

Standing Committee on Estimates

QUESTIONS AND ANSWERS

GOVERNMENT ADVERTISING

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Long-form Member Questions

What is the Treasury Board Secretariat doing to ensure that advertising is appropriate, effective, and cost-efficient?

➔ See Member Question Q1.

Role of TBS

1. What is the Treasury Board Secretariat's role in government advertising?

In TBS's role as a line ministry, the Treasury Board Secretariat is responsible for adhering to the legislative framework, directives, policies and processes pertaining to advertising. For 2017-18, TBS does not have any advertising spending to report.

In the **Treasury Board Secretariat's corporate role**, TBS has the overall policy responsibility for the Government Advertising Act and the Advertising Content Directive.

TBS administers the Bulk Media Buy fund and process transactions in accordance with the *Financial Administration Act*.

At this time, I would like to clarify that the Treasury Board Secretariat is *not* responsible for individual line ministry advertising campaigns, and does not determine how much funding is allocated to any campaign.

If you have further questions about specific ministry advertisements or advertising campaigns, I ask you to please direct your questions to the ministries involved.

Government Advertising Act

2. Why did you amend government advertising legislation?

That's a great question, and one that's important to us at the Treasury Board Secretariat.

As part of the 2015 Budget, Ontario modernized the Government Advertising Act, which was passed more than 10 years ago.

The government broadened the Auditor General's mandate to cover additional media, giving the office oversight of digital advertising – something the Auditor herself called for – as well as transit ads and movie theatre ads.

The amended legislation:

- Provides a clear, objective definition of partisan advertising;
- Requires the government to submit a preliminary version of advertisements to the Auditor for review; and,
- Reinforces rules around government advertising during general elections.

Over the last 10 years, the media landscape has undergone significant changes, especially with the rise of digital advertising. The government's amendments reflect these changes.

Bulk Media Buy Fund (Estimate Briefing Book pg. 116-117)

3. What is included in the Bulk Media Buy fund? Why was it increased?

The Bulk Media Buy program supports the coordinated purchase of media air time and production costs to pay for government advertising and also ensures transparency, value for money and efficiencies.

The Bulk Media Buy fund totals \$56.7 million in 2017-18.

How much was included in the fund last year?

In 2016-17 the Bulk Media Buy Fund program's allocation was \$50.5M – this included an in-year transfer from other ministries to the fund of \$25.5M.

From the 2016-17 estimates allocation, this year's fund increased by \$31.7 million due to the consolidation of funding from ministries – \$21.7 million – and an increase in base funding of \$10 million.

From the 2016-17 in-year allocation to the 2017-18 estimates allocation the overall increase is \$6M.

The \$6M base funding adjustment is attributed to advertising and media cost increases, including the commercialization of digital platforms, expanded French and multicultural media coverage and ongoing Accessibility for Ontarians with Disabilities Act (AODA) compliance.

Bulk Media Buy funding is administered by Treasury Board Secretariat. By administering this fund centrally, TBS enables more efficient processes for all marketing campaigns by streamlining campaign preparations and lowers agency and media costs by accessing bulk rates on media advertising.

As of July 2017, more than 40 campaigns in 14 ministries have been identified for funding through the Bulk Media Buy fund, including public education on climate change, promotion of OSAP, and public health campaigns.

4. Why did you double the amount you're spending on ads?

The government didn't. 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 Accessibility for Ontarians with Disabilities Act (AODA) compliance.

5. Why did you 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.

6. Are you planning to centralize more marketing funds?

There are no plans at this time to centralize more funds.

7. Why don't ministries manage and control their own marketing budget?

TBS holds the approved funding for Bulk Media advertising as an administrative requirement on behalf of Cabinet Office, and liaises with ministries to recover and report funds. The associated expenses for each ministry-sponsored advertising campaign are reported in the respective advertising ministry's accounts.

As part of the planning process, ministries submit their marketing priorities and objectives as part of the fiscal planning process and to allow for the development of a central marketing strategy and calendar. This ensure that the central Bulk Media Buy fund can be allocated appropriately to support all government advertising needs.

Not all ministries have a marketing budget, nor do they have marketing campaigns year over year. The central fund ensures the government can support marketing priorities each fiscal year and allows dollars to be shifted, if necessary, when costs savings are achieved.

Not all ministries have dedicated marketing resources. Centralized planning also includes the assignment of experienced marketing staff as required.

8. Why are you spending taxpayer dollars on partisan ads? Aren't you campaigning on the public dime?

Ontario is the first and only jurisdiction in Canada to have legislation that bans government-paid partisan advertising in newspapers, magazines, billboards, radio, and television.

The government has clarified what is meant by the term partisan by setting out clear, objective, legislated criteria.

Specifically, an ad is defined as partisan if:

- It includes the name, voice or image of a member of the Executive Council or the Legislative Assembly, unless the primary audience is outside of Ontario;
- It includes the name or logo of a recognized party;
- It directly identifies and criticizes a recognized party or a member of the Assembly; and,
- It includes, to a significant degree, a colour associated with the governing party, unless the item depicted in the ad commonly appears in that colour.

The Government Advertising Act requires that government advertising be non-partisan as defined in the Act. However, it is important to avoid even a perception that the government's advertising might be able to influence a general election campaign.

That's why the government extended the time period during which government advertising would be restricted, with limited exceptions.

Existing restrictions on government advertising in the Government Advertising Act have been extended to cover a period of 60 days prior to the drop of the writ for a scheduled general election. In 2018, the restricted period is expected to start March 10 and end June 7.

Auditor General Role and Comments

9. Why did the Treasury Board erode the non-partisan oversight of the Auditor General in government advertising? Will you restore her powers?

I thank the Auditor General for the work that she and her office are doing in carrying out their responsibilities under the Government Advertising Act.

Ontario is the first and only jurisdiction in Canada to have legislation that bans government-paid partisan advertising in newspapers, magazines, billboards, radio and television.

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.

The government appreciates the Auditor's valuable feedback on advertising submissions made by ministries.

Ontario's Auditor General continues to provide strong oversight by:

- Reviewing and approving government advertisements before they can be used;
- Reporting annually on government advertising, including any contraventions of the Act; and,
- Reporting annually on government advertising expenditures.

10. You have faced repeated criticism from the Auditor General for wasting public funds – \$56.7 million – on self-congratulatory fundraising. How can you justify this?

Once again I'd like to thank the Auditor General for the work she and her office are doing.

As mentioned, Ontario is the first and only jurisdiction in Canada to have legislation that bans government-paid partisan advertising in newspapers, magazines, billboards, radio, and television.

The government has clarified what is meant by the term partisan by setting out clear, objective, legislated criteria.

The Government Advertising Act requires that all government advertising be non-partisan as defined in the Act. However, it is important to avoid even a perception that the government's advertising might be able to influence a general election campaign.

Which is why the government extended the time period during which government advertising would be restricted, with limited exceptions. For example, time-sensitive items can continue during this restricted period, such as public health warnings.

The government has taken action to enhance existing restrictions; restrictions on government advertising in the Government Advertising Act have been extended to cover a period of 60 days prior to the drop of the writ for a scheduled general election. In 2018, the restricted period is expected to start March 10 and end June 7.

The government remains committed to its responsibility to ensure that Ontarians are aware and engaged on critical issues. The government remains committed to continue to communicate useful, factual information to the public while maintaining Ontario's status as a national and international leader in government advertising oversight.

If you have further questions about specific ministry advertisements or advertising campaigns, I ask you to please direct your questions to the ministries leading those advertising campaigns.

11. Why is there a discrepancy in government advertising spend between the Auditor General's Annual Report and the Advertising Review Board? Can you give us a clear number? Ontarians deserve to know how much of their money this government is using for partisan advertisements.

Thank you for your question. I would like to clarify that this is not an apples to apples comparison.

The Advertising Review Board tracks spending by provincial ministries.

In fiscal year 2015-16 the ARB reported total spending of \$42.9M. This spending does not include creative services and production costs, but it does include paid search and social media.

The figure cited in the Auditor General's annual report, which is \$43.7M, includes fees for creative services and production costs, but does not include paid search and social media.

The Auditor General's figures are based on "reviewable" advertisements, meaning advertisements that are reviewed and approved by the AG, such as traditional television media. Social media and paid search are not included in this because they are not reviewed by the AG.

A simplified breakdown comparison:

Government Advertising Spend
2015/16

AG annual report*		ARB**
Advertising Spend Reported	\$ Million	\$ Million
Traditional Media	\$30.2	\$30.2
Digital Media	\$5.5	\$5.5
Social & Search Media		\$7.2
Agency Fees	\$2.6	
Production Costs	\$5.4	
Total	\$43.7	\$42.9

*Social and Search media not included in AG Report (not reviewed by AG).

**Agency Fees and Production costs not reported by ARB

Specific Campaigns

12. Why was a certain campaign approved? (E.g. Climate Change Action Plan, Fair Hydro Plan, ORPP)

The government continues to communicate useful, factual information to the public while maintaining Ontario's status as a national and international leader in government advertising oversight.

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 process transactions in accordance with the *Financial Administration Act*.

At this time, I would like to clarify that the Treasury Board Secretariat 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.

13. We have an opioid crisis that should be a priority for awareness campaigns, yet you have wasted public funds to deliver partisan messages on hydro. How do you respond?

Thank you for your question.

Over the next three years, the government is investing more than \$280 million to combat the opioid crisis in Ontario.

Ontario is providing urgent relief to those affected by the opioid crisis, including adding more front-line harm-reduction workers, expanding the supply of naloxone, and creating new rapid access addiction clinics in every region of the province.

As the President of the Treasury Board, I can't speak to individual line ministry advertising campaigns, nor can I determine how much funding is allocated to any campaign.

What I can tell you is that the government continues to communicate useful, factual information to the public while maintaining Ontario's status as a national and international leader in government advertising oversight.

If you have questions related specifically to awareness campaigns for the opioid crisis, I would ask you to please contact the Ministry of Health.