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**Standing Committee on
Public Accounts**

2016 Annual Report,
Auditor General:

Treasury Board Secretariat

**Comité permanent des
comptes publics**

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Mercredi 15 novembre 2017

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CONTENTS

Wednesday 15 November 2017

2016 Annual Report, Auditor General.....	P-231
Treasury Board Secretariat.....	P-231
Ms. Helen Angus	
Mr. Len Hatzis	
Ms. Melanie Fraser	
Ms. Karen Hughes	

LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON PUBLIC ACCOUNTS

COMITÉ PERMANENT DES COMPTES PUBLICS

Wednesday 15 November 2017

Mercredi 15 novembre 2017

The committee met at 1234 in room 151, following a closed session.

2016 ANNUAL REPORT, AUDITOR GENERAL

TREASURY BOARD SECRETARIAT

Consideration of chapter 5, review of government advertising.

The Chair (Mr. Ernie Hardeman): We'll call the meeting of the public accounts committee to order. We're here this afternoon reviewing chapter 5 of the 2016 Annual Report of the Office of the Auditor General of Ontario. We have public hearings on it this afternoon, so we're starting that.

We have representatives here from the Treasury Board. We very much welcome you here and thank you for coming in. You will have 20 minutes to make a presentation as to what we'd like to talk about. Obviously, this is about the review of government advertising. You'll have 20 minutes, and then we'll take a round for each party to ask questions or comments to your presentation or anything else they may deem to help with writing a report on this topic. Then the second round will be based on the amount of time left to take us until 3 o'clock and will be divided equally among the three parties.

With that, we turn it over to you. We would ask each person who speaks, as you speak, to make sure that you introduce yourself for Hansard, to make sure that the comments and the copyright to those comments remain with the person who gave them.

With that, the floor is yours.

Ms. Helen Angus: I'll lead off. My name is Helen Angus. I'm the deputy minister of Treasury Board. It's a pleasure to be back in the Amethyst Room. I want to thank the committee for the opportunity to appear before you today, and the Auditor General for her chapter 5 report.

I'm joined today by Melanie Fraser, who is the chief administrative officer and assistant deputy minister of our corporate services unit—she'll introduce herself if she has a chance to answer a question—and Len Hatzis, who is the director of legal services for the ministry as well. Behind me are some colleagues from the ministry. I'll call on them to provide any additional background information that I'm not able to provide myself.

I thought I would start by giving you an overview of Treasury Board—and apologies for those of you who can pass the quiz from our estimates presentation. I'll do a little bit of an overview, because we're in a unique position both as a central agency—we're responsible for working with other ministries—as well as a line ministry in our own right, with specific programs and deliverables.

We're a busy ministry with a substantial mandate. I'd be remiss if I didn't highlight some of the priorities for the committee, just to give you a sense of the breadth of the work of Treasury Board.

First, we support the development and implementation of the government's fiscal plan, ensuring sound stewardship and investment of public funds. We provide support to Treasury Board and Management Board of Cabinet, and we do this through initiatives like the annual release of public accounts. Of course, we don't do that alone. Public accounts is one of the many interfaces that we have with the Auditor General and her office, and we do appreciate our partnership with her office very much.

Secondly, we're also responsible for overseeing labour relations between the Ontario public service and the broader public sector as well. We're also responsible for information and information technology—I&IT—that ensures that technology is deployed effectively and that we derive value across the entire public service for those investments.

We also have internal audit functions, internal human resources policy, oversight of corporate policy and agencies, and agency governance. The one program that we operate directly on behalf of the government is the Open Government Initiative, which is designed to provide more accountability and transparency in the work and activities of the government.

Finally, as some of you know from our last appearance in this room, we're also the ministry that leads the charge on evidence, and specifically on behavioural insights. You heard in this room some of the work that we were doing to apply insights from behavioural science to the policy and programs of government.

We work on a wide range of issues as a ministry. As a central agency, we work with respect to expenditure management. Outlining our overall corporate policy leadership, in our central agency role, we support the President of the Treasury Board, leading the government's efforts on accountability, openness and moderniz-

ation. As public servants at the Treasury Board, we provide advisory services and support to both Treasury Board and Management Board of Cabinet.

Our mandate is set out in the Financial Administration Act. We lead the annual business planning processes for the government, which we call program review renewal and transformation.

We have oversight of government expenditures. We help partner ministries prepare funding and allocation requests to their ministry programs, and we conduct due diligence and provide advice to Treasury Board. I would say that, generally, details on how programs are run are dealt with by partner ministries, whereas advice on how to request expenditures to those ministries is provided by Treasury Board.

1240

I think I'll delve a little bit deeper, now that you have an overview of what we do, into our role in advertising, since that's the topic of the session today. What does Treasury Board actually do in relationship to advertising? We have two mandates. The first is that we do hold overall policy responsibility for the Government Advertising Act and its supporting regulation; the second is that Treasury Board administers the bulk media buy fund, which is a centralized fund where Treasury Board processes transactions in accordance with the Financial Administration Act, which I mentioned just a few minutes ago.

It's important to note that Treasury Board is one of quite a few players in the process. I'll get into that detail in terms of how the decisions are made around advertising and the many hands that have roles in that process.

The Government Advertising Act, as you probably are well aware, was introduced in 2004 and came into effect in 2006. Amendments were made to the act in 2015, including adding digital advertising to the purview of the Auditor General's review, providing a definition of what "partisan" means in relationship to government advertising, requiring the government to submit a preliminary version of certain advertisements to the Auditor General for her review, and introducing legislated rules around government advertising during general elections.

With this act, the province has been and continues to be considered an international leader in government advertising oversight. Ontario remains the only jurisdiction in Canada to have legislation that bans government-paid partisan advertising. The year 2015 was when Treasury Board was assigned responsibility for the administration of the Government Advertising Act. This was formerly held by the Ministry of Government Services. As such and as I've mentioned earlier, we have overall policy responsibility for the GAA, if we want to call it that for short. As public servants, our job is to implement the legislation as written and to ensure that there is due diligence in the administration of the GAA.

While we hold overall responsibility for government advertising from a policy context, I'd like to just point out from the outset that we are not responsible for specific ministry advertisements or ad campaigns. I would

recommend that if you wanted to get information about specific campaigns, those are best addressed by the ministries responsible for them. Our legal director, whom I introduced earlier, is here today and would be happy to answer further questions about the act later in the session.

The second one that I'm sure you're also interested in is our role as it relates to the Bulk Media Buy. The Bulk Media Buy, as I mentioned, is a centrally held fund. It supports the coordinated purchase of media time, creative research and production costs to pay for government advertising while achieving efficiencies. Treasury Board administers the bulk media fund in accordance with the Financial Administration Act, and, by holding the fund centrally, Treasury Board ensures and enables efficient processes for marketing campaigns, looking at alignment across marketing strategies and planning. It also ensures a certain level of efficiency in the purchase and execution of those campaigns.

Going back a few years prior to the Bulk Media Buy centralization, ministries would plan marketing programs individually and organize their own media buys. There was really minimal opportunity to drive alignment centrally, and at times there was unnecessary overlap in the market. As I mentioned earlier, the bulk media fund also streamlines costs associated with campaign financial administration and, through buying more efficiently, lowers agency and media costs by accessing bulk rates on media advertising.

While the program supports major expenditure for government advertising, I think it's important to note that the bulk media fund doesn't actually hold all of the government advertising budget. Melanie Fraser will be able to answer some more questions about what's held within the Bulk Media Buy versus what's held for specific campaigns in line ministries, which tend to be those ministries that have ongoing campaigns year over year, that are sizable and well-defined.

The campaign process, as I mentioned earlier, has many hands, but there are a number of players, including the ministries, Cabinet Office, the Advertising Review Board, and of course the Office of the Auditor General. It all starts with a ministry that identifies a need for an advertising campaign. That ministry would then work with Cabinet Office on a strategy and to get approval for bulk media funding. The ministry would then work with the Advertising Review Board to secure a vendor to actually create a campaign. Once the ad is developed, then it's submitted to the Auditor General for her review. Treasury Board really comes in towards the end of the process, the "pay the bills" stage, as the holder of the Bulk Media Buy. Working with the ministry, Treasury Board reviews all the documentation from requesting ministries. We conduct due diligence, meaning that requests are carefully examined in accordance with the relevant legislation, as I mentioned, including the Financial Administration Act. Melanie can provide more detail on this process.

I hope that this provides some clarity on the government's advertising process and how Treasury Board fits into this multi-step process.

Just to reiterate: Treasury Board Secretariat's central agency role includes, as I said, holding the overall policy responsibility for the Government Advertising Act and its supporting regulations, and then, secondly, administering the bulk media fund, which is the centralized fund where the Treasury Board Secretariat processes transactions in accordance with the FAA.

I probably put enough emphasis on what our role is. I thank the committee for your time today. I look forward to answering any questions you may have.

The Chair (Mr. Ernie Hardeman): We'll start the rotation with the official opposition. Mr. Hillier.

Mr. Randy Hillier: Thank you very much for being here today.

You were just providing a little bit of a flow chart there with the process. It starts off at ministry, goes to cabinet—

Ms. Helen Angus: To Cabinet Office.

Mr. Randy Hillier: —to Cabinet Office, then it goes to the Advertising Review Board.

Who comprises the Advertising Review Board?

Ms. Helen Angus: The Advertising Review Board is actually an agency of the Ministry of Government Services—

Mr. Len Hatzis: The Ministry of Government and Consumer Services.

Mr. Randy Hillier: So it's an arm's-length agency? Or is it internal to the Ministry of—

Ms. Helen Angus: It's an agency of government.

Mr. Len Hatzis: It's an arm's-length agency, and they're used to help with procurement and common service standards to help move the advertisement along, in terms of that step of the process.

Mr. Randy Hillier: It needs approval from the Advertising Review Board before it gets to—

Ms. Helen Angus: Maybe Melanie can talk to the mandate, because there are other players—

Mr. Randy Hillier: Do you need to have approval from the Advertising Review Board?

Ms. Melanie Fraser: Let me just back up a little bit in the process. The ministry—pick a ministry—as they're planning a campaign or planning advertising for a program, they would be working with Cabinet Office communications to seek approval for the campaign in terms of the duration, the timing, and whether they can access the Bulk Media Buy funds.

With that approval, then the Advertising Review Board—it's a mandated board that ministries must access to procure advertisement and media support. It's a mandatory common service. So while they wouldn't go to them—

Mr. Randy Hillier: It's not an approval body.

Ms. Melanie Fraser: Correct. They're basically there to access the marketing community and do that in a fair, open and competitive way by establishing vendors of record that ministries must use in order to execute their campaigns.

1250

Mr. Randy Hillier: Do they identify who the intermediary will be for Treasury Board? Once it goes to the

Advertising Review Board, they make sure that they have vendors of record and whatnot?

Ms. Melanie Fraser: That's correct.

Mr. Randy Hillier: Do they also select which vendor is going to be used?

Ms. Melanie Fraser: Yes. They will have either a pool of vendors based on a prior competition for a particular service, or they may have one mandatory vendor that has competed and been awarded the business for media services.

Currently, PHD Media is the mandatory common service provider. They won that mandatory provision through a competition, and now ministries are mandated to use them for the term of their contract. That's all managed under the Ministry of Government and Consumer Services.

Mr. Randy Hillier: Do they also have any role or involvement in the production, and will they have the vendors of record for who will produce the advertisement?

Ms. Melanie Fraser: Correct. For creative services, for production, for media, for media buy time and air-time—those are the services that ministries would work through the ARB to access.

Mr. Randy Hillier: It's just odd that in 10 years, I've never come across the Advertising Review Board in government agencies committee or in any other aspect.

When this act was changed—going back before that—was this something that either the Treasury Board or other ministries were making arguments towards Treasury Board, that the previous act was too onerous or too difficult and therefore necessitated the change? What was the role or the involvement in Treasury Board or ministries in effecting those changes to the Government Advertising Act?

Ms. Helen Angus: It's hard for me to comment; I wasn't at Treasury Board at the time. Nor can I think about what the intent was behind the changes.

Mr. Randy Hillier: No, no. I'm just wondering if you're aware, or if there is a record within Treasury Board, of correspondence or concerns that the previous act was too onerous or too difficult to comply with. Was there any of that discussion from the ministries to the Treasury Board or from Treasury Board to cabinet?

Ms. Helen Angus: I don't know that any of us would have a—

Mr. Len Hatzis: I don't have any first-hand knowledge of that. You're talking about prior to 2015?

Mr. Randy Hillier: Yes.

Mr. Len Hatzis: Yes, I don't have any first-hand knowledge.

Mr. Randy Hillier: I wonder if that would be a question we could have answered or investigated further—if there were any arguments or any correspondence on record that indicated ministries were having a difficult time complying with the previous act.

Ms. Helen Angus: We can look into that.

Mr. Randy Hillier: You can look and get back to the committee? Okay.

I take it you weren't there, but hopefully somebody in the room here was at Treasury Board when these changes—maybe, if you could, just give us a little bit of a snapshot of what the discussions and the arguments were that were advanced at the time of those changes as to changing the criteria of what would be covered by the act.

Ms. Helen Angus: I think it's difficult—maybe you just want to go over what the changes were?

Mr. Len Hatzis: Yes, I can.

Ms. Helen Angus: Because I can't really speak to what the intent was, but we can actually describe—

Mr. Randy Hillier: Oh, well, maybe there wasn't any discussion—

Ms. Helen Angus: I don't know.

Mr. Len Hatzis: We can't speak to the intent. I can tell you what the amendments are and what the test now is.

Mr. Randy Hillier: Sure. I can read what the act is now; I was just wondering, for background, if there was any analysis or examination or recommendations afterwards of how those changes in criteria would impact government advertising.

Mr. Len Hatzis: I don't have any first-hand knowledge of that. I was not involved, in terms of the intentions, and I can't really speculate on what the decision-making was above me, in terms of the changes to the act. I can speak to, certainly, the instructions that were provided to the lawyers to draft things that ultimately ended up as you see them in the new act.

Mr. Randy Hillier: I'm going to pass it over to my colleague. I have to depart for a few moments. You'll be in good hands with Lisa.

Ms. Lisa MacLeod: How much time do I have on the clock?

The Chair (Mr. Ernie Hardeman): Eleven minutes left.

Ms. Lisa MacLeod: Oh, okay. That's a lot more time than I thought. Thank you.

We've obviously seen some of the ads that some of us would consider, perhaps, self-congratulatory and that sort of thing. When the new law took effect, or the changes to the legislation took effect, it removed the auditor from having more discretion in terms of whether these ads should be approved or not.

What I'm wondering specifically is, now that that has been removed from the Office of the Auditor General, what internal controls does Treasury Board or all of government have in place that are implemented and communicated to ministries to ensure that the government advertising is non-partisan?

Ms. Helen Angus: Mel, maybe you want to answer a little bit more.

Everyone is playing their role in terms of the development of business cases, the various reviews that are required to happen. As we mentioned earlier, the Treasury Board role is largely making sure, as the bills come in and they're paid out of the Bulk Media Buy, that they're

done in accordance with the Financial Administration Act.

But I think that, in the many steps, there are certainly controls in place and—

Ms. Lisa MacLeod: Is there a criteria list?

For example, as members of the provincial Legislature, we have in our guidebook what is and is not allowable through our office budget, paid for by taxpayers. It's a one-page document that was developed throughout the years, most recently in May 2017.

That's very strict. We recognize that, with public money, there are things that we are allowed to advertise, and then there are things that we are definitely not allowed to advertise unless we want to pay for it out of our own pocket or by some other means.

Do you have the same type of guidelines for the government?

Ms. Helen Angus: We would point to the act in terms of what the requirements are. There are other places where there is guidance not only for the Ontario government but for our agencies.

I'm aware—just because I did my homework—that there is legislation, the Election Finances Act, that deals with third-party advertising in advance of a general election. There are different pieces of guidance, depending on different circumstances—

Ms. Lisa MacLeod: Do you have a compendium that could be shared with this committee in order for us to understand what it is?

Mr. Len Hatzis: The Office of the Auditor General has oversight over government advertising. Through her preliminary review of advertisements, or the final review, there is a mechanism in place for ultimately approving or not approving advertising that is partisan or non-partisan.

Ms. Lisa MacLeod: Can you share with us, in a document to this committee afterwards, what that process is, from the beginning to the end?

Mr. Len Hatzis: The process to submit to the Office of the Auditor General a proposed ad?

Ms. Lisa MacLeod: Yes, similar to what exactly we have, as members of the provincial assembly, as parliamentarians.

Ms. Melanie Fraser: Part of the challenge here is that, largely, when ministries are planning advertising campaigns, they are working with the Cabinet Office on the planning and the strategy for those campaigns. Cabinet Office really does provide that advice on how to adhere to the act, and how to execute a campaign, by directing them to work with the ARB.

Once they've developed a preliminary campaign, then they would be submitting the campaign to the Office of the Auditor General for review, to ensure that it complies with the standard of the act. In some cases, those reviews require a preliminary review and then a final review. In other cases, where it's a smaller campaign, it just goes for final review.

In terms of Treasury Board Secretariat's role, when we are looking at compliance for advertising spend, we're looking for compliance from a financial perspec-

tive. We're looking at the Financial Administration Act and whether or not the recovery of the funds from the Bulk Media Buy meets the requirements of the Financial Administration Act to support a Treasury Board order.

Secondarily, as Treasury Board Secretariat, we also have a certificate-of-assurance process, which all ministries have to participate in on an annual basis. That certificate of assurance demonstrates for the Auditor General that ministries have the internal control frameworks to demonstrate that they adhere to all legislation, all directives and all policies, and ministries must attest to that in a cascading attestation through their organization.

In addition to working with Cabinet Office on an individual campaign, a ministry, at the director, ADM and deputy levels, would attest through the certificate of assurance that they have complied fully with the acts and the directives that apply to advertising.

1300

Ms. Lisa MacLeod: I just wanted to point out, though, that the auditor has pointed out a few ads that probably wouldn't pass the sniff test. One is the ORPP ad, which cost about \$8 million. The second was some climate change initiative advertisements that were roughly about \$3 million.

I viewed the ads. I didn't think that there was any value added to my constituents, because there wasn't anything, if they clicked the link, that they would find on how it was going to impact their life. There were lots of aspirational and motivational things there, no question, which is fine—but I think that's the problem that I have.

When you were back here when we had estimates last month, Michael Colle, who's a colleague of mine from the Liberals, talked about the auditor and an ad that he said was rejected because the apples were too red. Then I understand that there was a YouTube video developed talking about all of these ads that had been rejected, and that had been developed by a ministry, only to find out from my digging around that that was totally untrue.

I wanted to know if you have a comment with respect to that YouTube video, if that was developed by the Treasury Board Secretariat, and if you have any comments to set the record straight about that one ad that people have been suggesting was refused when it wasn't.

Ms. Helen Angus: You know, I haven't seen the video—I've never heard of it, actually—so it's impossible for me to comment on that. I don't have a line of sight into what that would be or who would have done it. Certainly it has not been part of the conversations that we've had around—

Ms. Lisa MacLeod: Well, your minister has said that in public, so maybe you want to look into it.

We're getting into an election very soon. It is anticipated that the government is not going to be advertising, unless it's of a public service nature, 60 days before the election campaign—but as we've seen based on the ORPP ads, the climate change initiatives and even some education ads, there really isn't any benefit directly to any of our constituents. I think there was even an infra-

structure ad that suggested that there was going to be \$160 billion spent on infrastructure, suggesting that that was going to happen this year; of course, that was over a 12-year period, but you never would have noticed that.

So I'm wondering, in the lead-up to the Ontario election, what safeguards have been put in place by the bureaucracy to ensure that taxpayer money is not used for political partisanship for the government?

Mr. Len Hatzis: There were amendments to the act that clarified and confirmed restrictions around advertising during the time associated with general elections. I should just highlight for you that while the GAA requires that government advertising be non-partisan, there was a desire to further limit government advertising during a general election campaign. In this vein, the legislation restricts government advertising during the writ period of a general election campaign, with limited exceptions. Only advertisements related to revenue-generating activities or time-sensitive items can continue to be used during the restricted period.

I would add that under further amendments in 2016—the deputy referred to the Election Finances Statute Law Amendment Act—there were additional restrictions put into the issue of funding for advertising, and the restricted period is now 60 days prior to the writ period for a scheduled general election. This means that in 2018, we understand that the restricted period will start on March 10 and end on June 7. In addition to the prohibition on advertising during the election period, section 8 of the legislation continues to prohibit publication of an item that has not been reviewed by the Auditor General—or that the Auditor General has provided notice that the item does not meet the standards in the legislation.

So there are safeguards build right into the legislation with respect to the question you've just raised which make it very clear about the restrictions that are in place, both with respect to the 60 days prior to the writ period and during the election campaign.

Ms. Lisa MacLeod: How will you identify the exemptions?

Mr. Len Hatzis: Well, I can't speak to how it will be done, because I haven't been involved in such a case, but the act makes clear that it has to relate to a revenue-generating activity or is time-sensitive, or matters that fall outside the scope of the act. So there will have to be a decision made on whether it meets those strict requirements or not.

Ms. Lisa MacLeod: Can you give me an example of each case? What's time-sensitive to you? What's revenue-generating?

Mr. Len Hatzis: I think there is a note that in prior years there was a Foodland Ontario—if you give me a second, I can try to find something.

Ms. Helen Angus: The LCBO?

Mr. Len Hatzis: Yes. I think Ontario bonds were also raised in 2014. But I can't pretend to know all the examples of where that has happened in the past.

Ms. Lisa MacLeod: Well, you should know it, though. That's why we brought you in.

Mr. Len Hatzis: I'm speaking to what the act says as of right now, post the 2015 amendments. The new amendments do provide these prohibitions and restrictions around advertising, both during the election campaign and the 60 days prior.

Ms. Lisa MacLeod: So can you assure Ontarians who might be watching this from home that there will be no political-type ads that are going to be run by the Ontario government similar to the ORPP ads, similar to the infrastructure ads, similar to the education ad, similar to the climate change ad?

Mr. Len Hatzis: I can speak to the prohibitions and restrictions that are in the legislation that I just mentioned, that provide for the oversight that I just discussed.

Ms. Lisa MacLeod: Do you have anything more to add?

Mr. Len Hatzis: No. I'm speaking to chapter 5 of the Auditor General's report, which I don't think that question relates to, but I've tried my best to answer it by saying that the prohibitions and restrictions that have been incorporated into the Government Advertising Act deal with the issues you've raised. Those 2016 amendments are reflected now in the Government Advertising Act.

Ms. Lisa MacLeod: How much time? A minute?

The Chair (Mr. Ernie Hardeman): Yes; just one more minute.

Ms. Lisa MacLeod: What other suggestions could be put forward to strengthen the GAA in terms of ensuring that public money is not used to advance political partisanship?

Mr. Len Hatzis: I can't speak to what could be used to strengthen it, but I can tell you that under that act there is oversight by the Auditor General and there are standards with respect to government advertising, and the standards include a clear, objective definition of what is partisan.

Ms. Lisa MacLeod: Perhaps the auditor would like to comment.

Ms. Bonnie Lysyk: I'll just clarify that there is clarity around what we do and what we don't do.

Prior to the change in the act, the Office of the Auditor General had discretion to determine whether an ad was partisan. We could look to see whether an ad fostered a positive impression of a government party; we could look at the ad to see whether or not it was factually accurate. Today, we can't look at an ad to see whether it fosters a positive impression of government, and we cannot look at an ad to see whether or not it is accurate in what it's conveying to the public.

The only thing that we screen the ads for are that there is a logo that says it's paid for by the government of Ontario; the ad must not include the "name, voice or image of a member of the executive council or member of the assembly, unless the item's primary target audience is located outside of Ontario"; it must not include "the name or logo of a recognized party"; it must not directly identify or criticize "a recognized party or a member of the assembly"; and it must not include, "to a

significant degree, a colour associated with" the government party.

The discretion with respect to the two first points I made is no longer in the act, so I think it would be wrong for the public to assume that we are screening the ads as we did prior to the amendments for partisanship as was defined under the prior act and deemed partisan by an advisory committee that we had.

The Chair (Mr. Ernie Hardeman): Okay. With that, your time is consumed. We'll go to the third party.

Mr. John Vanthof: Thank you for coming to present today, and thank you to the Auditor General as well for being here.

We've heard several times from the government and in the Legislature that this act has been strengthened and it's more robust than it was in the past. Following up on the auditor's comments, one of the tenets of our democracy is independent parliamentary officers.

From what I understand in this act, the discretionary authority of the parliamentary officer—in this case, the Auditor General—has been curtailed by the governing party.

In your opinion, does that actually strengthen this act?

Ms. Helen Angus: Len, I think we might want to talk about—

Mr. Len Hatzis: The act has been strengthened in the sense that the scope of the review by the Auditor General has increased pursuant to these amendments. For example, digital advertising is now caught in something that needs to be reviewed.

Mr. John Vanthof: But her ultimate power of discretion has been narrowed.

Mr. Len Hatzis: The definition of what is partisan has been clearly laid out in the act so that there's a transparent, objective test associated with what is partisan, so it still bans partisan paid government advertising.

1310

Mr. John Vanthof: But the government of the day is controlling the discretion of the independent parliamentary officer. Would you disagree with that?

Mr. Len Hatzis: I would say that the test that was in the prior act has been replaced by an objective test that sets out exactly what is meant by the term "partisan."

Mr. John Vanthof: On that point, then, could someone please provide me, or provide the committee, with a list of the problems that there were with the prior act? I know you don't have that answer, and I don't expect you to have that answer today. But there should be a list at some point of who made the call that the prior act wasn't strong enough or that the discretionary authority wasn't warranted.

So far, in my short time here, when legislation gets changed, it gets changed for a reason. Someone is pushing the change to the legislation. If no one is pushing, then, hopefully, any government is not going to change things that work. So there must be a document somewhere that says, "We should have this changed, because it's not working." Or could you show that it wasn't working?

We are very concerned—extremely concerned—that independent discretion is being removed from the system.

Especially when I hear from the government side that it's so much more robust and the act is being made so much stronger—I always go back to my business—perhaps you're making the fences higher, but you're also closing the gate of independent discretion. So, if it's possible, could someone come up with the reasons why the discretionary power was changed?

My second issue is—the ORPP has been brought up quite often. Again a lot of these questions that we're going to come up with probably won't be able to be answered, because from what I understand, you're more the “follow the money trail,” to make sure the money doesn't go in the wrong place. We're with that. That's the Treasury Board; you're Treasury Board, right?

But with the ORPP ad—and I love this one. This is the one where the guy is running down the bridge and it's not there, and then he jumps and then the bridge appears. The issue with that ad, from our perspective, is that at the time the ad was put out, that bridge wasn't appearing. Factually, it was a concept. It appeared, but it hadn't been passed by government. It was advertising the governing party's intent. It wasn't advertising a government policy that was actually in place. I think that's the difference, from our perspective.

So who in cabinet or the cabinet committee decides at this point, since the Auditor General's discretion has been removed, what that line is? When is it advertising for a concept—and is that okay—or when is it advertising for an actual program that exists?

I don't have a problem with advertising for a program that exists—and that's my next question—particularly if you have to apply for the program. Then it makes a lot of sense to advertise. But if you don't have to apply for it, then you wonder.

Anyway, the way the system is now, who makes the decision? Since the discretionary power of the Auditor General is no longer there, whose decision is it? If you remove the discretionary power from one body—in this case, an independent officer of the Legislature—you are putting the discretionary power in the hands of another body. Who is that body?

Ms. Helen Angus: It isn't Treasury Board, just because, obviously, we come in later in the process, after all this has happened. The Auditor General would have done her review. The advertising would proceed, assuming that that all went well.

So you have to look back earlier in the process where, obviously, ministries come up with their plan, based on a business case, to develop an ad. Then there's the creative; the Auditor General sees that. Cabinet Office communications is involved in the portfolio of advertising for the government, so those kinds of questions about specific campaigns are really best addressed, I think, to the line ministry that would have developed that advertisement.

In the case of the ORPP, I would assume that that would have been finance. In the case of some of the

others, you would point to the Ministry of the Environment and Climate Change or wherever. They might be able to give you a little bit more sense of what the thinking was behind the advertising, what the target market would be, that kind of thing, which is really outside of the purview of the public servants here who work at Treasury Board.

Mr. John Vanthof: My next question: If we look at two advertising programs in, I would take it, the same ministry—so you have the OESP, Ontario energy support program—is that what the S stands for?

Ms. Helen Angus: That sounds right.

Mr. John Vanthof: Anyway, OESP, and the other one is the fair hydro plan. So the OESP you have to apply for. I can understand advertising for that. But for the fair hydro plan, is that actually beneficial to the public when the parts we don't have to apply for—are you then simply advertising for the government of the day, regardless of which government, or are you actually advertising to help constituents? Because if you're advertising so that more people can apply for a program—but if you're simply advertising for a program that there really isn't an application process for, is that non-partisan advertising?

Ms. Melanie Fraser: I would say that ministries, as they're either rolling out or moving forward with a program, prepare a business case. That business case may include advertising as part of the program launch or program rollout or program refresh. Again, the rationale and the logic for that business case are developed by the responsible ministry. It's shared with Cabinet Office. Cabinet Office is coordinating and planning amongst multiple campaigns. They're working with the Advertising Review Board to determine the best method for executing the campaign to meet the program objectives. But again, those are probably questions best addressed to the ministry that is leading the program.

In terms of Treasury Board's role in this, through the policy specified in the GAA, we set out a test for how the advertising should be conducted and what is subject to the Auditor General's review. But again, speaking to specific campaigns about OESP or fair hydro, those would be questions for the ministry responsible.

Mr. John Vanthof: I appreciate that.

Ms. Helen Angus: As a practical matter, it's no surprise that Treasury Board itself doesn't advertise. I'm not sure what we would advertise. We actually aren't really involved in that process as a line ministry, because that really has not been our business or our way of communicating with stakeholders.

Mr. John Vanthof: If I could continue, again this will be another question that won't be able to be answered by you folks, but hopefully someone out there in the government world can answer this question. On OESP, we could see your benchmarks and the goal. You want so many people to participate. You can see that if there aren't enough people participating, you strengthen the advertising budget or extend it.

But on a program that doesn't actually have application, as with much of the fair hydro plan, what is that

benchmark and who makes the decision? If the benchmark is, do more people know about the fair hydro plan even though you don't have to apply, where is the line crossed where that is partisan advertising? It's not a question that you guys can answer; I appreciate that. You're "follow the money." But following the money, how is the benchmark set on a program?

ORPP is the same. A program that actually never came to fruition provincially—how is the benchmark set on the benefits and the return to the people of Ontario on the cost of that program? Again, somewhere there has to be a process of, what was the benefit? Because whenever someone is making a decision and when in many cases the discretionary authority of the parliamentary officer has been removed, then it's much more important that there's actually a benchmark set of what is the purpose and what is the goal. I almost feel sorry for you guys. I know it's not you, but someone somewhere has to.

1320

We'll switch gears again. With the advertising in hydro bills regarding the fair hydro plan, I would like to know, (a) are there figures on how much of that budget has been spent and (b) advertising like that—could that continue within the 60 days of the election?

Ms. Helen Angus: Len, maybe you can give an interpretation of the law.

We have yet to receive any requests for this fiscal year related to the Bulk Media Buy. We haven't processed any invoices yet. I imagine they're coming. But I can't tell you how much money will have been spent at this point during the year.

Mr. Len Hatzis: I can't speculate on whether something would pass muster in terms of falling within those limited exceptions where advertisements are permitted during the blackout period, so we'd have to see what the facts are on the ground. Again, I can tell you that it has to relate to revenue-generating activity or be time-sensitive. Those are the two main criteria listed in the act. There would have to be an assessment with all the facts before you could come to a conclusion on that.

Mr. John Vanthof: So if you haven't processed any of the invoices—has no advertising been bought yet for that period? Or you just haven't seen those invoices?

Ms. Helen Angus: Mel, maybe you want to explain how late in the process Treasury Board—and how it works in terms of the Treasury Board order.

As a practical matter, those expenses are also gazetted so that they become visible to the public.

Maybe you want to just give a bit of an overview on that.

Ms. Melanie Fraser: Sure. Just going back to that process: The ministry responsible, and in this case it would be the Ministry of Energy we're referring to, would develop a business case. They would be working with Cabinet Office. They would seek approval to access the Bulk Media Buy funds through Cabinet Office as part of their coordination of all of the advertising campaigns. Then they would need to seek approval on the campaign from the Auditor General and work with the ARB to

execute the campaign. That all takes some time. At the end of that process, once the ministry has expended the amounts for advertising, they then prepare a business case, which they then submit to us with all of the invoices documenting the spend as well as documenting their need to actually have an increase in their appropriation in-year to cover those costs.

Typically, because a number of things have to happen before they have invoices in hand for the total cost of the campaign, we tend to see a lot of Q4 end-of-year requests for accessing funds from the campaign. So it's not atypical in any given year for us to go usually into Q3 before we start to see any requests for funds.

I would anticipate that, again, we're sort of in that same scenario this year where we haven't yet received any requests for access to the fund yet. But at some point in time it will come, and then my staff in Treasury Board Secretariat—you'll recall, we had some conversation last time we were at estimates about how much processing we do of recoveries for all of our business lines, including I&IT—perform their due diligence. They ensure that the money is being spent; that it meets the test of the Financial Administration Act; that the ministry requires the appropriation; that those funds will only be spent on the purpose for which they were intended for, which is to pay the media invoices. Then we will support them in preparing a Treasury Board order.

As the deputy mentioned, once the Treasury Board order is approved, those Treasury Board orders are minuted. That minutes the expenditure increase in that ministry's expense. The expense will show up in their public accounts. So it doesn't show up in Treasury Board's accounts; it shows up where it was spent. And then the Treasury Board order is actually published in the Gazette, so that there is transparency on why the monies were transferred in-year as part of the process. That all takes a good year to happen.

Mr. John Vanthof: How much time do I have left?

The Chair (Mr. Ernie Hardeman): About a minute and a half.

Mr. John Vanthof: Okay, cool. Thank you.

So if I understood you correctly, you do, as Treasury Board, have some kind of role in controlling spending?

Ms. Melanie Fraser: Yes.

Mr. John Vanthof: Okay. So what would be your view as to why government advertising increased by about \$20 million in 2015-16?

Ms. Melanie Fraser: I can speak to that; hopefully I have enough time. In 2015-16, the Bulk Media Buy fund was \$25 million. In 2016-17, again, the base fund was \$25 million, but there was funding being spent across ministries on individual campaigns. We didn't actually increase the funding in the Bulk Media Buy; what we did was we centralized those funds from other ministries. I think there were almost 20 ministries where those funds were centralized into the Bulk Media Buy, bringing the fund from \$25 million up to \$50 million.

What that did was to (1) allow us to purchase more media in bulk, and then (2) allow Cabinet Office to co-

ordinate and ensure that campaigns aren't going to market at the same time. There is not unnecessary overlap. If there are savings associated with one campaign because the costs have come down for whatever reason—

Mr. John Vanthof: Overall spending did not increase, then?

Ms. Melanie Fraser: The overall spending—

Mr. John Vanthof: Government advertising spending did not increase?

Ms. Melanie Fraser: I can't speak to overall government advertising. What I can speak to is the amounts that were in the Bulk Media Buy fund.

The Chair (Mr. Ernie Hardeman): And you can speak more to that next time around, because the time is up. We go now to the government side.

Mr. Han Dong: It's good to see you, Helen. Actually, I was going to ask a similar question. In the briefing this morning, we noticed that in the 2015-16 advertising expenditures, there has been a sharp increase. I was going to ask you: Why is that? Is it because we are doing more inclusive advertising to address the diversity of the province? Because I know that we rolled out a lot of programs, and there's a need to inform all Ontarians what they're entitled to.

Ms. Helen Angus: Melanie, why don't you carry on and explain. You were talking about the year-over-year increase, but also what it buys, because there are some new requirements in the marketplace. I think you can give a portrayal of what those requirements are.

Ms. Melanie Fraser: Sure, I'd be happy to do that. Again, picking up where I left off, in the 2015-16 year, as I mentioned, we had \$25 million in the Bulk Media Buy as a base fund. In 2016-17, we had \$25 million as a base fund, and then we consolidated the marketing funds from 20-some different ministries into the centralized Bulk Media Buy fund, bringing the total amount to \$50 million.

This year, in 2017-18, the Bulk Media Buy fund is now \$56 million in our printed estimates, so year over year, it has gone up by \$6 million. That \$6 million is attributed to increases in a couple of different areas, and I'll go through them.

I think one of the major changes in the advertising is the commercialization of digital platforms. This is a bit outside of my scope, as a money gal, to speak to, but really, when you look at the landscape for advertising—YouTube, Facebook, Google search ads, tweets on Twitter—this is a different type of media buy, and that is driving the costs up to some degree.

The second area, though, I would say, is related to expanded translation. We know we're very fortunate to live in an extremely diverse province, so not only do we advertise in indigenous languages, as well as in both official languages, French and English, but many of our campaigns that are run by the province of Ontario are run in several different languages. I can think of invoices and bills that we've paid for Tagalog, for Polish, for Cantonese, for Punjabi. There are many, many different languages, and that also adds to the cost.

1330

I would say the third area that is also inflating costs relates to our compliance with the Accessibility for Ontarians with Disabilities Act, or AODA, as we commonly refer to it. When we're trying to advertise, or when ministries are advertising, it's important that they're communicating to all people, including folks with disabilities. You can think of things like closed captioning and described video. Then you can think of closed captioning and described video across a number of those different channels that I spoke to earlier, those digital advertising channels.

When you're advertising on Twitter and Facebook, and in different media that the population are now accessing, and then you have to layer on different languages and you have to make sure that they are accessible, you can see that that provides for more costs associated with advertising in general.

Mr. Han Dong: Great; thank you. I heard an opposition member mention the OESP. I think the government advertising is part of our strategy to get many people signed up. I know we have around 300,000 Ontarians already signed up since last year. It's important to inform them. I hope that members of all parties can help us to increase that enrolment and make sure these programs are benefiting as many Ontarians as possible.

The briefing actually makes me wonder: How do we prove there is value—because this is value for money—in the advertising? I take the free-tuition commercial, for example. At the end, it shows that there is a website link. Do you have any number that speaks to the hits after the advertising, or how many visits to the OSAP website would correlate to the advertising?

Ms. Helen Angus: I'll give you the same answer that we gave to the opposition members. Again, we wouldn't have a line of sight into any specific campaign from any ministry. That's probably a question that our colleagues at MAESD would be able to answer for you.

Mr. Han Dong: I would love to see that number, because I know the overall enrolment in the OSAP program has increased—because I'm the PA to the ministry—quite a bit; I think it's 15%. I just want to know if there is any number immediately to show the increase in website visits.

Coming back to the basics, we were the first and still the only jurisdiction that banned government-paid partisan advertising. Can you speak to why we did that, and the changes that were brought forward in 2015?

Ms. Helen Angus: Len, maybe you can talk to the changes. Again, I'm not sure that we can speak to the intent behind the changes. Maybe you can describe them more fully.

Mr. Len Hatzis: Sure. I can speak to the changes that were made in 2015.

The key changes to the Government Advertising Act included, firstly, adding digital advertising to the Auditor General's scope of review.

Over the last 10 years, the media landscape has undergone significant changes, especially with the rise of

digital advertising. Amendments to the legislation seek to reflect these changes. Current and former Auditors General have been requesting the ability to review digital advertising since 2011, and the government's 2015 amendments broadened the Office of the Auditor General's mandate to include digital advertising.

Under the amended legislation, digital advertising is now subject to review by the AG. Specifically, section 2(1)(c) now provides that the legislation "applies with respect to any advertisement that a government office proposes to pay to have ... displayed digitally in a prescribed form or manner." There are some exceptions, but this captures almost 90% of the government's overall spend in online marketing, and these items are subject to review.

The second change was to define what "partisan" means in relation to government 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 of the Legislative Assembly, unless the primary audience is outside of Ontario; if it includes the name or logo of a recognized party; if it directly identifies and criticizes a recognized party or member of the assembly; and if it includes to a significant degree a colour associated with a governing party, unless the item depicted in the ad commonly appears in that colour. This is a clear objective test of what is considered partisan.

A third change to the act included adding a broad statement that the act doesn't prevent or limit government advertising that meets the standards or is not subject to review under the act, followed by examples of reasons why government offices might appropriately choose to advertise. Such reasons include:

"(a) informing the public about existing, new or proposed government programs, plans, services or policies, including fiscal policies such as policies respecting pensions or taxes;

"(b) informing the public about changes or proposed changes to existing government programs, plans, services or policies....

"(d) informing the public of their rights and responsibilities under the law;

"(e) encouraging or discouraging specific social behaviour, in the public interest;

"(f) promoting Ontario or any part of Ontario as a good place to live, work, invest, study or visit;

"(g) promoting any economic activity or sector of Ontario's economy or the government's plans to support that economic activity or sector; and

"(h) informing the public about Ontario's relationships with other Canadian governments, including promoting Ontario's interests in relation to those governments."

The fourth change involves requiring the government to submit a preliminary version of the ad to the Auditor General for review, in addition to the final review process. This requirement puts into legislation the prior practice of seeking preliminary approval of advertisements which have significant production costs, such as

TV ads. The new regulation exempts all advertisements from preliminary review, except for ads for TV or cinema and householders. Ads that are exempted from preliminary review are still subject to final review before being broadcast or published. Further, the amendments to the legislation require the Office of the Auditor General to conduct preliminary reviews within nine business days and final reviews within five business days. The legislation still requires that items be submitted to the Auditor General for final review, which is set out in section 4.1.

The fifth key change was made to clarify rules around government advertising during general elections. While the Government Advertising Act requires that government advertising be non-partisan, there was a desire to further limit government advertising during a general election campaign. In this vein, the legislation restricts government advertising during the writ period of a general election campaign, with limited exceptions that I spoke to earlier. These include only advertisements related to revenue-generating activities or time-sensitive items that continue to be used during the restricted period as well as items to which the act doesn't apply.

Finally, in 2016, the GAA was further amended as part of the Election Finances Statute Law Amendment Act to extend the restrictions that I just described. The restricted period is now 60 days prior to the writ period for a scheduled general election. This means that, in 2018, the restricted period will start on March 10 and end on June 7. In addition to the prohibition on advertising during general elections, section 8 of the legislation continues to prohibit publication of an item that has not been reviewed by the Auditor General or where the Auditor General has provided notice that the item does not meet the standards in the legislation.

In conclusion, the five key changes in terms of the 2015 and 2016 amendments were adding digital advertising, objectively defining what is partisan, stating examples of what can be advertised publicly, requiring preliminary versions of advertisements to be shared with the Auditor General when there are significant production costs in addition to the final review process and, finally, restricting government advertising during general elections.

Mr. Han Dong: Thank you. Just going back to the decrease over the years: Since 2007 to even now, in 2016 or by the time of the report, advertising expenditures have been dropping. By the way, do you have a number for 2002 and 2003 of how much the advertising expenditure was at the time?

Interjection.

1340

Mr. Han Dong: Chair, can we ask our presenters to provide that number later to the committee?

The Chair (Mr. Ernie Hardeman): If you can ask them what?

Mr. Han Dong: The advertising expenditure for the year of 2002-03.

The Chair (Mr. Ernie Hardeman): You can ask the panel anything you want.

Ms. Melanie Fraser: We may not be able to provide that number, just given that we have the bulk media buy fund currently in our printed estimates and in our appropriation, but I don't believe the bulk media buy fund existed in 2002-03, so we wouldn't be able to give you a consolidated figure for Treasury Board Secretariat's advertising fund.

Mr. Han Dong: Okay. I want to share some numbers with the committee, because I'm the parliamentary assistant to the minister of higher education.

Going back to the free tuition advertising, I have some numbers here.

The advertising campaign ran in two phases: November to January, and then March to May, in 2016-17.

Between November 28, 2016, to January 13, 2017, and March 10, 2017 to May 14, 2017, combining YouTube and social gaming, there were 34 million impressions.

Spotify: Between November and December 2016, that's 680,000 impressions.

On social media: Facebook, in the same period, combined with Instagram and Snapchat: 45 million impressions.

On TV ads between April 10, 2017, and May 14, 2017: 52 million impressions.

Cinema: December 9, 2016, to December 29, 2016, and also March 10, 2017, to April 6, 2017: 14 million impressions.

There are a couple of other numbers. My point is that, between November 28, 2016, to June 20, 2017, the page views were over four million.

The online calculator, which is a tool provided by the ministry—its use is well over a million, as well, so that results in the increase in application by 15%.

So I think there is definitely value in the advertising campaign, as we can see in the increased visits and increase in application, which leads to my question for the presenter: Can you explain the advertising campaign approval process by the Treasury Board?

Ms. Helen Angus: Yes. Do you want to go through end-to-end or just what Treasury Board itself does?

Mr. Han Dong: Why don't you tell us from the beginning to the end?

Mr. Randy Hillier: As long as possible.

Laughter.

Mr. Han Dong: As detailed as possible, so the opposition members can learn about this.

Ms. Melanie Fraser: Maybe I'll just recap the front end of the process fairly quickly, since we've spent some time on that already, in terms of how a ministry with an advertising need related to a program would work with cabinet office.

As we discussed, once they have approval to access the bulk media buy and approval on their campaign from Cabinet Office, they would then work with the Advertising Review Board to plan the creative aspects of the campaign, which, from Treasury Board's perspective, we're less familiar with.

Once they've done that, they would then be working with the Auditor General's office to seek approval on the campaign itself.

As I mentioned before, after the campaign has been launched and all of the invoices have been received by the ministry—at that point, the ministry would begin preparing a Treasury Board submission or what we can call an "MB20"—the technical term for it—that would outline the expense and why they need the appropriation increase in the ministry. They would need to demonstrate that they have no other funding available, and then they would need to demonstrate that the funds that they are seeking would only be used to offset the costs associated with the advertising. They work with my team in the corporate services division on that business case, and they go back and forth, providing a process of due diligence, which is really ensuring that the business case meets the requirements of the Financial Administration Act and all of the directives and policies that apply for the recovery of those funds.

Once that business case is developed, it would then be signed by the deputy minister and the minister of the ministry requesting the funds. We alert our colleagues at the Office of the Treasury Board that the submission is coming forward. In my role as chief administrative officer and assistant deputy minister, I would sign off on the business case to attest that they've met the test of the Financial Administration Act—

The Chair (Mr. Ernie Hardeman): If I could stop you there—if Mr. Dong hadn't put quite as much in the preamble, you'd have had time for your whole answer, but you've run out.

Ms. Melanie Fraser: Thank you.

The Chair (Mr. Ernie Hardeman): For the second round, because of your shorter presentation, we do have a full 20 minutes for each party. With that, we will start with the official opposition. Ms. MacLeod.

Ms. Lisa MacLeod: Government advertising submissions appear to be on the rise. I just wanted to point out that in fiscal year 2015-16, the auditor reviewed 1,384 final advertising items in 229 submissions.

The value of the government advertising was nearly \$43.65 million, and not within that total was \$3.78 million that was spent on digital advertising that is exempt from her review and \$2.9 million that the government spent on digital ads in the first three months of the fiscal year prior to the changes in the act. That compares to 653 items with a value of \$20.85 million in the previous fiscal year, and an additional \$9.6 million was spent on ads. So it would appear that government advertising is on the rise.

I think I heard, and I'm not quite sure if it was Mr. Dong or if it was to the third party—there was a suggestion that spending didn't go up; it was just moved from other ministries. Is that right? Did I hear that right?

Ms. Melanie Fraser: I can only speak to the Bulk Media Buy spend. The Bulk Media Buy spend increased by \$25 million in 2016-17. That was the reallocation of monies that existed within ministries that were running their own advertising campaigns into the central funding account. From 2016-17 to 2017-18, the year-over-year increase in estimates, then, in the fund is \$6 million. So we went from \$50 million in 2016-17 to \$56 million in 2017-18.

I can only speak to the advertising funds that are in the Bulk Media Buy. I can't speak to any advertising funds that might exist outside of the fund. We will have examples of that where Foodland Ontario, because they run annual campaigns, they maintain their own marketing staff and marketing budget. There are also agencies like OLG, LCBO and Metrolinx that have their own advertising budgets and run their own advertising campaigns. I think I may have another couple of examples, but there are places where, because they do more frequent advertising or annual campaigns, the monies weren't centralized because you wouldn't have gotten the efficiency or the benefit from having Cabinet Office coordinate those spends or from having access to the communications staff at Cabinet Office.

Ms. Lisa MacLeod: Those, though, which are part of the government Bulk Media Buy—are you able to provide this committee with a list of which ministries spent the money, in terms of that?

Ms. Melanie Fraser: I had that list with me for estimates. I'm not sure if I have that list with me today, but I can—

Ms. Lisa MacLeod: Yes, please. Just send it to our Clerk. That will be fine.

Ms. Melanie Fraser: I can document which ones came in.

Ms. Lisa MacLeod: Okay, that's great. I just have one more question, and then I'll hand it over to my colleague. Given that the auditor does not approve the ads anymore, who actually does approve the content of the ads now? Is it the advertising council or is it just by the ministry?

Ms. Melanie Fraser: My understanding is that the ministries, working with Cabinet Office, submit their ads to the Office of the Auditor General for review. Outside of that, I have—

Ms. Lisa MacLeod: Well, the auditor said that that wasn't the case in our last round. Do you want to—

Ms. Bonnie Lysyk: We do get all the paperwork sent to the office, but like I indicated earlier, we are not checking to see there is factual accuracy to the content of the ad, and we are not checking to see whether the ad is portraying a favourable impression of government, which under the previous act would have been considered partisanship, taking into account a number of other factors. We're just doing a perfunctory review of, again, whether it says it's paid for by government; whether there's a lot of the colour of the governing party; whether or not the name or logo of a recognized party is showing up on the ad; whether there's a name, voice or image of a member of the executive council; and also that it's not identifying or criticizing a recognized party or a member of the assembly.

1350

Again, we are not looking to see whether the ad, like we did before, fosters a positive impression of government or that it provides people with correct information. I just want to be clear that that is not what we're doing at all right now. We did that before.

Ms. Lisa MacLeod: So just to follow up, then, given that happens and she doesn't have the authority to consider any other factors such as factual accuracy to determine whether an item is partisan, who does that now? Does anybody? Or is this now something that does not happen, given that those responsibilities were stripped from the auditor?

Ms. Helen Angus: Well, I think ministries are ultimately accountable for the advertising that they embark on. They do work with Cabinet Office as it relates to the overall structure of campaigns and the relative priority and needs of advertising of the government.

Mr. Len Hatzis: And no ad is permitted to be broadcast or displayed unless it does have Office of the Auditor General approval. That's in the Government Advertising Act.

Ms. Lisa MacLeod: I think that maybe the auditor has a comment on that.

Mr. Randy Hillier: We know that that is a—

The Chair (Mr. Ernie Hardeman): Okay, we don't want to get into debate here. If you just want to ask the questions, yes?

Mr. Randy Hillier: No, I'd like to have a few questions myself here. Thank you.

Ms. Lisa MacLeod: Maybe she wants to clarify after this.

Mr. Randy Hillier: Well, we'll certainly give the Auditor General time to clarify.

Anyway, going back to this: Are you aware if there is any criteria established from the ministry, the Advertising Review Board or the Cabinet Office or yourselves—a list of criteria that an advertisement must adhere to or meet? And if you do have that, if you could share it with the committee.

Ms. Melanie Fraser: I would say that the policy that's in place, the Government Advertising Act, is the test that ministries must comply with in terms of seeking approval for advertising.

Mr. Randy Hillier: But you don't have any criteria—

Ms. Melanie Fraser: There was a directive which corresponded with the previous version of the act, which was published in 2006. That directive is in the process of being updated and refreshed. We don't have—

Mr. Randy Hillier: So you don't have that directive current?

Ms. Melanie Fraser: —an up-to-date directive at this point. So ministries would work with Cabinet Office to ensure that the meaning and spirit of the policy—

Mr. Randy Hillier: Okay. But you don't have criteria established yet or a directive established yet, like we did in the past.

Ms. Melanie Fraser: The policy and the regulations would lay out the test that they would need.

Mr. Randy Hillier: So on the Cabinet Office, how is the Cabinet Office structured? Is that an approval body, that it must have approval from the Cabinet Office for the—

Ms. Helen Angus: Now you're asking us to comment on a ministry we don't work in—

Mr. Randy Hillier: But you're getting the request from the Cabinet Office to the Advertising Review Board, so I would expect that you would be very familiar with the total process.

Ms. Helen Angus: Yes, I think that's fair. Our interactions are mostly with the line ministries, to be fair, because they're the ones who prepare the documentation that Mel described for the release of the funds from the Bulk Media Buy. I would say again—not advertising; we wouldn't have the same kind of interaction as other line ministries do in terms of trying to bring their business cases forward and having them compiled into the annual plan for advertising for the province.

Mr. Randy Hillier: One other question: Are you aware: What are the triggers? Why would a ministry go to the Bulk Media Buy through the Treasury Board, as compared to just doing the advertising themselves? What is the trigger here that creates one path instead of the other path?

Ms. Melanie Fraser: Prior to the consolidation of funds from other ministries, there was a \$25-million Bulk Media Buy fund. For ministries that don't do routine advertising and wouldn't have part of their base appropriations money to promote a new program or a re-launch of a program, they would need to access media buy funds, so they would work with Cabinet Office to develop a business case.

Mr. Randy Hillier: So we could say part of that fund would be for unforeseen requirements for advertising or unforeseen opportunities for advertising.

Ms. Melanie Fraser: It could be unforeseen or it could be part of the planned development of a program.

Ms. Helen Angus: I can give an example. I'll go out of my role as Treasury Board. I was previously the deputy at the Ministry of Citizenship, Immigration and International Trade. We would have launched, at that time, that big campaign around Who Will You Help. You saw those bystander advertisements about sexual violence. That was an initiative that had come from a new program, implemented with an ad.

Mr. Randy Hillier: But if a ministry is aware that there is going to be a new program that's going to be coming out that is going to require an educational and awareness program, they would often fund that directly or they could just go to the media buy—either-or.

Ms. Helen Angus: In the case of small ministries, just to use that example—because it's the only one I'm familiar with—a small ministry would not have had surplus funds sitting around waiting for an advertising campaign, particularly when implementing a new program. Getting into the priority discussion, in the Bulk Media Buy, would have been our best route to having what was an ambitious program funded.

Mr. Randy Hillier: Does Treasury Board scrutinize the vendors of record or the media buys that come from the Advertising Review Board?

Ms. Melanie Fraser: I can speak to this—

Mr. Randy Hillier: I've taken a look at one of the firms that was mentioned that does an awful lot of media buys through Treasury Board. They also do an awful lot

of media buys for the Ontario Liberal Party. I'm just wondering if there is any scrutiny from Treasury Board about how that vendor is determined, and if there is overlap or potential overlap between party advertising and Ontario government advertising.

Ms. Melanie Fraser: I think there are a couple of questions in there. I'll go back to Helen's example on citizenship and immigration, in terms of Treasury Board's role in scrutinizing advertising there. As part of a new program—

Mr. Randy Hillier: No, no. When you get a vendor of record recommended—this is a media buy that is happening—does Treasury Board scrutinize that vendor of record and look at what other activities that the vendor may be undertaking and if there is any overlap between maybe conflicting interests or competing interests?

Ms. Melanie Fraser: This would be the Ministry of Government and Consumer Services that would have put out a request for bids or a request for services. It would have been a fair, open and competitive process where any media company could have competed to access and become the mandatory vendor. That's a process that has a lot of rigour to it and is completely open and transparent from beginning to end.

Mr. Randy Hillier: But Treasury Board doesn't do that.

Ms. Melanie Fraser: Treasury Board would be responsible for providing approval to release the RFS or to provide advice and decision around how the procurement is undertaken, depending on the value of the procurement.

Mr. Randy Hillier: As far as you're aware, has Treasury Board ever rejected a government ad, saying, "That is not compliant and we're not going to send it over to the Auditor's General's office"—

Ms. Helen Angus: We're not in that process—

Mr. Randy Hillier: But you've got the purse strings. Have you ever said that this doesn't fit with the policies? Or do you not scrutinize that at that level? Do you just say that if the ministry has put forward this request, they must have done their due diligence and everything must be okay?

Ms. Melanie Fraser: Through that process where the ministry is developing their business case to access the funds, they have to demonstrate that those invoices are associated with the campaign. We would link back in with Cabinet Office through the process to say, "Is this the campaign that you approved? Is this the value that you approved?" They would document that they worked with ARB.

Our folks do a level of due diligence. We don't get into the creative content. We don't get into compliance with the Government Advertising Act. We're looking at it from the perspective of the Financial Administration Act and whether those funds were spent for their intended purposes, and whether the business case would support a Treasury Board order, which is an in-year increase in their appropriation to offset the expense.

1400

Mr. Randy Hillier: Just for clarification: On the “Cabinet Office,” when you use that term, who specifically are you referring to with “Cabinet Office”?

Ms. Melanie Fraser: Cabinet Office has a communications division, where they have a lot of expertise associated with marketing, communications—internal and external communications—and that’s the group that coordinates the strategic advertising plan for the Ontario government. As you rightly said, we hold the purse strings for the Bulk Media Buy. That’s one way of funding advertising that we can speak to at Treasury Board, but they are responsible for the coordination and strategic planning piece.

Mr. Randy Hillier: I was going to ask you a question—if any of those agencies have rejected an advertising campaign, or sent it back for modification, but it just wouldn’t be—there is not that level of oversight.

Ms. Melanie Fraser: Cabinet Office, I think, would routinely work with ministries to help craft the campaign. I think that’s part of the expertise that they offer, especially for ministries, as the deputy mentioned, who don’t do this very often. They help them liaise with the Office of the Auditor General and help them liaise with the ARB. If you’re a ministry that’s not in the advertising business normally, this is a different service that you wouldn’t typically be familiar with providing, so they become a bit of a centre of excellence on that communications piece. Ministries would work quite closely with them and take their advice.

Mr. Randy Hillier: Right. So we’ve essentially gone from a high-level oversight to, essentially, no oversight, with an expectation that ministries, the Advertising Review Board etc. will just be in compliance in leaving the Auditor General with that perfunctory role, to make sure that there isn’t too much colour in the ad or things of that nature.

Thank you, I think that’s all for my questions.

The Chair (Mr. Ernie Hardeman): The third party. Mr. Vanthof.

Mr. John Vanthof: I’m trying to formulate my thoughts here.

For the Treasury Board to approve an ad buy, it has to be approved through the Auditor General’s office; correct?

Ms. Melanie Fraser: Yes.

Mr. John Vanthof: But we’ve heard from the Auditor General—and, Auditor General, please correct me if I’m—that she no longer has the discretionary authority to actually see if the ads are factual, in her opinion. She no longer has that, so although it’s approved by the Auditor General’s office, she doesn’t have the ability to ascertain that the ads are actually factual. Conceivably, you could have, since this legislation has been approved, paid for ads that may or may not have been factual. Where is the check and balance to ensure that the ads—if it’s been taken away from the Auditor General, who ensures that the ads are factual? You’re approving millions of dollars’ worth of ads, and—

Ms. Helen Angus: Really, it is the ministries. Whether the content directive is actually current or not, the guidance inside the Ontario government and the public services is that ads have to be fair and objective. That’s part of the requirements for government advertising that ministries do pay attention to as they develop their ads. It may not be centralized in the way that the Auditor General has characterized it historically, but there are steps in the processes that try to make sure that the ads that do appear conform, at least, to the Government Advertising Act. That certainly is our job, collectively: to make sure that the public service is diligent and making sure that the features of the act are in fact implemented appropriately and that we do that with fidelity.

Mr. John Vanthof: If those steps—I’m sure that they exist—if possible, for the ministries where they do exist, could you please provide those steps or how it has changed? Because obviously there has been a change: Proving whether an ad is factual has changed since the new GAA has been implemented. Somewhere there must be, “Here is our new checklist”—because that checklist is no longer provided due to the changes in the act by the Auditor General. So somewhere there has got to be a new checklist. I would appreciate if that checklist could be provided. I know that that would be a question better given to individual ministries, but, at the end of the day, you approve the buy for the Bulk Media Buy.

Ms. Helen Angus: We approve the costs associated and the bills associated with the campaign; we are not inserted early enough in that that process that you described to approve a specific buy in advance. Right?

Ms. Melanie Fraser: Right.

Ms. Helen Angus: I think that may be an important distinction.

Ms. Melanie Fraser: Yes. To clarify, the Bulk Media Buy fund and the distribution of those funds, at the outset, is approved and coordinated by Cabinet Office, whether it’s \$1 million or \$2 million or \$500,000. As part of strategic planning at the beginning of the year, Cabinet Office would work with ministries on a strategic communications plan to access those Bulk Media Buy funds. Then, throughout the year, if other emergent issues came up, they would reallocate funds.

What we do, as the deputy mentioned, is, at the end of the process we’re verifying that the monies were spent as directed and reimbursing the ministries for that spend. So I think there is a difference in how to characterize that. We’re not approving their ability to buy the media; we’re reimbursing them for funds that have been approved and expended.

Mr. John Vanthof: Would it be fair to say that the decision on whether an ad campaign is fully factual or whether its level of partisanship—whether or not that exists—would be decided by Cabinet Office?

Ms. Helen Angus: With ministries.

Ms. Melanie Fraser: Yes, I would say Cabinet Office working with ministries—and also submitting the cam-

paign to the Office of the Auditor General for her approval.

Mr. John Vanthof: We're all fully aware that the Auditor General is not allowed to comment on whether she feels the ads are actually factual. So who decides whether the ads are factual is a political entity, as opposed to an independent officer? I'm not going to try to get you in trouble with that.

Ms. Melanie Fraser: Again, the Treasury Board Secretariat doesn't do any advertising, so I would be really inserting myself into a process that I'm not familiar with as a line ministry—

Ms. Helen Angus: What the back and forth is, it's just, again—

Ms. Melanie Fraser: We are, as you said, the money guys and gals, and our expertise is really with the Financial Administration Act. We have overall policy responsibility for the Government Advertising Act. But as a ministry that doesn't implement any advertising campaigns, it's difficult to comment on the specifics.

Mr. John Vanthof: Okay. From what I've understood through estimates and through this process, you're the money people, but it's more reactive than proactive, right? You get the bill; you pay it. That's reactive, just like in my business.

Ms. Helen Angus: In the case of this specific program, that's the way our role is defined. I would say that at the Office of Treasury Board, we work with ministries. They bring proposals forward and they bring their business plans forward through us and ultimately to the Treasury Board proper—again, we're the secretariat that does the analysis and presents recommendations. The Auditor General gets all of our minutes, for example, from Treasury Board.

We do have a line of sight, I would say, in the behavioural insights that you saw—

Mr. John Vanthof: Yes, let's not go back to that.

Ms. Helen Angus: No, seriously, there is where we are proactively engaged with ministries around the implementation of programs. I guess, as deputy, I resist the idea that we're entirely reactive. In fact, we do initiate—

Mr. John Vanthof: What I'm getting at is, as we come closer to the new 60-day deadline for advertising, which has to be non-partisan, is there a process in place to warn the various ministries—"warn" perhaps is the wrong word—or advise the various ministries of this deadline? What are the checks and balances to ensure that? After the election is over, the 60-day deadline doesn't mean a lot. So what are the checks and balances in place to ensure that that actual 60-day deadline is met and adhered to, and what is the process for when there are questions whether or not it was adhered to? What is the process?

1410

Ms. Helen Angus: We talked a bit about the certificate of assurance. That's something that I, as the deputy, have to attest to: the fact that we're compliant with all relevant legislation and policies.

I think that it's important to think about: As we get closer to a writ period, government advertising is one of

the things that we obviously pay attention to and make sure that we are out-of-market, with the exception of the exceptions that I talked about earlier.

There are memos that go out across government from various deputies who are responsible for some parts of getting prepared for that that would be very clear about that there is a deadline. I would say that it's well understood, certainly in the world that I inhabit, that the 60 days start on March 10.

But there are other things that, as the government ramps down in the writ period to caretaker mode—what kind of decisions we can take. We go into a particular period where it's only routine business of government that can be undertaken during the writ period. There are other things that we're doing to prepare for that. We haven't started much yet, but we will be soon. The government advertising is certainly one that I think anybody who is involved in the communications business, whether centrally or in distributed ministries, should be highly aware of.

Ms. Melanie Fraser: During that caretaker mode, typically ministries will have a CAO perform a bit of a controllership function to ensure that all contracts would come through a CAO and a deputy's office prior to anyone initiating anything, because we do go into, as the deputy mentioned, only-necessary-business mode in that caretaker period. There are checks and balances built in and internal controls that are added into the ministry to ensure that we wouldn't be signing new contracts or launching new business during that time.

Mr. John Vanthof: Okay. For example, a fair hydro plan flyer in a hydro bill wouldn't pass those 60 days.

Mr. Len Hatzis: Like I said earlier, we would have to assess the specific facts of the campaign and do an internal review. Ultimately, obviously, the Auditor General will have to approve or not approve. But it's very clear in the act what is permissible in terms of exceptions. It would have to fall within one of those two specified exceptions in order to be approved.

Mr. John Vanthof: The current fair hydro plan: Would that pass?

Mr. Len Hatzis: I can't speak to the current fair hydro plan and whether it would pass. I can tell you that the act clearly sets out what the exceptions are during that 60-day freeze.

Mr. John Vanthof: Okay.

This is something that hasn't come up, and perhaps it's not valid here. Where you spent a lot of time talking about government advertising—basically, government advertising is, in my mind, taxpayers' money. Government advertising through crown agencies—OLG, LCBO: Does anyone monitor whether we get value for money from that, other than internally in the crown agency?

Mr. Len Hatzis: Crown agencies like those you just mentioned are not captured under the Government Advertising Act. I can't speak to what checks and balances they have internally with respect to their advertising and their advertising campaigns.

I do know that the Advertising Review Board does look at and, sometimes, assists with provincial agencies

on their advertising campaigns. So there is a line of sight from that perspective from the Advertising Review Board. But in terms of the specific campaigns, the Government Advertising Act doesn't apply to those types of agencies you mentioned.

Mr. John Vanthof: I'm done.

The Chair (Mr. Ernie Hardeman): You're done? To the government side.

Mr. Han Dong: I just want to comment quickly on John's last question. When agencies like LCBO do advertising, I think they're completely on their own making that decision on the campaign. I don't know for sure, but I'd be very surprised if they come to the ministry to ask for approval for a particular ad. So there is very little involvement from the government.

I'm just wondering, to clarify on the bulk buy: How does it fund accessibility requirements, how does it support translation and how much is the total for the years 2015-16 or 2016-17?

Ms. Helen Angus: Mel knows this file better than anybody else, probably, in terms of where those invoices are and what they look like.

Ms. Melanie Fraser: In 2016-17, as I mentioned earlier, the Bulk Media Buy was \$50.5 million. We'll say \$50 million to stick to round numbers. That was \$25 million in base funding and then, in-year, there was another \$25 million moved into the fund. So in 2016-17, the total was \$50 million.

The reason for consolidating those funds is that we were bringing those funds in from ministries that didn't have routine campaign requirements. We didn't go to ministries that run Foodland Ontario or savings bonds advertisements. Those are things that tend to happen year over year. Actually, Cabinet Office, because they were more familiar with the ebbs and flows of the marketing, worked with ministries to identify who had marketing funds that could be centralized.

Again, the purpose of centralizing the funds is a couple-fold. One, for the bulk media purchase—so again, you can drive efficiencies and some cost savings when you go to market and buy larger volumes, of course. When you have better planning in terms of when those campaigns are going to hit the market, you can access better costs. That was part of the efficiency.

The other part of the efficiency, as I said, is Cabinet Office communications, because they're involved in advertising and communications and they have the staff resources that a lot of ministries wouldn't have, and a lot of knowledge and experience in terms of, as I mentioned before, how to liaise with the different people in the process, including Treasury Board Secretariat, where ministries wouldn't know about how to recover from Bulk Media Buy and those sorts of things. So that was the purpose for centralizing the funds.

Again, in this year, for 2017-18, the allocation is now \$56.7 million. That's up \$6 million over the prior year's allocation, and that's driven by the three areas that I spoke to before: the increase in the commercialization of digital platforms, expanded requirements for translation,

and then, of course, accessibility. I think it's important to speak to these three things in conjunction because they do kind of overlap.

When we think about digital platforms, as we talked about, there are a number of different channels that we're advertising on: Google-promoted, tweets on Twitter, YouTube. There are multicultural news websites. There are a number of different ways of advertising now. You mentioned a bunch of—I forget the term that you used, but kind of hits on—

Mr. Han Dong: Impressions?

Ms. Melanie Fraser: Impressions, yes. Something I'm not familiar with—but impressions on things like Spotify and different types of channels. In order to reach the population today, it's not just newspapers and radio, right? The world is changing, so that's driving a little bit of the change in costs associated with advertising.

The second area, again, is the expanded translations. I think it's really important to recognize that we need to advertise in indigenous languages and in both official languages of French and English, but then when you look at the diverse population across Ontario, you can probably think of 20 or 30 languages that come to mind. Portuguese, Polish, Arabic, Cantonese, Tagalog—these are all languages that we see advertisements being rolled out in, and again, rolled out across all of those channels.

The third area, I would say, is really about accessibility for Ontarians with disabilities and meeting our requirements under the act. That could be for people with visual impairments and the hearing impaired. Again, when you think about crafting advertisements that are reaching different demographics across different channels in different languages with different accessibility needs, we have to be creative and proactive in making sure that advertisements are designed to reach those folks. That might mean described video. That could be braille. That could be closed captioning. It could be a number of different methods. Ministries would work, through the ARB, with media providers to help them not only develop their creative content but produce their advertising campaigns to make sure that they're accessible, that they're meeting the right demographic and that they're in the languages of the audience that needs to hear the message.

1420

Again, our responsibility at Treasury Board Secretariat is really administering the Bulk Media Buy fund. But, then, of course, we work closely with our colleagues at Cabinet Office, who then work closely with ministries, to strategically plan for the fund and make sure that those funds can be reallocated as needs emerge and that the efficiencies that you're deriving from accessing better buying power and putting campaigns into the market at the right time can then be redistributed to other advertising needs to maximize the benefit of those funds. I think that describes the fund and how it's used.

Mr. Han Dong: That's helpful. I really see value in advertising. These are the taxpayers that we're serving as a government. They need to know where their money is going to—and not just to programs that require applica-

tion, so those that are eligible can know that they can apply, how to apply and where to go get information, but also for programs that would benefit all ratepayers.

Take the fair hydro plan, for example. I think it's important for ratepayers to know what is happening with their bill. I hear again and again from my constituents that they are concerned about their hydro costs. So any changes to their hydro bill, I believe, would be of interest to them. I think it's the government's job to keep the constituents informed. The opposition does a very good job of pointing out the shortcomings of government programs. The effort put in to improve and keep improving—there's always more we can do in government programs. I think it's important for citizens to find out where their money is going to.

It's a very delicate balance that we need to keep in mind. Some are, "What's informative?" or, "Is there any better way to use the fund?" I think that's your responsibility: to look at the content of these advertisements, right? Correct me if I'm wrong.

Ms. Helen Angus: No, we actually don't look at the content of the advertising. I think your point is probably best directed at the people who do advertise and where they see value and how that value is measured.

Mr. Han Dong: Okay. I don't know if you've done this: Have you looked at other provinces' practices? I know we are unique. We are still the only province that has legislation of this sort to ban government-funded partisan advertising. Have you looked at other jurisdictions, and do you have any knowledge about their process and how they go about advertising purchases?

Mr. Len Hatzis: I don't have that knowledge. I just can confirm what you said: that Ontario is the only jurisdiction that has legislation on the books that bans government-paid partisan advertising. In terms of internal processes in other jurisdictions, I don't have any specifics on that.

Mr. Han Dong: Have you had any inquiries about our system that want to know what we're doing here? I'm not suggesting you put out an ad on that.

Ms. Helen Angus: No, no—if somebody asked, I think we would answer, and we would give them the same answers as we gave here, obviously. But we haven't had any inquiries specifically into our processes.

Mr. Han Dong: Okay. It sounds like the general direction is for government advertising to be more inclusive. We want to get as many people informed in Ontario as possible. I think a big part of is the branding, the image-building.

For the sexual violence advertising campaign, I've heard many praises from outside of Ontario. Through social media, people are saying, "Wow, this is great stuff that you guys are doing." I know that we got a lot of impressions over social media on that. What's your take on it?

Ms. Helen Angus: Yes. You're going back a couple of years to when I was the deputy at citizenship and immigration—about that campaign. I certainly had no role in the creative. There was a very capable firm,

obviously, that developed what I thought was pretty high-impact.

We did hear at the time that it was being translated into numerous languages. There was an interest across the country from other jurisdictions wanting to use those advertisements because they felt they were impactful. And we did know that they were shown, I think, in a soccer stadium at a point in time in India. They had picked up the advertising or got it from YouTube or something. I'm not quite sure what the distribution mechanism was, but they certainly had an impact.

I know at the time we talked about hits rather than impressions; I'm not sure what the difference is, actually. I'm not an expert in the area. But certainly it was seen to be a successful campaign. Obviously, the result for that would be more active interference by bystanders in various scenarios where people would find themselves being approached inappropriately—more than inappropriately. I think the ads depicted some of that. So I think they were pretty impactful.

Those would be the ads that I probably have the most connection with, but it's not in relationship to my current job at Treasury Board. You get a chance in a career, every now and then, to do something that actually can change lives. I guess that one made an impression on me as a line deputy at the time.

Mr. Han Dong: We're definitely, as a province, being looked upon as a leader in quite a few areas—phasing out coal; we're the first province introducing OHIP+ pharmacare for anyone under 25; and you think about the ORPP and its creation and its effect on the federal government introducing the enhanced CPP; the free tuition piece. A lot of people are asking us, "How are you doing it?" I think the government advertising, other than its primary goal which is to inform the citizens about these programs and how they can take advantage of them, also creates a good reputation for the province as a whole, that we can all be proud of.

I heard of something called the certificate of assurance program. Can you describe what it is?

Ms. Helen Angus: Yes. You have the—well, I sign it too, right?

Ms. Melanie Fraser: Yes.

Ms. Helen Angus: Every year. But maybe we can talk about it. It is a document that is developed by our provincial controllership. The Auditor General relies on it as well, as an attestation that we have complied with the relevant laws. But maybe you want to just delve into it a little bit deeper. It has a number of elements to it, right?

Ms. Melanie Fraser: Sure. As the deputy mentioned, this is a process that all ministries must go through. It's an annual attestation process. What it does is, it provides assurances to the Office of the Auditor General that we have a strong internal control framework. That means that we have controls in place to ensure that we're adhering to all of the legislation, all of the policies, all of the standards and directives of the government, including the Government Advertising Act, which we're talking about today.

1430

Generally how that process works is that—as I mentioned, it’s a cascading process. It starts fairly deep into the organization, and the organization not only has to attest yes or no, whether they have met the requirements—and that could be with legislation, with IT controls, with financial controls. You can imagine that these documents are quite lengthy given the number of pieces of legislation and policies and directives that, as a whole, we might comply with. But as I mentioned, not only is it, “Have we complied, yes or no?”, and you attest to that, but we also go one step further and demonstrate how we have addressed the control and how we document the control, and then we’ll note any gaps that there may be in the process that could require further work.

That certificate of assurance, as I said, because it’s cascading—managers attest to directors, directors attest to ADMs and then ADMs attest to the deputy—you get an attestation of both how and that we have complied with all of the frameworks that apply to us across ministries. Ministry by ministry, these are coordinated through another part of Treasury Board Secretariat, the Office of the Provincial Controller, and provided to the Auditor General.

Ms. Helen Angus: It’s not an uncommon practice. I encountered this on the board of a major charity in the health sector as well.

Mr. Han Dong: When did this start, the certificate of assurance program? When did this whole initiative—

Ms. Melanie Fraser: When did it begin?

Mr. Han Dong: Yes. When did it start?

Ms. Melanie Fraser: That’s a good question.

Ms. Helen Angus: Do you know the answer?

Ms. Melanie Fraser: Karen? Do you know when the certificate of assurance started?

Ms. Karen Hughes: It has been around for a while now—

Ms. Melanie Fraser: It has been around for a long time.

Ms. Karen Hughes: It’s from back in 2010.

Ms. Helen Angus: Yes.

Mr. Han Dong: So it’s prior to 2015?

Ms. Karen Hughes: Oh, yes.

Ms. Melanie Fraser: Yes, I think I recall doing this when I was a finance director in 2008, maybe even—yes, it has been around for some time. I would say that the process has matured year over year to become a more effective tool for documenting controls and for helping ministries to assess any potential risk and take proactive action to address that.

Mr. Han Dong: You mentioned documenting these processes. Are those documents shared with the Auditor General on an annual basis?

Ms. Melanie Fraser: Yes, that would be shared through the Office of the Provincial Controller with the Auditor General.

Mr. Han Dong: Okay. Good. That’s it.

The Chair (Mr. Ernie Hardeman): That concludes the questions. All parties have given us a little extra time, and I think the auditor would like to make a few comments. With the permission of the committee, we turn it over to her.

Ms. Bonnie Lysyk: Yes, I want to comment and make sure a few things are clarified on the record. The subject of today is chapter 5 of our December 31, 2016, annual report on advertising. The objective of that chapter is to respond to a requirement under legislation that we report on activities under advertising. The annual expenditures for advertising increased from \$30 million in 2014-15 to \$49 million in 2015-16. Had we had discretion in the review of those ads or been able to review them for factual accuracy or partisanship under the definition that the office operated under for many years, about \$8.6 million of those ads would not have been approved.

The act uses our office to create the perception that we are approving ads that are not partisan and are accurate, and I think the public needs to be informed that that is not our role any longer. Although we do issue a compliance with the act and we indicate that the ad does comply with the requirements in the act, the act is not as fulsome as it was prior to its amendment.

The discussion of attestation, which just occurred around the table, is not relevant to the advertising act review process; it is only relevant with respect to the internal controls around the finances in the government. That is the main reason why there is an attestation provided to us. So it is not really relevant to the advertising act. We do not use it for that purpose.

So I think those are important given that a lot of the work that is done by my office is reviewing double the paperwork that has occurred as a result of the change in the act. We now review the same ad twice—a preliminary review and a final review, which takes a lot of time and a lot of paper, and ends up still having us approve an ad even if we do offer commentary that we don’t think it would either be factually accurate or reflect partisanship. It’s unfortunate, I think, that an independent office of the Legislative Assembly is being used to create a perception that we’re doing something more than what we’re doing. We will continue to approve ads in compliance with the legislation that is law, but there is still a requirement under the Auditor General Act that we report as we see fit situations that we don’t think are representing the absolute issues that we deal with. That is why we have a chapter on advertising, and I would encourage people to read it and understand it.

Thank you for this time.

The Chair (Mr. Ernie Hardeman): With that, thank you very much for your presentation today. I’m sure it will help immensely with the further consideration of that section of the Auditor General’s report.

We’ll now just break for a few minutes while we clear the room, and we’ll have an in camera session to decide further process. Just wait for a few minutes.

The committee continued in closed session at 1436.

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