



THE CORPORATION OF THE CITY OF COURTENAY

STAFF REPORT

To: Council

File No.:

From: Director of Corporate Services

Date: August 30, 2023

Subject: Bill C-18 Online News Act: City's Use of Paid Advertising on Social Media Platforms

PURPOSE: To seek Council direction regarding paid social media advertising.

BACKGROUND:

Bill C-18 "An Act respecting online communications platforms that make news content available to persons in Canada (short title Online News Act)" received royal assent on Jun 22, 2023. The summary of the Act is as follows:

"This enactment regulates digital news intermediaries to enhance fairness in the Canadian digital news marketplace and contribute to its sustainability. It establishes a framework through which digital news intermediary operators and news businesses may enter into agreements respecting news content that is made available by digital news intermediaries. The framework takes into account principles of freedom of expression and journalistic independence.

The enactment, among other things,

(a) applies in respect of a digital news intermediary if, having regard to specific factors, there is a significant bargaining power imbalance between its operator and news businesses;

(b) authorizes the Governor in Council to make regulations respecting those factors;

(c) specifies that the enactment does not apply in respect of "broadcasting" by digital news intermediaries that are "broadcasting undertakings" as those terms are defined in the Broadcasting Act or in respect of telecommunications service providers as defined in the Telecommunications Act;

(d) requires the Canadian Radio-television and Telecommunications Commission (the "Commission") to maintain a list of digital news intermediaries in respect of which the enactment applies;

(e) requires the Commission to exempt a digital news intermediary from the application of the enactment if its operator has entered into agreements with news businesses and the Commission is of the opinion that the agreements satisfy certain criteria;

(f) authorizes the Governor in Council to make regulations respecting how the Commission is to interpret those criteria and setting out additional conditions with respect to the eligibility of a digital news intermediary for an exemption;

(g) establishes a bargaining process in respect of matters related to the making available of certain news content by digital news intermediaries;

(h) establishes eligibility criteria and a designation process for news businesses that wish to participate in the bargaining process;

(i) requires the Commission to establish a code of conduct respecting bargaining in relation to news content;

(j) prohibits digital news intermediary operators from acting, in the course of making available certain news content, in ways that discriminate unjustly, that give undue or unreasonable preference or that subject certain news businesses to an undue or unreasonable disadvantage;

(k) allows certain news businesses to make complaints to the Commission in relation to that prohibition;

(l) authorizes the Commission to require the provision of information for the purpose of exercising its powers and performing its duties and functions under the enactment;

(m) requires the Canadian Broadcasting Corporation to provide the Commission with an annual report if the Corporation is a party to an agreement with an operator;

(n) establishes a framework respecting the provision of information to the responsible Minister, the Chief Statistician of Canada and the Commissioner of Competition, while permitting an individual or entity to designate certain information that they submit to the Commission as confidential;

(o) authorizes the Commission to impose, for contraventions of the enactment, administrative monetary penalties on certain individuals and entities and conditions on the participation of news businesses in the bargaining process;

(p) establishes a mechanism for the recovery, from digital news intermediary operators, of certain costs related to the administration of the enactment; and

(q) requires the Commission to have an independent auditor prepare a report annually in respect of the impact of the enactment on the Canadian digital news marketplace.

DISCUSSION:

As a result of the Act, tech companies such as META are now required to compensate media organizations if they want to host Canadian news content on their platforms. Both Google and Meta (Facebook, Instagram, Threads and WhatsApp) are blocking Canadian news content on their platform. In response to the decision of META and Google to block Canadian new content, Black Press has sent letters to many B.C. local governments requesting they suspend advertising on META platforms. This request is in protest to META's announcement that it will remove accredited Canadian new content from its pages due to Canada's adoption of Bill C-19, the Online News Act.

The City of Courtenay advertises heavily in the Comox Valley Record. This advertising consists primarily of ads in the printed newspaper distributed weekly to Comox Valley households. The City has also booked digital advertising on the Comox Valley Record website www.comoxvalleyrecord.com for some projects, such as Courtenay's Official Community Plan in 2022.

The Comox Valley Record (circulation 21,500) is distributed between Oyster River and Fanny Bay.

Newspaper advertising continues to be an important resource for the City of Courtenay, ensuring that all members of the community have access to information shared by the City, regardless of their ability or interest in accessing social media. From 2021 to the first half of 2023, the City of Courtenay has spent approximately 19 times more on newspaper advertising compared to Meta/Facebook:

	Black Press AP Vendor summary	Meta/Facebook AP Vendor summary
2021	\$52,450.37	\$2,092.06
2022	\$61,831.41	\$3,322.85
2023 (to June 30)	\$22,002.80	\$1,748.27
TOTAL	\$136,284.58	\$7,163.18

Potential Impact to City of Courtenay from Suspending Meta Advertising:

If the City of Courtenay were to suspend advertising on Meta platforms, this would remove one of the City's most cost-effective and wide-reaching advertising methods.

Typically, budgets for individual Meta ads from the City of Courtenay range from \$30 to \$100, and would appear on Facebook, Instagram, and Messenger. Ad budgets can be higher or lower depending on project budget and community interest. Posts can be promoted rapidly in response to emerging needs, with promoted posts appearing within minutes or hours.

The City of Courtenay's primary ad account shows the following outcomes:

	# of promoted posts	Accounts reached	Impressions	Results (Link clicks, event responses, post engagement)	Typical cost per result
2021	42	194,285	466,970	7,868	\$0.21
2022	61	334,157	771,293	12,970	\$0.22
2023 (to June 30)	41	263,004	648,411	10,769*	\$0.17*
TOTAL	144				

* excludes 2023 Air Quality campaign

City of Courtenay programs and services promoted on Meta include, but are not limited to: City of Courtenay events and services, including Courtenay Recreation; public engagement opportunities; recruitment; and education campaigns.

Facebook and Instagram posts that are promoted as paid ads receive significantly more engagement than standard posts.

For example, nearly identical posts for Courtenay's Recent Flood Management Plan project received very different results. A \$250 promoted post running for seven days resulted in over 80 times more link clicks to the project page www.courtenay.ca/floodready (585 vs. 7.)

Total Insights
 See more details about your post.

Post Impressions 37,870	Post reach 12,938	Post Engagement 1,077
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Boosted on Jul 7, 2023
 Status: Completed · Boosted by: Anne Guillo
 Budget: CA\$250.00 lifetime · Duration: 7 days

Post reach 16,172	Post Engagement 639
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City of Courtenay
 Published by Holly Brotherston · July 6 at 10:18 AM

Final days to fill out a survey for #FloodReadyCourtenay
 Share your feedback on the proposed solutions to reduce the impact of future flood events!
 Survey closes July 14th at 11:59pm.
 Fill out the survey here: www.courtenay.ca/floodready

We want to hear from you!

courtenay.ca/floodready

COURTENAY.CA
Flood Management Plan
 As climate change progresses, communities located near the ocean and river... [Learn more](#)

12 likes 26 comments 14 shares

Consultation on City Communication Methods:

The Communication Strategy underway is reviewing and analyzing all of the City's existing communication strategies, vehicles, technology and processes, as well as best-practices from other organizations. The Communication Strategy will make strategic recommendations, including tools, techniques, and technology required to deliver forward-thinking, engaging, and efficient communications for the organization in the short and medium term (next one to five years).

The "Your Courtenay, Your Voice" resident survey will also inform how residents usually learn about or receive updates (city initiatives, decisions, and services) from the City of Courtenay and provide statistically valid data on the community's preferred communication tools for our organization.

Eliminating Meta platform ads would remove one of the primary tools used by the City of Courtenay to inform and engage with our community about information that may be of interest to them, and potentially directly impact them in some way.

Unfortunately, Meta's recent restrictions on news outlets such as the Comox Valley Record means the City of Courtenay's own channels will likely become an even more essential communication and outreach tool.

Based on the efficiency, and effectiveness, and value of Meta platform advertising for the City of Courtenay, Communications does not recommend suspending Meta advertising at this time.

POLICY ANALYSIS:

Bill C-18 "An Act respecting online communications platforms that make news content available to persons in Canada (short title Online News Act)"

FINANCIAL IMPLICATIONS:

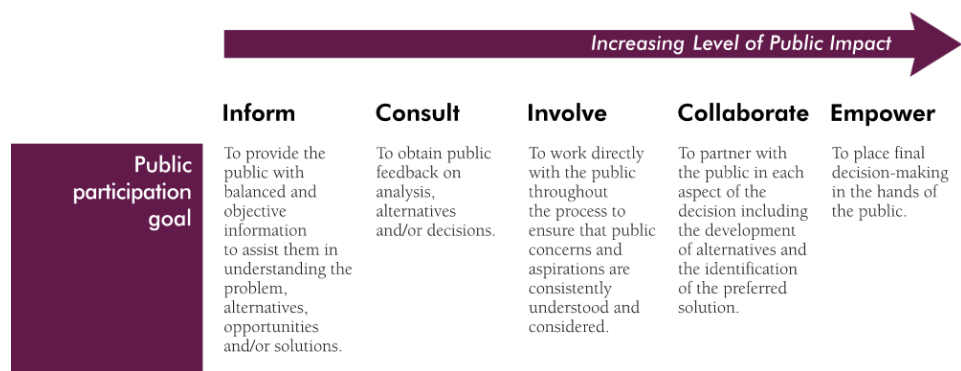
There is no financial implications at this time.

ADMINISTRATIVE IMPLICATIONS:

There are no administrative implications at this time.

PUBLIC ENGAGEMENT:

Staff would inform the public based on the IAP2 Spectrum of Public Participation:



OPTIONS:

1. THAT Council receive the report for information
2. THAT Council provide alternative direction to staff.

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