

Standing Committee on Public Accounts

Questions & Answers on Government Advertising

Treasury Board Secretariat

Contents

<u>Treasury Board Secretariat's Role</u>	2
• <u>TBS as a Ministry vs Treasury Board</u>	6
• <u>Compliance and Approvals</u>	7
• <u>Specific Campaigns</u>	10
○ <u>Violations</u>	11
○ <u>Opioid Awareness</u>	11
○ <u>Fair Hydro Plan</u>	13
○ <u>Advertising in advance of an election</u>	14
• <u>Relationship with the Auditor General</u>	16
<u>Government Advertising Oversight and Partisan Advertising</u>	16
• <u>Government Advertising Act</u>	16
• <u>Auditor General Comments on Partisan Advertising</u>	22
<u>Spending on Government Advertising</u>	28
• <u>Bulk Media Buy Fund</u>	28
• <u>Auditor General Comments on Advertising Spending</u>	34

Treasury Board Secretariat's Role

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

The Treasury Board Secretariat (TBS) is a ministry within the government responsible for leading efforts on accountability, openness and modernization. TBS' role is to deliver good government and public services in the most effective and efficient way possible, which includes providing advisory services and support to Treasury Board/Management Board of Cabinet.

As a central agency, TBS has the overall policy responsibility for the Government Advertising Act.

TBS administers the Bulk Media Buy Fund and processes transactions in accordance with the Financial Administration Act.

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.

TBS sets processes to guide ministries in how to account for and determine their spending. However, the actual expenditure that occurs remains the responsibility of the ministries that come to Treasury Board and Management Board of Cabinet for approval.

Stated another way, TBS sets the rules, but ultimately the spending is done by the ministries it oversees.

Questions about specific advertising campaigns should be directed to the appropriate ministry.

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

There are a number of key players involved in ensuring that ads are appropriate, effective and cost-efficient.

Treasury Board Secretariat has overall corporate responsibility for the Government Advertising Act and the Bulk Media Buy fund, and processes transactions in accordance with the Financial Administration Act.

The Bulk Media Buy Fund supports the coordinated purchase of media time, creative development, research and production costs to pay for government advertising. It also ensures transparency and efficiencies.

The Office of the Auditor General has oversight of government advertising to ensure that an independent third party confirms the standards of the Act have been met.

While TBS has oversight of the GAA, it is not responsible for the actual process to run advertising. For that, individual ministries must secure approval from Cabinet Office for any campaign they wish to undertake.

Cabinet Office works with individual ministries to ensure that all advertising is aligned with the government's mandate and goals.

Ministries then work with the Advertising Review Board and the Ministry of Government and Consumer Services to ensure compliance with government procurement directives and the Government Advertising Act.

The Government Advertising Act applies to a government office, which the Act defines as a ministry, Cabinet Office, and the Office of the Premier.

All ministries must meet the requirements of the legislation.

3. As the ministry with oversight over government financials how can you justify the increased expenditure on government advertising?

November 9, 2017

At this point, it is worth clarifying that TBS, as a ministry, does not undertake any advertising campaigns.

TBS administers the Bulk Media Buy Fund and processes transactions in accordance with the Financial Administration Act.

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.

TBS sets processes to guide ministries in how to account for and determine their spending. However, the actual expenditure that occurs remains the responsibility of the ministries that come to Treasury Board and Management Board of Cabinet for approval.

On a year over year basis, the allocation of Bulk Media Buy has increased by \$6M.

In last year's Public Accounts, (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 fund to about \$50 million. This was done to drive efficiencies.

The government is continuing that practice this year, in 2017-18. The change from last year's adjusted allocation to this year is \$6 million, bringing the balance to \$56.7 million.

This increase is attributed to anticipated increases associated with advertising and media costs in three key areas: commercialization of digital platforms, expanded translations and accessibility.

Commented [PM(1)]: And more new programs?

1. With regards to the **commercialization of digital platforms**:
 - The advertising landscape has changed, and the province needs to ensure that its messages reach people in a way that is relevant and accessible to them. Part of the Bulk Media Buy increase is to allow the government to respond to the tools Ontarians are accessing in the digital sphere, including search engine advertising on Google, promoted tweets on Twitter, short advertisements on YouTube, and

November 9, 2017

banner ads on multicultural news websites. For example, the promotion of Ontario's Student Assistance Program campaign included two distinct creative concepts, one aimed at parents for TV and digital and another aimed directly at youth/students on multitude of digital channels.

2. The second area of increase is due to **expanded translations** for government advertising campaigns:

- The province continues to work to ensure that campaigns are offered in the languages that are accessible to the people of Ontario. This not only includes expanded translations to reach French-speaking Ontarians, but also indigenous languages, and others that reflect the multiculturalism in this province, like Tagalog, Punjabi, Cantonese, Arabic, Portuguese, Polish, and many others.

3. The third area reflected in the Bulk Media Buy increase is related to **ensuring compliance with the Accessibility for Ontarians with Disabilities Act**, or AODA, requirements:

- When the government communicates about important policy changes or what programs and services are available – like vaccinations or new post-secondary programs – it's important that information is accessible to all Ontarians. When we talk about accessibility we mean for example ensure things like closed captioning. The province continues to work to ensure that government advertisements are in compliance with the AODA requirements, which aim to identify, remove, and prevent barriers for people with disabilities.

Commented [PM(2)]: Another example please.

4. **Isn't it your ministry's role to ensure money is spent in the most efficient way possible?**

TBS supports the government's goal of achieving its fiscal targets, while continuing to deliver services to Ontarians.

With regards to government advertising, TBS has two roles:

- The first is by holding the overall policy responsibility for the Government Advertising Act and its supporting regulation; and,

- The second is by administering the Bulk Media Buy fund, a best-practice centralized fund, where the Treasury Board Secretariat processes transactions in accordance with the Financial Administration Act.

When administering the Bulk Media Buy fund, the Treasury Board Secretariat ensures due diligence. Due diligence is a process of carefully examining the request in accordance with the pertinent legislation, policy, directives and guideline framework for the financial administration of public monies.

Commented [PM(3)]: Reiterate bulk purchase, not competing campaigns, and the fact that ministries are able to leverage knowledge and staff resources at CO, rather than hire/staff one-off campaigns.

In addition, all ministries must go through the Certificate of Assurance process. The Certificate of Assurance is an annual attestation process that provides assurance to the Office of the Auditor General that the government has a strong internal control framework. Developed by the Office of the Provincial Controller, the Certificate of Assurance is an attestation memo that addresses the effectiveness of controls, financial reporting standards, and compliance with legislation, directives and policies – including the Government Advertising Act.

While the TBS holds the overall policy responsibility for government advertising, we are not responsible for specific ministry advertisements or ad campaigns, nor do we determine how much funding is allocated to any campaign. Questions about specific campaigns should be directed to the appropriate ministry.

- **TBS as a Ministry vs Treasury Board**

5. What's the difference between Treasury Board as a board and Treasury Board Secretariat the ministry?

The Treasury Board is a committee of Cabinet that provides leadership on the management of the government's financial resources, including controlling all government spending. Treasury Board currently has the same membership as, and sits concurrently with, the Management Board of Cabinet, which oversees the procedures and directives that govern the operation of the government and Ontario Public Service.

Commented [PM(4)]: Or stand-alone?

The Treasury Board Secretariat (TBS) is a ministry within the government responsible for leading efforts on accountability, openness and modernization. TBS' role is to deliver good government and public services in the most effective and efficient way possible, which includes providing advisory services and support to Treasury Board/Management Board of Cabinet.

6. You have said that you don't approve ministry specific campaigns, but isn't it true that Treasury Board approves campaigns valued at over \$1 million?

The Treasury Board Secretariat and the Treasury Board are two separate entities.

If a ministry needs to secure a creative agency contract over \$1 million, they would need to seek **Treasury Board** approval – **not** Treasury Board Secretariat.

The Treasury Board is a committee of Cabinet that provides leadership on the management of the government's financial resources, including controlling all government spending. Treasury Board currently has the same membership as, and sits concurrently with, the Management Board of Cabinet.

The Treasury Board Secretariat (TBS) is a ministry within the government responsible for leading efforts on accountability, openness and modernization. TBS' role is to deliver good government and public services in the most effective and efficient way possible, which includes providing advisory services and support to Treasury Board/Management Board of Cabinet.

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.

- **Compliance and Approvals**

7. Can you explain the advertising campaign approval process?

For government advertising, the Treasury Board holds two pieces: the first is the overall policy responsibility for the Government Advertising Act and its supporting regulation, and the second is the administration of the Bulk Media Buy fund, where we process transactions in accordance with the Financial Administration Act.

As public servants, it is our role to implement legislation and ensure due diligence.

TBS is only one of a number of players in the government advertising approval process.

First, individual ministries must secure central approval for any campaign they wish to undertake.

This process begins in alignment with the fiscal planning process whereby line ministries contribute to the development of a central marketing plan by providing a business case outlining the timing, content and recommended budget for their proposed advertising campaigns for the year.

Funds from the Bulk Media Buy Fund are then allocated across provincial advertising needs and a strategic marketing calendar for the fiscal year is developed.

If the proposal is approved to go forward and external agency support is needed, the ministry will engage the Advertising Review Board – which is an agency of the Ministry of Government and Consumer Services. The ARB would then help the ministry to acquire a vendor through a competitive procurement process.

The ministry must then work with the Office of the Auditor General to screen the proposal against requirements set out in the Government Advertising Act.

If the ministry receives approval from the Office of the Auditor General, the next step is to execute the campaign working with the vendor.

Paid media space for any government advertising campaign is purchased through the provincial media buying agency of record, currently PHD Media.

Once the ministry has worked with the Office of the Auditor General and the provincial media buying agency of record, they prepare a request for funding offset from the Bulk Media Buy fund.

TBS reviews all documentation from the requesting ministry including the invoices and other required materials, conducts due diligence on it, and then makes a recommendation on the transaction.

Documentation is submitted to the Office of Treasury Board for consideration by the Chair of Treasury Board/Management Board of Cabinet. If approved this is commonly referred to as a Treasury Board Order.

The Treasury Board Order would then be processed and funds would flow to the requesting ministry reimbursing it for the advertising campaign. Treasury Board Orders are published each year in the Ontario Gazette. The expense would be reported in the receiving Ministries public accounts.

8. Given TBS is the ministry responsible for government advertising, how do you ensure compliance with the Act?

In the Treasury Board Secretariat's corporate role, it has the overall policy responsibility for the Government Advertising Act.

TBS administers the Bulk Media Buy Fund and processes transactions in accordance with the Financial Administration Act.

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.

Cabinet Office Communications is responsible for the overall coordination of the Bulk Media Buy fund, planning against the

allocated budget, and approving campaigns. Ministries submit marketing plans for the fiscal year and these plans are used to establish the upcoming fiscal year's strategic advertising budget and calendar. Ministry submissions include business cases outlining the timing, content and recommended budget for their proposed advertising campaigns for the year.

All advertising captured under the Government Advertising Act is submitted for review by the Office of the Auditor General. Without that approval, the ads will not run.

In addition, all ministries must go through the Certificate of Assurance process. The Certificate of Assurance is an annual attestation process that provides assurance to the Office of the Auditor General that the government has a strong internal control framework. Developed by the Office of the Provincial Controller, the Certificate of Assurance is an attestation memo that addresses the effectiveness of controls, financial reporting standards, and compliance with legislation, directives and policies – including the Government Advertising Act.

Further questions about specific ministry advertisements or advertising campaigns should be directed to the ministries involved.

- **Specific Campaigns**

9. 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.

TBS administers the Bulk Media Buy Fund and processes transactions in accordance with the Financial Administration Act.

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.

○ **Violations**

10. The Auditor General cited two violations in chapter five of her report. What do you think of that?

The Office of the Auditor General found all advertising submitted in the 2015/16 fiscal year complied with the Government Advertising Act, with the exception of two **preliminary review** submissions.

As the Auditor General notes, the first ad was subsequently changed after the violation and then was issued with approval.

It is important to note that these violations were from a preliminary review with the Auditor General, and were amended based on the Auditor's feedback, indicating that the Government Advertising Act is working as intended.

In our role as public servants, TBS remains committed to assisting the Office of the Auditor General in providing its independent view to the Legislative Assembly.

For questions about specific campaigns, you may wish to speak to the Ministry responsible.

○ **Opioid Awareness**

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

Thank you for your question.

The opioid crisis is a tragic issue, which I know our colleagues in the Ministry of Health and Long-Term Care are taking seriously.

November 9, 2017

I cannot comment on characterizations of waste, and I would like to highlight that Treasury Board Secretariat is *not* responsible for individual line ministry advertising campaigns, and does not determine how much funding is allocated to any campaign, either existing or planned.

However, my understanding is that the Ministry of Health and Long-Term Care is undergoing the development of a comprehensive public education campaign in consultation with the newly established Task Force. \$2.5 million has been identified within the Bulk Media Fund for this campaign, which is more than 10 per cent of the government's health advertising budget.

If you have any additional questions about specific campaigns, you may wish to contact the Ministry of Health and Long-Term Care, or the Ministry of Energy.

Commented [PM(5)]: This opens the door to speaking about all planned campaigns. That means we would need a breakdown of this year's planned spending for whole BMB as back-up.

12. PC Leader Patrick Brown 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. How do you respond?

The opioid crisis is a tragic issue, which I know our colleagues in the Ministry of Health and Long-Term Care are taking seriously.

My understanding is that the Ministry of Health is undergoing the development of a comprehensive public education campaign in consultation with the newly established Task Force. \$2.5 million has been identified within the Bulk Media Fund for this campaign, which is more than 10 per cent of the government's health advertising budget.

However, 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, either existing or planned.

For further questions about this issue, and related campaigns, you may wish to contact the Ministry of Health and Long-Term Care.

○ *Fair Hydro Plan*

13. So we understand that some advertising is necessary but when we think about Hydro Ads in the tune of 5.5 million – money that belongs to the people of Ontario – is being spent to counter negative media coverage of skyrocketing hydro bills. Isn't it your job as the ministry responsible for advertising to prevent this kind of waste?

I cannot comment on the characterization of waste.

What I can say is that, in the Treasury Board Secretariat's corporate role, we have the overall policy responsibility for the Government Advertising Act. We also administer the Bulk Media Buy Fund and process transactions in accordance with the Financial Administration Act.

As public servants, it is our role to implement legislation and ensure due diligence.

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.

For questions relating to specific campaigns, you may wish to contact the ministry responsible.

14. The Auditor General says that you are “obfuscating” the true financial impact of Ontario’s Fair Hydro Plan through a “needlessly complex” accounting structure. How do you respond?

With all due respect to the committee, this question seems to be outside of the scope of what we're here to talk about today – which is the Auditor General's chapter on government advertising.

If pressed:

November 9, 2017

In developing OFHP, the government considered a range of implementation options and consulted with legal, accounting, financial and energy sector third-party experts to provide advice and ensure due diligence was completed.

OFHP operates under a financial and accounting framework that is appropriate for the intended purpose. It is in accordance with Public Sector Accounting Standards (PSAS) and ensures the goals underlying the program are achieved in a cost-effective manner.

○ *Advertising in advance of an election*

15. With the amendments made to the Government Advertising Act, you've restrained election advertising for everyone, except for yourselves. How can you justify this?

It is the government's prerogative to amend legislation as they deem appropriate, and it is not my place to speculate on intention.

As a public servant, it is my role to implement legislation and ensure due diligence.

What I can speak to what is included in the Government Advertising Act, as TBS is the policy holder on this piece.

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.

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

Commented [PM(6)]: Speaks to intent?

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.

Advertisements related to revenue-generating activities or time-sensitive items can continue to be used during the restricted period, including public health warnings and topical emergency preparedness.

16. A group called Working Ontario Women (WOW) is set to launch an ad blitz to prevent a “Trumpian” outcome of next June’s Ontario election. How will government handle so-called third-party groups and their advertisements that could potentially swing an election?

This question falls under the purview of the Ministry of the Attorney General, which is responsible for administering the Election Finances Act.

Broadly speaking, in my role as a public servant, I can tell you that the legislation regulates pre-writ advertising spending by third parties and political parties, and imposes spending limits on third party advertising during election campaigns.

However, for more details on the legislation I encourage you to contact officials at the Ministry of the Attorney General.

17. For the first time, political parties and special interest groups (third parties) will have caps on how much money they can spend on advertising, starting November 9th. How does this differ from the Government Advertising Act?

The Election Finances Act sits with the Ministry of the Attorney General. In my role as a public servant, what I can say is that the Election Finances Statute Law Amendment Act was amended in December 2016 to limit spending to no more than \$1 million on advertising in the six months before a scheduled election is called. This applies to advertising by political parties and special interest groups, or third parties. For further questions on the Election Finances Act, you may wish to contact the Ministry of the Attorney General.

November 9, 2017

The Government Advertising Act, however, applies to all government advertising.

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.

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

Commented [PM(7)]: Speaks to intent

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.

Advertisements related to revenue-generating activities or time-sensitive items can continue to be used during the restricted period, including public health warnings and topical emergency preparedness.

- **Relationship with the Auditor General**

18. How is the government's relationship with the Auditor General?

We have the utmost respect for the independent officers of the legislature, and value the important perspective they bring.

The Treasury Board Secretariat remains committed to assisting the Office of the Auditor General in providing its independent views to the Legislative Assembly.

Government Advertising Oversight and Partisan Advertising

- **Government Advertising Act**

19. What is the purpose of the Government Advertising Act?

Ontario's Government Advertising Act bans government-paid partisan advertising in newspapers, magazines, billboards, radio, and television.

The government introduced legislation in 2004 to ensure governments cannot use taxpayer dollars to pay for partisan advertising.

Under the GAA, the Office of the Auditor General has oversight of government advertising to ensure that an independent third party confirms the standards of the Act have been met.

20. Why was the government advertising legislation amended?

The Government Advertising Act came into effect in 2006 and was amended in 2015 and 2016. The legislation was enacted to ensure that government advertising meets certain legislated standards, including that it be non-partisan. The Act provides for the verification of ads against the standards by an independent third party – the Auditor General.

As a public servant, I cannot speak to the intention of the government's amendments, but I can speak to what is included in the amendments.

The government's amendments included expanding the Auditor General's mandate to include additional media, giving the office oversight of digital advertising, as well as transit ads and movie theatre ads.

The amended legislation:

- Provides a definition of what constitutes 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 are intended to reflect these changes.

21. What is the definition of partisan advertising under the new Act? How has it changed?

In the new legislation, an ad will be rejected as partisan if:

- It includes the name, voice or image of a Minister or member of the Assembly, unless the primary target is outside of Ontario (although an ad is not partisan merely because it uses a member's title, e.g. the Premier's Awards); or
- It includes the name or logo of a recognized party; or
- It directly identifies and criticizes a recognized party or a member of the Assembly; or
- It includes, to a significant degree, a colour associated with the governing party, unless the item commonly appears in that colour.

Under the old legislation, an ad was partisan if, in the opinion of the Auditor, a primary objective of the item was to promote the partisan political interest of the governing party.

"The Auditor General shall consider such factors as may be prescribed (i.e. set out in regulation), and may consider such additional factors as he or she considers appropriate, in deciding whether a primary objective of an item is to promote the partisan political interests of the governing party."

(Note: No factors were ever set out in regulation)

22. As public servants don't you think it is part of your role to ensure that the government isn't spending tax payer dollars on partisan advertising?

The Treasury Board Secretariat holds overall policy responsibility for the Government Advertising Act and its supporting regulation.

November 9, 2017

The Government Advertising Act was introduced to prevent government use of taxpayer dollars for partisan advertising. Amendments introduced in 2015 clarified the term partisan by providing a definition.

According to the legislation, an advertisement 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.

As public servants, we will continue to implement legislation and ensure due diligence.

Commented [PM(8)]: Previously, partisan was not specifically defined.

23. How does Ontario's government advertising legislation compare to other jurisdictions? How does it compare to the federal government's legislation?

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.

Commented [PM(9)]: Are we certain no other jurisdiction has any similar legislation?

This legislation was introduced in 2004 to prevent government use of taxpayer dollars for partisan advertising. The Office of the Auditor General has oversight of government advertising, to ensure that an independent third party confirms that the standards of the Act have been met.

24. The Auditor General says that Ontario has weakened the Government Advertising Act, just as other Canadian jurisdictions were seeking to tighten limits. Why was the Act

November 9, 2017

weakened? And how can you continue to say that Ontario is a leader?

It is the government's prerogative to introduce and amend legislation as they deem appropriate.

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

As a public servant, it is my role to implement legislation and ensure due diligence.

25. Why is there an Advertising Content Directive and the Government Advertising Act?

While the Government Advertising Act (GAA) sets out legal rules that ministries and government offices must follow, the Advertising Content Directive goes beyond the GAA in a number of ways. Specifically, the directive applies to provincial agencies, and clarifies expectations regarding accessibility, French Language Services Act compliance, visual identity, objectivity of content and administrative approval requirements.

Commented [PM(10): Currently under review? Please add a copy to the binder.

26. Is it not a conflict that the government says it's 'abiding by the rules', when they created them in the first place?

It is the government's prerogative to introduce legislation as they deem appropriate.

As a public servant, it is my role to implement legislation and ensure due diligence.

I cannot speak to the intention behind the Government Advertising Act amendments, but what I can say is that amendments included

November 9, 2017

providing a set of criteria by which to determine whether an ad would be considered partisan.

27. Why are some forms of digital advertising out of scope (e.g. ads on Twitter)?

Under the amended legislation, digital advertising is now subject to review by the Auditor General.

A regulation prescribing the form and manner of digital advertising is required in order for this amendment to be operational.

The regulation defines the scope of digital as a paid advertisement consisting of video, text or images, or any combination of these that is displayed on a website with the exceptions noted below.

Out of scope forms of digital advertising are:

- Advertisements on social media websites such as Facebook or Twitter;
- Advertisements that would be displayed on a website solely as a result of the government's use of a search marketing service, such as Google AdWords.

To be relevant, digital advertising often needs to be responsive and timely to get into the market quickly. This is why these types of digital advertising are currently out of scope for review.

As per the Auditor General's report (page 764), an agreement was reached with the government that the Office of the Auditor General would perform an initial scan of any social media channels cited in an advertisement to ensure that the standards of the Government Advertising Act are being followed.

The Office of the Auditor General noted in their report (again on page 764) that content on social networks changes frequently, so the Auditor General's review focuses only on the content that the government controls.

Commented [PM(11)]: We can't confirm this.

November 9, 2017

Ministries still abide by the principles of the Government Advertising Act in all paid advertising, whether it goes to the Auditor or not.

- **Auditor General Comments on Partisan Advertising**

28. The Auditor General said that the amendments that were made to the Government Advertising Act removed the Office's discretionary authority, and instead replaced it with a specific and narrow definition of what is partisan. How do you respond?

The amendments that were introduced in 2015 provided a clear definition of the term partisan.

According to the legislation, an advertisement 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.

Commented [PM(12): Previously partisan was undefined.

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

I can't comment on policy decisions made by the government, nor can I speculate on what the government may decide to do in the future.

In my role as a public servant, I can tell you that the Government Advertising Act was created to ban government-paid partisan advertising in newspapers, magazines, billboards, radio and television.

According to the legislation, an advertisement 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.

Under the Government Advertising Act, the Office of the Auditor General has oversight of government advertising to ensure that an independent third party confirms that the standards of the Act have been met.

The Auditor General:

- Reviews and approves government advertisements before they can be used;
- Reports annually on government advertising, including any contraventions of the Act; and,
- Reports annually on government advertising expenditures.

The Treasury Board Secretariat holds overall policy responsibility for the Government Advertising Act and its supporting regulation, and as public servants we will continue to implement legislation and ensure due diligence.

30. What would your advice be to the government? Would you restore the Auditor General's powers?

I would not speculate on what advice would be given in a hypothetical situation.

And it would not be appropriate to share that advice at committee.

- 31. The Auditor General says that under the original Act, her office would have been able to address the overlap between publicly funded advertisements and the political-party commercials by requiring the government to pull its commercial so as to avoid spending tax dollars to reinforce the partisan messaging of the Ontario Liberal Party. Aren't you concerned that public servants are being used as a tool to support political messaging?**

As a public servant, it is my role to implement legislation and ensure due diligence.

With government advertising, the Treasury Board Secretariat's corporate role includes holding the overall policy responsibility for the Government Advertising Act and administering the Bulk Media Buy Fund and processes transactions in accordance with the Financial Administration Act.

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.

- 32. In her annual report and special report in reference to the amendments to government advertising act the Auditor says that “ if passed my office would be placed in the untenable position of approving advertisements because the conform to the narrow requirements of the GAA – even though they could clearly be partisan by any objective , reasonable standard. As the ministry responsible for government advertising can you tell us what research you used to inform the development of these amendments?**

I cannot comment on any advice or research that may have been provided to inform the development of the amendments to the Government Advertising Act, as this would be considered confidential advice to Cabinet Office. However, I can acknowledge that the changes to the Act provided a definition of partisan advertising. Ministries are expected to be fully compliant with the Act.

33. The Auditor General is quoted on several occasions saying that she “would not have approved that ad” if she still had oversight of government advertising. Is government essentially squeezing out the role of the AG?

The Auditor General has oversight of government advertising.

Under the Government Advertising Act, the Office of the Auditor General has oversight of government advertising to ensure that an independent third party confirms the standards of the Act have been met.

The Auditor General:

- Reviews and approves government advertisements before they can be used;
- Reports annually on government advertising, including any contraventions of the Act; and,
- Reports annually on government advertising expenditures.

Further, amendments to the legislation expand the Auditor General’s mandate to include additional media, giving the office oversight of digital advertising, as well as transit ads and movie theatre ads.

The Treasury Board Secretariat remains committed to assisting the Office of the Auditor General in providing its independent views to the Legislative Assembly.

34. The Auditor continues to identify ads that she believes are partisan. Are they?

Thank you for your question. I cannot comment on the Auditor General’s views.

As a public servant, I can tell you that the Government Advertising Act sets legislated criteria for what constitutes partisan advertising. It requires that all government advertising be non-partisan as defined in the Act.

According to the legislation, an advertisement 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.

Under the Government Advertising Act, the Office of the Auditor General has oversight of government advertising to ensure that an independent third party confirms that the standards of the Act have been met.

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

I can't comment on policy decisions made by the government, nor can I comment on individual ad campaigns, as TBS does not approve them.

As a public servant, I can tell you that the Government Advertising Act sets legislated criteria for what constitutes partisan advertising. It requires that all government advertising be non-partisan as defined in the Act.

Questions about specific advertising campaigns should be directed to the appropriate ministry.

36. The average voter doesn't know anything about how government ads are made. With all the back and forth between the Auditor General and government, who should we believe?

I cannot comment on perceptions of the relationship between the Office of the Auditor General and the government.

As a public servant, I can tell you that the Treasury Board Secretariat remains committed to assisting the Office of the Auditor General in providing its independent views to the Legislative Assembly.

Again, TBS holds the policy responsibility for the Government Advertising Act and the Bulk Media Buy fund.

TBS is not responsible for approving advertising. Questions about specific campaigns should be directed to the appropriate ministry.

37. Why is the government spending taxpayer dollars on partisan ads? Aren't they campaigning on the public dime?

The government's amendments to the Government Advertising Act set out legislated criteria for what constitutes partisan advertising.

According to the legislation, an advertisement 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 Office of the Auditor General has oversight of government advertising to ensure that an independent third party confirms the standards of the Act have been met.

On January 1, 2017, restrictions on advertising were extended in the Act to cover a period of 60 days prior to the writ dropping for a scheduled general election.

While the TBS holds the overall policy responsibility for government advertising, we are not responsible for specific ministry advertisements or ad campaigns, nor do we determine how much funding is allocated to any campaign. Questions about specific campaigns should be directed to the appropriate ministry.

Spending on Government Advertising

- **Bulk Media Buy Fund**

38. What is included in the Bulk Media Buy fund?

The Bulk Media Buy Fund supports the coordinated purchase of media time, creative development, research and production costs to pay for government advertising. It also ensures transparency and efficiencies.

While the Bulk Media Buy Fund supports major expenditures for government advertising, it does not represent funding for all government advertising.

Because they conduct advertising as part of their ongoing mandates, some ministries have dedicated budgets and dedicated staff expertise.

Examples of ministries that retain program-specific or agency-driven advertising spending include:

- The Ministry of Natural Resources and Forestry, which oversees advertising related to Ontario Parks
- The Ministry of Tourism, Culture and Sport, which oversees the Ontario Tourism Marketing Partnership Corporation's advertising related to Tourism Ontario attractions and events; and
- Agencies such as the LCBO, Metrolinx and the OLG, which oversee, conduct, procure and pay for advertising related to their respective business lines.

39. How much was included in the fund?

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

In 2017-18, the allocation is \$56.7M, representing an increase of \$6M over the prior years allocation.

This increase is attributed to anticipated increases associated with advertising and media costs in three key areas: commercialization of digital platforms, expanded translations and accessibility.

Commented [PM(13)]: And new programs?

1. With regards to the **commercialization of digital platforms**:
 - The advertising landscape has changed, and the province needs to ensure that its messages reach people in a way that is relevant and accessible to them. Part of the Bulk Media Buy increase is to allow the government to respond to the tools Ontarians are accessing in the digital sphere, including search engine advertising on Google, promoted tweets on Twitter, short advertisements on YouTube, and banner ads on multicultural news websites. For example, the promotion of Ontario's Student Assistance Program campaign included two distinct creative concepts, one aimed at parents for TV and digital and another aimed directly at youth/students on multitude of digital channels.
2. The second area of increase is due to **expanded translations** for government advertising campaigns:
 - The province continues to work to ensure that campaigns are offered in the languages that are accessible to the people of Ontario. This not only includes expanded translations to reach French-speaking Ontarians, but also indigenous languages, and others that reflect the multiculturalism in this province, like Tagalog, Punjabi, Cantonese, Arabic, Portuguese, Polish, and many others.

November 9, 2017

3. The third area reflected in the Bulk Media Buy increase is related to ensuring compliance with the Accessibility for Ontarians with Disabilities Act, or AODA, requirements
- When the government communicates about important policy changes or what programs and services are available – like vaccinations or new post-secondary programs – it's important that information is accessible to all Ontarians. When we talk about accessibility we mean for example ensure things like closed captioning. The province continues to work to ensure that government advertisements are in compliance with the AODA requirements, which aim to identify, remove, and prevent barriers for people with disabilities.

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 ensuring alignment across provincial marketing strategies and planning. Prior to Bulk Media Buy centralization, ministries would plan marketing programs individually and organize their own media buys. With minimal opportunity to drive alignment centrally, there was unnecessary overlap of campaigns in market and limited ability to reallocate any cost savings to support new or emerging government priorities.

It also streamlines costs associated with campaign financial administration and lowers agency and media costs by accessing bulk rates on media advertising.

As of September 2017, more than 40 campaigns in 14 ministries have been identified for funding through the Bulk Media Buy fund, including public education on consumer protection, promotion of Ontario's Student Assistance Program, and public health campaigns, such as smoking cessation, immunization, and invasive species.

Commented [PM(14)]: This opens the door to speaking about all these campaigns, in which case we would need a breakdown of this year's planned spending for whole BMB.

40. Why did the government double the amount it's spending on ads?

In last year's Public Accounts, (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 fund to about \$50 million. This was done to drive efficiencies.

The government is continuing that practice this year, in 2017-18. The change from last year's adjusted allocation to this year is \$6 million, bringing the balance to \$56.7 million.

This increase is attributed to anticipated increases associated with advertising and media costs in three key areas: commercialization of digital platforms, expanded translations and accessibility.

1. With regards to the **commercialization of digital platforms**:
 - The advertising landscape has changed, and the province needs to ensure that its messages reach people in a way that is relevant and accessible to them. Part of the Bulk Media Buy increase is to allow the government to respond to the tools Ontarians are accessing in the digital sphere, including search engine advertising on Google, promoted tweets on Twitter, short advertisements on YouTube, and banner ads on multicultural news websites. For example, the promotion of Ontario's Student Assistance Program campaign included two distinct creative concepts, one aimed at parents for TV and digital and another aimed directly at youth/students on multitude of digital channels.
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3. The third area reflected in the Bulk Media Buy increase is related to **ensuring compliance with the Accessibility for Ontarians with Disabilities Act**, or AODA, requirements:

- a. When the government communicates about important policy changes or what programs and services are available – like vaccinations or new post-secondary programs – it's important that information is accessible to all Ontarians. When we talk about accessibility we mean for example ensure things like closed captioning. The province continues to work to ensure that government advertisements are in compliance with the AODA requirements, which aim to identify, remove, and prevent barriers for people with disabilities.

41. Why did you centralize the Bulk Media Buy fund?

The government made this change to drive efficiencies. Centralized management of marketing dollars aligns with best-practice marketing processes in complex, multi-product and program organizations.

The centralized fund ensures increased transparency and efficiencies through coordinated purchase of paid media, and the appropriate allocation of dollars based on ministry marketing objectives.

Prior to Bulk Media Buy centralization, ministries would plan marketing programs individually and organize their own media buys. With minimal opportunity to drive alignment centrally, there was unnecessary overlap of campaigns in market and limited ability to reallocate any cost savings to support new or emerging government priorities.

By administering this fund centrally, TBS enables more efficient processes for all marketing campaigns by ensuring alignment across provincial marketing strategies and planning.

Speak to staff resources as well.

42. Is the government planning to centralize more marketing funds?

I am not aware of any plans at this time to centralize more funds.

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

The Bulk Media Buy program ensures efficiencies by supporting the coordinated purchase of media air time and production costs to pay for government advertising.

Centralization of marketing dollars is in keeping with best practice marketing management. Central coordination of the Bulk Media Buy Fund and planning through Cabinet Office Communications ensures government marketing campaigns are:

- Coordinated to reduce overlap in market;
- Aligned with industry advertising standards;
- Supported by the necessary marketing expertise and resources (most ministries do not have dedicated marketing staff);
- Compliant with government requirements (e.g. Government Advertising Act standards, French language requirements, AODA).

TBS holds the approved funding for Bulk Media advertising as an administrative requirement, 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 public 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 ensures 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.

44. Can you explain the vendor procurement process?

The Treasury Board Secretariat is not the ministry responsible for vendor procurement – this lies with our colleagues at the Ministry of Government and Consumer Services.

At a high level, in terms of the procurement process, the Ministry of Government and Consumer Services' Advertising Review Board, or ARB, establishes corporate Vendor of Record "pools" of advertising and communications services companies through open, competitive processes.

All advertising and communications services suppliers are thoroughly evaluated by the ARB to ensure they are capable and meet government requirements.

When ministries need to communicate information to the public they can do so in a cost-effective manner through the use of Vendor of Record companies.

For further questions on the vendor procurement process, you may wish to contact the Ministry of Government and Consumer Services.

• **Auditor General Comments on Advertising Spending**

- 45. The AG report notes that spending on advertising is on the rise – in the fiscal year ending March 31 2016 the total value government advertising was \$49.9 compared to \$20.85 in the previous year – more than double the amount – in an election year. As the ministry that "holds the purse strings" so to speak, how do you justify the increase in year over year spending on advertising?**

In last year's Public Accounts, (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 fund to about \$50 million. This was done to drive efficiencies.

The government is continuing that practice this year, in 2017-18. The change from last year's adjusted allocation to this year is \$6 million, bringing the balance to \$56.7 million.

This increase is attributed to anticipated increases associated with advertising and media costs in three key areas: commercialization of digital platforms, expanded translations and accessibility.

1. With regards to the **commercialization of digital platforms**:
 - The advertising landscape has changed, and the province needs to ensure that its messages reach people in a way that is relevant and accessible to them. Part of the Bulk Media Buy increase is to allow the government to respond to the tools Ontarians are accessing in the digital sphere, including search engine advertising on Google, promoted tweets on Twitter, short advertisements on YouTube, and banner ads on multicultural news websites. For example, the promotion of Ontario's Student Assistance Program campaign included two distinct creative concepts, one aimed at parents for TV and digital and another aimed directly at youth/students on multitude of digital channels.
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3. The third area reflected in the Bulk Media Buy increase is related to **ensuring compliance with the Accessibility for Ontarians with Disabilities Act**, or AODA, requirements:
 - When the government communicates about important policy changes or what programs and services are available – like vaccinations or new post-secondary programs – it's important that information is accessible to all Ontarians. When we talk about accessibility we mean for example ensure things like closed captioning. The province continues to work to ensure that government advertisements are in compliance with the AODA requirements, which aim to identify, remove, and prevent barriers for people with disabilities.

We will continue to administer the Bulk Media Buy Fund with due diligence, and in accordance with the Financial Administration Act.

46. In her report (p. 761), the Auditor General said that part of the reason advertising spending has increased is because more ads are being run that would not have been approved under the previous version of the Government Advertising Act. How do you respond?

At the Treasury Board Secretariat, we can only speak to increases in the Bulk Media Buy fund.

The Bulk Media Buy Fund has increased by \$6 million in this year's Estimates.

In last year's Public Accounts, (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 fund to about \$50 million. This was done to drive efficiencies.

The government is continuing that practice this year, in 2017-18. The change from last year's adjusted allocation to this year is \$6 million, bringing the balance to \$56.7 million.

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AODA requirements, which aim to identify, remove, and prevent barriers for people with disabilities.

47. Why is there a discrepancy in government advertising spending 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 ads.

It's important to note that this is not an apples to apples comparison.

The Advertising Review Board, or ARB, tracks spending by provincial ministries.

In fiscal year 2015-16, the ARB reported total spending of \$42.9 million. 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 \$43.7 million, 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 Auditor General, such as traditional television media. Social media and paid search are not included in this because they are not reviewed by the Auditor General.

It would be helpful to show information as follows:

	Type	Amount (\$)
ARB Review		
AG Review		
BMB		

