

The Online Harms Act: Establishment of a Digital Safety Commission, Ombudsperson and Office



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This act establishes three new, related entities to enforce the *Online Harms Act* and advocate in the public interest. The Digital Safety Commission will consist of three to five members mandated to enforce the act, and develop regulations related to online safety. The Commission will also have authority to issue administrative monetary penalties and fines to service providers that contravene the act.

The Digital Safety Ombudsperson will be mandated to support users of social media services and advocate for the public interest in relation to online safety. The Commission and Ombudsperson will be supported by the Digital Safety Office, with day-to-day operations and staffing decisions being managed by a Chief Executive Officer. There is also a provision that could allow the Office to charge service providers for the regulatory services provided on a cost recovery basis as determined by the Governor in Council.

Preliminary estimates from the Department of Canadian Heritage indicate that the Digital Safety Commission, Ombudsperson and Office will have 330 full-time equivalent (FTE) employees at full capacity. The PBO estimates that from 2024-2025 to 2028-2029 the total operating costs will be \$201 million, minus any possible administrative monetary penalties, fines and/or regulatory charges collected by the Commission, Ombudsperson and Office.

5-Year Cost

\$ millions

Fiscal year	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	Total
Total cost	5	32	51	56	57	201

Notes

- Estimates are presented on an accrual basis as would appear in the budget and public accounts.
- A positive number implies a deterioration in the budgetary balance (lower revenues or higher spending). A negative number implies an improvement in the budgetary balance (higher revenues or lower spending).
- Totals may not add due to rounding.

Estimation and Projection Method

The Public Accounts of Canada provided program expenditures by organisation for the historical period of 2018-2019 to 2022-2023. The expenditures were divided into 14 categories, of which 8 categories (e.g., personnel, professional services, office rental, etc.) will be applicable to the Digital Safety Commission, Ombudsperson and Office.¹

Using the number of full-time equivalent (FTE) employees listed in the departmental plans, the PBO calculated the expenditures per FTE for organisations with at least 100 but less than 1,000 staff. After removing organisations with unique spending requirements (such as the Canada Space Agency), expenditures per FTE were calculated for each of the applicable spending categories to create a representative average for the historical period.

The PBO projected expenditures per FTE in the projection period of 2024-2025 to 2028-2029 by growing the average expenditures for the applicable categories in 2022-2023 by the growth rate in personnel expenditures observed over the historical period.²

The Department of Canadian Heritage provided preliminary estimates of the start-up costs and timeline to establish the Digital Safety Commission, Ombudsperson and Office, along with the projected staffing profiles of each entity from 2024-2025 to 2028-2029.

Annual personnel expenditures were calculated by multiplying the projected personnel expenditures per FTE by the projected number of employees in that year. Non-personnel expenditures were calculated by multiplying the projected non-personnel expenditures per FTE by the number of employees at full capacity.³ The final cost profile is the total of the projected start-up costs, personnel expenditures, and non-personnel expenditures.

Sources of Uncertainty

The preliminary staffing estimates from the Department of Canadian Heritage are based on other Canadian federal regulators and similar international organisations such as Ofcom in the United Kingdom and the eSafety Commissioner in Australia. The staffing levels required

¹ The applicable expenditure categories are: Personnel, Transportation and Telecommunication, Information, Professional and Special Services, Rentals, Purchased Repair and Maintenance, Utilities, Materials and Supplies and, Acquisition of Machinery and Equipment.

² Non-personnel expenditures were not included in the calculation of the growth rate since some expenditures temporarily decreased due to remote work. As a result, non-personnel expenditures were projected to grow at the same rate as personnel expenditures over the projection period.

³ Non-personnel expenses are based on the number of employees at full capacity, since the entities will need to rent office space and buy office equipment that will allow them to rapidly reach full capacity. The PBO also expects higher travel and professional service expenditures per FTE during the initial expansionary years.

to fulfil the mandates of the Canadian Digital Safety Commission, Ombudsperson and Office may vary from the preliminary estimates.

The projection assumes that the expenditures per FTE for the Digital Safety Commission, Ombudsperson and Office will be similar to other mid-sized government agencies. The costs may be higher if the Digital Safety Commission, Ombudsperson or Office decides to employ significant external legal, IT or consulting services after reaching their full capacity.

The Digital Safety Commission may generate revenue for the government through administrative monetary penalties and fines, but this costing note does not attempt to project that amount. There is a high degree of uncertainty in the revenues that will be generated since it depends on the willingness of outside enterprises to follow the requirements set out by the Commission and the *Online Harms Act*. In addition, few details are available about the cost recovery mechanism which may offset some or all of the costs related to the Digital Safety Commission, Ombudsperson and Office, which are yet to be made public by the Government.

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Data Sources

Full-time Equivalents by Program

[GC InfoBase - Departmental Plans](#)

Expenditures by Standard Object

[GC InfoBase - Public Accounts](#)

Start-up Costs and Staffing Profile

[Canadian Heritage via IR0784](#)

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