Communications Branch
Corporate Services Division
Cabinet Office Marketing
Advertising Review Board

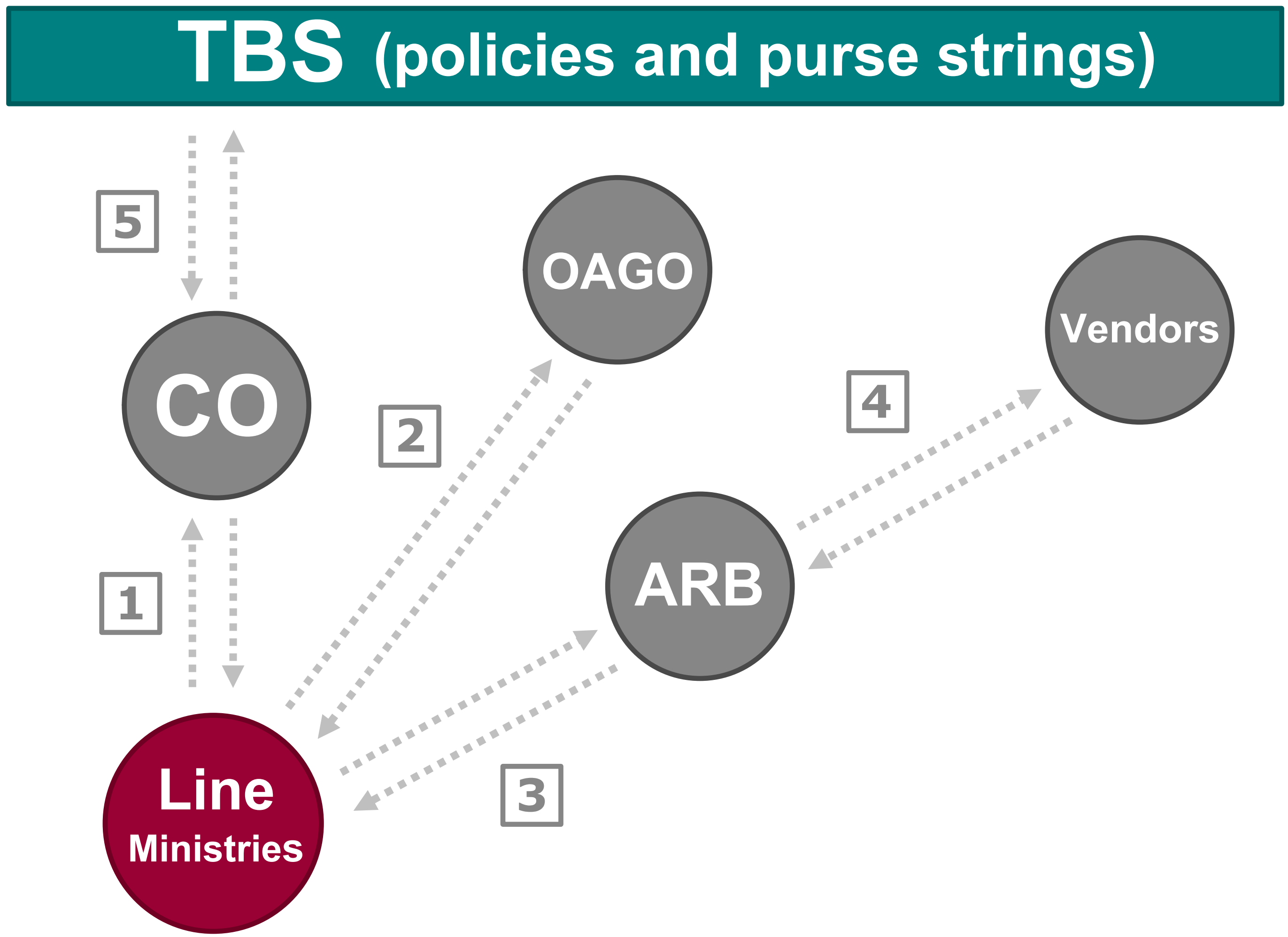
Standing Committee on Estimates

Minister's Briefing on Government Advertising & Bulk Media Buy

September XX, 2017

For Internal Use Only

Key Players



TBS (policies and purse strings)
5
CO
OAGO
Vendors
2
4
1
ARB
Line Ministries
3

GAA: Overview

- TBS is responsible for the Government Advertising Act and Advertising Content Directive.
- GAA came into full effect on January 30, 2006. Requires Auditor General to screen government advertising to help ensure it is free of partisan content.
- 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.
- GAA 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.
- Cabinet Office works with line ministries to provide support and guidance on the review process; line ministries work directly with OAGO on submissions.

GAA: Amendments

- Government made amendments to GAA as part of the 2015 Budget Bill, and were proclaimed on June 16, 2015.
- Changes include:
  - Adding digital advertising to the AG's scope of review. The current and former AG have been requesting the ability to review digital advertising since 2010, and the amendments mean the OAGO now has that ability.
  - Clearly stating what can be advertised publicly by the government, such as fiscal policies and policy rationales or objectives.
  - Clarifying rules around government advertising during general elections.
  - Requiring the government to submit a preliminary version of the ad to the AG for review, in addition to the final review process.
  - Objectively defining what partisan means in relation to government advertising by setting out clear, legislated criteria.

GAA: Amendments (con't)

- GAA defines an ad 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 (the use of a member's title would be permitted e.g., Premier's Awards)
  - Includes the name or logo of a recognized party
  - Identifies and criticizes a recognized party or a member of the Assembly
  - Includes, to a significant degree, a colour associated with the governing party, unless the item depicted in the ad commonly appears in that colour
- New regulation made under GAA (O. Reg. 143/15):
  - Exempts all ads from preliminary review, except for ads produced for TV or cinema and householder ads (exempted advertisements are still subject to final review)
  - Prescribe forms of digital advertising that are within AG's scope of review
  - Prescribe timelines associated with preliminary reviews and final reviews
- In 2016 GAA was further amended as part of Election Finances Statute Law Amendment Act to extend restrictions on government advertising to 60 days prior to the drop of the writ for a scheduled general election.

Bulk Media Buy: Overview

- BMB funding is administered by TBS and supports coordinated purchase of media air time and production costs to pay for government advertising, ensuring value for money and efficiencies.
- Covers costs associated with agency fees, creative production costs, market research costs and the development of related marketing materials to support integrated campaigns associated with government initiatives.
- TBS holds the approved funding for Bulk Media advertising (in the Expenditure Estimates), works with ministries to recover amounts and report on the fund as appropriate.
  - The associated expenses for each ministry-sponsored advertising campaign are reported in the respective advertising ministry's accounts
- Cabinet Office Communications is responsible for the overall coordination of the Bulk Media fund, planning against the allocated budget and approving campaigns.

Bulk Media Buy: Budget

- Bulk Media Buy fund totals $56.7 million in 2017-18.
  - To-date, there are no transactions (Treasury Board Orders) offset from the Fund.
  - Not all government advertising expenditures are offset from the fund.
    - E.g. Agriculture and Food, Natural Resources and Forestry and Tourism, Culture and Sport retain planned advertising spending within their respective vote/item structures for the fiscal year (Printed Estimates).
    - These expenditures are reported in the respective ministries' public accounts.
- In 2017-18, the fund increased by $31.7 million due to the consolidation of funding from line ministries – $21.7 million – and an increase in base funding of $10 million.
- The $10 million increase is attributed to increases associated with advertising and media cost increases, including the commercialization of digital platforms, expanded French and multicultural media coverage and ongoing AODA compliance.
- 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.
  - See appendix for Historical Budget and Expenditures

Bulk Media Buy: Transactions

- Ministries prepare a request to Treasury Board to transfer required allocation from Bulk Media Buy to their ministry, to offset the expense including:
  - A business case which:
    - Demonstrates current appropriations are insufficient
    - Provides detailed account of current appropriations, planned spending, discretionary and non-discretionary funding (e.g., encumbrances), etc.
    - Confirms funding recovered from the BMB is for media spending and will not be reallocated within the ministry
  - Delegated to Chair of TB/MBC Treasury Board Order Request signed by the respective Minister and Deputy Minister
  - Application and Report to Treasury Board/Management Board of Cabinet (i.e. TB/MBC 20 form)
  - A summary and copy of all related invoices

- After consultation with Cabinet Office, TBS Business Planning and Financial Management Branch makes recommendation to CAO and ADM, Corporate Services
- If approved, originals and official copies of documents are submitted to Office of Treasury Board for consideration by Treasury Board/Management Board of Cabinet

Line Ministry vs. Corporate Role

- Line ministry role:
  - TBS is responsible for adhering to government's legislative framework, directives, policies and processes pertaining to advertising
  - No TBS advertising spending to report in 2017-18
- Corporate role:
  - Overall policy responsibility for GAA and Advertising Content Directive
  - Administer Bulk Media Buy fund and process transactions in accordance with *Financial Administration Act*
- **Note:** TBS is *not* responsible for individual line ministry ad campaigns

Key Considerations

- *[pls flag anything that may be relevant to the Minister or officials who are appearing at Standing Committee on Estimates. Consider the information in Estimates when populating this section. E.g. are there key year-over-year variances we should be aware of? Is there anything contentious or likely to raise questions at committee?]*
- PC Leader signalled an upcoming focus on government advertising in pre-sessional press conference (Sept. 11, 2017)
- TBS Estimates Briefing Book entry (pg. 117) states:
  - "TBS works with ministries to support their marketing expenditures and their finance branches to ensure integrity in the public reporting and proper accounting of advertising expenditures."
  - Committee members may argue TBS has ultimate oversight and accountability of all ad spending across government
- In 2017-18, the fund increased by $31.7 million due to the consolidation of funding from line ministries – $21.7 million – and an increase in base funding of $10 million. Media and opposition have raised this.

Key Messages

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.
- We passed this historic legislation in 2004 because we are against the government using 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.
- Ontario needs government advertising that is appropriate, reasonable and effective because the public has a right to know how public money is being spent, and why the government is bringing forward important policy changes – like children's vaccines, tax changes and transit programs.
- Our 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.

Bulk Media Buy Fund:

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

Key Issues

- Partisianship: GAA amendments, perceived weakening of AG role, AG criticism
- Campaign-specific criticism: Climate Change Action Plan, Fair Hydro Plan, ORPP
- $10M increase in base funding
- Different reporting of gov't advertising spend – AG annual report vs. Advertising Review Board:
  - 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
  - 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

Top Questions & Answers

- **Why did you change the GAA?**
  - As part of the 2015 Budget, we 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. Our amendments reflect these changes.

- **Will you restore the AG's previous oversight powers?**
  - 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 has oversight of government advertising, to ensure that an independent third party confirms that the standards of the Act have been met.

- **Why are you spending taxpayer dollars on partisan ads?**
  - We have clarified what is meant by the term partisan by setting out clear, objective, legislated criteria.
  - Our 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.
  - Further questions should be directed to the ministry responsible for the advertisement.

- (pending further input from Comms' GAA media analysis)

Appendix: Historical Bulk Fund Expenditures

Bulk Media Buy Fund ($M)			
Fiscal Year	Printed Estimates and In-year Increases	Expenditures	Variance - Savings
2012-13	25,000,000	(19,921,600)	5,078,400
2013-14	25,000,000	(19,284,700)	5,715,300
2014-15	25,000,000	(23,697,000)	1,303,000
2015-16	25,000,000	(21,123,700)	3,876,300
2016-17	50,465,000	(45,981,000)	4,484,000
2017-18	56,681,500		

***Note**: underspending is returned to the Consolidated Revenue Fund*