

Transforming The OPS For The Future

College Presidents Retreat in
Niagara on the Lake

Steve Orsini
Secretary of the Cabinet and
Head of the Ontario Public Service
September 25, 2017

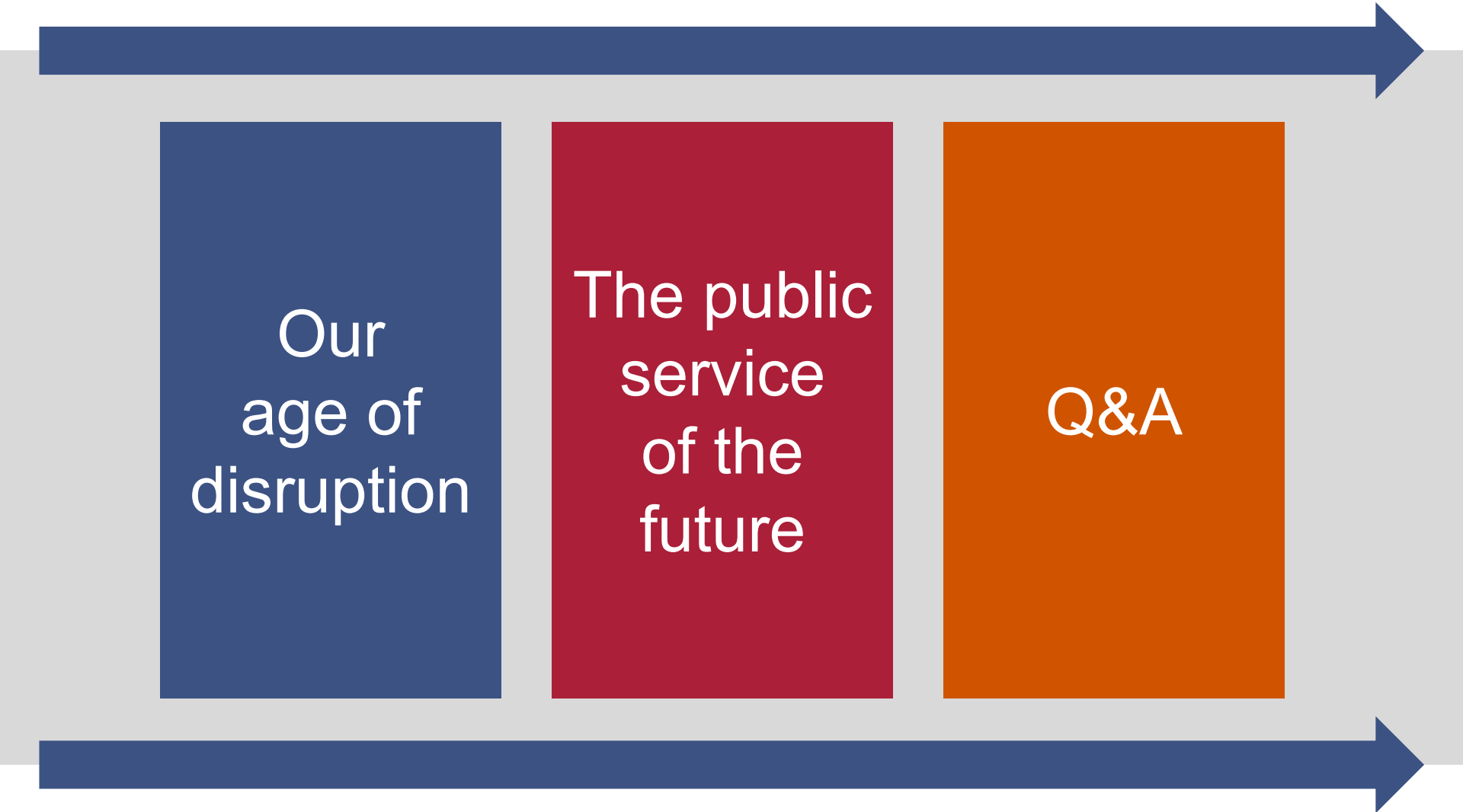


@SteveOrsini
#soctownhall

Overview



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The diagram illustrates a presentation flow. It features a light gray background with two thick, dark blue horizontal arrows pointing to the right, one at the top and one at the bottom. Between these arrows are three vertical rectangular blocks. The first block is dark blue with white text. The second block is maroon with white text. The third block is orange with white text.

Our
age of
disruption

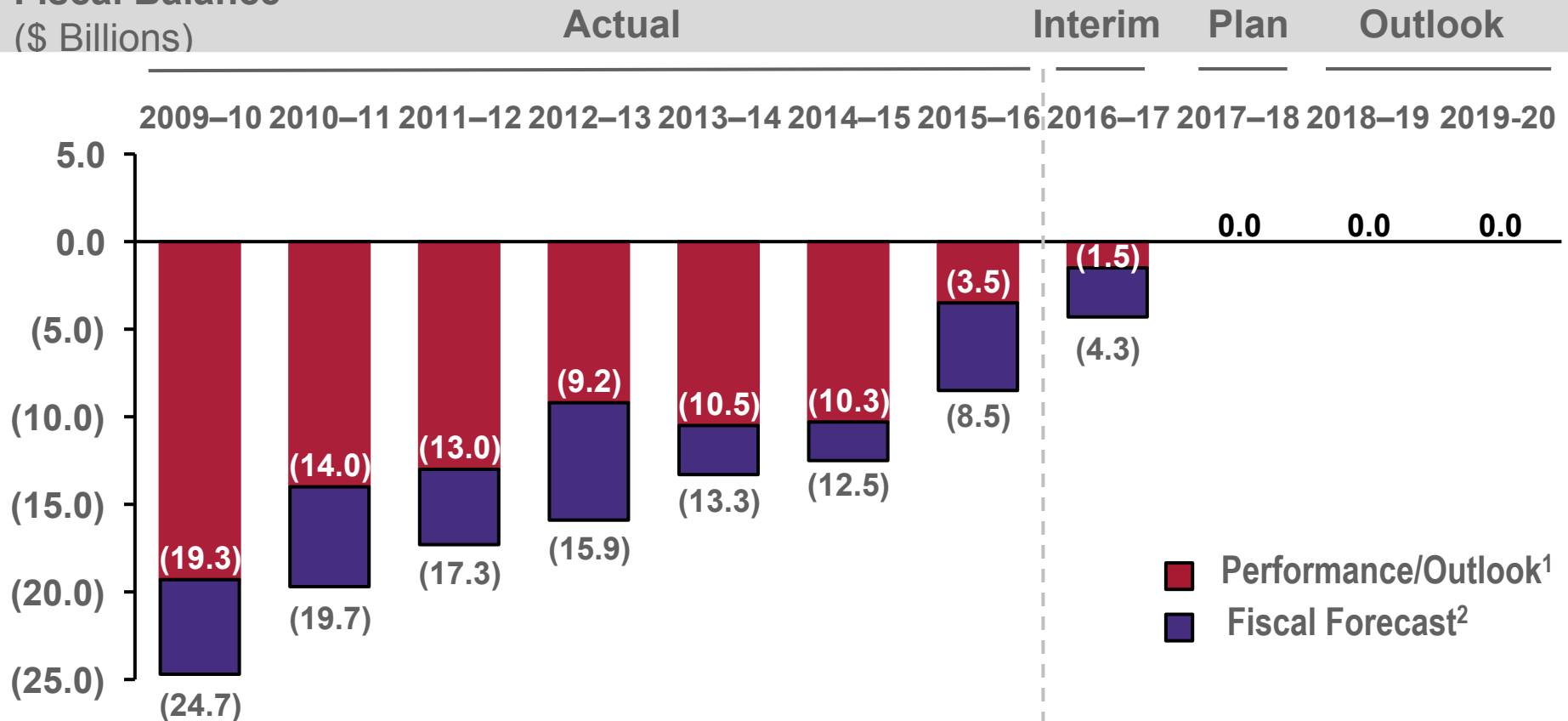
The public
service
of the
future

Q&A

Ontario's Fiscal Plan Overview

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Fiscal Balance (\$ Billions)

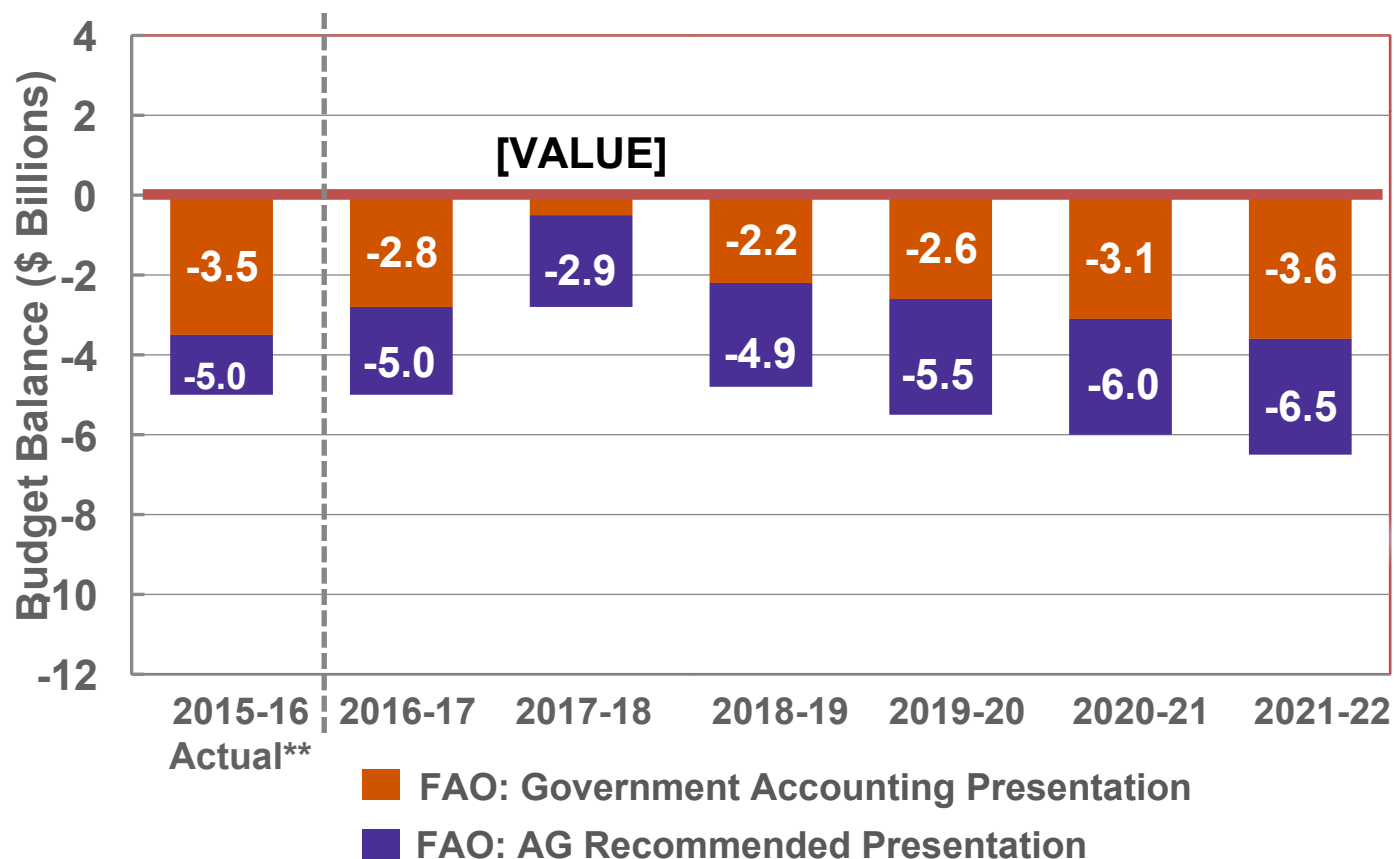


¹ Represents the 2017 Budget outlook for 2016-17 to 2019-20. For 2009-10 to 2015-16, actual results are presented. The 2015-16 actuals have been restated to reflect recognizing jointly sponsored net pension assets for the Ontario Public Service Employees' Union Pension Plan and the Ontario Teachers' Pension Plan on the Province's financial statements, consistent with the 2016 Budget and as described in the 2016-17 Third Quarter Finances.

² Forecast for 2009-10 is based on the 2009 Ontario Economic Outlook and Fiscal Review; 2010-11 to 2013-14 is based on the 2010 Budget; 2014-15 is based on the 2014 Budget; 2015-16 is based on the 2015 Budget; 2016-17 is based on the 2016 Budget.

SOURCE: Ontario Ministry of Finance

Ontario's Budget Balance*



Based on the government's presentation, the FAO projects that the government will record a deficit of \$0.5 billion in 2017-18

Based on the Auditor General recommended presentation, the FAO projects that the government will record a deficit of \$2.9 billion in 2017-18***

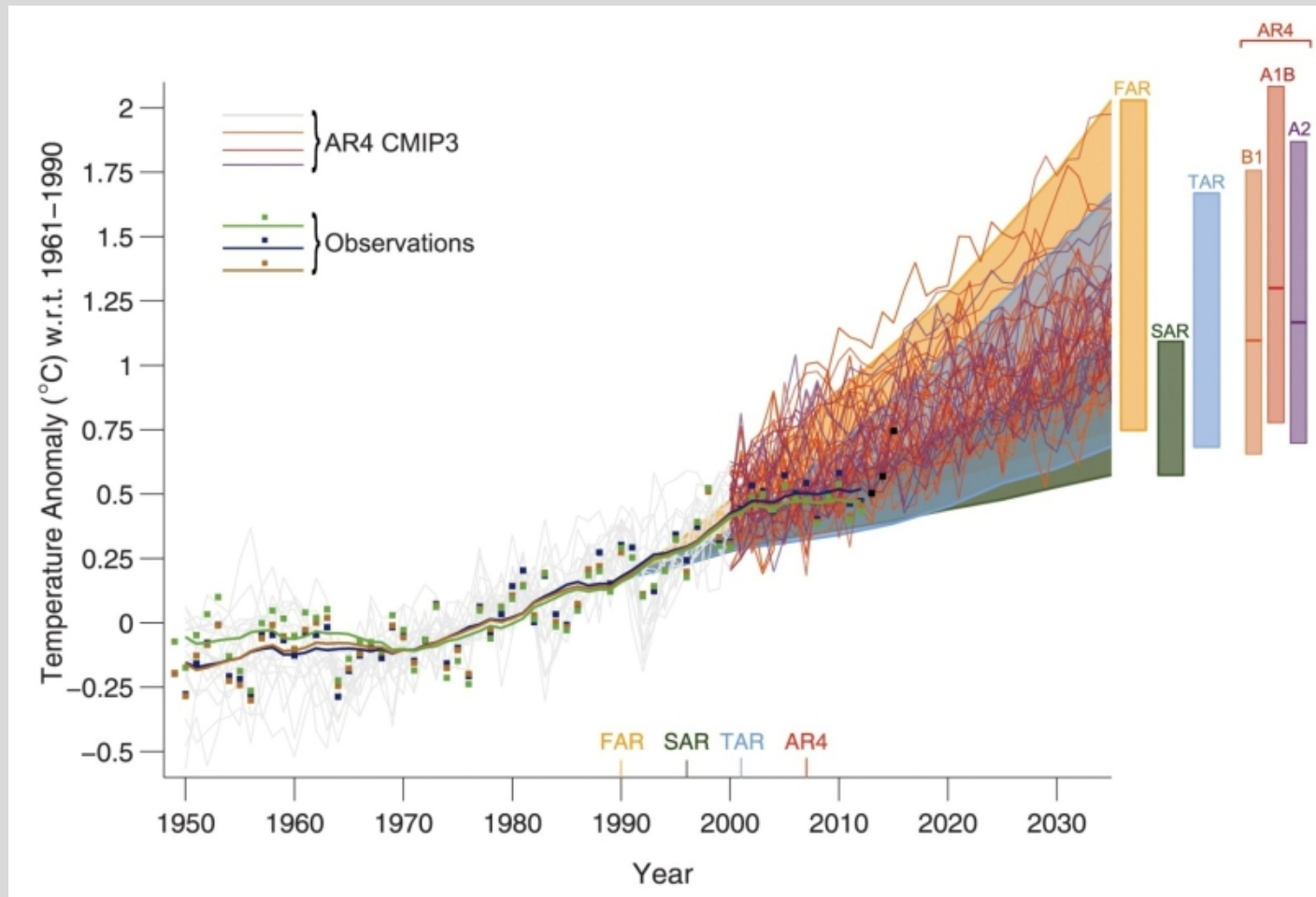
*Budget balance before reserve

**Ontario 2015-16 Public Accounts reported a deficit of \$5.0 billion. Without the pension adjustment, the deficit would have been \$3.5 billion.

***This includes the FAO's estimate of the pension adjustment.

SOURCE: Financial Accountability Office of Ontario Economic and Fiscal Outlook, Spring 2017, page 2

International Panel On Climate Change



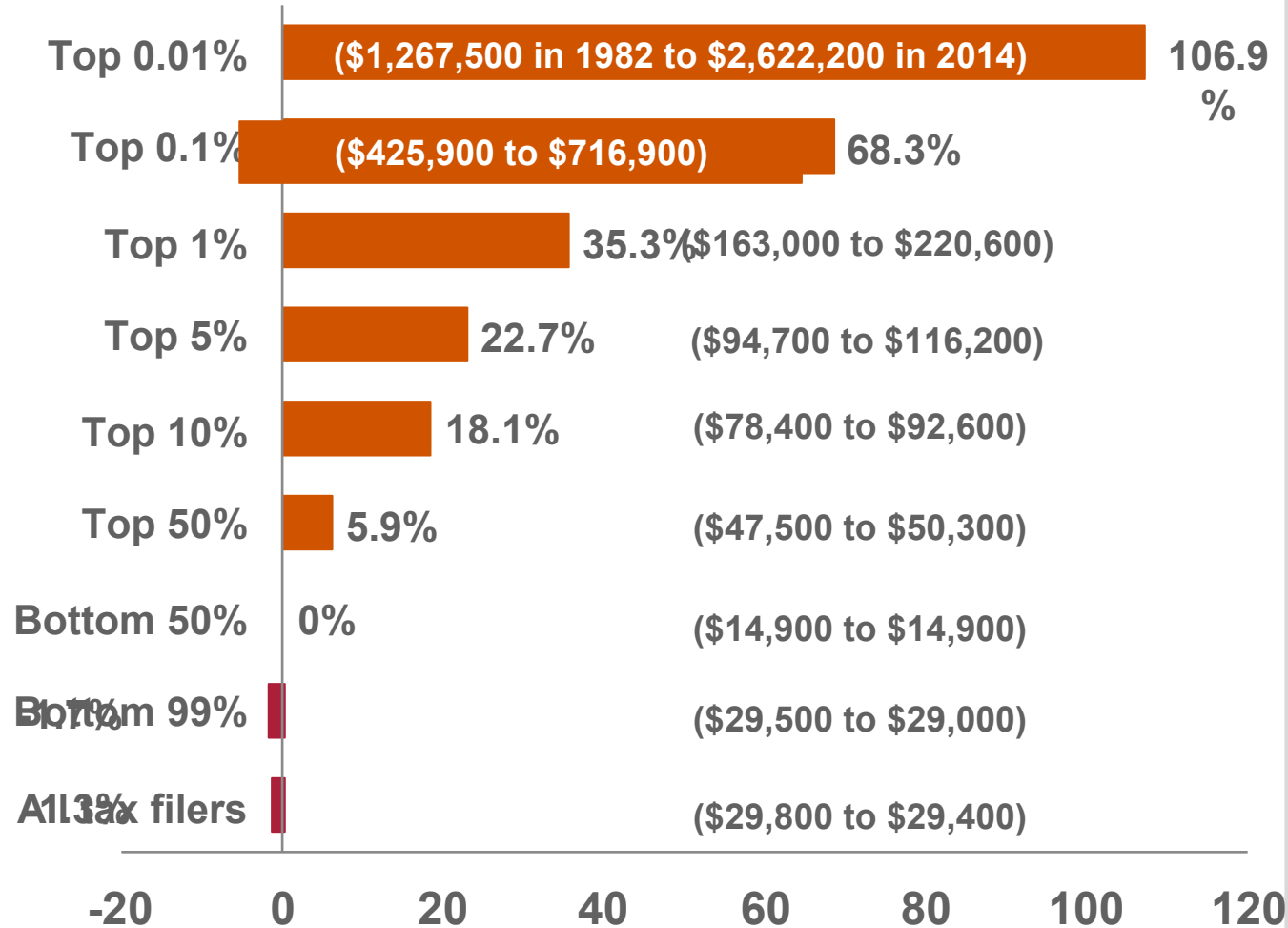
SOURCE: Comparing CMIP5 & Observations, Climate Lab Book <https://www.climate-lab-book.ac.uk/comparing-cmip5-observations/>

Growing Income Inequality

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**Ontario real
median after-
tax income
of tax filers
by income
group**

1982–2014



NOTES: Incomes exclude capital gains.

1982 and 2014 real incomes (expressed in 2014 \$ using Ontario CPI) are shown in brackets.

SOURCE: Ontario Ministry of Finance and Statistics Canada (CANSIM Table 204-0002)

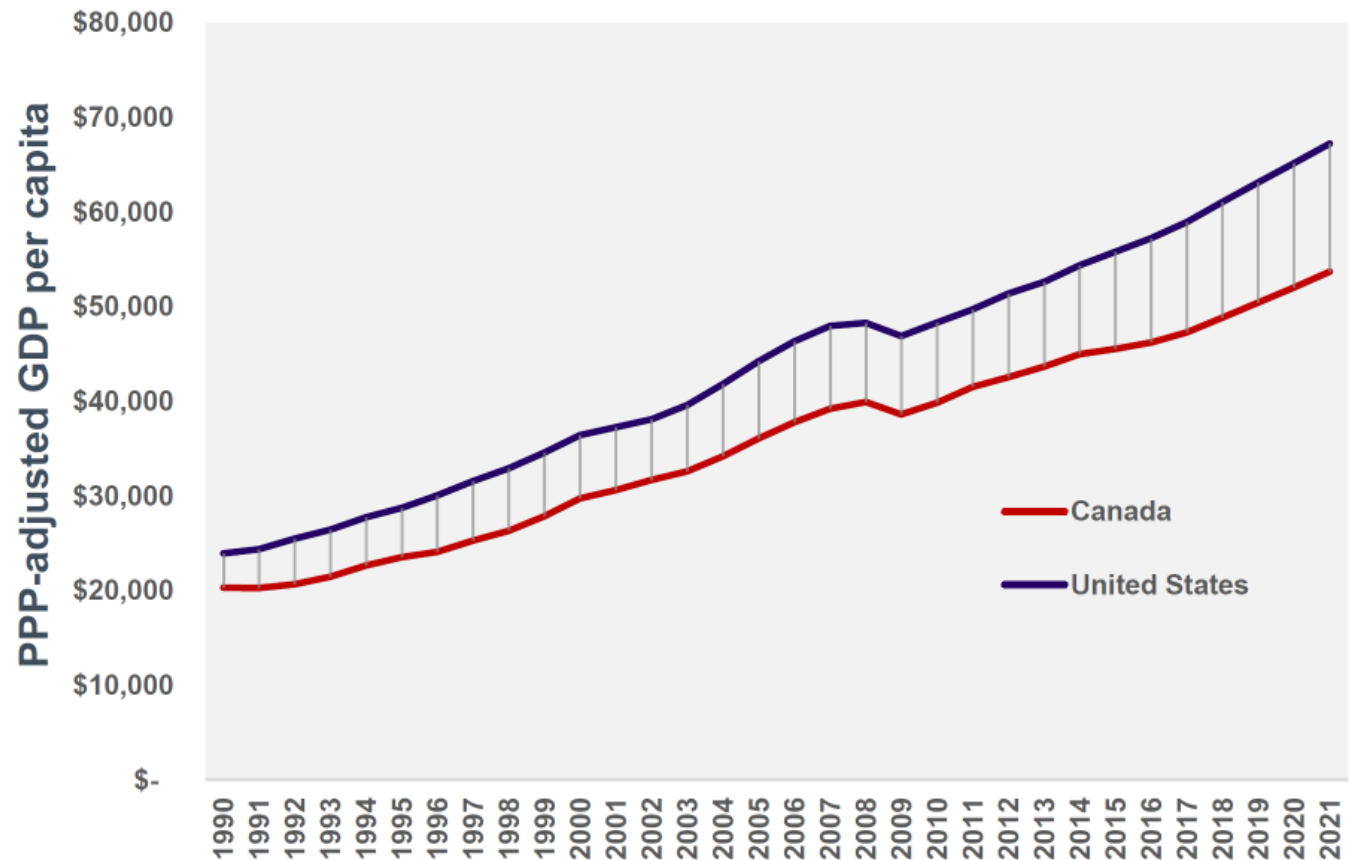
The PPP-adjusted GDP Per Capita

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Gap between
the U.S. and
Canada has
grown

1990:
Approximately
\$4,000

2015:
+\$11,500

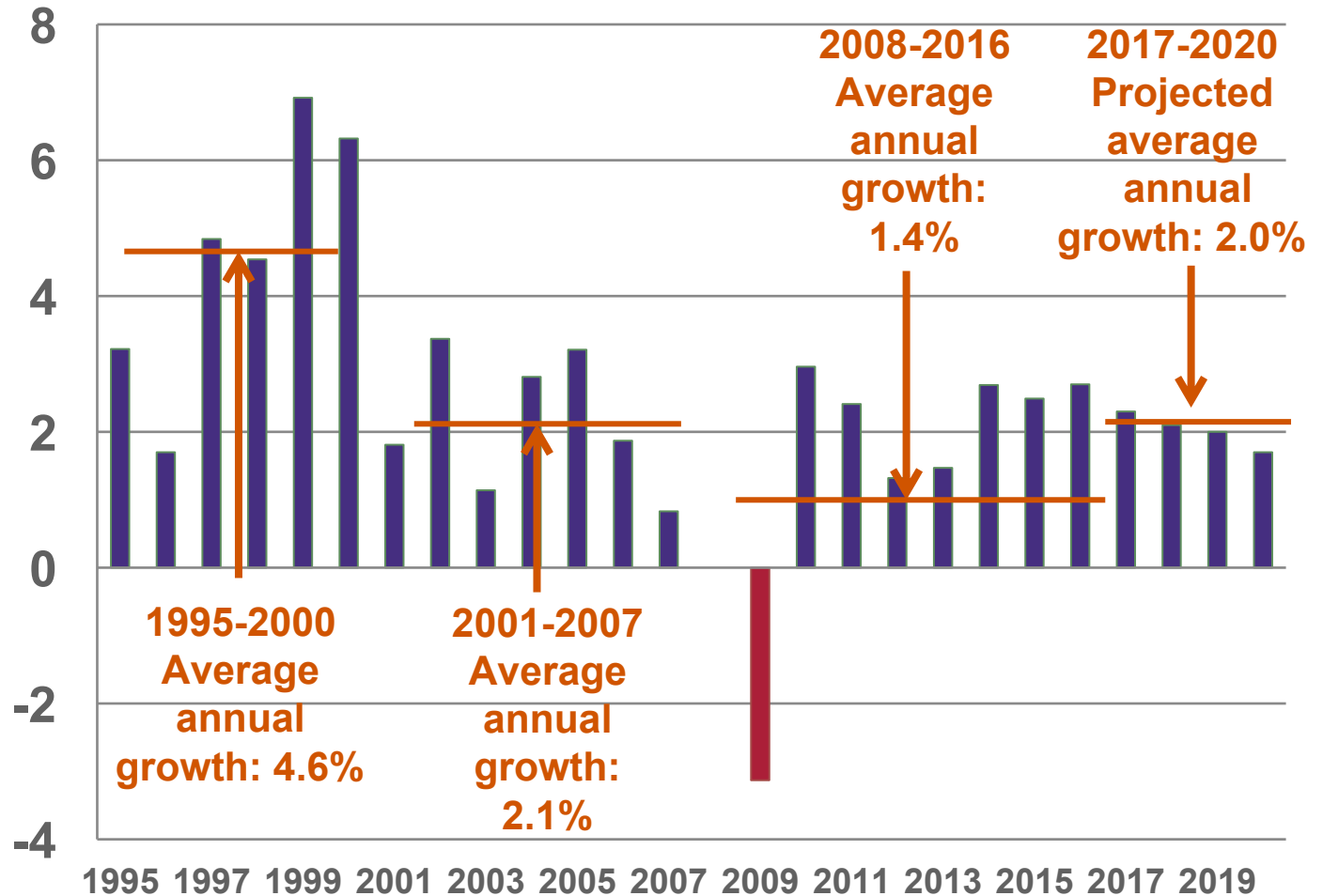


Purchasing Power Parity, or PPP, is the rate of currency conversion that equalizes the purchasing power of different currencies by eliminating the differences in price levels between countries.

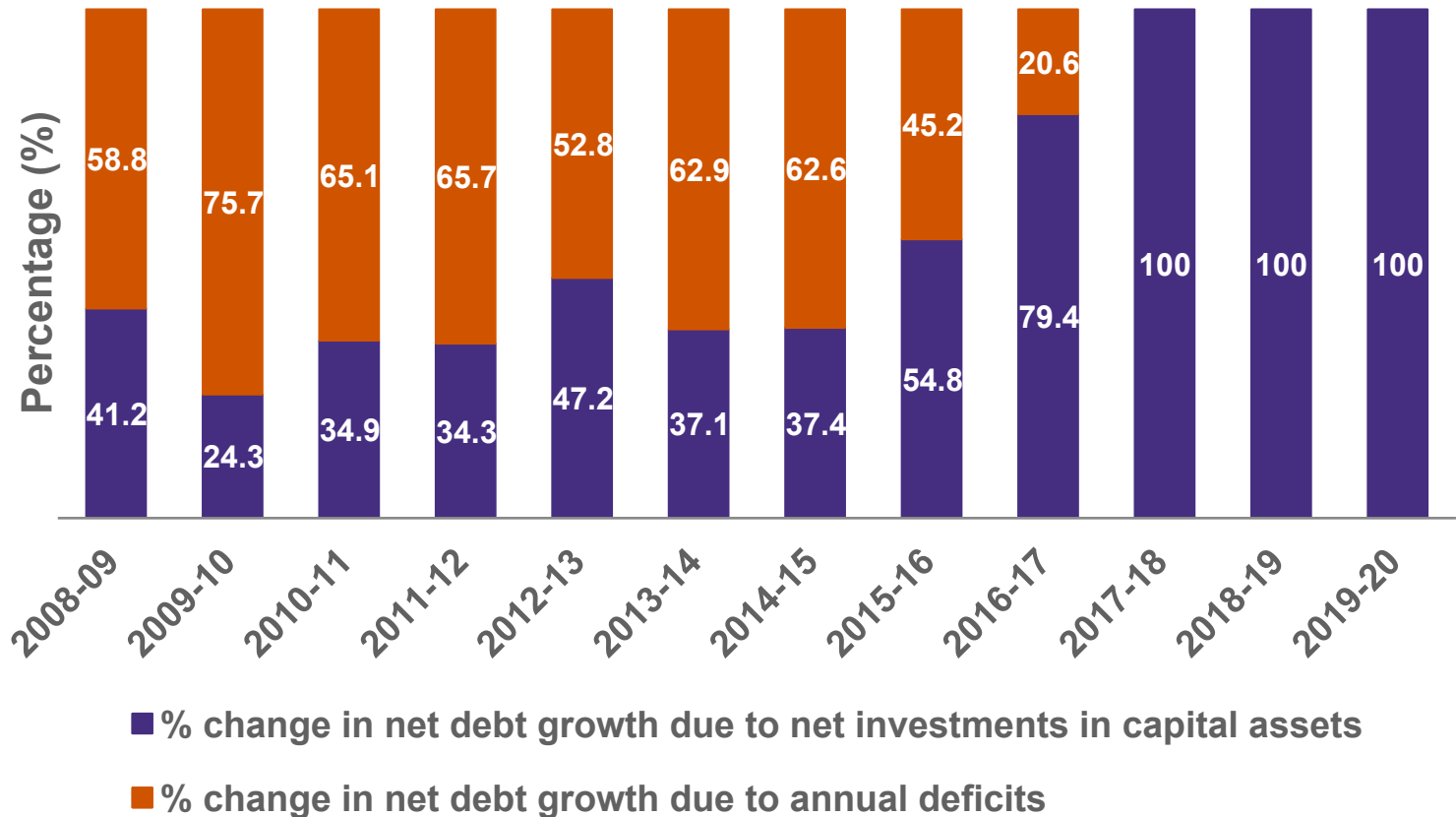
SOURCE: McKinsey & Company, December 2016

Historic and projected Ontario real GDP growth (%)

1995–2020



Net debt growth after balance is due only to investments in capital assets



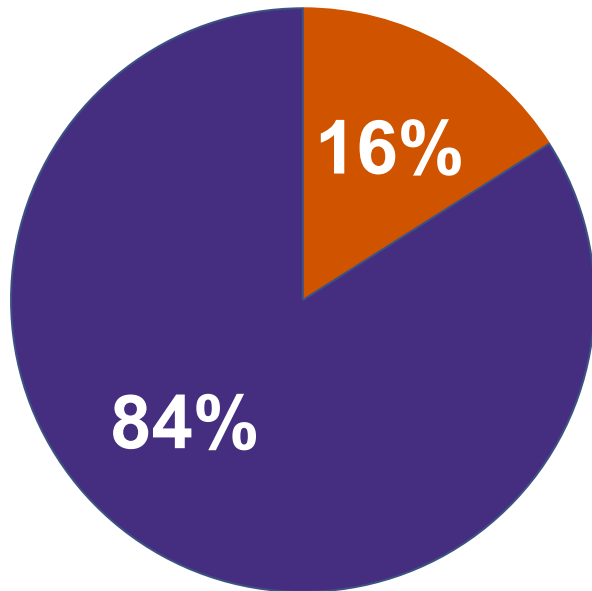
NOTES: The 2015–16 actuals have been restated to reflect recognizing jointly sponsored net pension assets for the Ontario Public Service Employees' Union and the Ontario Teachers' Pension Plan on the Province's financial statements, consistent with the 2016 Budget and as described in the 2016–17 Third Quarter Finances. SOURCE: Ontario Financing Authority
SOURCE: 2017 Budget: A Stronger, Healthier Ontario, page 8

Ontario's Aging Society

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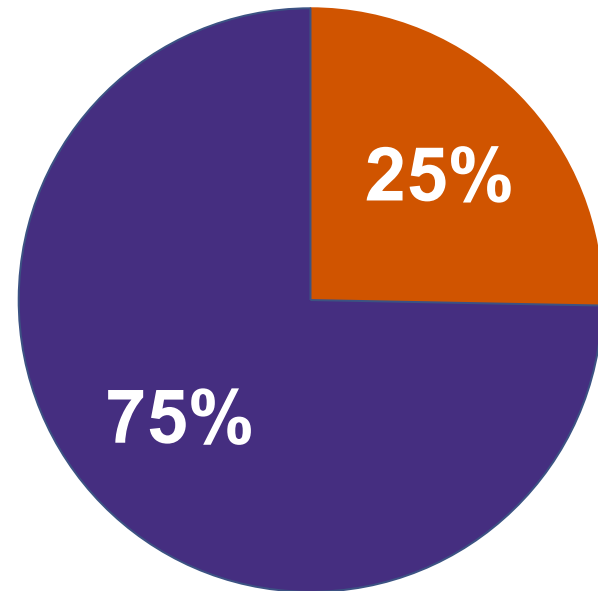
2016

■ 65 and older ■ Under 65



2041

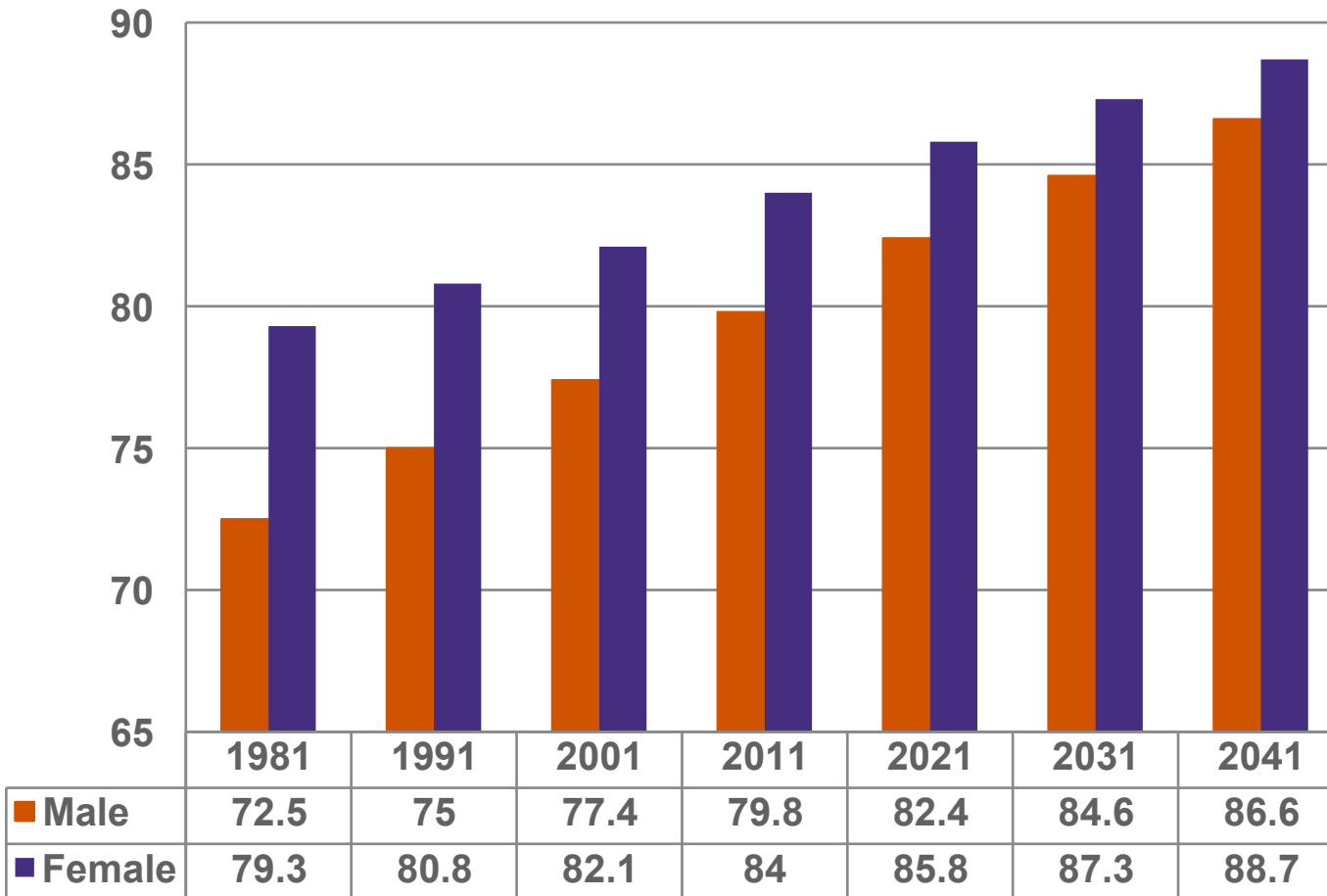
■ 65 and older ■ Under 65



SOURCES: Statistics Canada and Ontario Population Projections Update, 2016–2041
<http://www.fin.gov.on.ca/en/economy/demographics/projections/>

Increasing Life Expectancy

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**Average
life
expectancy
in Ontario**

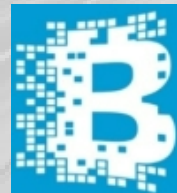
1981–2041

SOURCE: Ontario Population Projections Update, 2016–2041 and Statistics Canada
<http://www.fin.gov.on.ca/en/economy/demographics/projections/>

Disruptive technologies

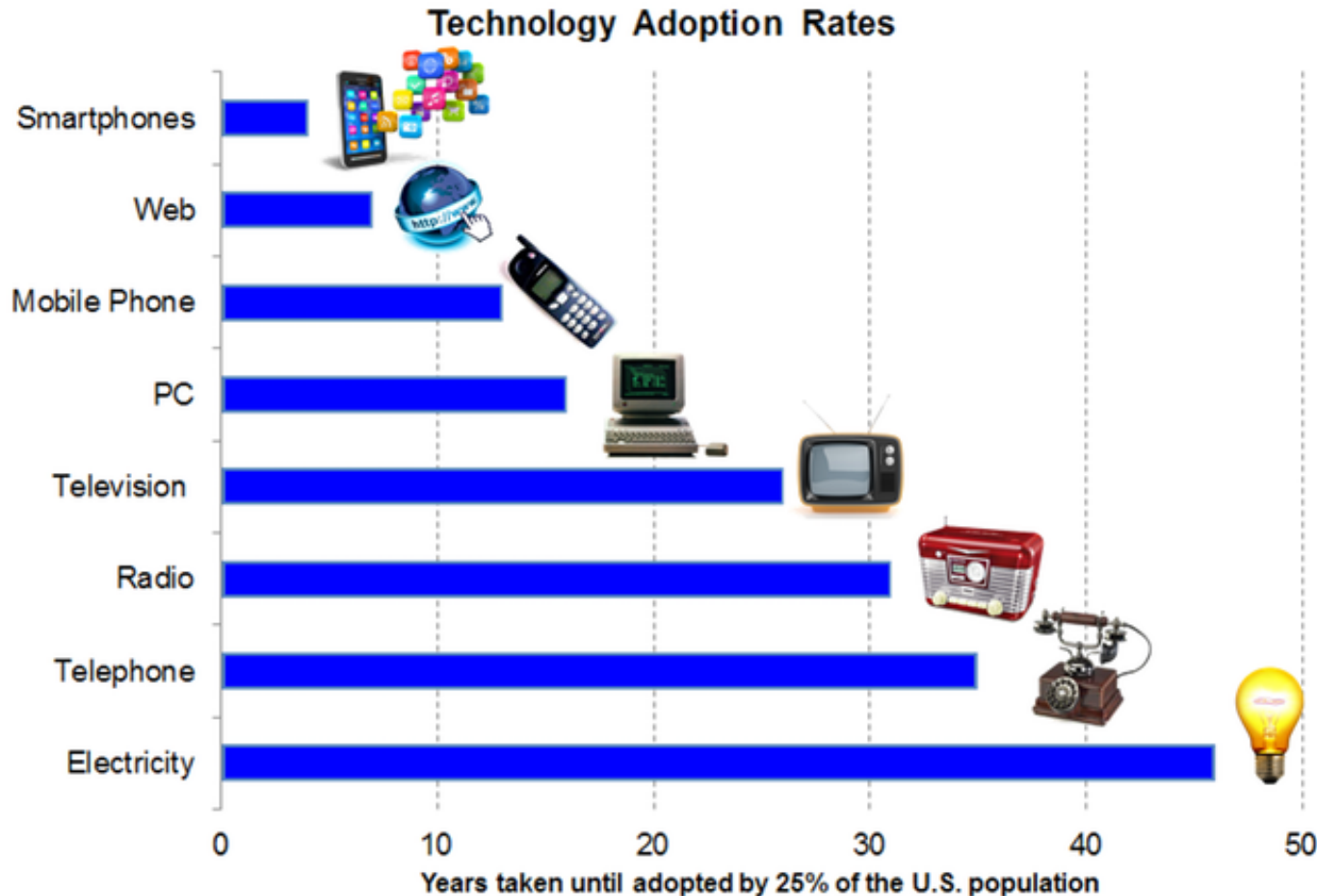
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Harnessing
the power
of technology



Accelerating Rate of Technology Adoption

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Market Realist[®]

Source: U.S. Census, Wall Street Journal

Technology adoption rate:

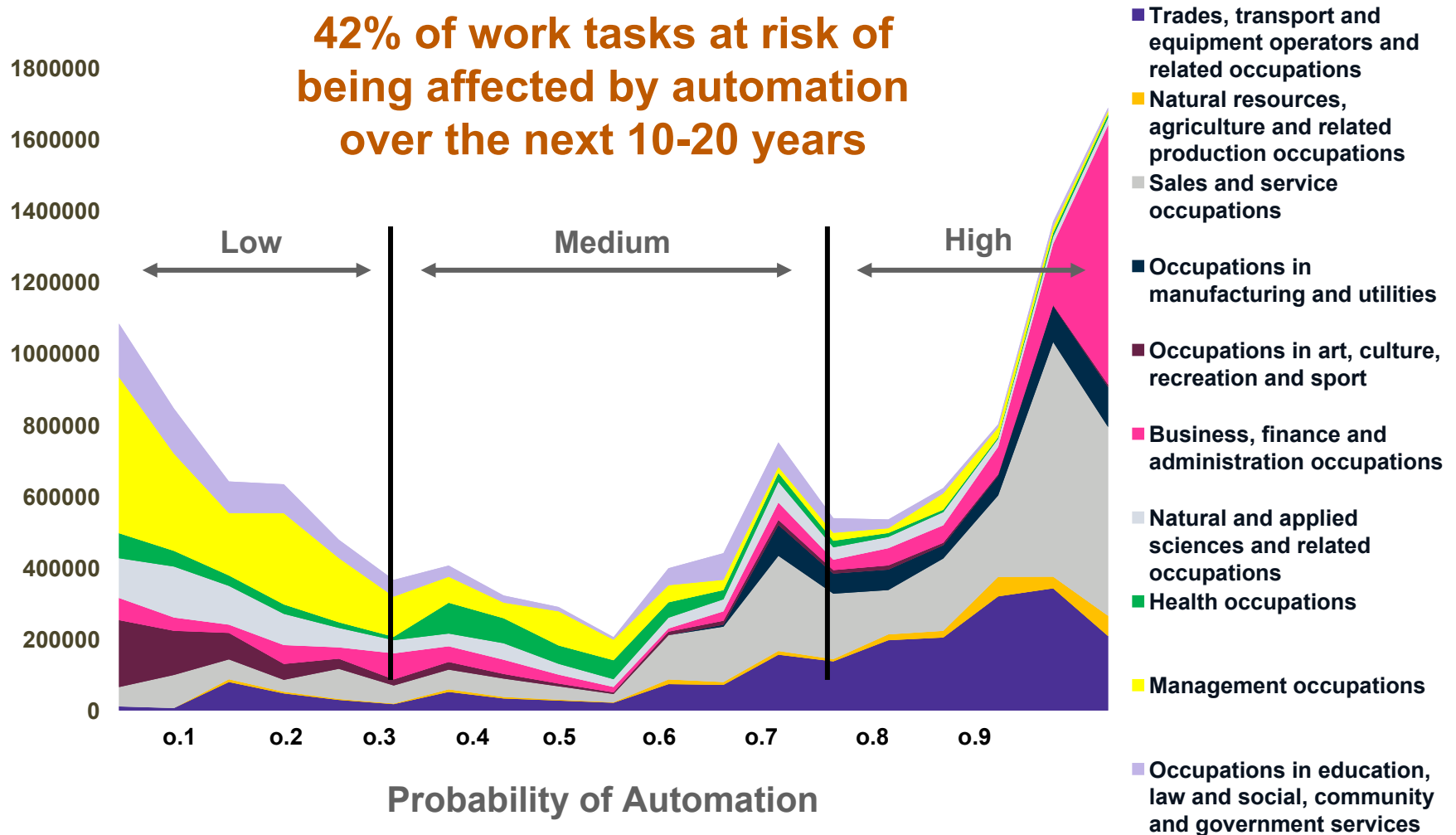
Years taken for new tech to be adopted by 25% of U.S. population

SOURCE: Tech Adoption Rates Have Reached Dizzying Heights, Blackrock
<http://marketrealist.com/2015/12/adoption-rates-dizzying-heights/>

Artificial Intelligence & automation

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42% of work tasks at risk of being affected by automation over the next 10-20 years



SOURCE: *The Talented Mr. Robot: The Impact of Automation on the Canadian Workforce*,
The Brookfield Institute for Innovation + Entrepreneurship

Tasks Most at Risk



**Routine
physical
tasks**



**Routine
cognitive and
interactive
tasks**

Tasks Least at Risk



**Applying expertise,
problem-solving,
creativity**



**People management,
oversight &
stakeholder
interaction**



**Unpredictable
physical work**

Youth at a higher risk

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Canadian Youth
Ages 15-24

Percentage of
labour force:
13%

Percentage in jobs
at risk of
automation
impact:
20%

HIGH-RISK



LOW-RISK



More than **triple** are employed in high-risk occupations compared to low-risk

SOURCE: Future-Proof: Preparing Young Canadians for the Future of Work, The Brookfield Institute for Innovation + Entrepreneurship, page 6

Skills for the future

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Independence/Interdependence



Social Perception



Collaboration



Philosophy/Originality



Adaptability/Flexibility



Initiative/Perseverance



Creativity/Innovation



Leadership



Critical Thinking

SOURCE: Adapted from "Future Shock? The Impact of Automation on Canada's Labour Market," C.D. Howe Institute, page 10

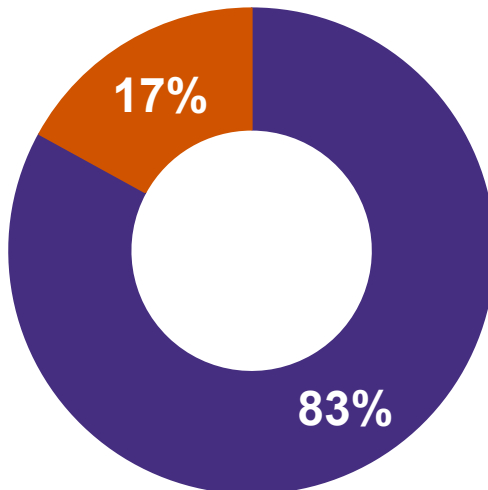
The “experience paradox”

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Are Canada's youth adequately prepared for the workforce?

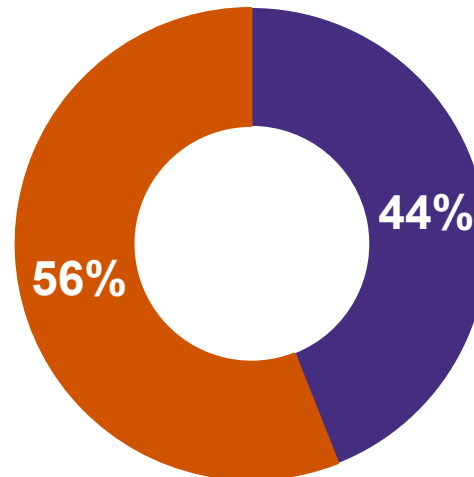
Education providers

■ Yes ■ No



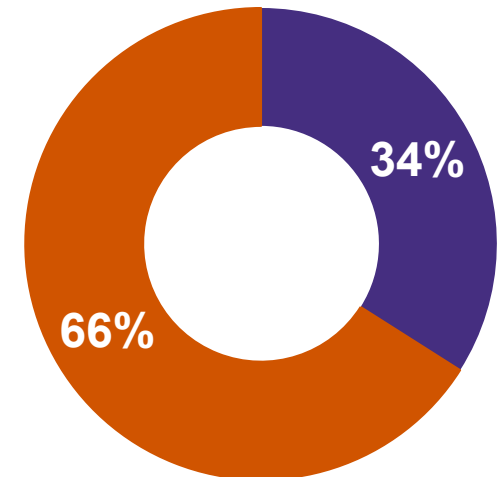
Youth

■ Yes ■ No



Employers

■ Yes ■ No

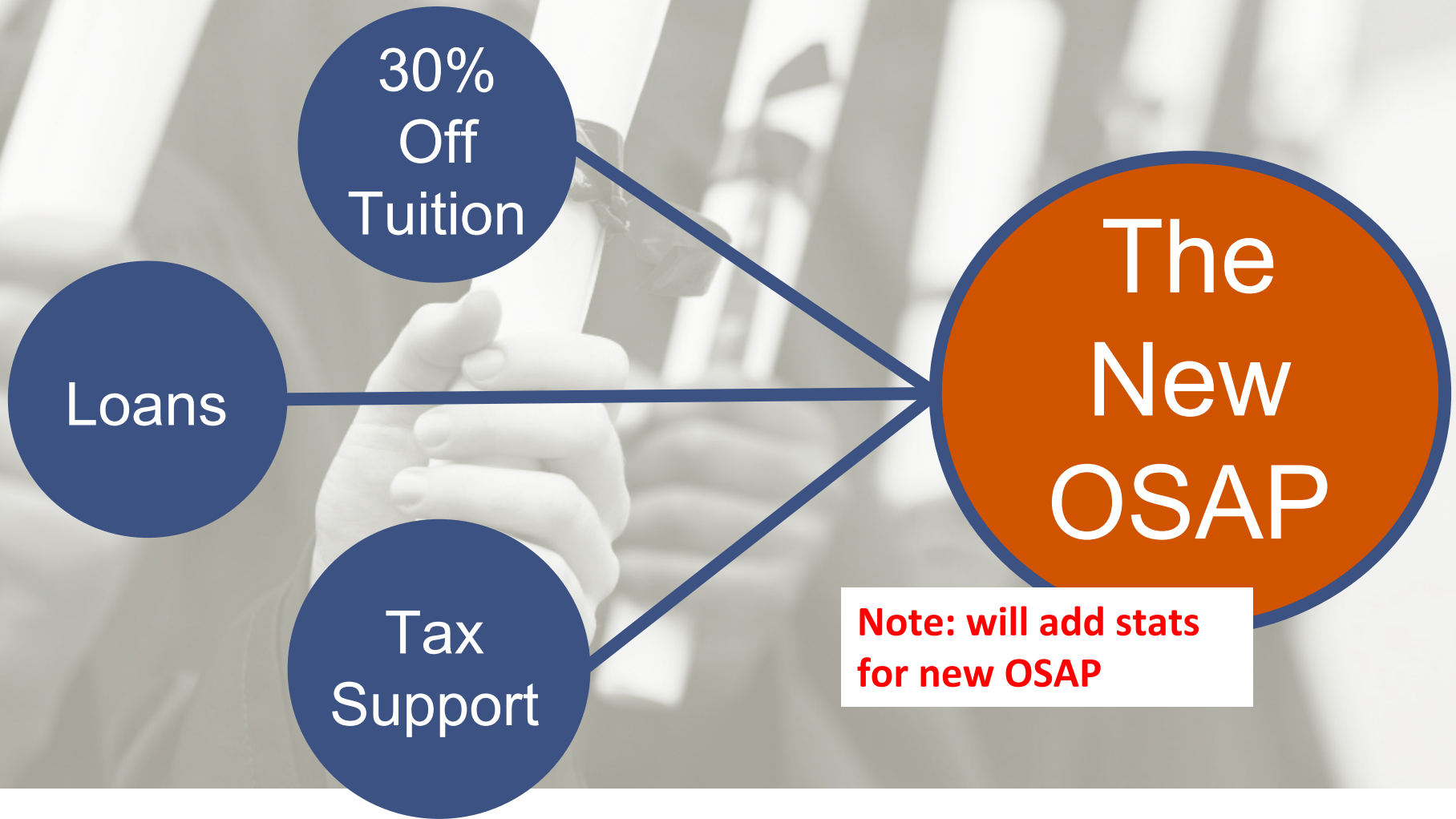


SOURCE: Future-Proof: Preparing Young Canadians for the Future of Work, The Brookfield Institute for Innovation + Entrepreneurship, page 15

Need a Chart showing PSE participation rates by household income

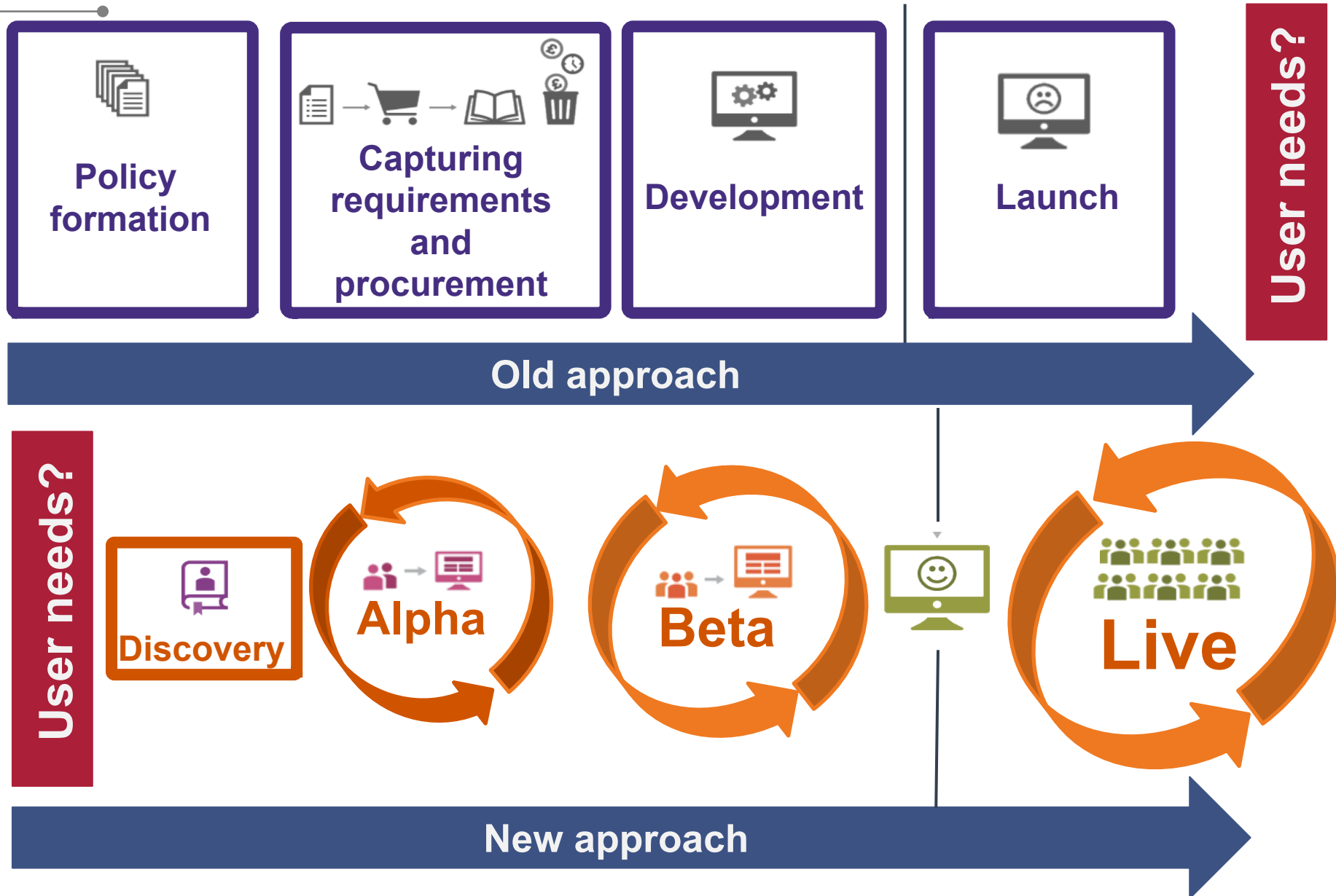
Provider-Focused

Citizen-Focused



Putting the user's needs first

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**None of us is as smart
as all of us....**

Ken Blanchard

**Change before you
have to....**

Jack Welch



Transforming the Ontario Public Service for the Future



Read the discussion paper: <https://www.ontario.ca/page/discussion-document-transforming-ontario-public-service-future>



Questions?



@SteveOrsini

<https://www.ontario.ca/page/secretary-cabinet>