

What is the Industry Saying?

The OMAC (Out of Home Media Association of Canada) arguments against the bylaw and tax for art / enforcement focus on five major points.

Argument 1. 'That the tax is excessive at 18 million'

OMAC is saying they make only \$64,800,000 in total revenue from billboards.¹ This number was reached via a self-submitted survey of members. If you divide that by the number of billboards (4100² total in Toronto, or 3690 -- if OMAC members have 90% share³) and 12 months you get \$1463 as the average rate to rent a standard billboard in Toronto for a month. This is hard to believe -- for comparison that figure roughly equals the cost of a single 1/5 page advert in NOW Magazine. Please see the rates for Toronto billboards in the Canadian Media Digest (\$122 820 month to 25 GRP [reach x frequency] daily) as well as the recent City Staff estimate (\$254 150 average annual rate.)⁴ City economists are working on an ideal taxation level to properly value use of public space and not cause undue hardship.

Argument 2. 'Damage to the local economy'

According to McKinsey & Co, "for every dollar of public arts funding in a regional economy, eight dollars are generated."⁵ However, according to the Martin Prosperity Institute, "the fact that average cities around the country have expanded their cultural expenditures by more than 4 times as much as the City of Toronto has put Toronto on the low end of competitive growth."⁶ Additionally, the vast majority of businesses using billboards are not local, but national or global brands.⁷ It is also worthy to note that at most properties, the people operating out of the location, typically tenants - do not gain income from the billboards.

Argument 3. 'That the industry already gives enough to charity and the city'

The industry should be lauded for charitable activities, but looking at the ratio of TV (75% content / 25% ads) radio or even free print, they are doing virtually nothing to support enjoyable or educational content for the public. The ratio of content to advertising is with billboards worse than opposite to the norm, even using the stated industry revenues and giving at face value.⁸ In fact, it could be inferred that industry is making record profits (up 11-19% last year⁹) undermining the viability of other, democratic / participative media outlets in providing "the lowest cost per thousand impressions of any media"¹⁰ and passing the full cost onto public spaces. (This argument also addresses the assertion that the tax will make the industry less competitive compared to other advertising venues.)

Argument 4. 'That the industry has been shut out of the Bylaw/Tax process and it needs to be restarted/delayed'

In 2005 alone, 50% more was spent on OMAC than the cost of the entire Sign Bylaw Project.¹¹ The industry has had more than ample access to the decision making process (15 meetings with staff), has a dedicated industry association working for their interests along with almost unlimited resources and several lobbying firms. Industry representatives also had the same number of consultation meetings with City Staff as public interest groups. There have also been an overwhelming number of industry meetings with individual Councillors. (Search the Toronto Lobbyist Registry for 'Signs'¹²)

Argument 5. 'Outdoor advertising is a vibrant part of Toronto's urban culture, providing colour, light...'

Although there may be some favourable opinions to the colour and light of areas of the city such as Dundas Square, this is the exception rather than the rule and is misleading to apply to all outdoor advertisements in general. Advertising is okay, but within moderation and in respect to the city. According to a 2005 Pollara survey: "60% of Torontonians clearly agree that their city would be more beautiful with fewer billboards – only 10% disagree." This was closely replicated in a 2007 Environics survey that found 8/10 of municipal voters support "the city removing billboards that violate city bylaws and implementing fines to a level that discourages future violations." Furthermore, 7/10 of municipal voters are in support of "the city working to reduce billboards and corporate posters in general."¹³

¹ Size of market: <http://www.newswire.ca/en/releases/archive/May2009/21/c6270.html>

² # of billboards in Toronto: <http://www.omaccanada.ca/Sites/omac/multimedias/ECONOMIC%20IMPACT%20REPORT.pdf>

³ OMAC market share: Information from the OMAC website and provided by Rosanne Caron, President, OMAC

⁴ Billboard rates in Toronto, Page 51, http://www.cmdc.ca/pdf/2008_09_Media_Digest.pdf also see staff validation at: http://www.toronto.ca/signbylawproject/pdf/third_party_sign_charge_april09.pdf

⁵ CBAC, "A strategic and economic case for investment in the arts in Canada" August, 2007

⁶ A. Bell and K. Stolarick, "Funding to Arts and Cultural Institutions by the City of Toronto," 1990-2008" Martin Prosperity Institute, 2008

⁷ Regulation and regional economy: <http://www.scenic.org/billboards/background/business>

⁸ Using the industry data at face value (self-valued at 6 mil to charity and 2 to the city), we get 89% advertising and 11% content in the public sphere. This is a generous in consideration that people don't have a choice in viewing the messages. "the only type of media that has constant exposure. It can't be thrown away or turned off. No other type of advertising allows your message to be displayed 24 hours a day, seven days a week" http://allaboutoutdoor.com/Why_use_outdoor.html#q3 6 million is also probably an overstated number, most of the time charities cannot choose the locations, from this it can be inferred that un-booked space is used. Furthermore charitable / city messages are almost entirely advertising, access is very stratified as far as who has the capacity to use them, censorship is endemic and not truly 'content' as you would consider a print article, website or TV show.

⁹ Growth: <http://www.amccanada.ca/en/aboutus/news/news42.omac>

¹⁰ Views per cost: http://allaboutoutdoor.com/Why_use_outdoor.html#q3

¹¹ Amount spent on OMAC in 2005: <http://www.omaccanada.ca/en/aboutus/news/news2>

¹² Lobby registry: <http://app.toronto.ca/lobbyistsearch/searchInput.do>

¹³ Environics and Pollara public opinion polls: <http://www.beautifulcity.ca/bcbf.asp?id=29>