

A cartoon illustration of a man with grey hair, glasses, and a suit with a pink tie. The illustration is overlaid on a background image of a large, ornate building with domes, likely a government or institutional building.

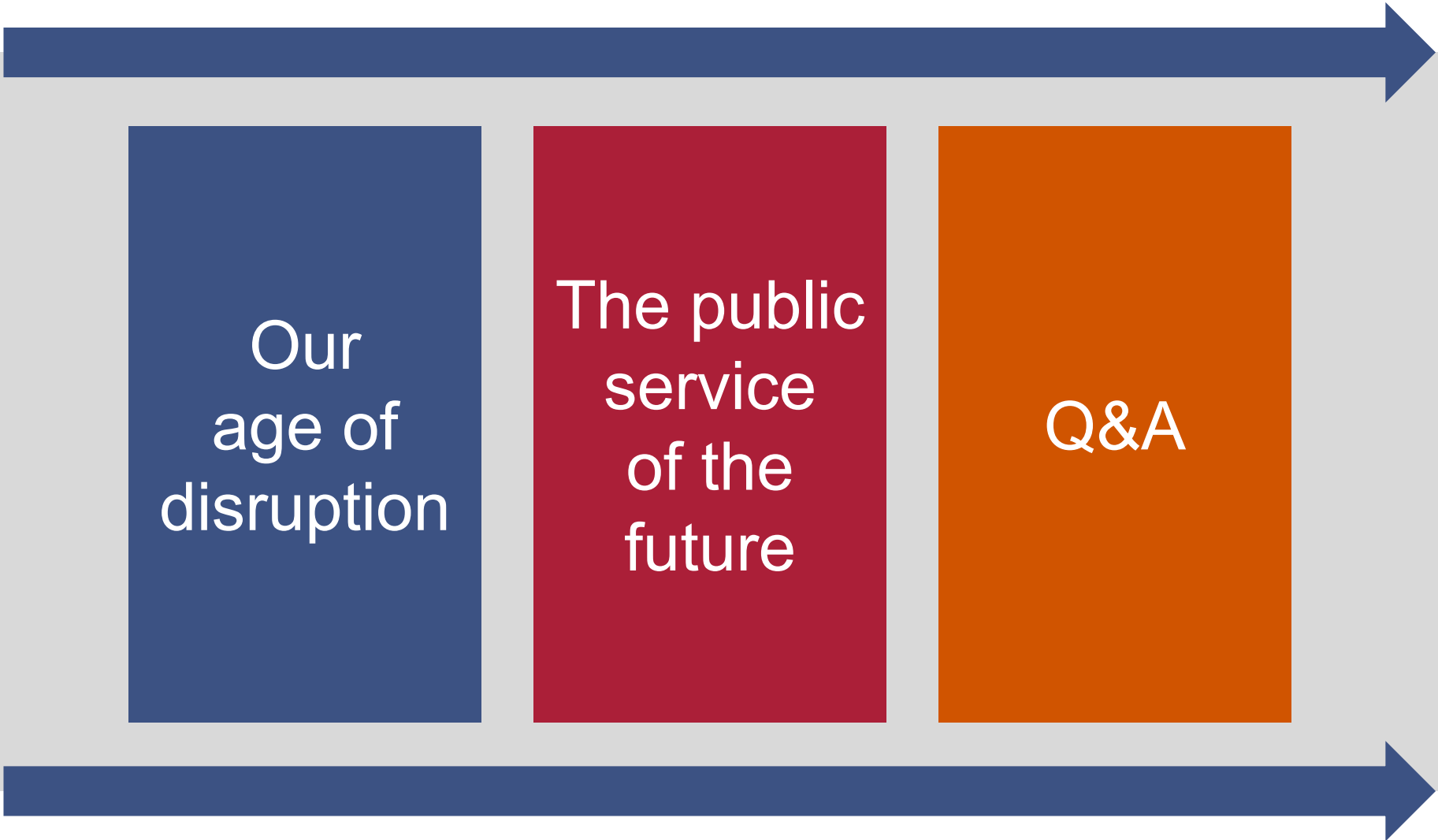
The Public Service of the Future

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

Overview



Presentation by Steve Orsini | 2



Our
age of
disruption

The public
service
of the
future

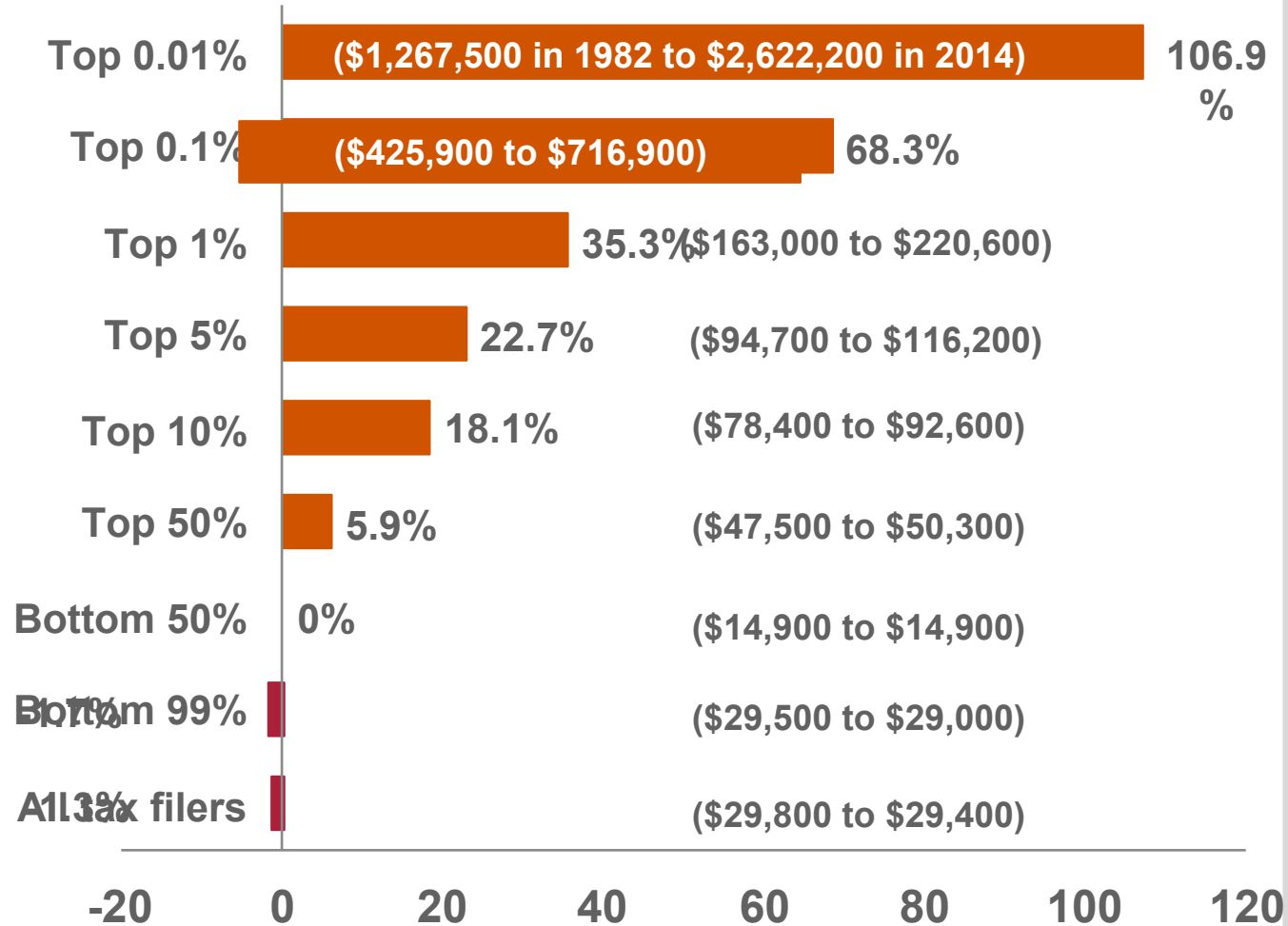
Q&A

Growing income inequality

Presentation by Steve Orsini | 3

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)

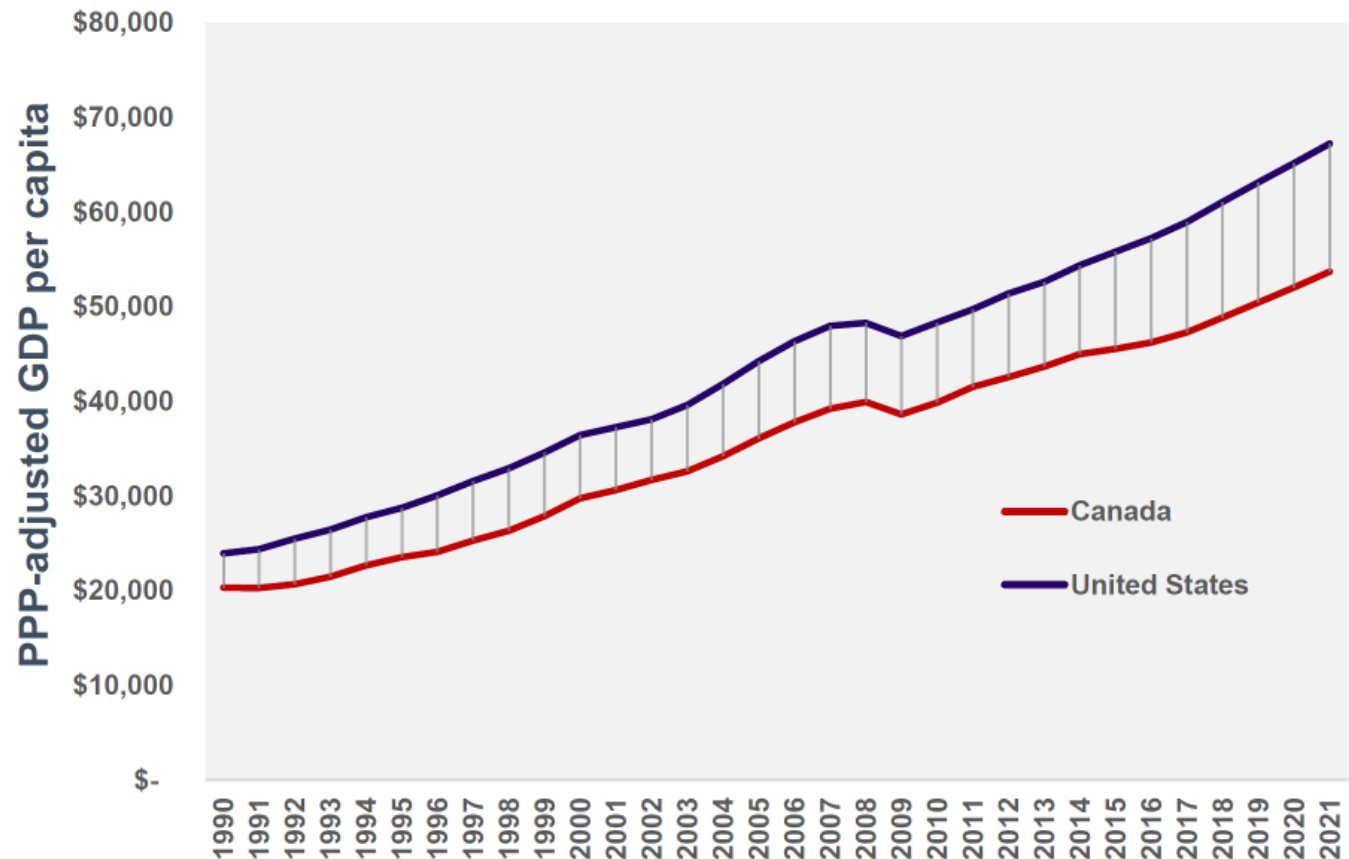
The PPP-adjusted GDP per capita

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Gap between
the U.S. and
Canada has
grown

1990:
Approximately
\$4,000

2015:
+\$11,500



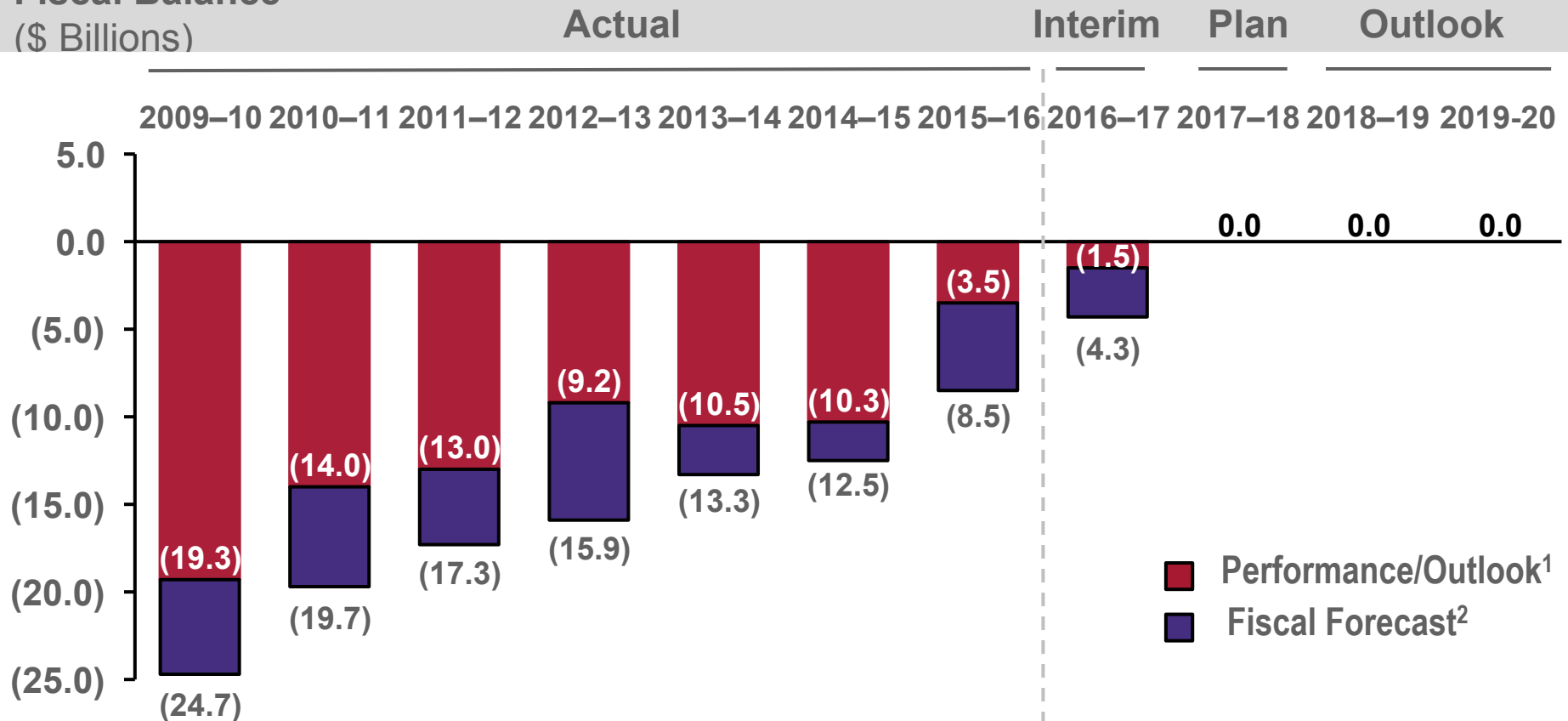
Purchasing Power Parity, or PPP, is the rate of currency conversion that equalizes the purchasing power of different currencies by eliminating the differences in price levels between countries.

SOURCE: McKinsey & Company, December 2016

Ontario's return to balance

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Fiscal Balance (\$ Billions)

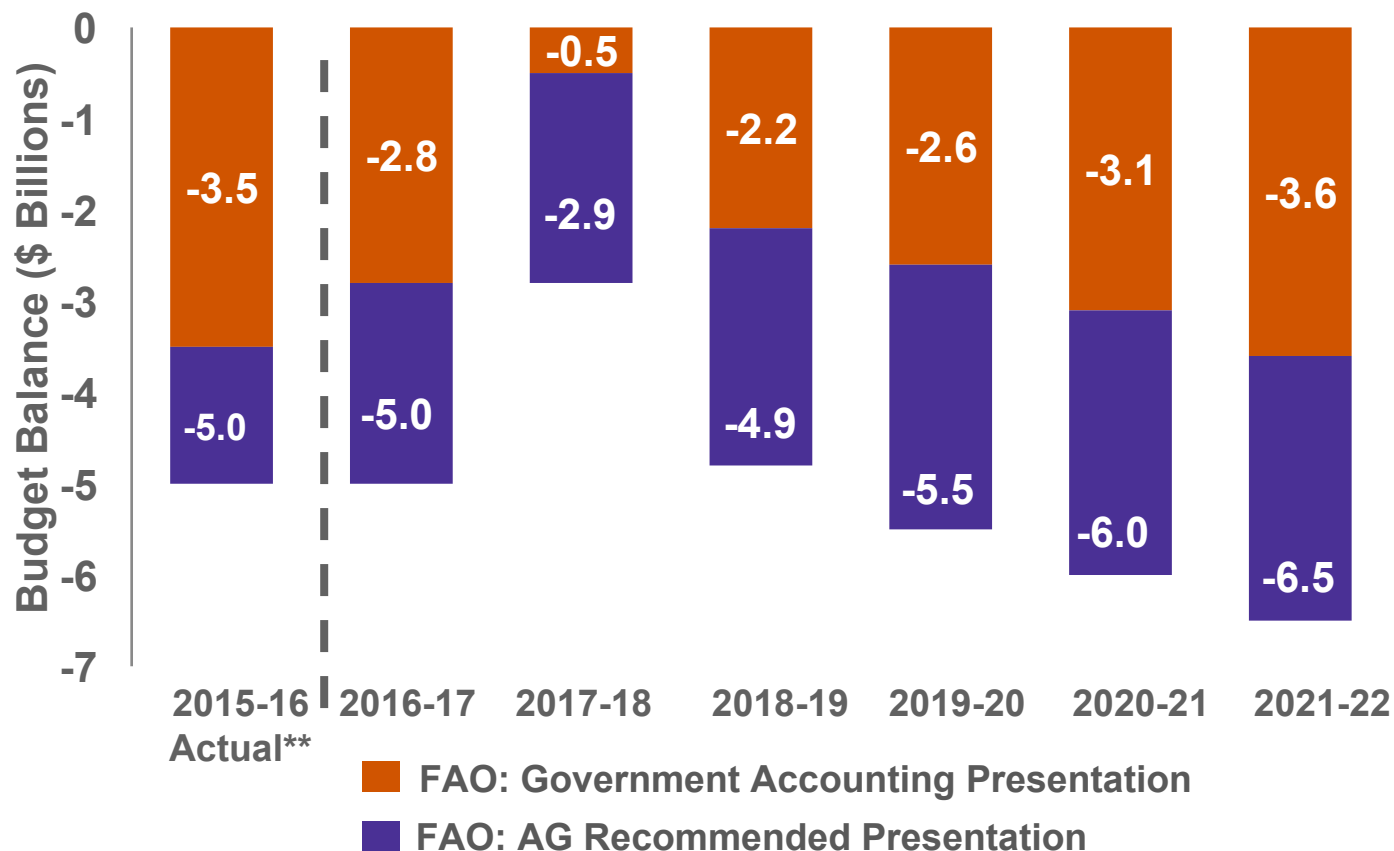


¹ Represents the 2017 Budget outlook for 2016-17 to 2019-20. For 2009-10 to 2015-16, actual results are presented. The 2015-16 actuals have been restated to reflect recognizing jointly sponsored net pension assets for the Ontario Public Service Employees' Union Pension Plan and the Ontario Teachers' 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

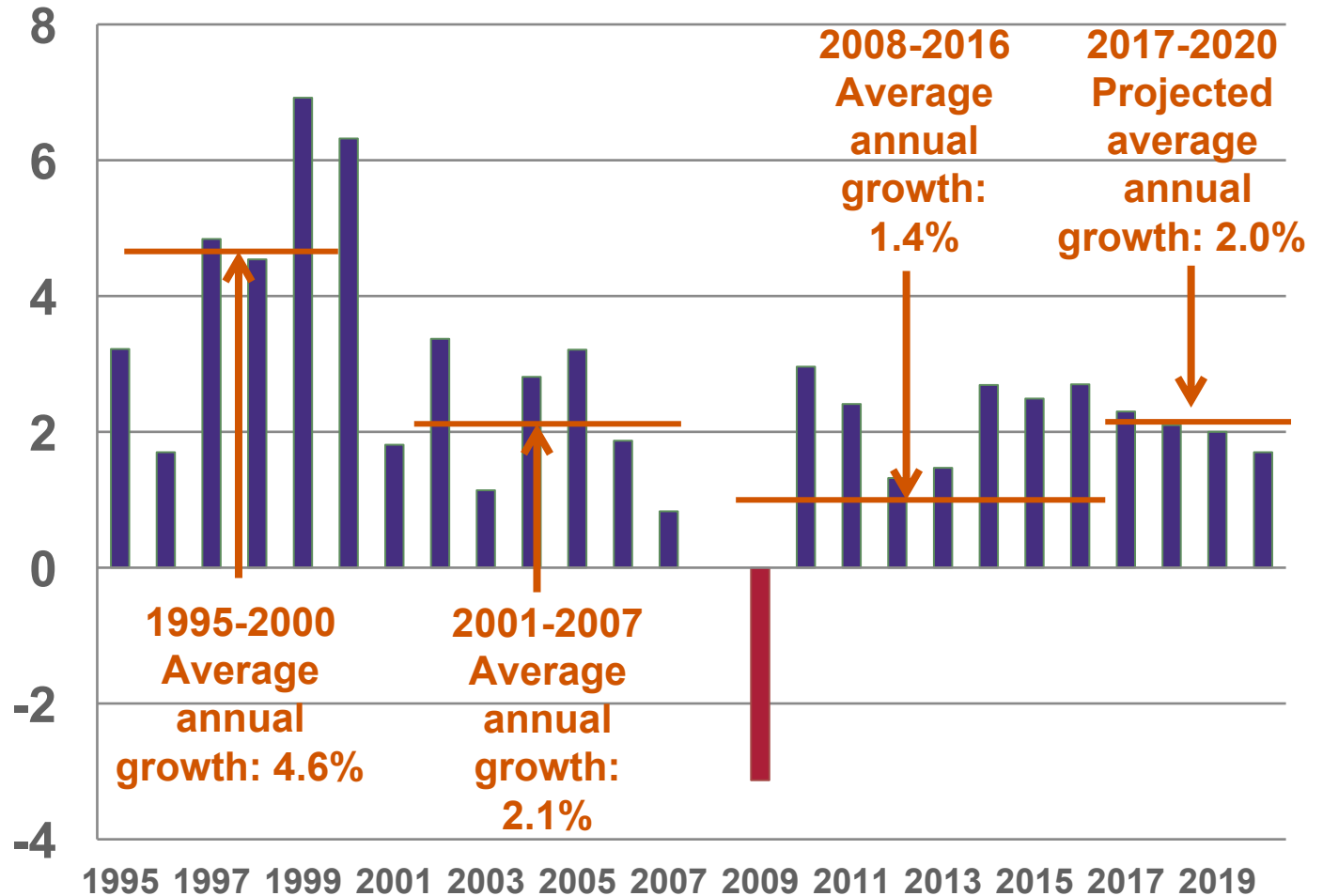
**Ontario 2015-16 Public Accounts reported a deficit of \$5.0 billion. Without the pension adjustment, the deficit would have been \$3.5 billion.

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

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

Historic and projected Ontario real GDP growth (%)

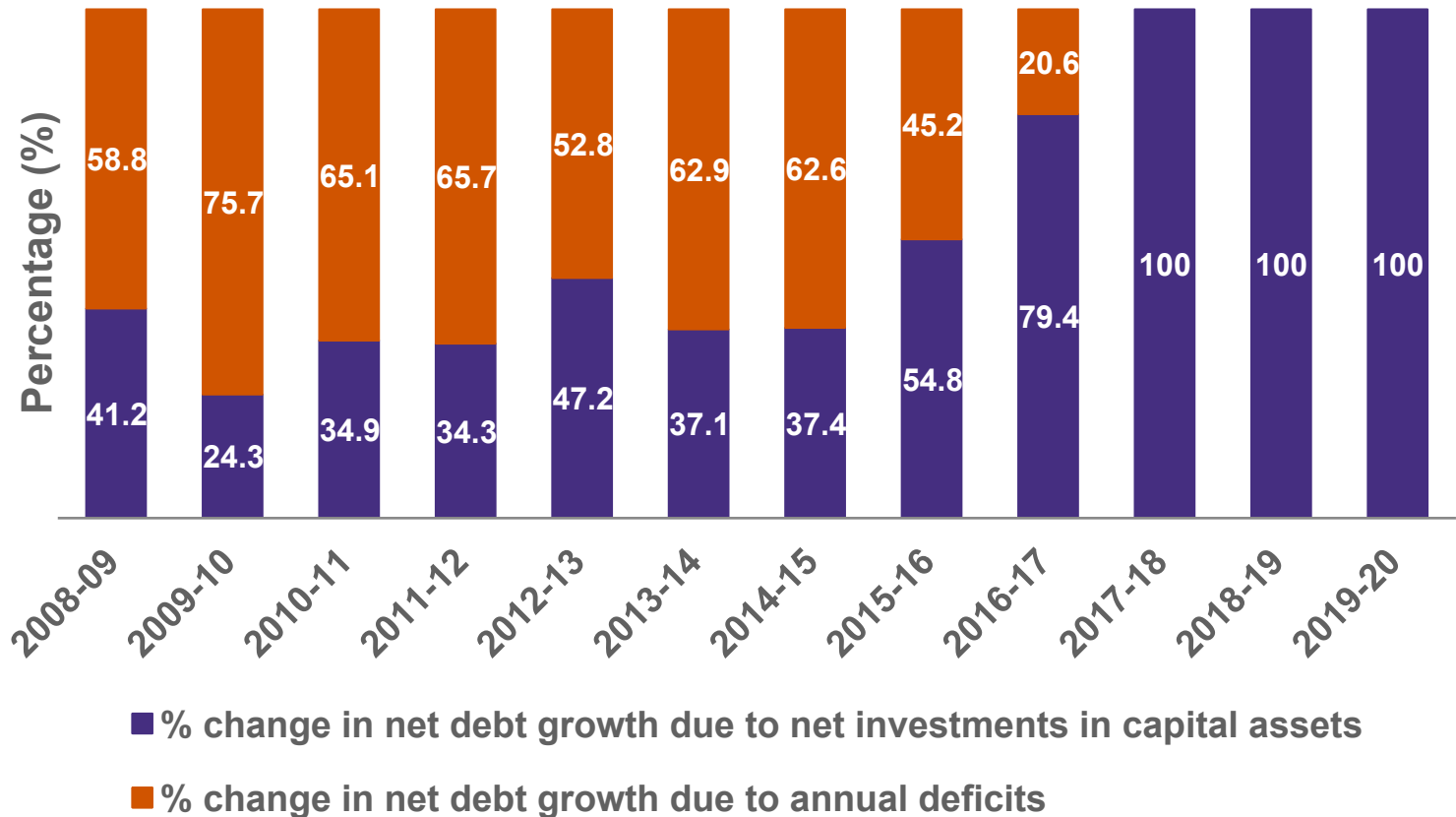
1995–2020



Balanced budget as future proofing

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

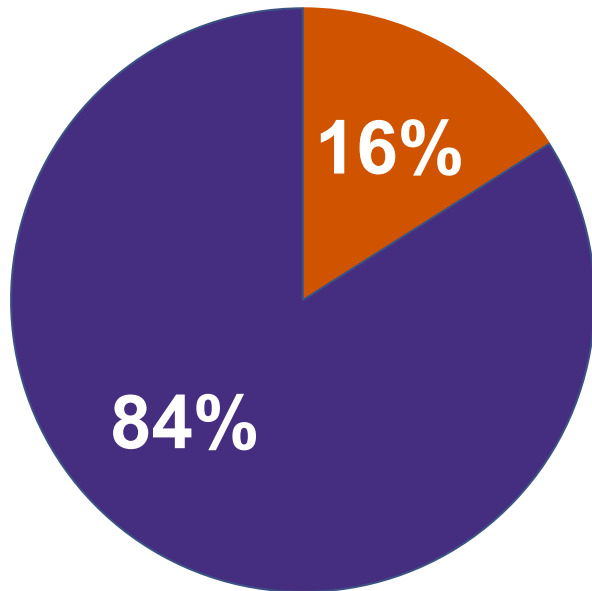


NOTES: The 2015–16 actuals have been restated to reflect recognizing jointly sponsored net pension assets for the Ontario Public Service Employees' Union and the Ontario Teachers' Pension Plan on the Province's financial statements, consistent with the 2016 Budget and as described in the 2016–17 Third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

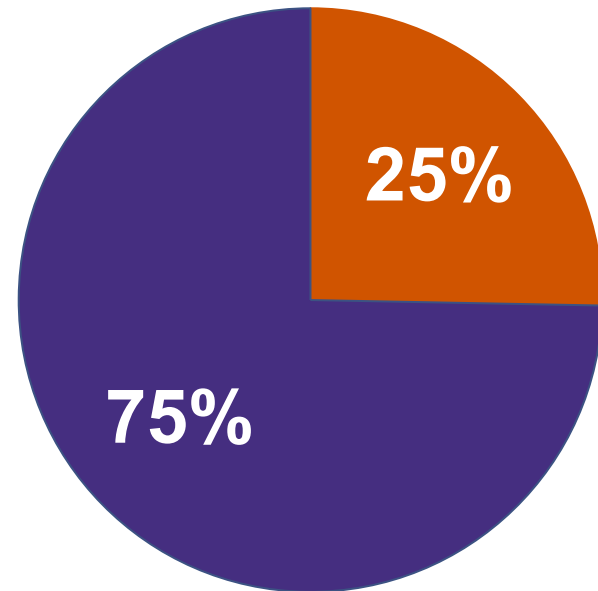
An aging society

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2016
■ 65 and older ■ Under 65



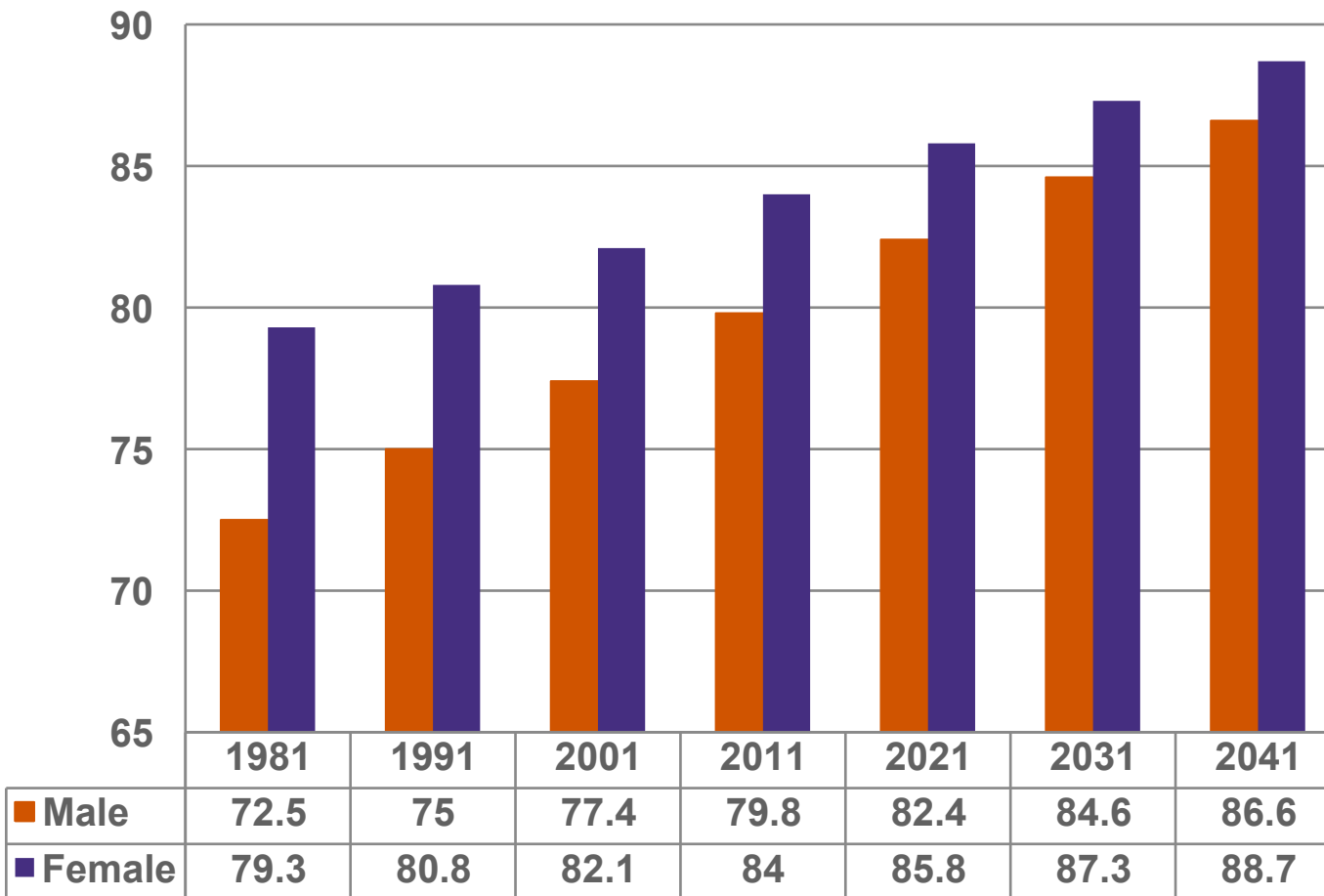
2041
■ 65 and older ■ Under 65



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

A longer-lived population

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**Average
life
expectancy
in Ontario**

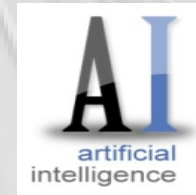
1981–2041

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

Disruptive technologies

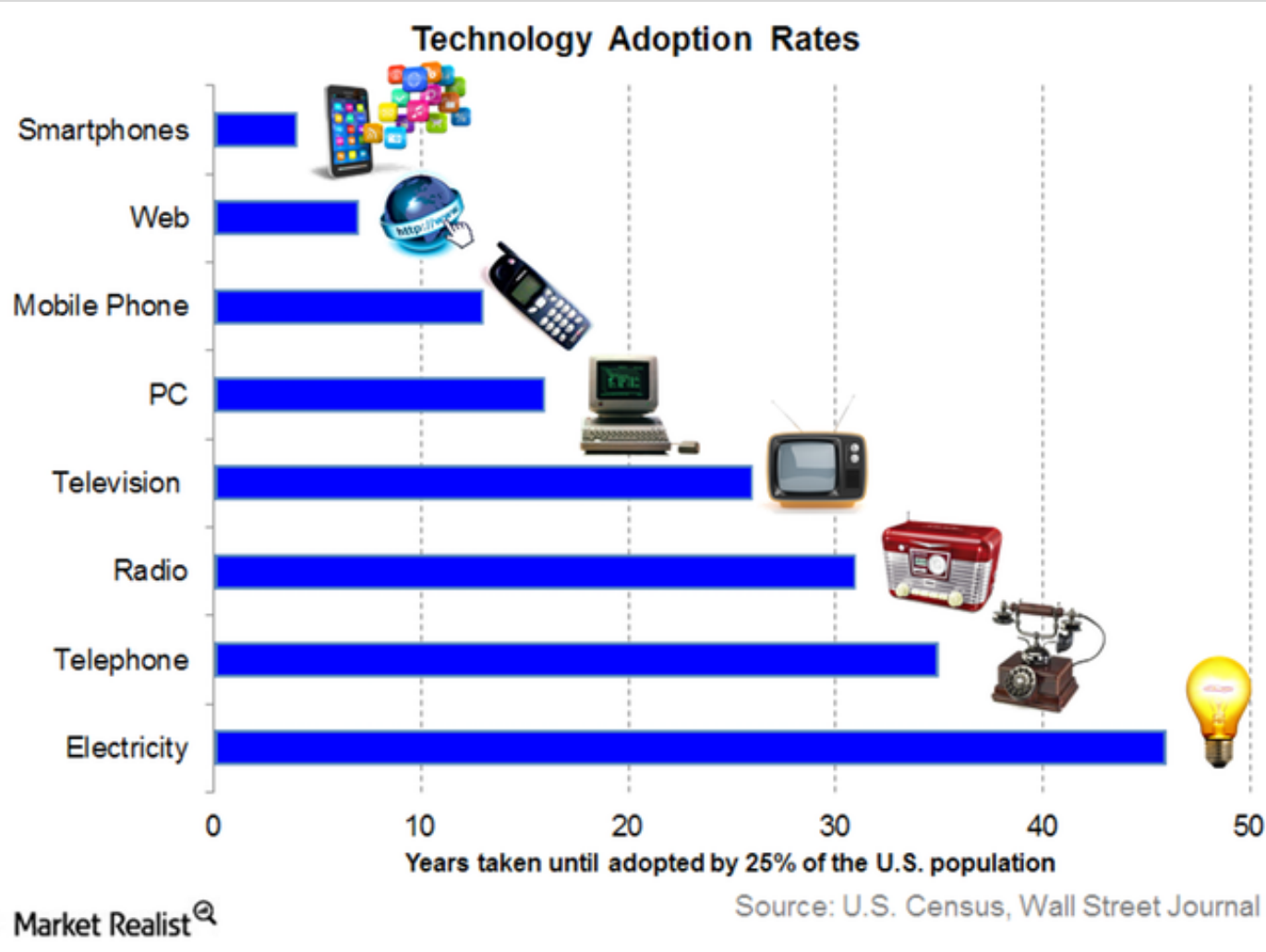
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Harnessing
the power
of technology



The rate of technology adoption

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Technology adoption rate:

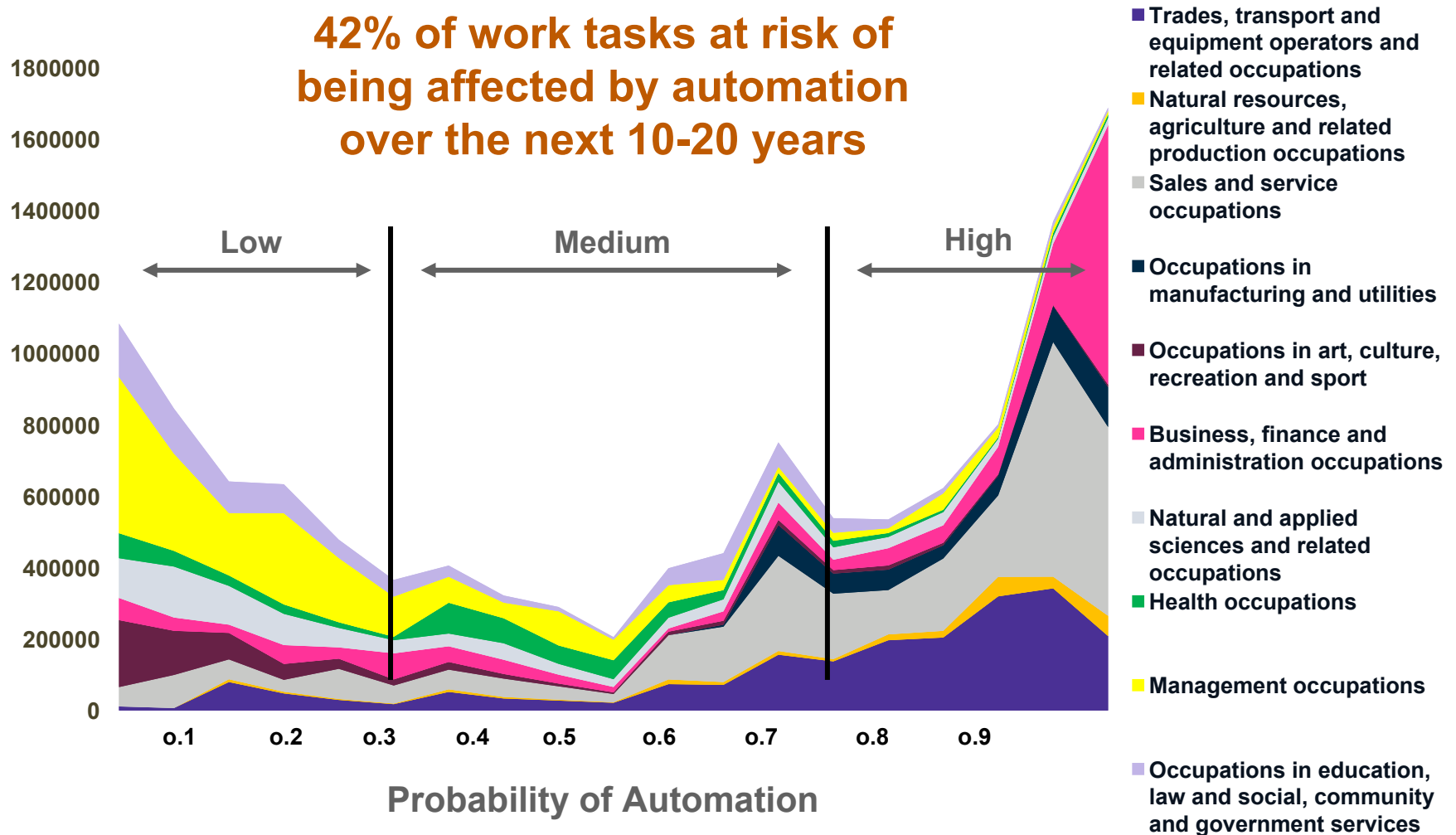
Years taken for new tech to be adopted by 25% of U.S. population

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



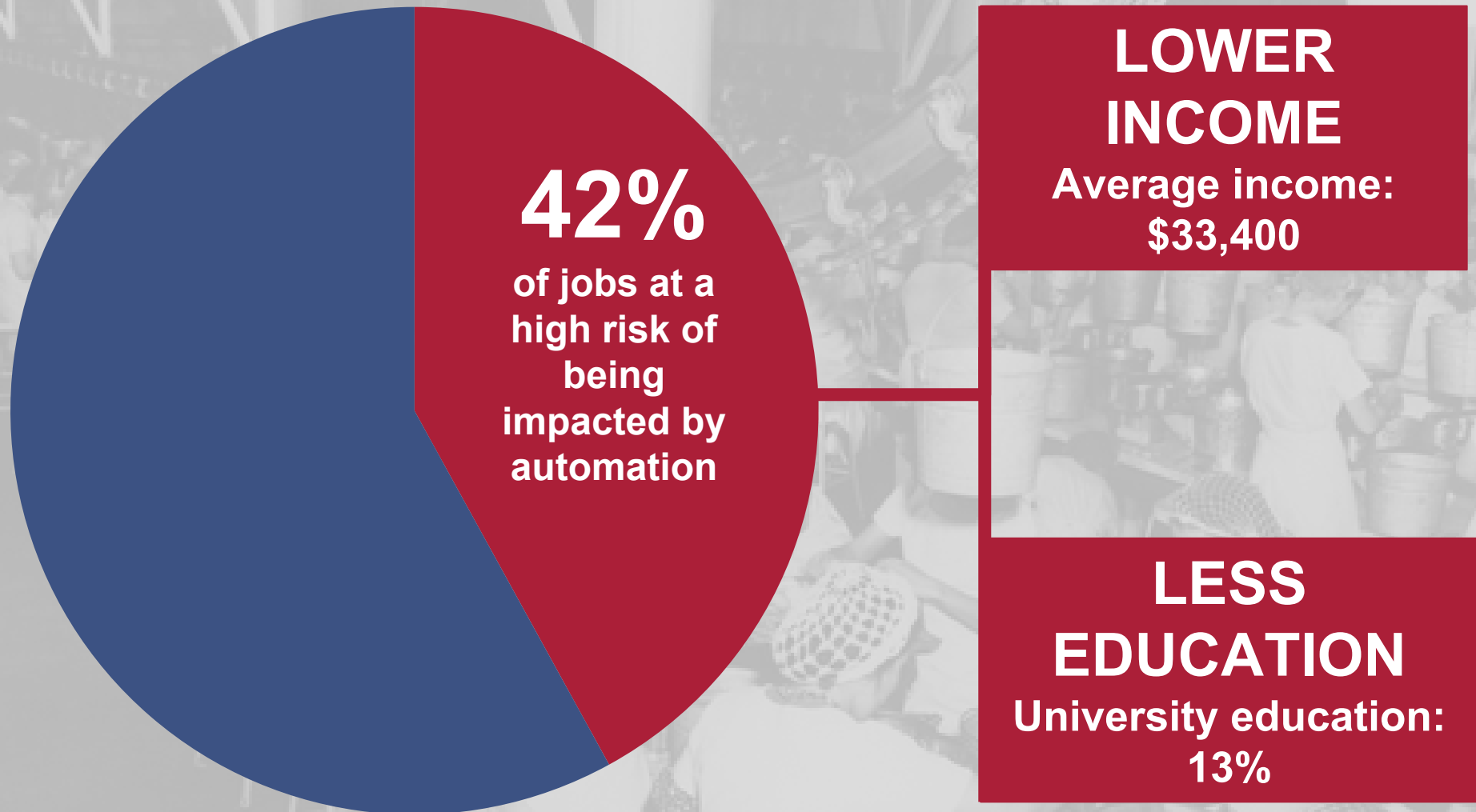
**Applying expertise,
problem-solving,
creativity**



**People management,
oversight &
stakeholder
interaction**



**Unpredictable
physical work**



SOURCE: Future-Proof: Preparing Young Canadians for the Future of Work, The Brookfield Institute for Innovation + Entrepreneurship, page 5

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

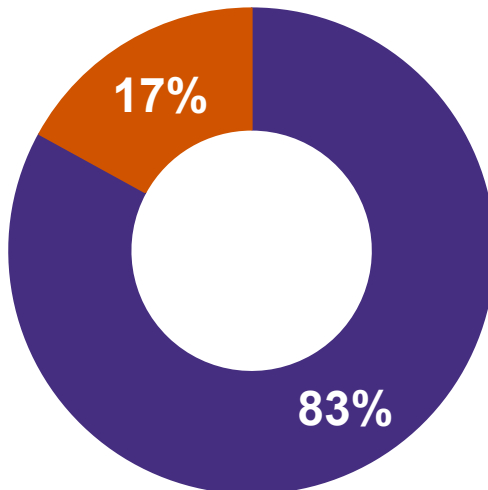
The “experience paradox”

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Are Canada's youth adequately prepared for the workforce?

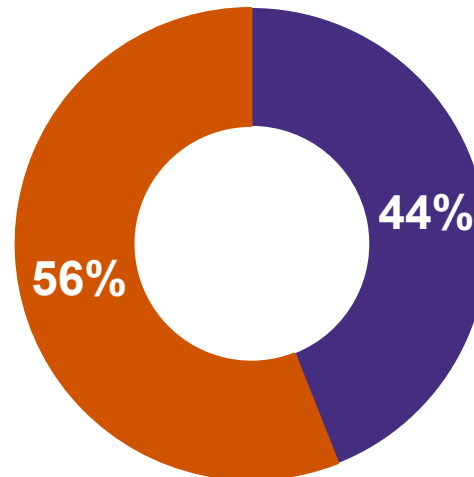
Education providers

■ Yes ■ No



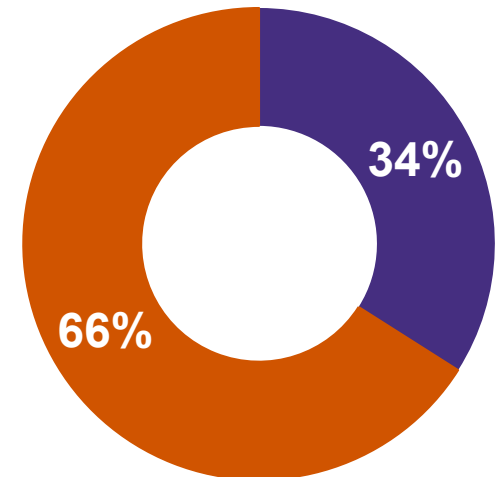
Youth

■ Yes ■ No



Employers

■ Yes ■ No



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

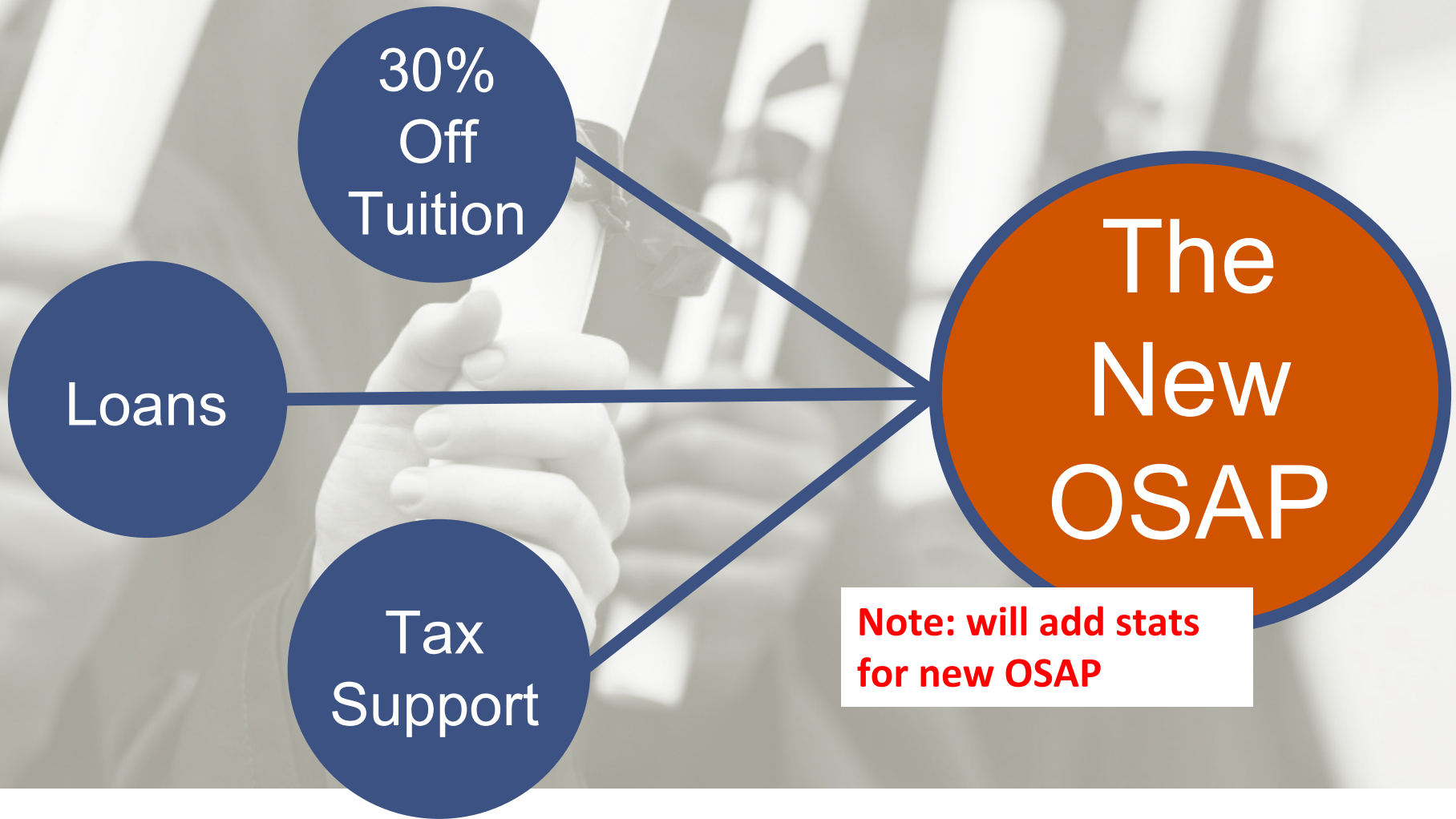
“Canadian youth are **highly skilled, well educated, entrepreneurial** and arguably among the best suited to adapt to the complex skills required for the future of work. ...

As Canada begins to focus more deliberately on inclusive economic growth, it is paramount that the country’s public, private and non-profit sectors **work together** to ensure that Canadian youth have the skills and experience to benefit from and drive technological progress.”

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

Provider-Focused

Citizen-Focused



The public service of the future

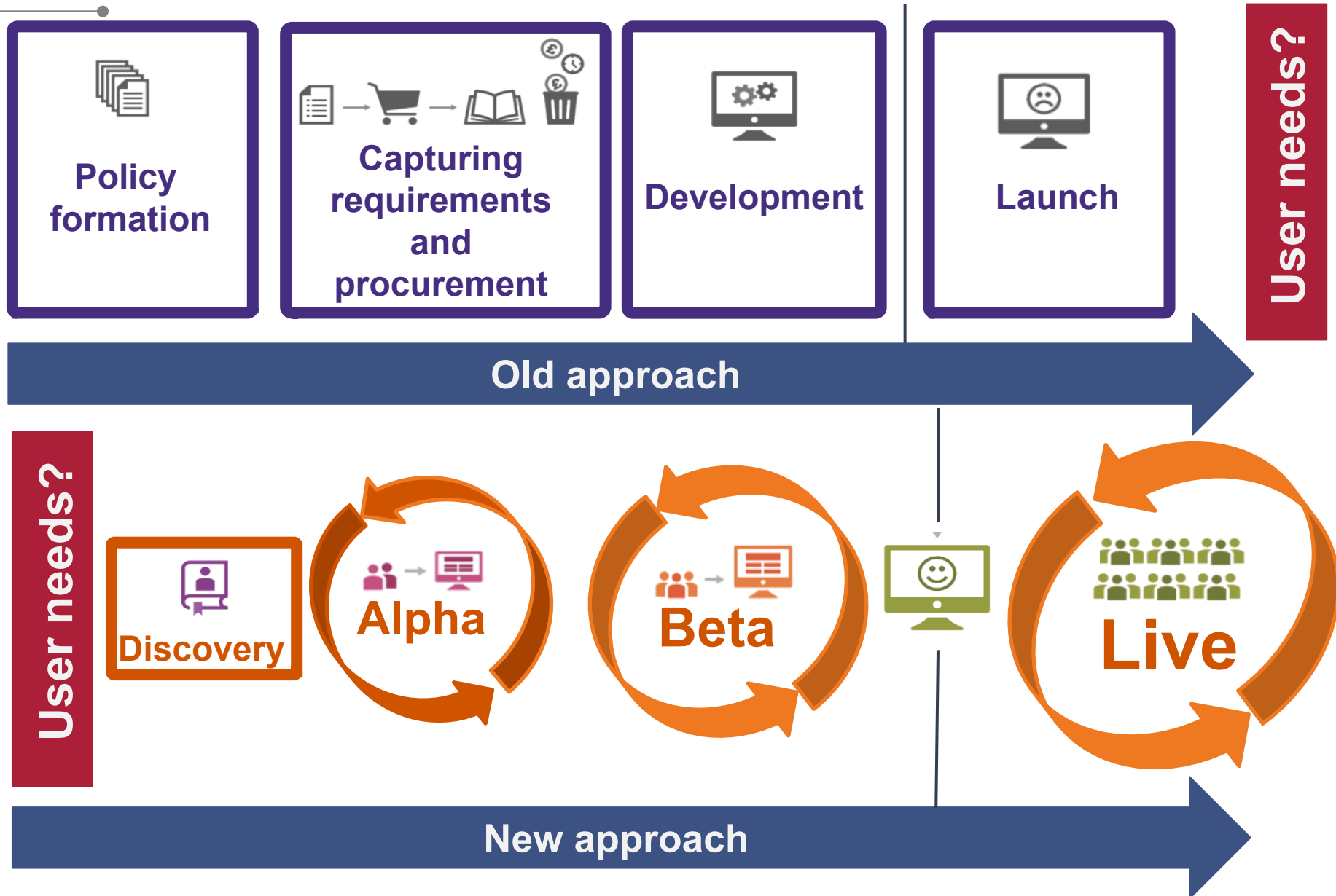
“Despite endless discussions at conferences and internal strategy sessions about the need for innovation, the public service remains characterized by a culture of risk aversion. Conversations with senior public servants reveal frustration with systems oriented towards the status quo.

At an organizational level, the story is much the same. For example, the 2017 Ontario Public Service employee survey found that only 52% of employees felt encouraged to take reasonable risks and 55% believed that innovation was valued in the workplace.”

*Sunil Johal
From Fail-Safe to Safe-To-Fail
The Mowat Centre*

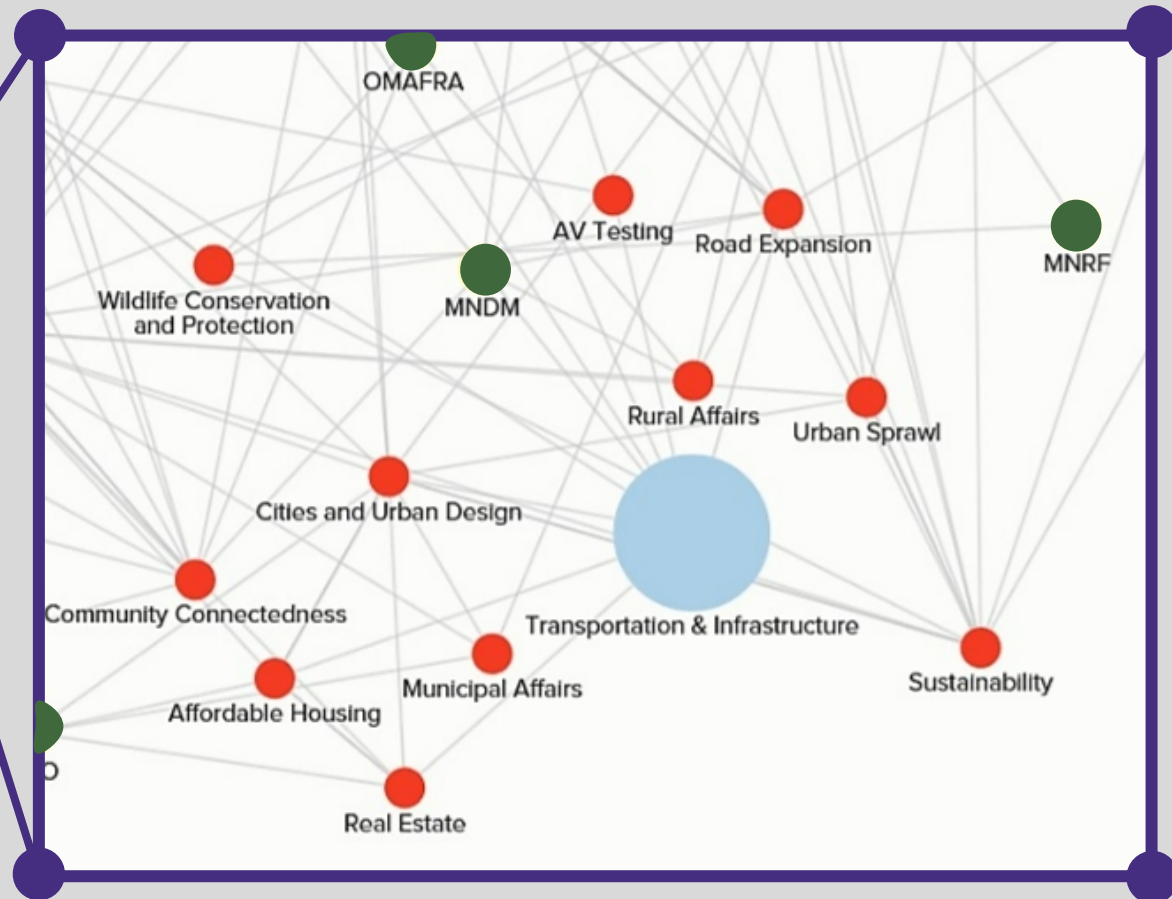
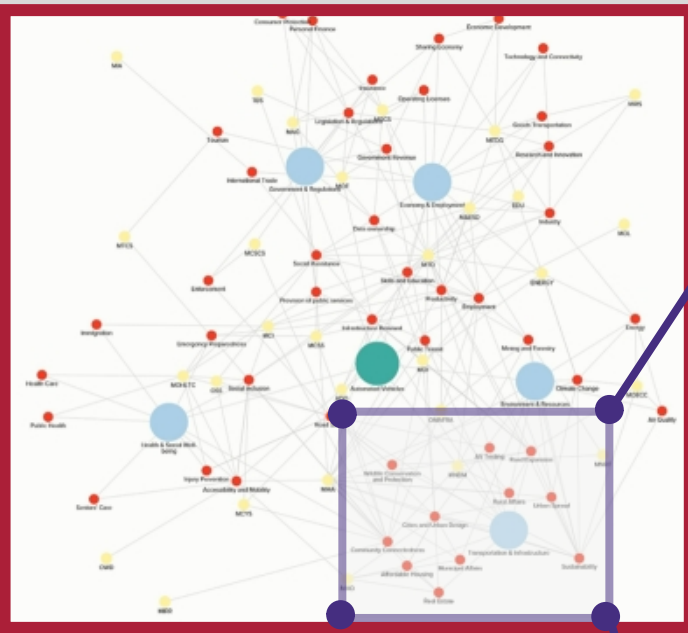
Putting the user's needs first

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Mapping the implications of policy

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**Joint
Ministry of
Economic
Development &
Growth and
Ministry of
Research,
Innovation and
Science
team tasked with
understanding
how disruptive
technologies will
impact Ontario**



Autonomous Vehicles

**Next Generation
Networks**



Quantum Technologies

Advanced Robotics



Cloud Computing

Nanotechnology



Blockchain

**Biology and
Genomics**



Artificial Intelligence

CyberSecurity

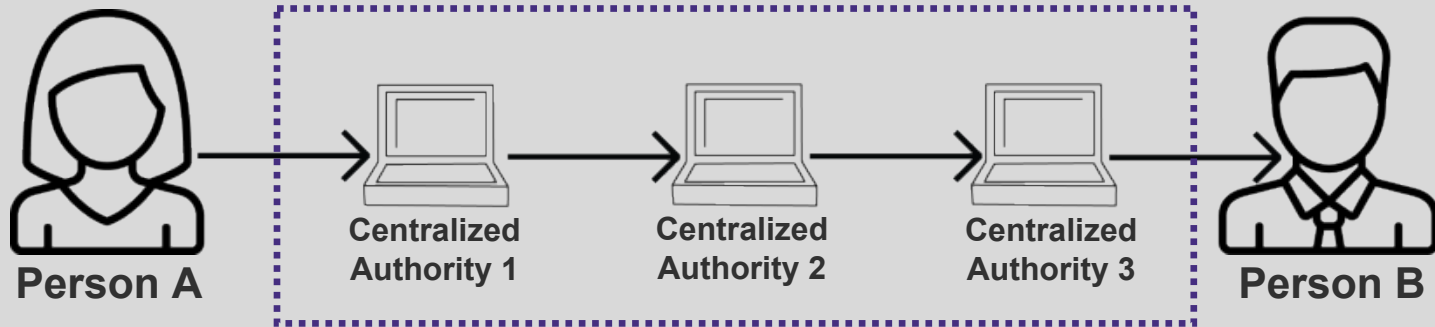


Internet of Things

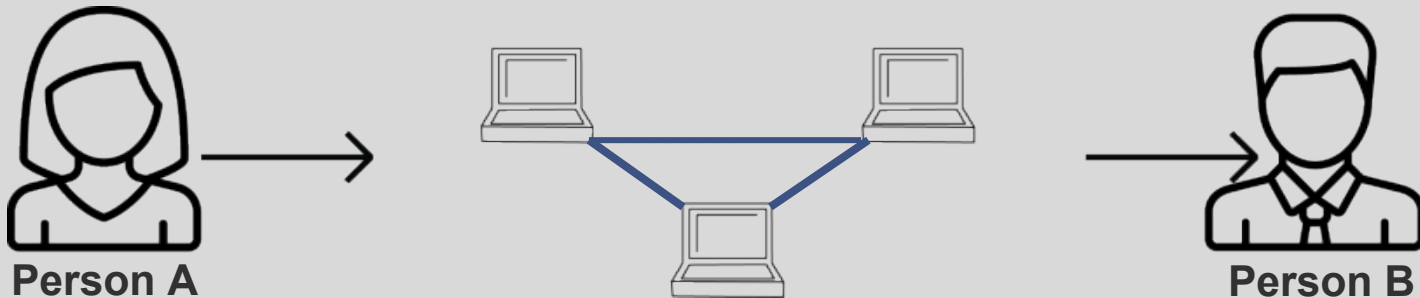
Renewable Resources



3D Printing



Centralized Trust



Decentralized Trust



Transforming the Ontario Public Service for the Future



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

OPS public service renewal project

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By modernizing the Ontario Public Service to be more agile and citizen-centred, we will be better equipped to adapt and thrive in our rapidly changing world. We will also ensure that we can continue to provide excellent programs and services to Ontarians and collaborate effectively with our partners.

Our public service renewal project to date:



12 sessions
led by
Secretary of
the Cabinet

2,600+ OPS
employees
engaged

400 online
submissions



 @SteveOrsini