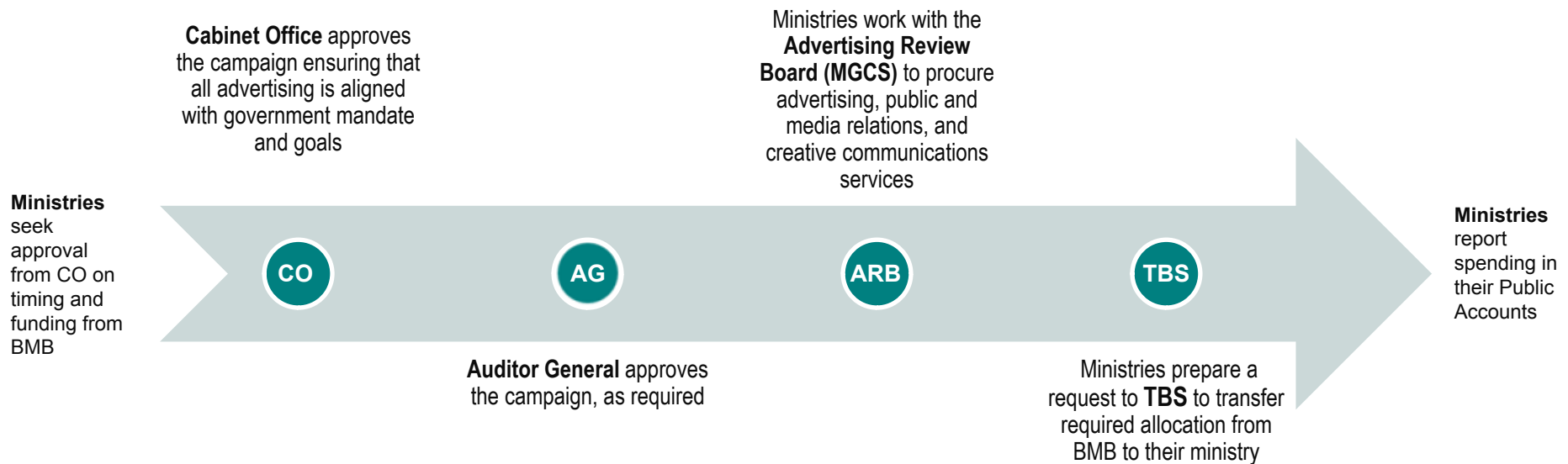




SCOPA – Government Advertising Joint DM/MO Briefing

October 12, 2017

Key Players



- As per Standing Order 108(h), the Standing Committee on Public Accounts (SCOPA) is empowered to review and report to the House its observations, opinions and recommendations on the Report of the Auditor General and the Public Accounts, which documents shall be deemed to have been permanently referred to the Committee as they become available.
- The Committee may meet weekly when the Legislative Assembly is sitting. With the approval of the House, it may also meet at any time when the Legislative Assembly is not sitting.
- All meetings are open to the public with the exception of those dealing with the setting of the Committee's agenda and the preparation of committee reports.
- All public committee proceedings are recorded in Hansard.

SCOPA Overview (con't)



- The Committee selects matters from the Auditor General's Annual Report for hearings. These matters typically relate to the Auditor General's value-for-money audit work.
- The Auditor General, along with the Committee's researcher, briefs the Committee on these matters, and the Committee then requests senior officials from the auditee to appear and respond to questions.
- As the Auditor General's audits typically deal with operational, administrative, and financial rather than policy matters, ministers rarely attend.

Location:

- Committee typically meets in Amethyst Room, Committee Room 151.

Morning session:

- Committee members are briefed on the audit report by the Auditor General and legislative researcher (in camera).

Afternoon session:

- The Auditor General attends, and the Committee members can seek clarification from the AG on points from her report if needed during the session.
- The Chair will advise members to consider questions that are relevant to the content of the audit report, but in practice members do sometimes ask questions outside of the report focus.
- The Committee members may ask that the ministry provide details after the session if more research or gathering of information is needed to respond to a question.

▪ Attendees:

- Usually the DM, Assoc. DM, ADM or Director
- Other staff can sit in the audience; limited seating is available
- Meeting can be watched online: http://www.ontla.on.ca/web/go2.jsp?Page=/webcast/committee-webcast_main&locale=en&menuitem=dandp_webcast

▪ Witnesses:

- Organizations and individuals who wish to speak before a legislative committee must start by registering with the clerk of the committee
- Procedural Services Branch facilitates the organization of hearings, based on direction from committee members. Organizations and individuals selected to present before the committee will be contacted by the clerk of the committee.

▪ Structure:

- Opening remarks by DM or senior executive, or both (20 minutes total)
- 2 sets of round table questions by SCOPA members, rotating time allocated to each party, approx. 20 min per party (2 hours total)
- SCOPA wrap up (10 minutes)
- Follow up – SCOPA may request any information discussed at the meeting. In addition, they could make new recommendations for the ministry or agency to implement.

Preparing for SCOPA



- Roundtable – questions asked by each party (20 minutes each, per round)
 - Official opposition – $2 \times 20 = 40$ mins
 - Third party – $2 \times 20 = 40$ mins
 - Governing party – $2 \times 20 = 40$ mins
- Related to the audit – issues identified in the report, progress in implementing the recommendations (if any), opportunities, challenges
- Anything related to the topic, even if not in audit scope
- A binder will be prepared and provided to the DM and other executives sitting at the table.
- Extra copies will be with staff members sitting in the audience in case they need to be directed to location of material.

Scope

In scope/recommended approach to responses:

- Deputy Minister
 - Roles and responsibilities under the GAA
- ADM & CAO – Corporate Services Division
 - Bulk Media Buy fund
- Legal Director
 - Legislation, regulation, directive

Out of scope (all):

- Specific ministry and agency campaigns (approval, execution, cost)
- Rationale for changes to the GAA
- Restoring the AG's powers

SCOPA Members



Ernie Hardeman, MPP (Oxford)

Current Parliamentary Roles

Chair, Standing Committee on Public Accounts Critic, Municipal Affairs and Housing

Party: Progressive Conservative Party of Ontario



Vic Dhillon, MPP (Brampton West)

Current Parliamentary Roles

Member, Standing Committee on Public Accounts
Parliamentary Assistant to the Minister of Government and Consumer Services Member, Standing Committee on Social Policy

Party: Ontario Liberal Party



Percy Hatfield, MPP (Windsor—Tecumseh)

Current Parliamentary Roles

Critic, Housing
Critic, Municipal Affairs
Member, Standing Committee on Public Accounts

Party: New Democratic Party of Ontario



Lisa MacLeod, MPP (Nepean—Carleton)

Current Parliamentary Roles

Critic for the Anti-Racism Secretariat, Critic for City of Ottawa Issues
Vice-Chair, Standing Committee on Public Accounts
Critic, President of the Treasury Board

Party: Progressive Conservative Party of Ontario



Han Dong, MPP (Trinity—Spadina)

Current Parliamentary Roles

Member, Standing Committee on Public Accounts
Parliamentary Assistant to the Minister of Advanced Education and Skills Development, Parliamentary Assistant to the Minister Responsible for the Poverty Reduction Strategy
Member, Standing Committee on Finance and Economic Affairs

Party: Ontario Liberal Party



Randy Hillier, MPP (Lanark—Frontenac—Lennox and Addington)

Current Parliamentary Roles

Member, Standing Committee on Public Accounts
Critic, Attorney General

Party: Progressive Conservative Party of Ontario



Bob Delaney, MPP (Mississauga—Streetsville)

Current Parliamentary Roles

Member, Standing Committee on Public Accounts Member, Standing Committee on Estimates,
Parliamentary Assistant to the Minister of Energy

Party: Ontario Liberal Party



John Fraser, MPP (Ottawa South)

Current Parliamentary Roles

Member, Standing Committee on Social Policy Member, Standing Committee on Public Accounts, Parliamentary Assistant to the Minister of Health and Long-Term Care

Party: Ontario Liberal Party



Monte Kwinter, MPP (York Centre)

Current Parliamentary Roles

Member, Standing Committee on Public Accounts
Parliamentary Assistant to the Minister of International Trade
Chair of the Ontario Investment and Trade Advisory Council

Party: Ontario Liberal Party

Note: current members, subject to change or substitution

- AG raises concerns in the 2016 Annual Report related to government advertising:
 - Changes to GAA have resulted in a 'weakened' act, opening the door to partisan and self-congratulatory advertising
 - GAA is falling behind other jurisdictions, including the Federal Government, because of recent updates
 - Potential for the use of government advertising during an election period
 - Exclusion of social media from digital ads subject to AG review
 - Increase in spending over the previous fiscal year
 - Two violations of the Act in 2016:
 - Infrastructure-spending ads by the Ministry of Economic Development, Employment and Infrastructure directing viewers to a web page using the name and image of the Premier (Note: the ad was revised and subsequently approved by the AG)
 - TV script by MOECC did not include a statement saying the ad was paid for by the Government of Ontario

- More than 70 media clips on government advertising over the past year.
- Tone is negative overall.
- Dominant theme was government's alleged use of partisan ads, and its refusal to take the Auditor General's advice.
- Government is routinely criticized. AG repeatedly quoted saying that she "wouldn't have approved that ad" if she still had oversight of government advertising.
- Primary focus since March 2017 has been the ongoing PC and NDP criticism about alleged partisan hydro ads.

Key Issues



- PC Leader signaled an upcoming focus on government advertising in a pre-sessional press conference. This included a call to spend 10 per cent of the government's advertising budget on an opioid awareness campaign (Sept. 11, 2017).
- Campaign-specific criticism: Climate Change Action Plan, Fair Hydro Plan, ORPP
- Partisanship: GAA amendments, perceived weakening of AG role
- \$6M increase in base funding to the Bulk Media Buy fund
- Different reporting of gov't advertising spend – AG annual report vs. Advertising Review Board vs. TBS BMB:
 1. ARB:
 - Tracks spending by provincial ministries as reported by the contracted government media Agency of Record
 - In 2015-16 ARB reported total spending of **\$42.9M**
 - » **Does not include** creative services and production costs
 - » **Does include** paid search and social media
 2. AG:
 - In 2015-16 AG's annual report cited **\$43.7M**
 - » **Does include** creative services and production costs
 - » **Does not include** paid search and social media
 - AG figures based on “reviewable” advertisements (i.e. ads reviewed and approved by AG, such as traditional television media). Social media and paid search are not included in this because they are not reviewed by the AG
 3. TBS BMB:
 - In 2015-16 Bulk Media Buy fund cited total spending of **\$29.1M**
 - » **Does include** creative services and production costs, paid search and social media

Anticipated Questions



- **Why did the government change the GAA?**
 - As part of the 2015 Budget, the government modernized the Government Advertising Act, which was passed more than 10 years ago.
 - Over the last decade, the media landscape has undergone significant changes, especially with the rise of digital advertising. The government's amendments are intended to reflect these changes.
- **Will the government restore the AG's previous oversight powers?**
 - The Office of the Auditor General still has oversight of government advertising to ensure that an independent third party confirms that the standards of the Act have been met.
 - Further questions should be directed to the Minister.
- **Why did the government double the amount it's spending on ads?**
 - The fund itself has only increased by \$6 million.
 - Last year (2016-17) there was an in-year transfer of existing funds from individual ministry budgets into the Bulk Media Buy Fund. This consolidation increased the BMB to about \$50 million. This was done to drive efficiencies.
 - TBS is continuing that practice this year. The change from last year's adjusted total to this year is \$6M, bringing the balance to \$56.7 million.
 - The \$6 million base funding was adjusted because of increases associated with advertising and media costs, including the commercialization of digital platforms, expanded French and multicultural media coverage and ongoing AODA compliance.

Anticipated Questions (con't)



- **Why is the government spending taxpayer dollars on partisan ads? Aren't they campaigning on the public dime?**
 - The government's amendments to the GAA set out legislated criteria for what constitutes partisan advertising. The Office of the Auditor General still has oversight of government advertising to ensure that an independent third party confirms that the standards of the Act have been met.
 - Existing restrictions on advertising in the GAA have been extended to cover a period of 60 days prior to the drop of the writ for a scheduled general election. The new restrictions have been in place since January 1, 2017.
 - Further questions should be directed to the ministry responsible for any specific advertisement in question.
- **Why was a certain campaign approved? (e.g. Climate Change Action Plan, Fair Hydro Plan, ORPP)**
 - In the Treasury Board Secretariat's corporate role, it has the overall policy responsibility for the Government Advertising Act and the Advertising Content Directive.
 - TBS administers the Bulk Media Buy fund and processes transactions in accordance with the Financial Administration Act.
 - TBS is not responsible for individual line ministry advertising campaigns, and does not determine how much funding is allocated to any campaign.
 - Further questions about specific ministry advertisements or advertising campaigns should be directed to the ministries involved.
- **Why did the government centralize the Bulk Media Buy fund?**
 - Centralized management of marketing dollars aligns with best-practice marketing processes in complex, multi-product and program organizations.
 - The centralized fund ensures increased transparency, value for money through coordinated purchase of paid media, and the appropriate allocation of dollars based on ministry marketing objectives.

Briefing Binder Overview



- Logistics
- SCOPA member bios
- “Swim Lanes”
- Opening Remarks (20 mins)
- General Qs&As
- Member Questions
- Auditor General’s reports:
 - 2016 Annual Report – GAA Chapter (5)
 - 2015 Special Report on GAA
- Reference Materials:
 - GAA legislation, regulation, directive
 - HBNs: GAA & Bulk Media Buy fund
 - Estimates briefing deck re: GAA & Bulk Media Buy fund
 - AG commentary on 2017 campaigns