

TRANSFORMING PUBLIC SERVICES FOR THE FUTURE

Colleges Ontario Presidents' Retreat
Niagara-on-the-Lake

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

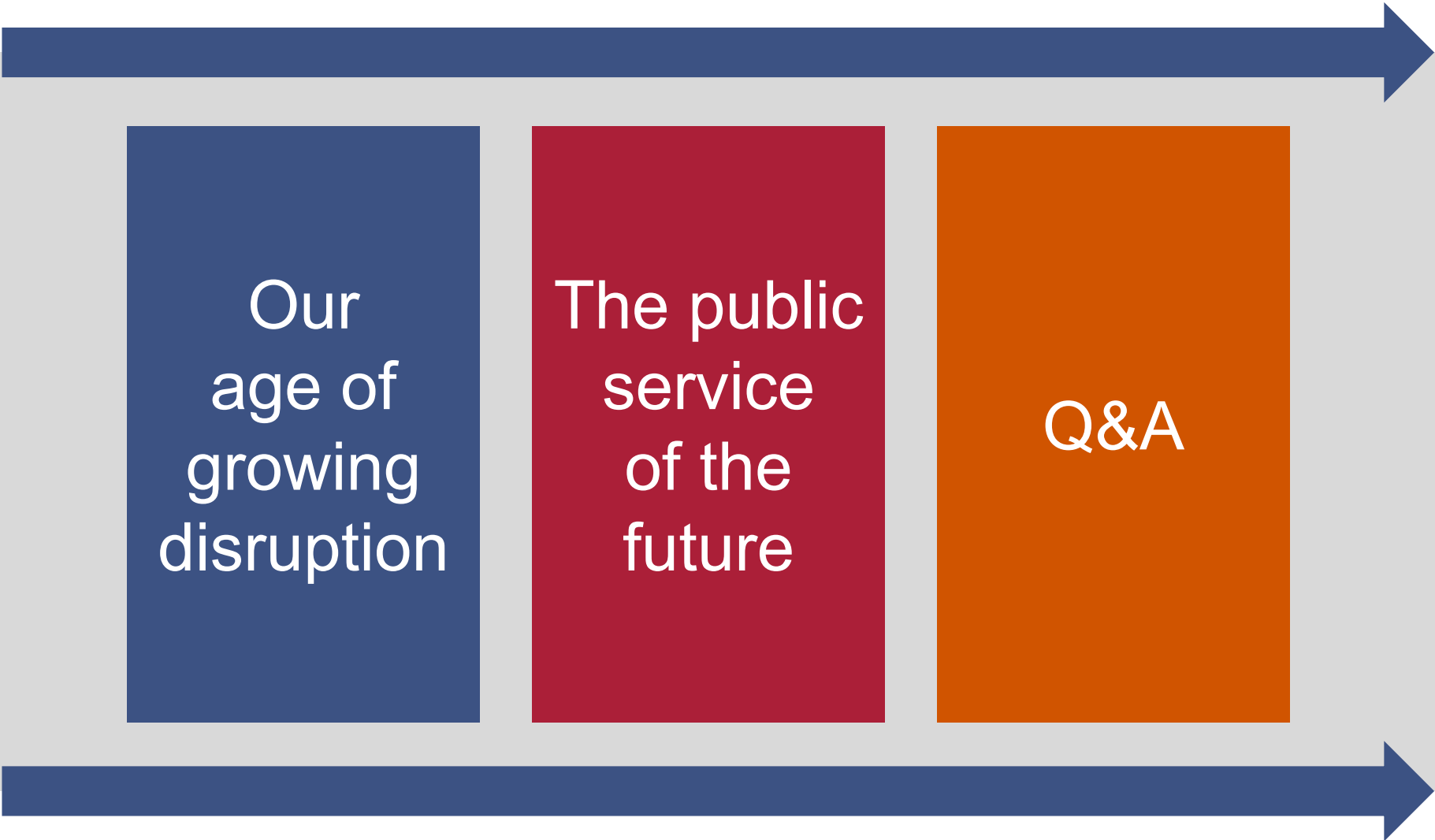


@SteveOrsini
#soctownhall

Overview



Presentation by Steve Orsini | 2



Our
age of
growing
disruption

The public
service
of the
future

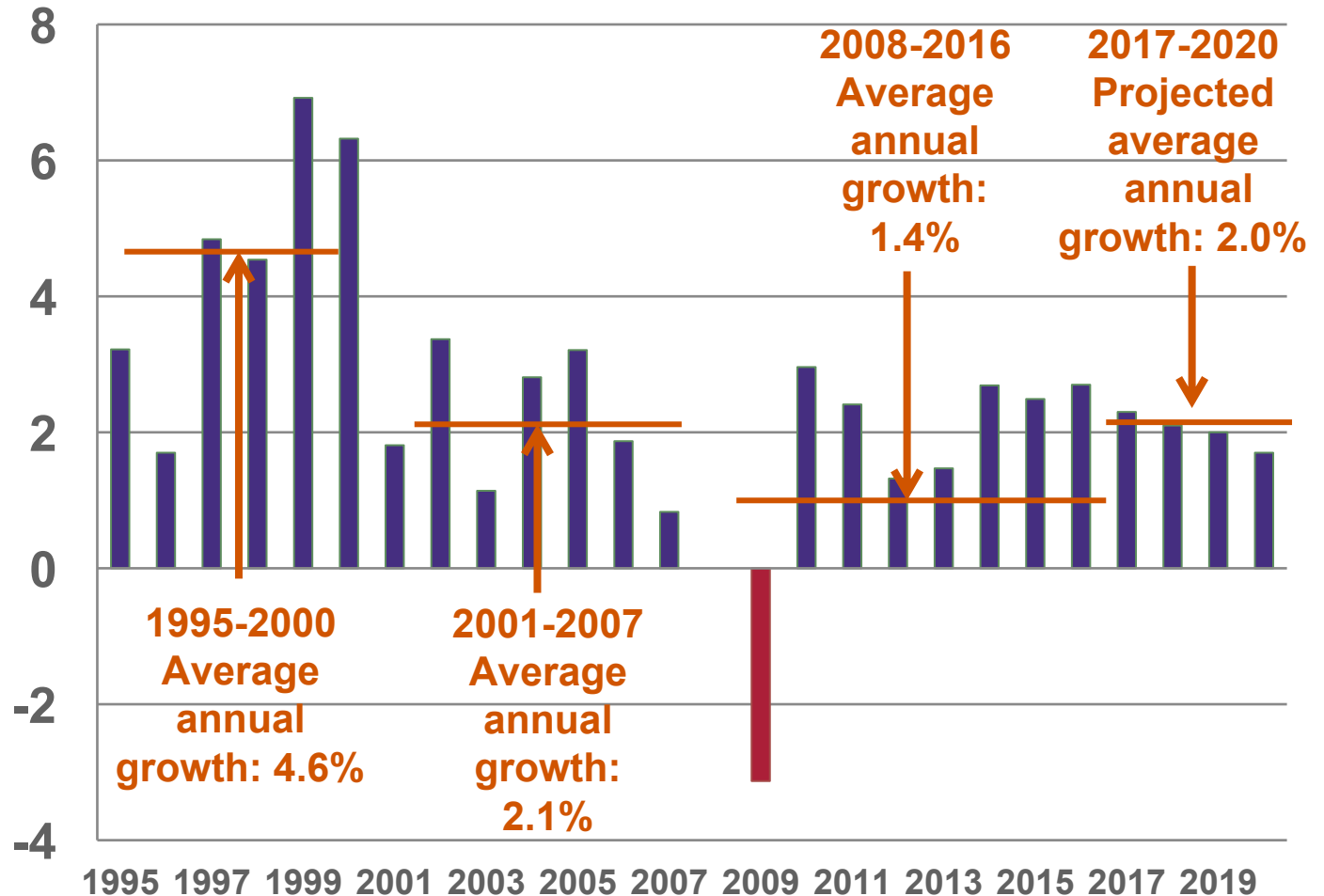
Q&A

Ontario's Economic Growth Overview

Presentation by Steve Orsini | 3

Historic and
projected
Ontario real
GDP growth
(%)

1995–2020



SOURCE: 2017 Budget: A Stronger, Healthier Ontario, page 246

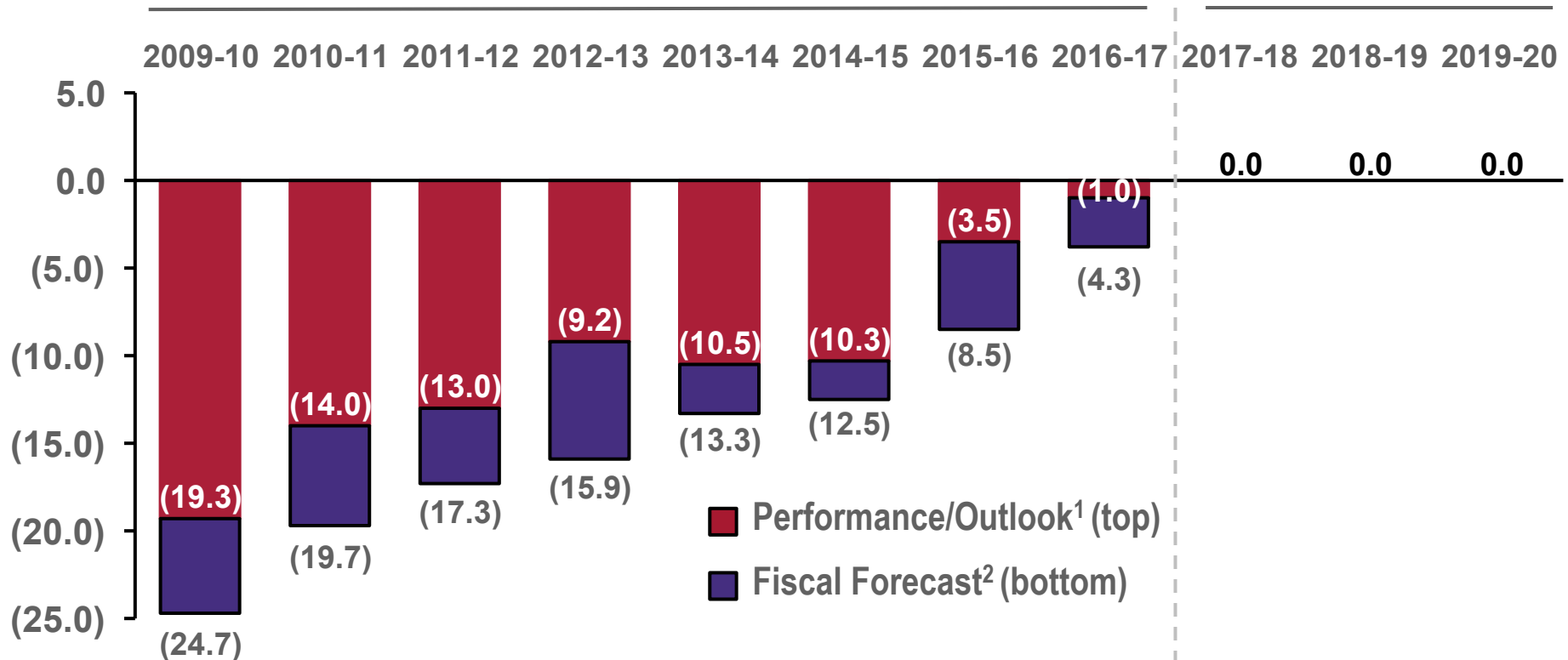
Ontario's Fiscal Plan Overview

Presentation by Steve Orsini | 4

(\$ Billions)

Actuals as Reported in Public Accounts

Plan



1 Represents the 2017 Budget outlook for 2017–18 to 2019–20. For 2009–10 to 2016–17, actuals are based on Public Accounts. 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.

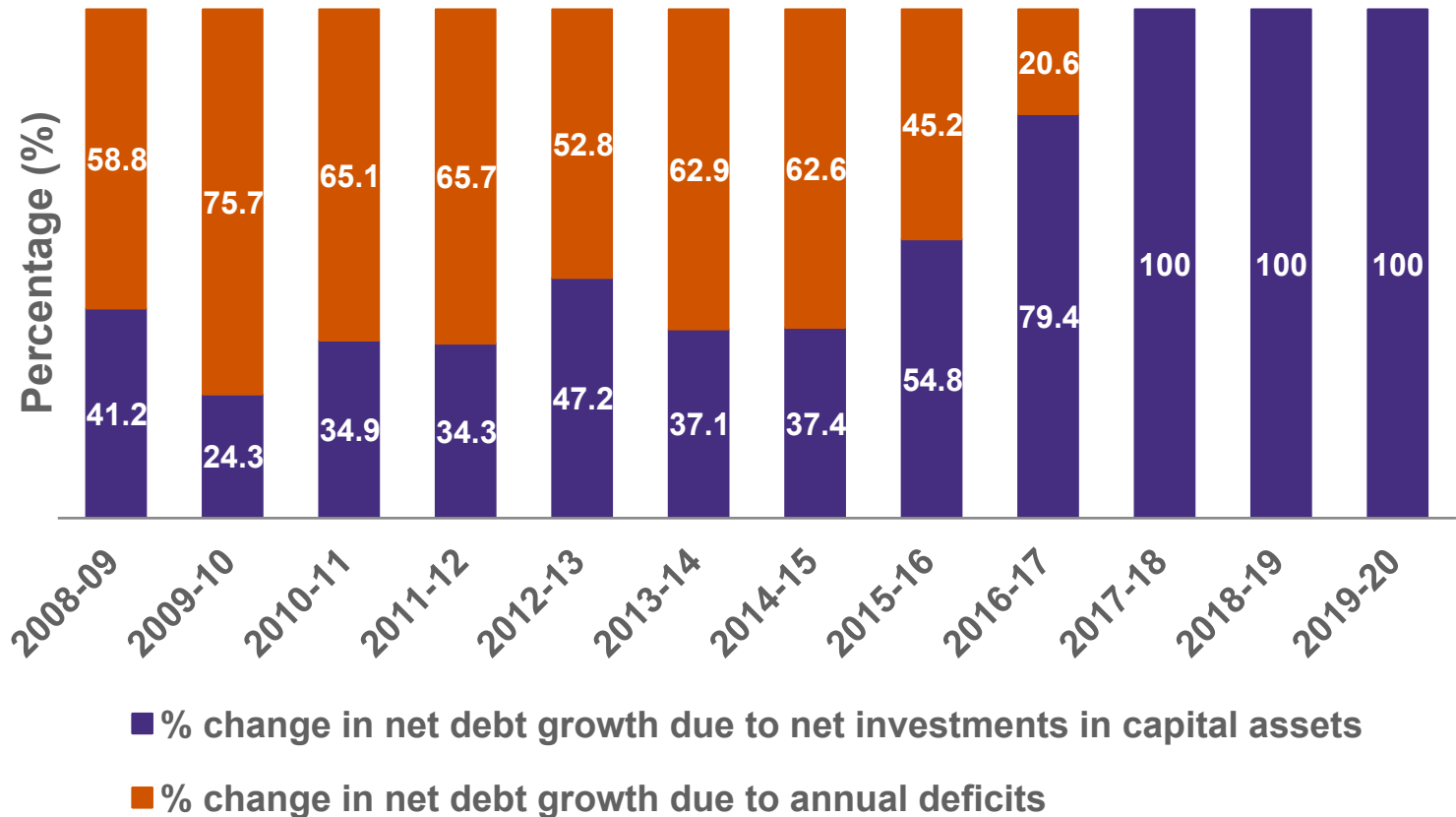
2 Forecast for 2009–10 is based on the 2009 Ontario Economic Outlook and Fiscal Review; 2010–11 to 2013–14 is based on the 2010 Budget; 2014–15 is based on the 2014 Budget; 2015–16 is based on the 2015 Budget; 2016–17 is based on the 2016 Budget.

SOURCE: Ontario Ministry of Finance

Investing Today for the Future

Presentation by Steve Orsini | 5

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

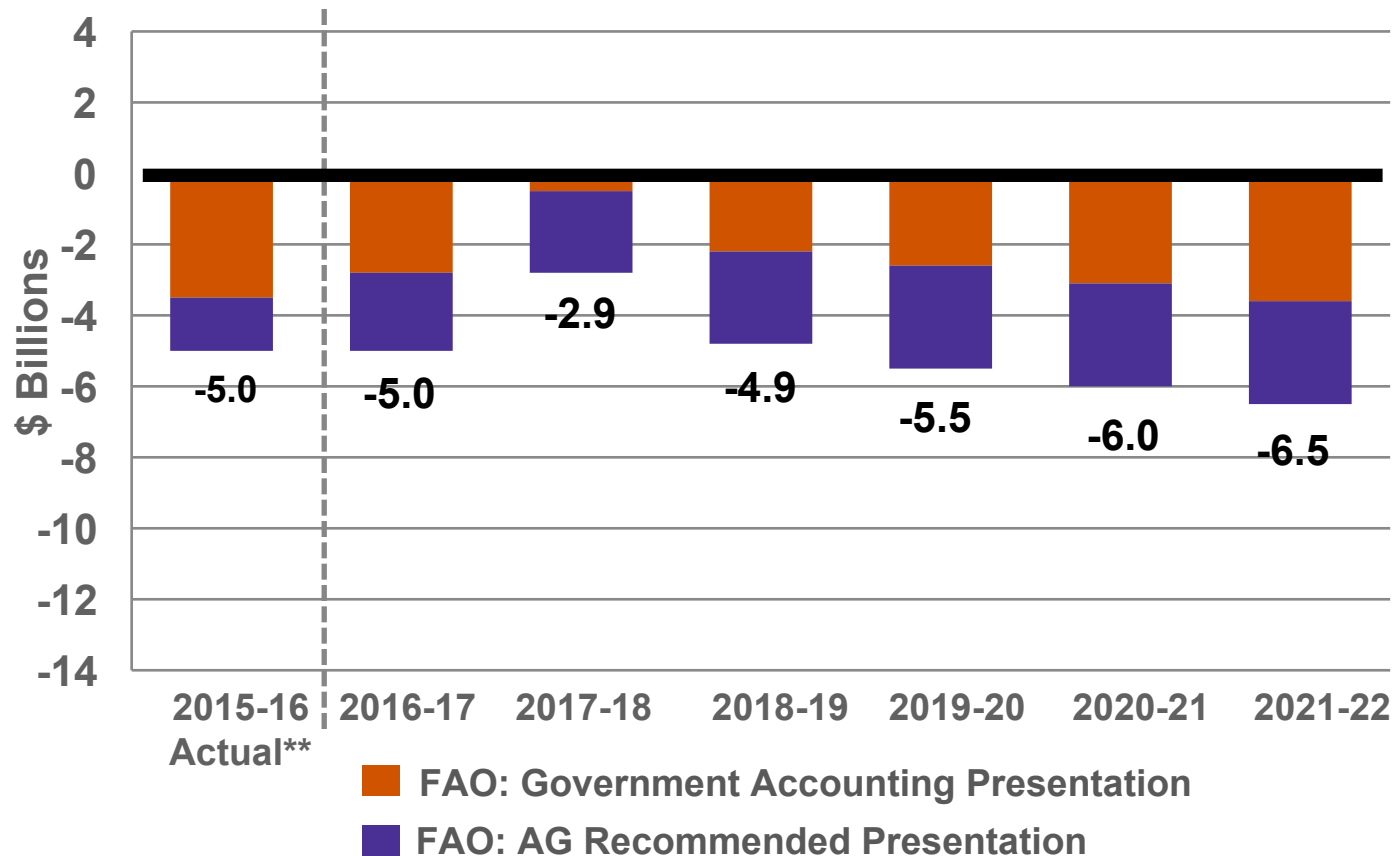


NOTES: The 2015–16 actuals have been restated to reflect recognizing jointly sponsored net pension assets for the Ontario Public Service Employees' Union and the Ontario Teachers' Pension Plan on the Province's financial statements, consistent with the 2016 Budget and as described in the 2016–17 Third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

FAO's Fiscal Projections

Presentation by Steve Orsini | 6

FAO's Fiscal Projections*



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

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

*Budget balance before reserve

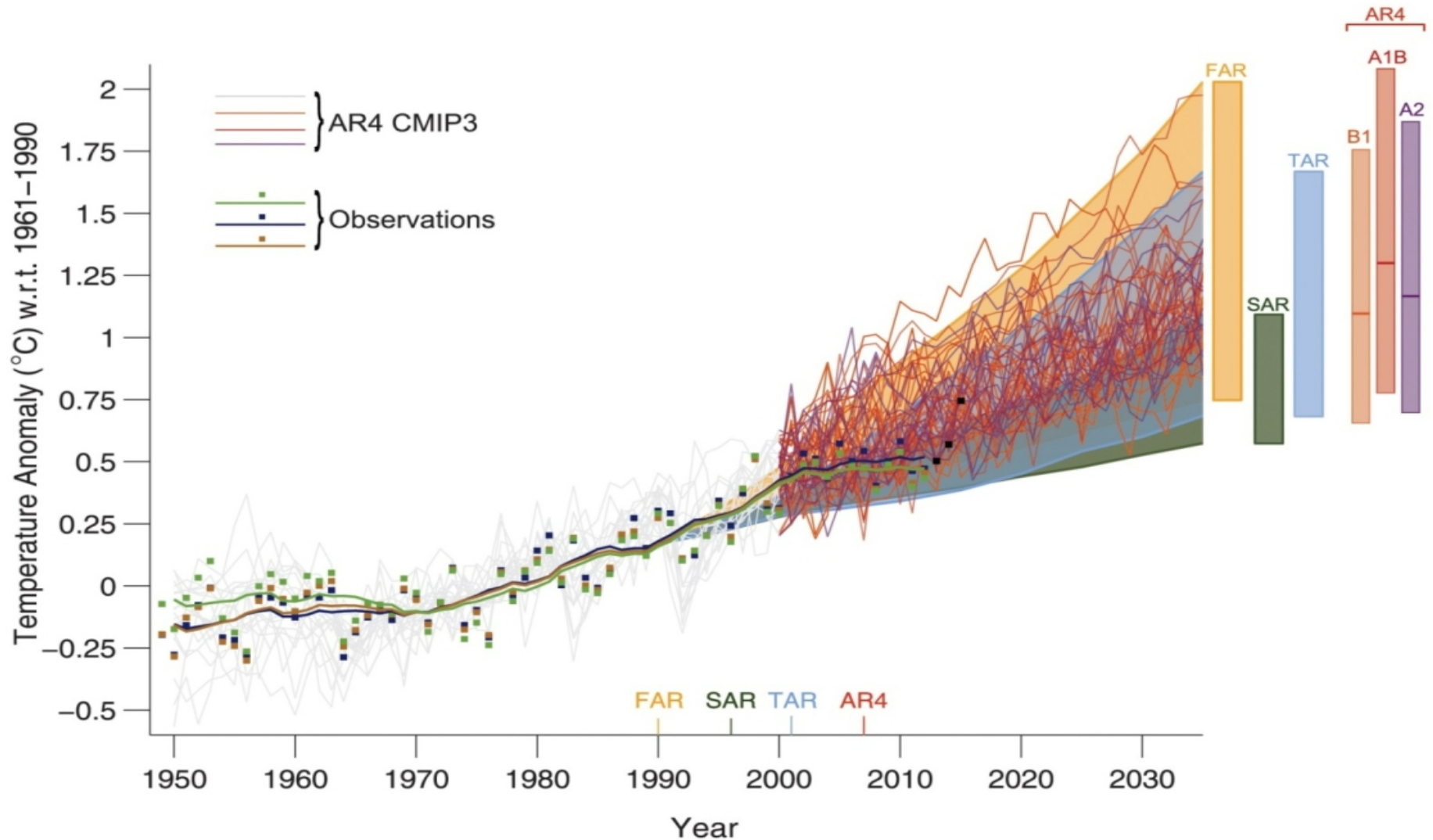
**Ontario 2015-16 Public Accounts reported a deficit of \$5.0 billion. Without the pension adjustment, the deficit would have been \$3.5 billion.

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

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

Climate Change is Real

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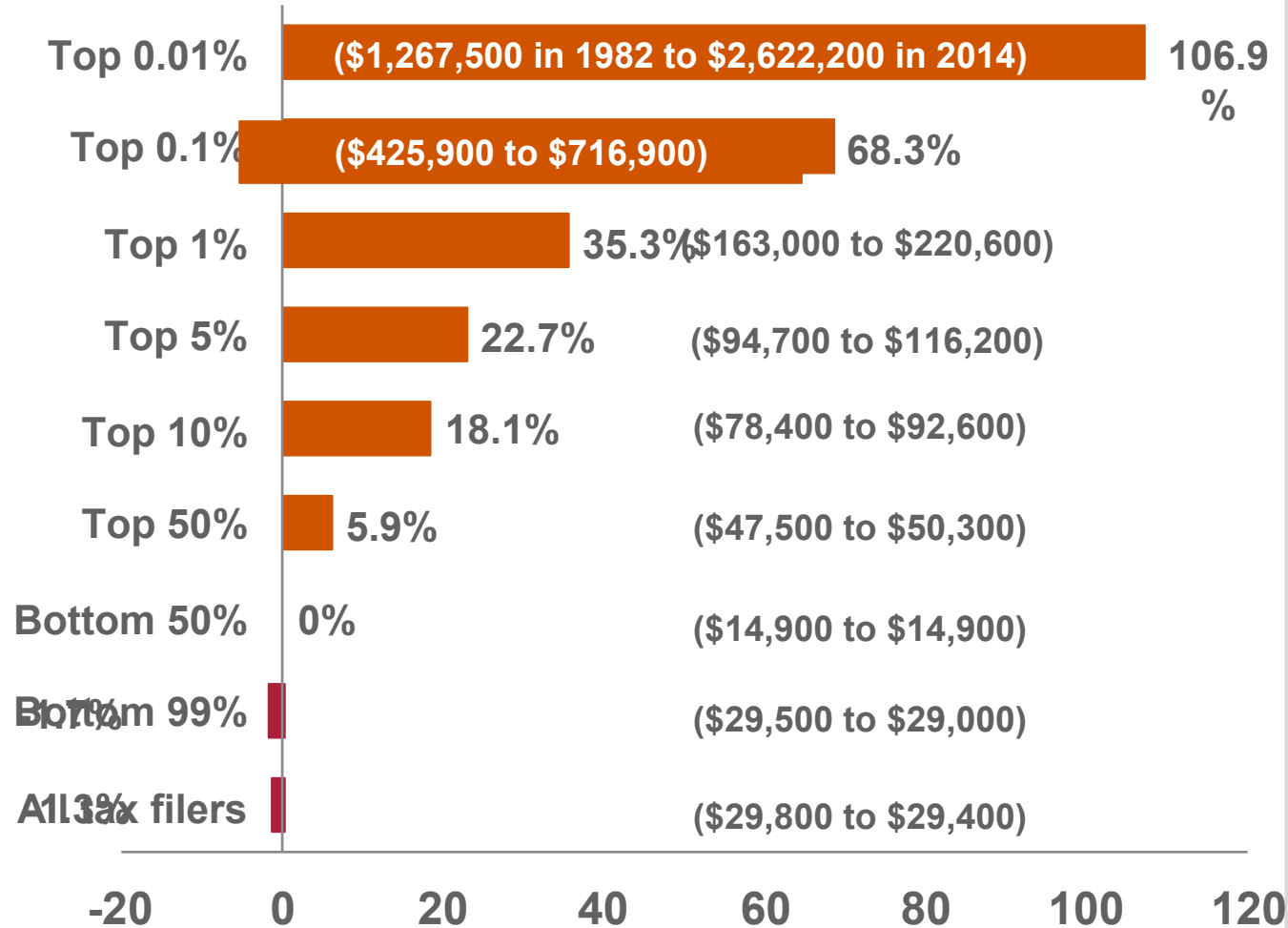
SOURCE: Comparing CMIP5 & Observations, Climate Lab Book
<https://www.climate-lab-book.ac.uk/comparing-cmip5-observations/>

Growing Income Inequality

Presentation by Steve Orsini | 8

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)

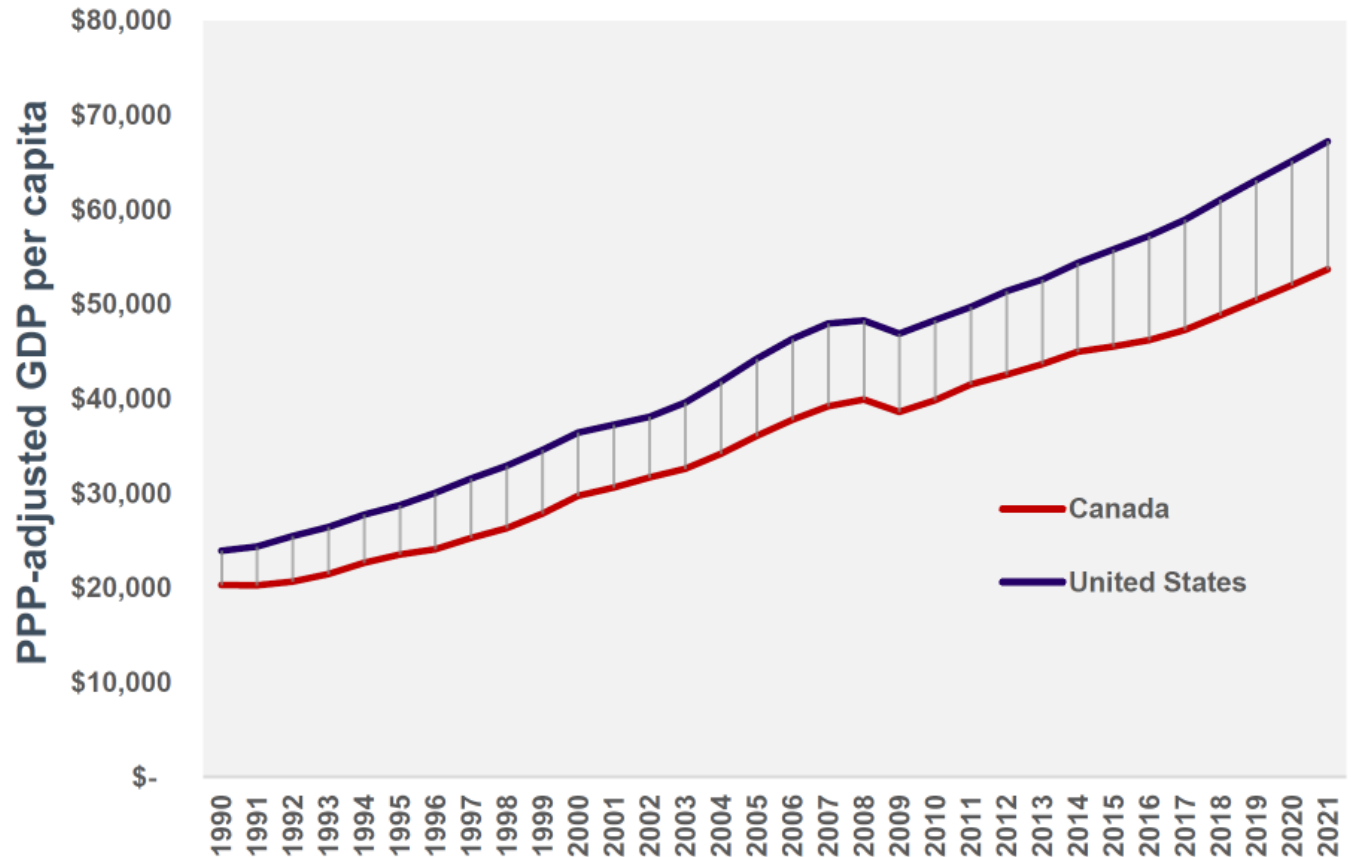
Growing Productivity Challenge

Presentation by Steve Orsini | 9

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.

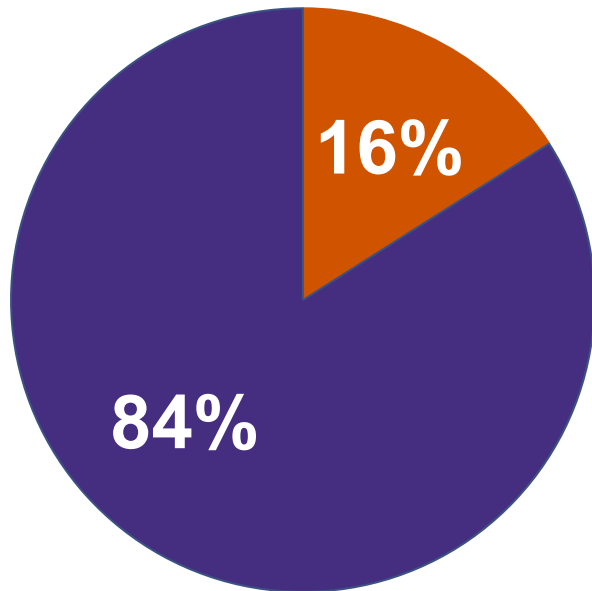
SOURCE: McKinsey & Company, December 2016

Ontario's Aging Society

Presentation by Steve Orsini | 10

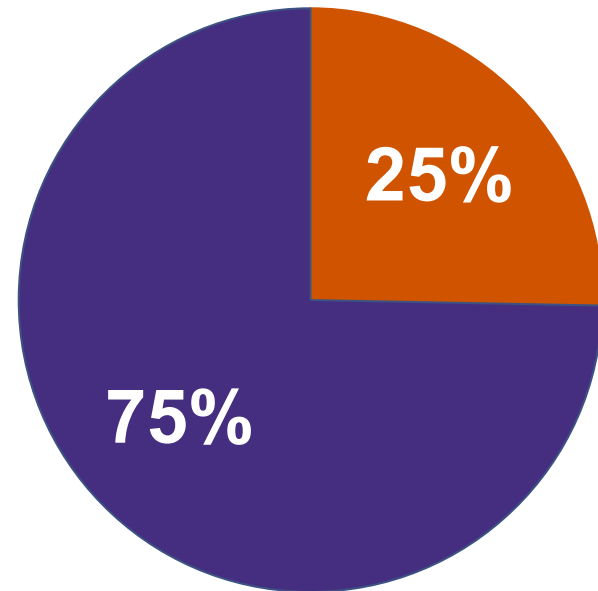
2016

■ 65 and older ■ Under 65



2041

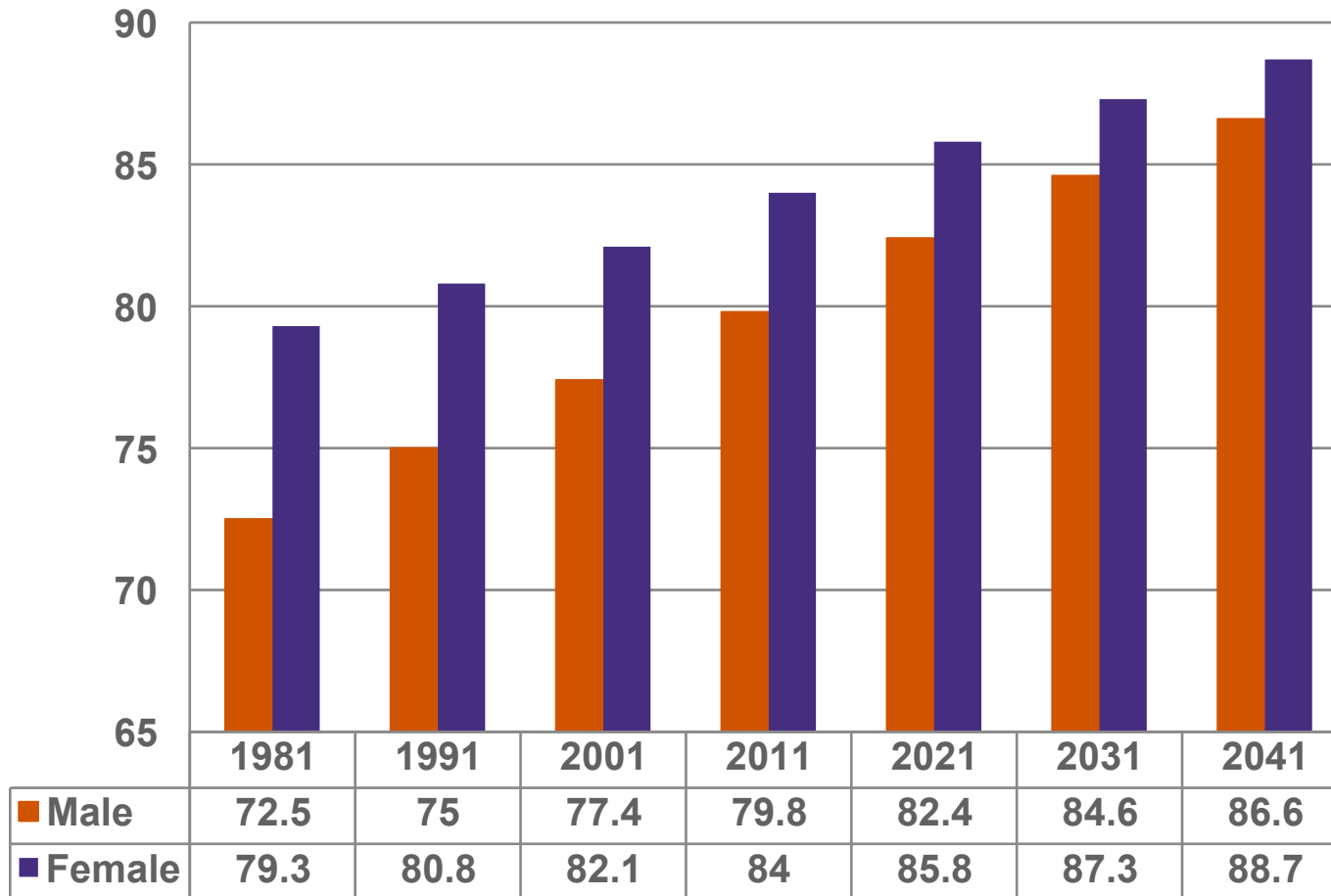
■ 65 and older ■ Under 65



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

Increasing Life Expectancy

Presentation by Steve Orsini | 11



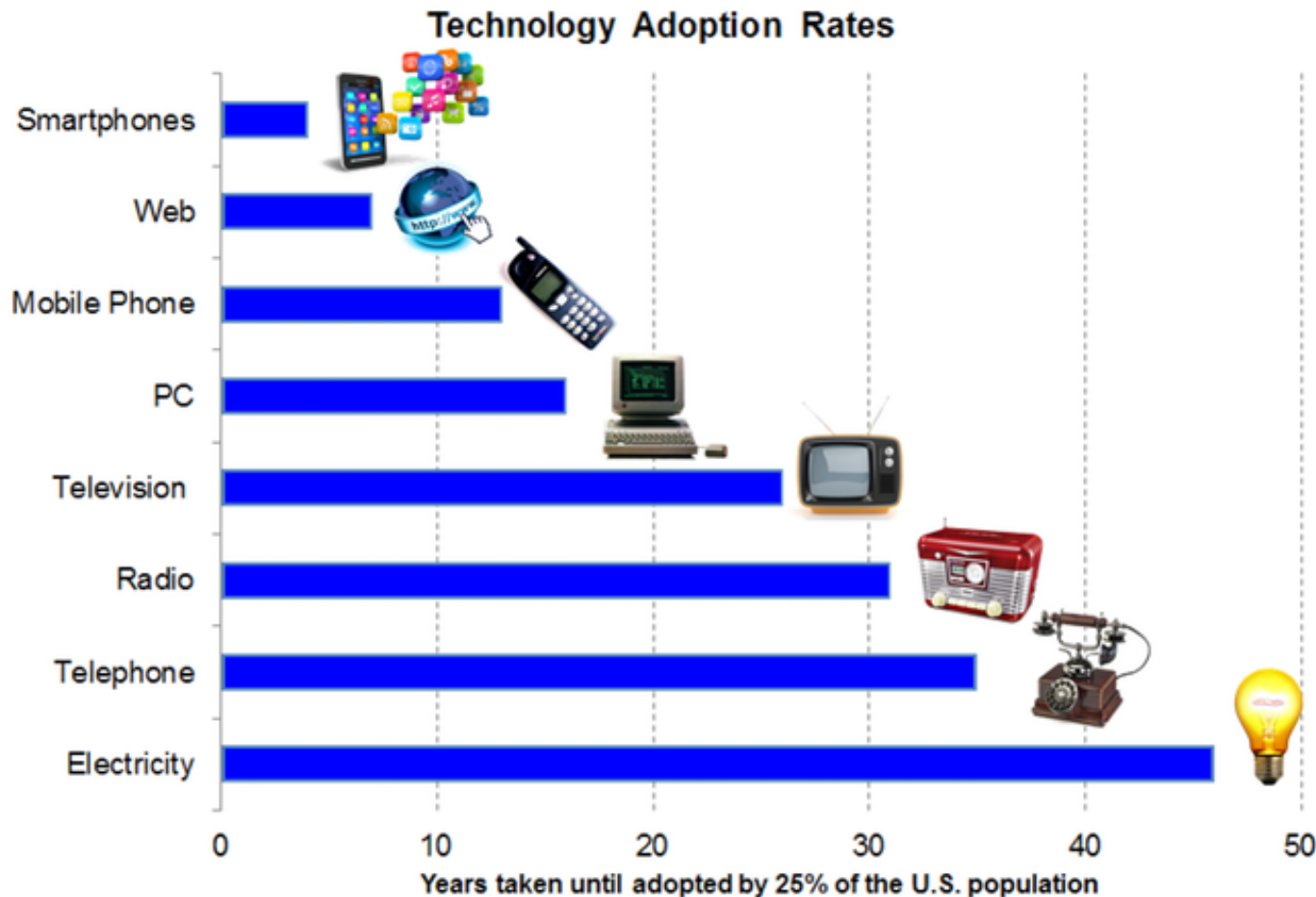
**Average
life
expectancy
in Ontario**

1981–2041

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

Accelerating 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

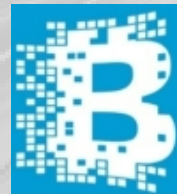
SOURCE: Tech Adoption Rates Have Reached Dizzying Heights, Blackrock
<http://marketrealist.com/2015/12/adoption-rates-dizzying-heights/>

Exponential Growth in Disruptive Technologies

Selective
examples of
disruptive
technologies

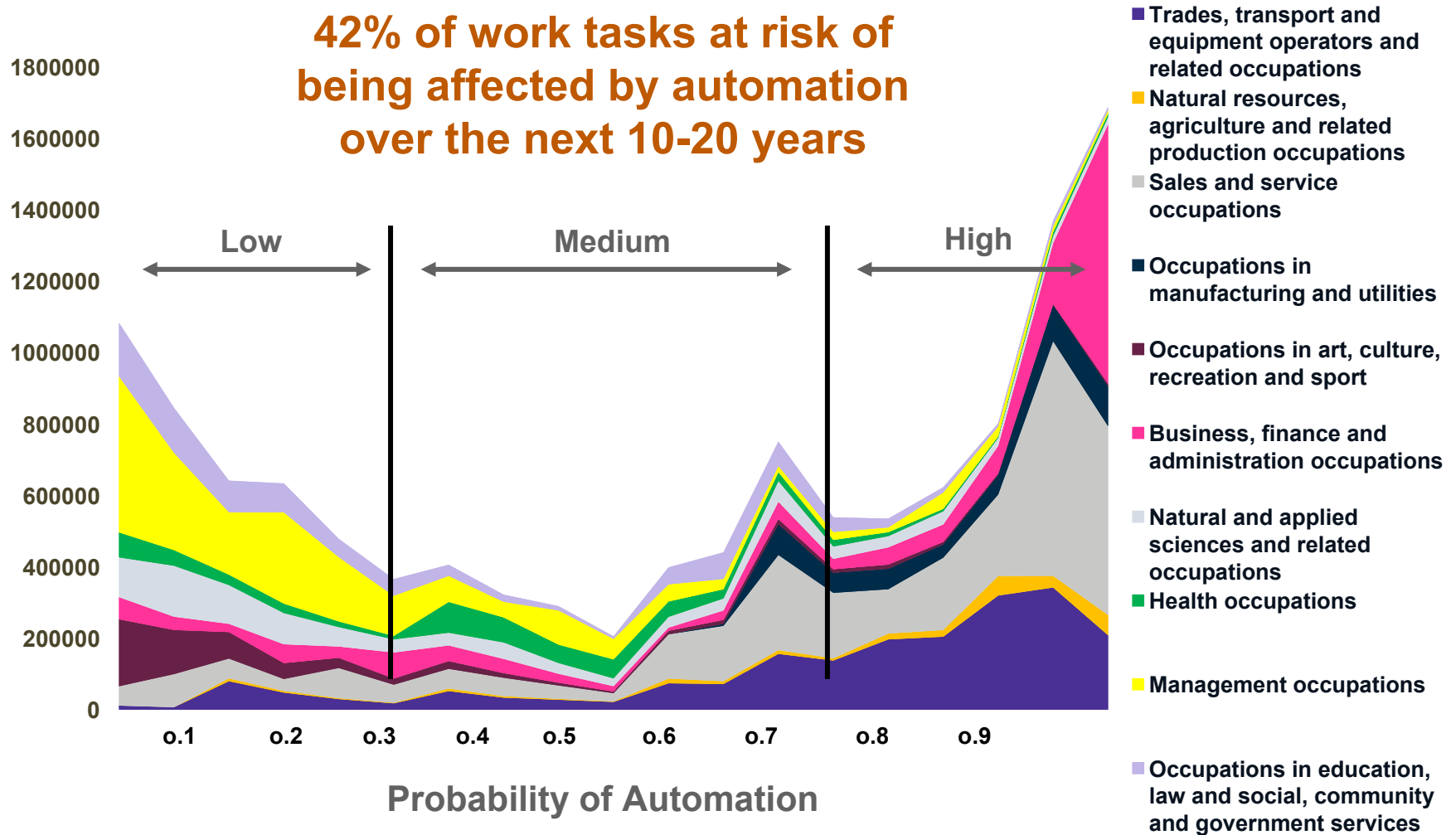


U B E R



Artificial Intelligence & Automation

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**

Resilient 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

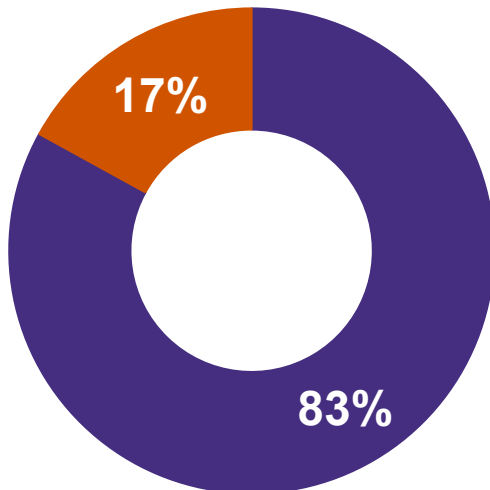
The “Education Paradox”

Presentation by Steve Orsini | 17

Conflicting views when asked: Are Canada's youth adequately prepared for the workforce?

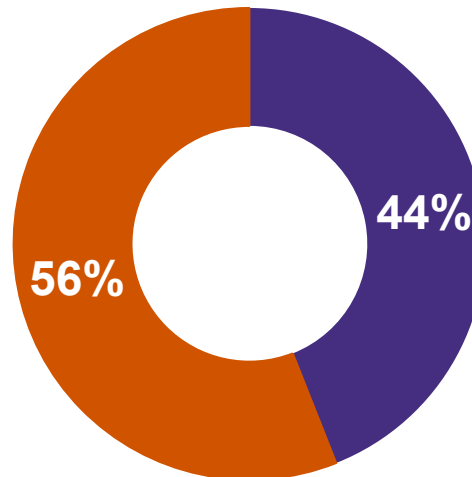
Education providers

■ Yes ■ No



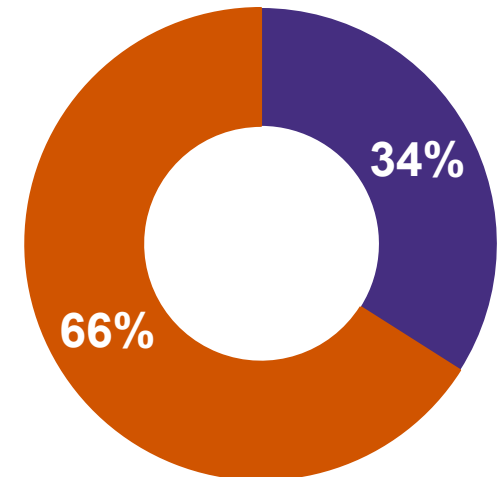
Youth

■ Yes ■ No



Employers

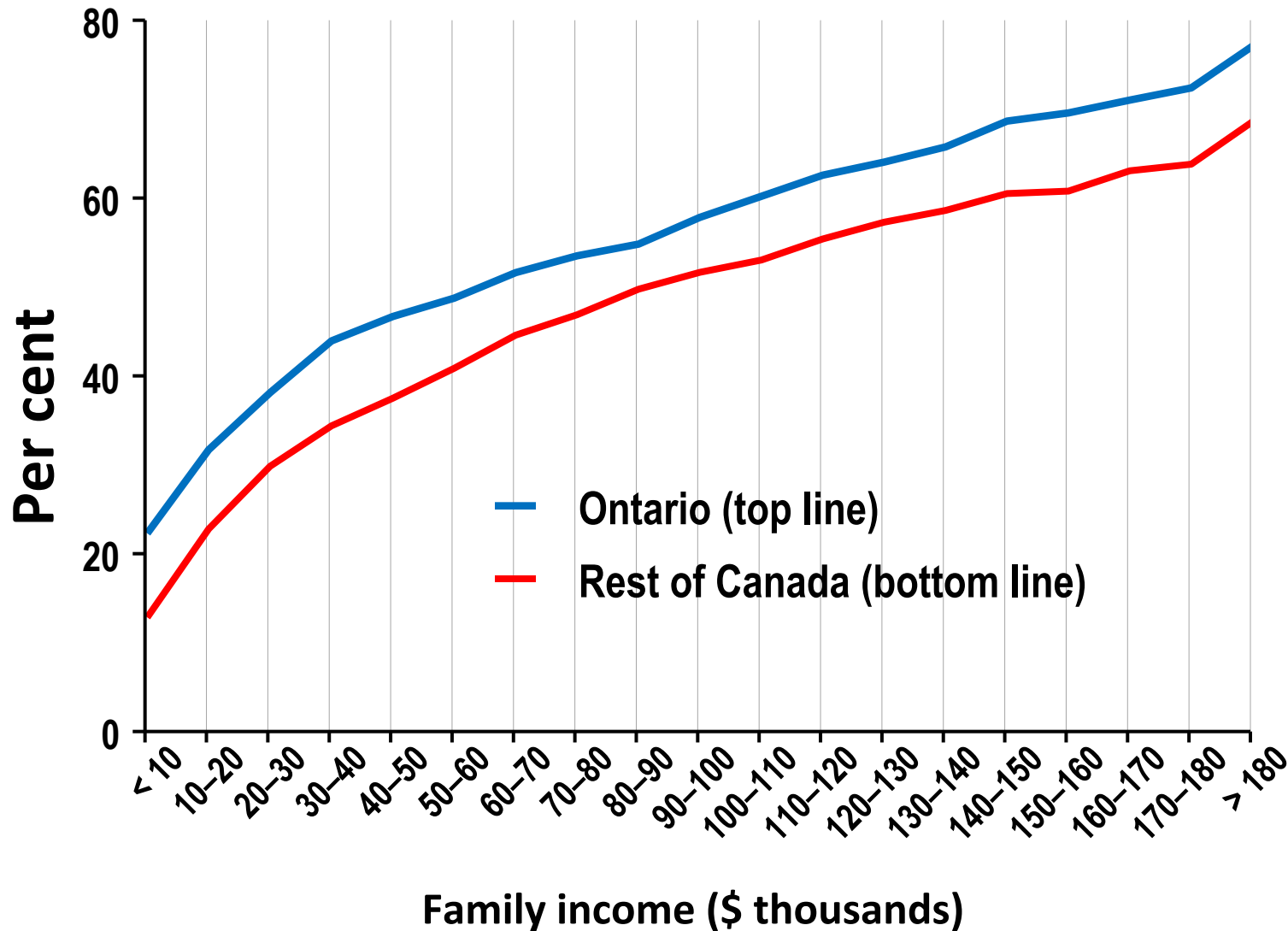
■ Yes ■ No



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

Postsecondary participation by income

Presentation by Steve Orsini | 18



Post-secondary participation rates of 18- to 21-year-olds living at home, by parental income, 2013

Note: Percentage of families with at least one child in full-time postsecondary education, of couple and lone-parent families with one or more children aged 18 to 21 residing at home.

SOURCE: Statistics Canada — custom data prepared using tax data, 2013.

Reframing Student Assistance

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Provider-Focused

Citizen-Focused

30%
Off
Tuition

Loans

Tax
Support

The
New
OSAP

About one in three full-time postsecondary students in Ontario — more than 210,000 students this school year — is receiving free tuition

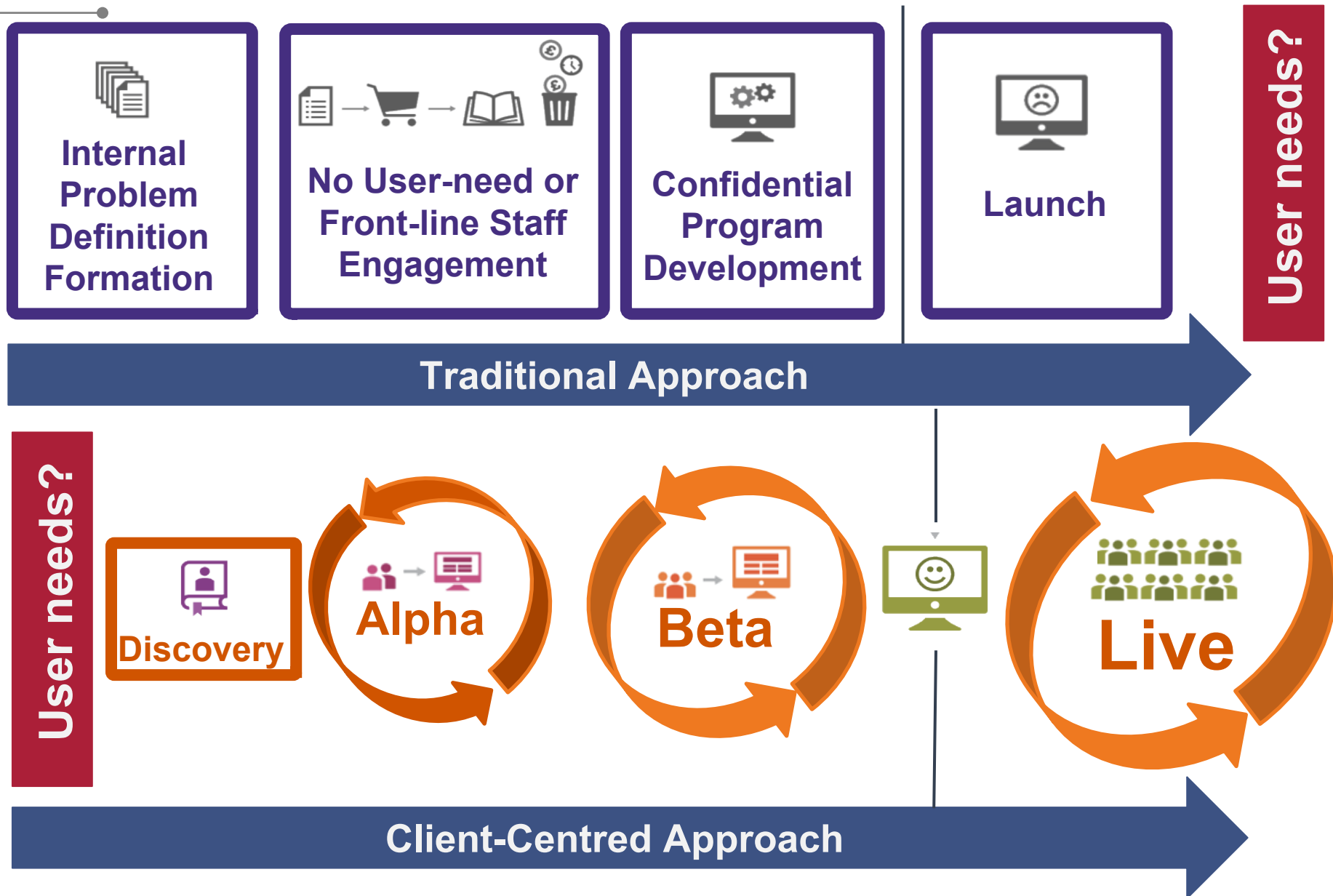
The Importance of Collaboration



Alone we can do so little;
Together we can do so
much

— *Helen Keller* —

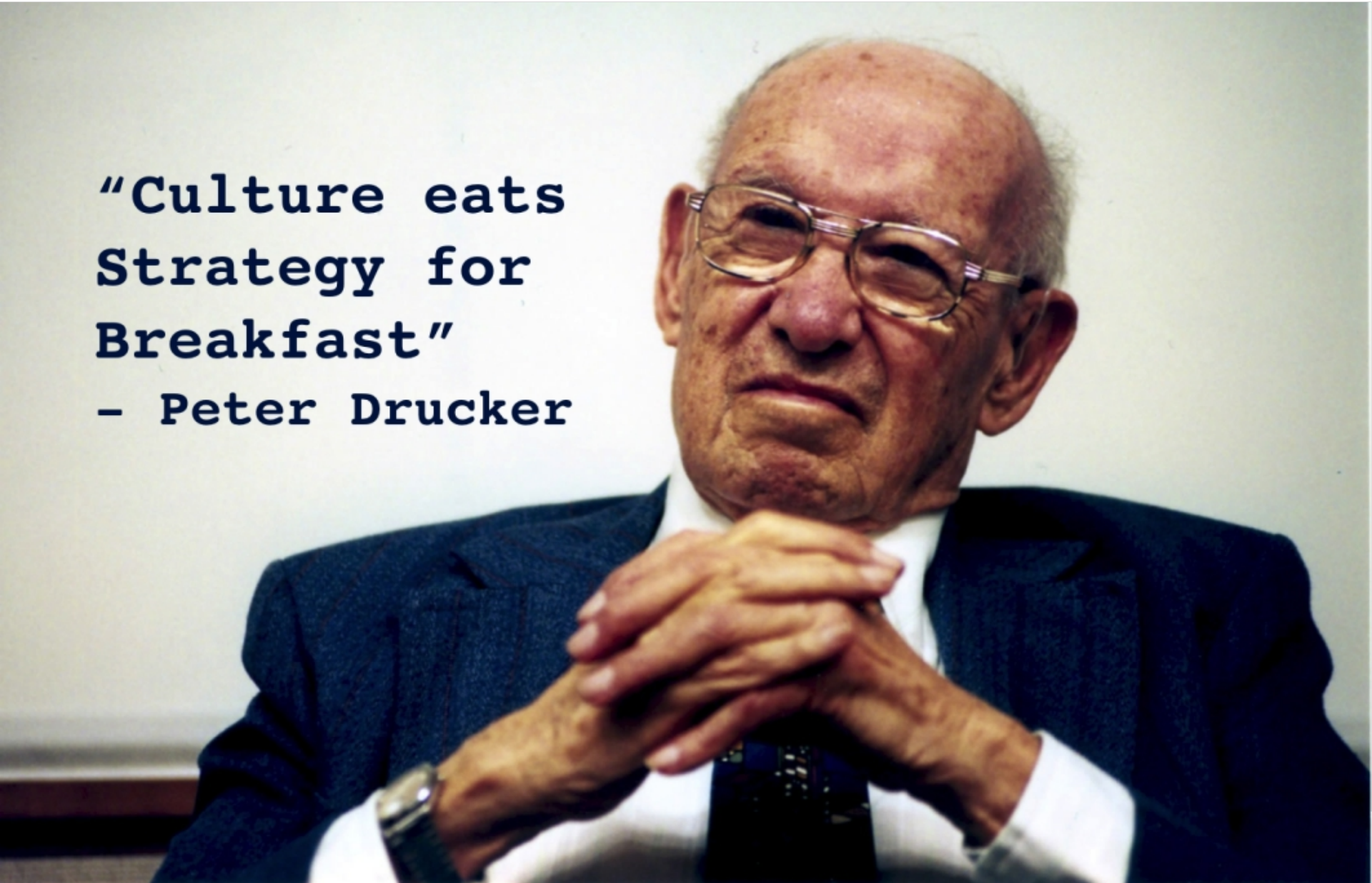
Co-designing Change with Users/Public



Don't Underestimate the Power of Inertia

**"Culture eats
Strategy for
Breakfast"**

– Peter Drucker





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

www.ontario.ca/page/secretary-cabinet