to a report by the Canadian Press, citing Elections Canada data and Liberal party officials.

Investing in digital platforms during election campaigning follows a general trend of how the Canada uses ads to connect with citizens. About two-thirds (65%) of the government’s advertising budget goes to digital, according to the “2017 to 2018 Report on Government of Canada Advertising Activities.” TV (16%) and out-of-home (8%) accounted for the second- and third-biggest portions of federal advertising spending.



As with the government of Canada ad spending trends, political parties are leaning on digital platforms to get their message out. In an

environment with tight spending limits, campaigns have to be more methodical with their ad budgets than ever.