

# 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

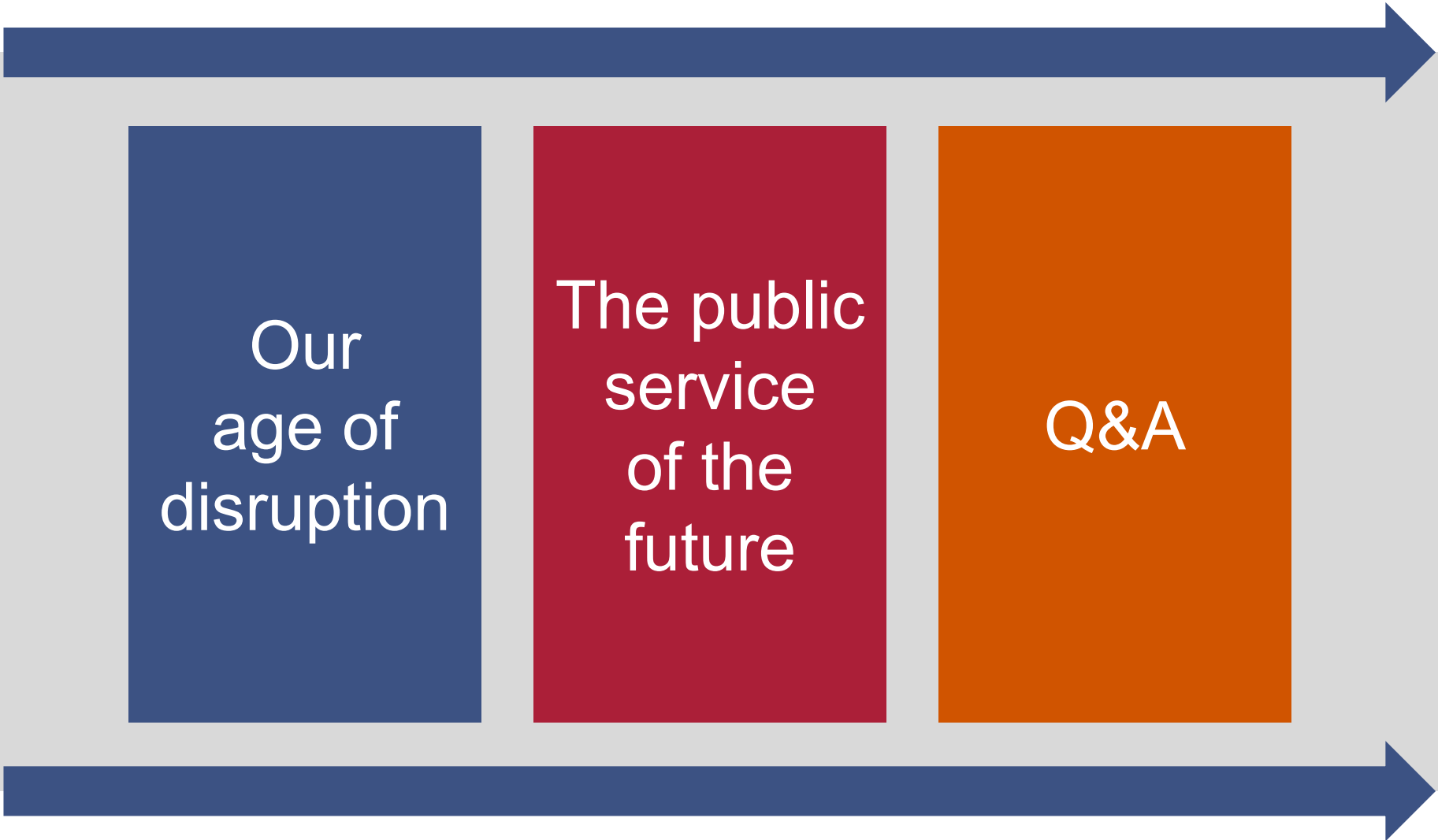


@SteveOrsini  
#soctownhall

# Overview



Presentation by Steve Orsini | 2



Our  
age of  
disruption

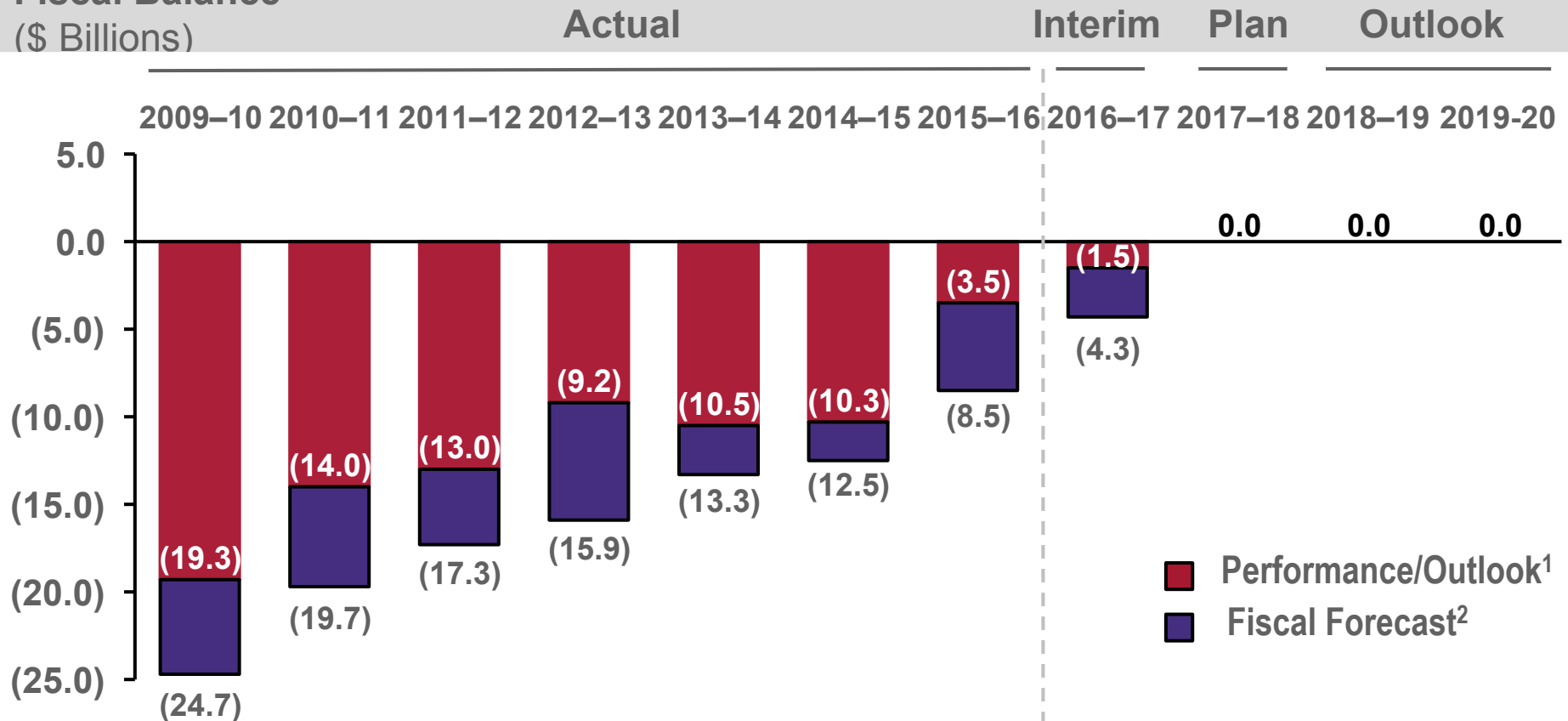
The public  
service  
of the  
future

Q&A

# Ontario's Fiscal Plan Overview

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## Fiscal Balance (\$ Billions)

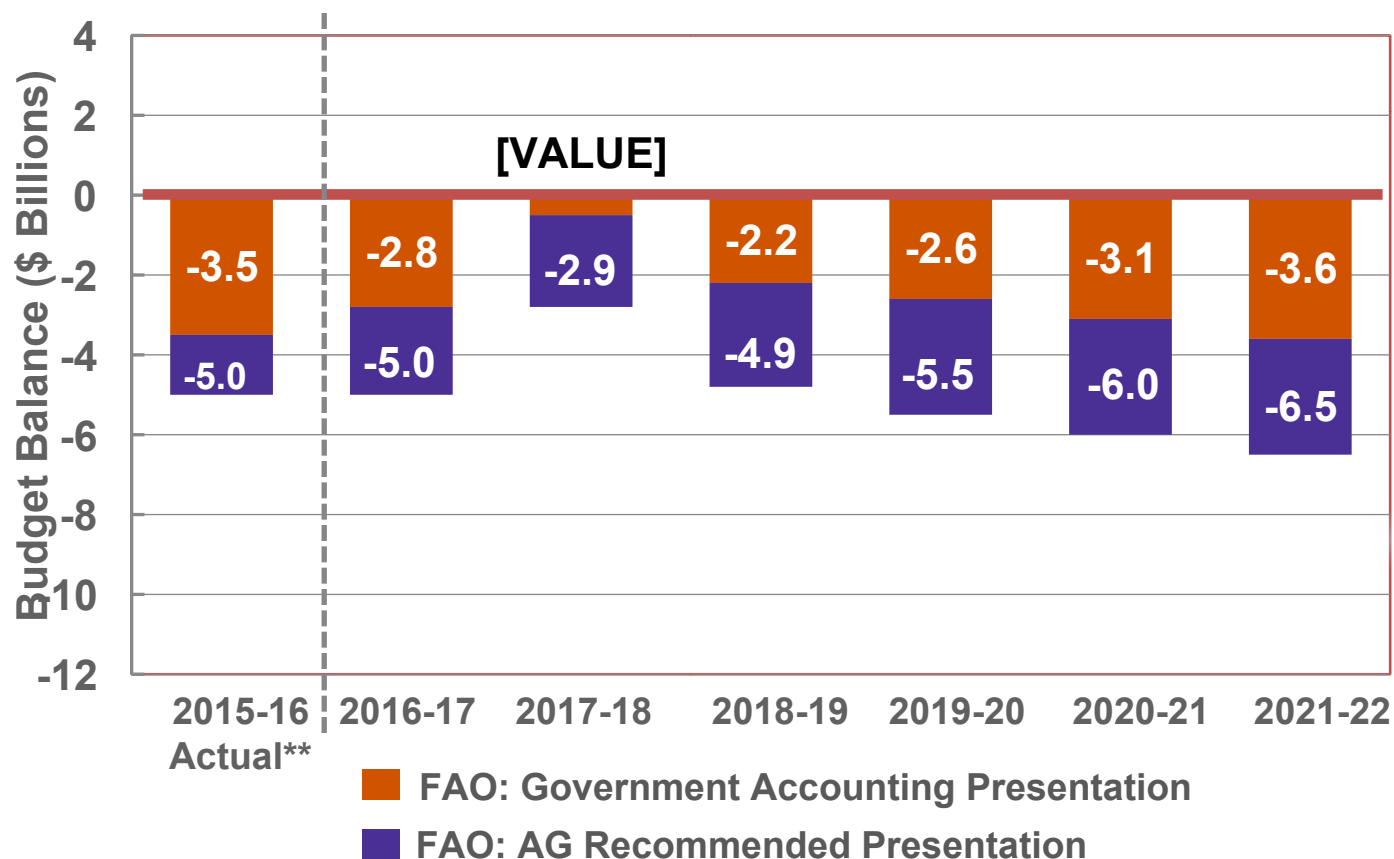


<sup>1</sup> Represents the 2017 Budget outlook for 2016-17 to 2019-20. For 2009-10 to 2015-16, actual results are presented. The 2015-16 actuals have been restated to reflect recognizing jointly sponsored net pension assets for the Ontario Public Service Employees' Union Pension Plan and the Ontario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

<sup>2</sup> 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\*\*\*

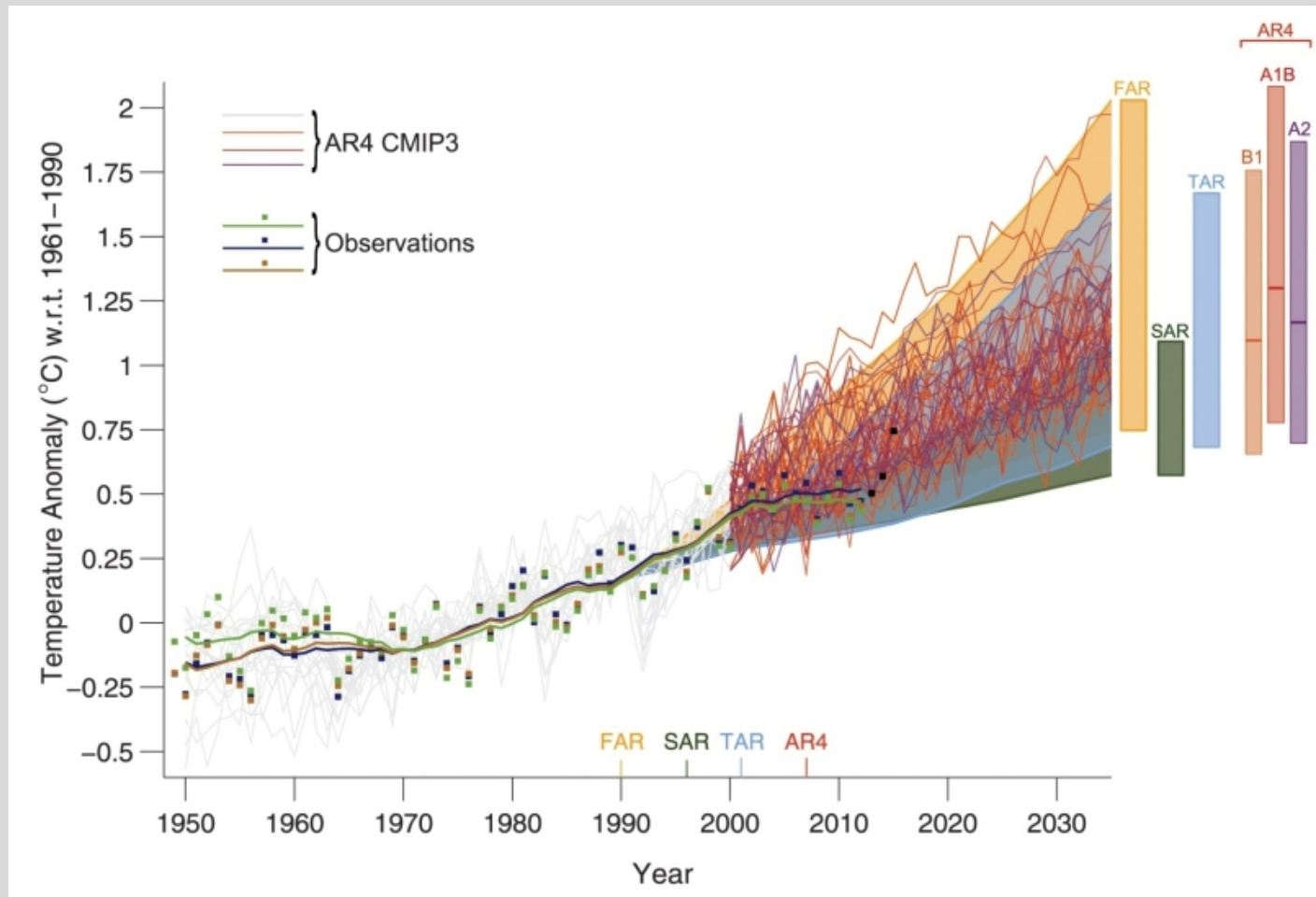
\*Budget balance before reserve

\*\*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



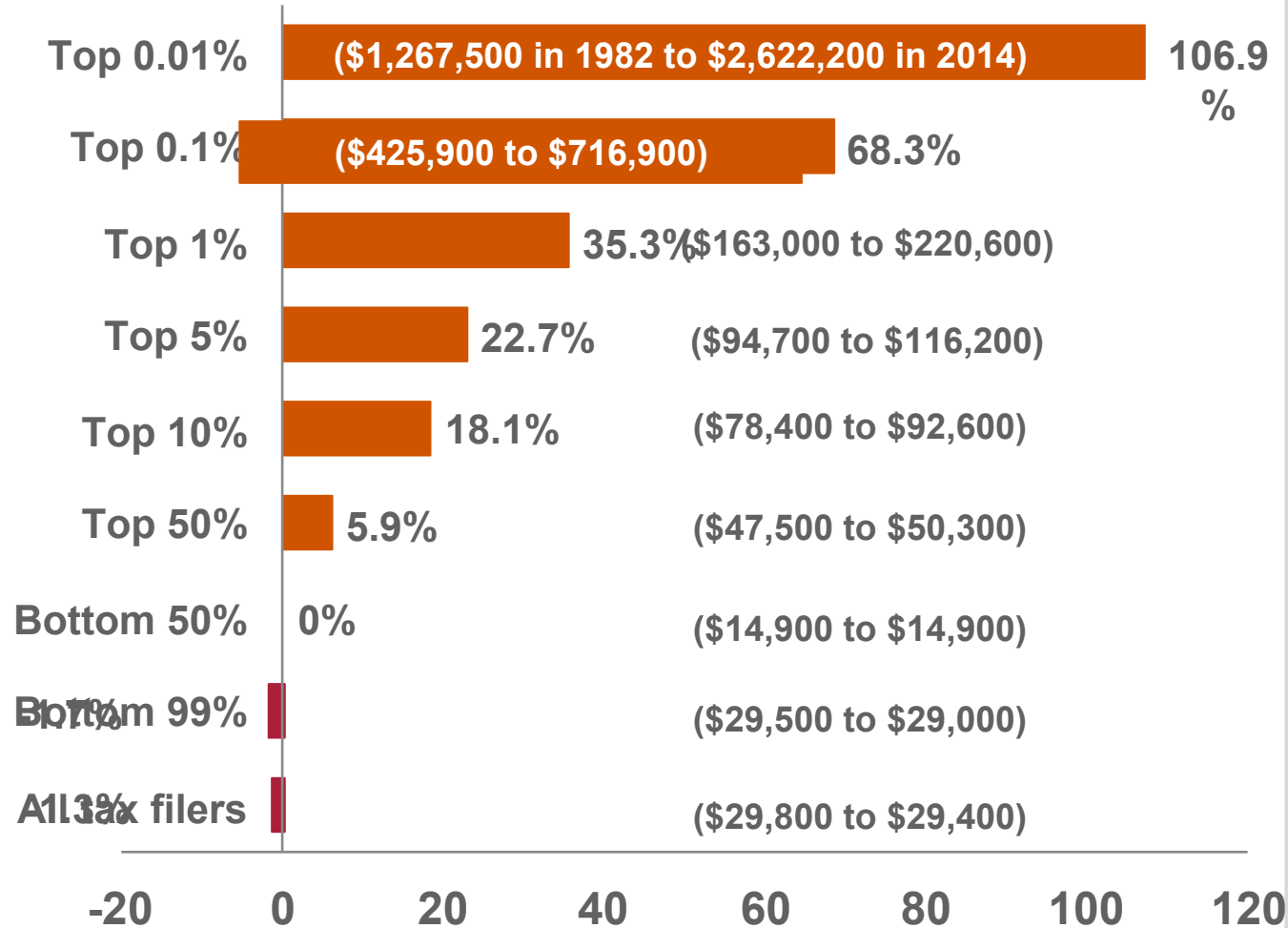
SOURCE: Comparing CMIP5 & Observations, Climate Lab Book <https://www.climate-lab-book.ac.uk/comparing-cmip5-observations/>

# 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)

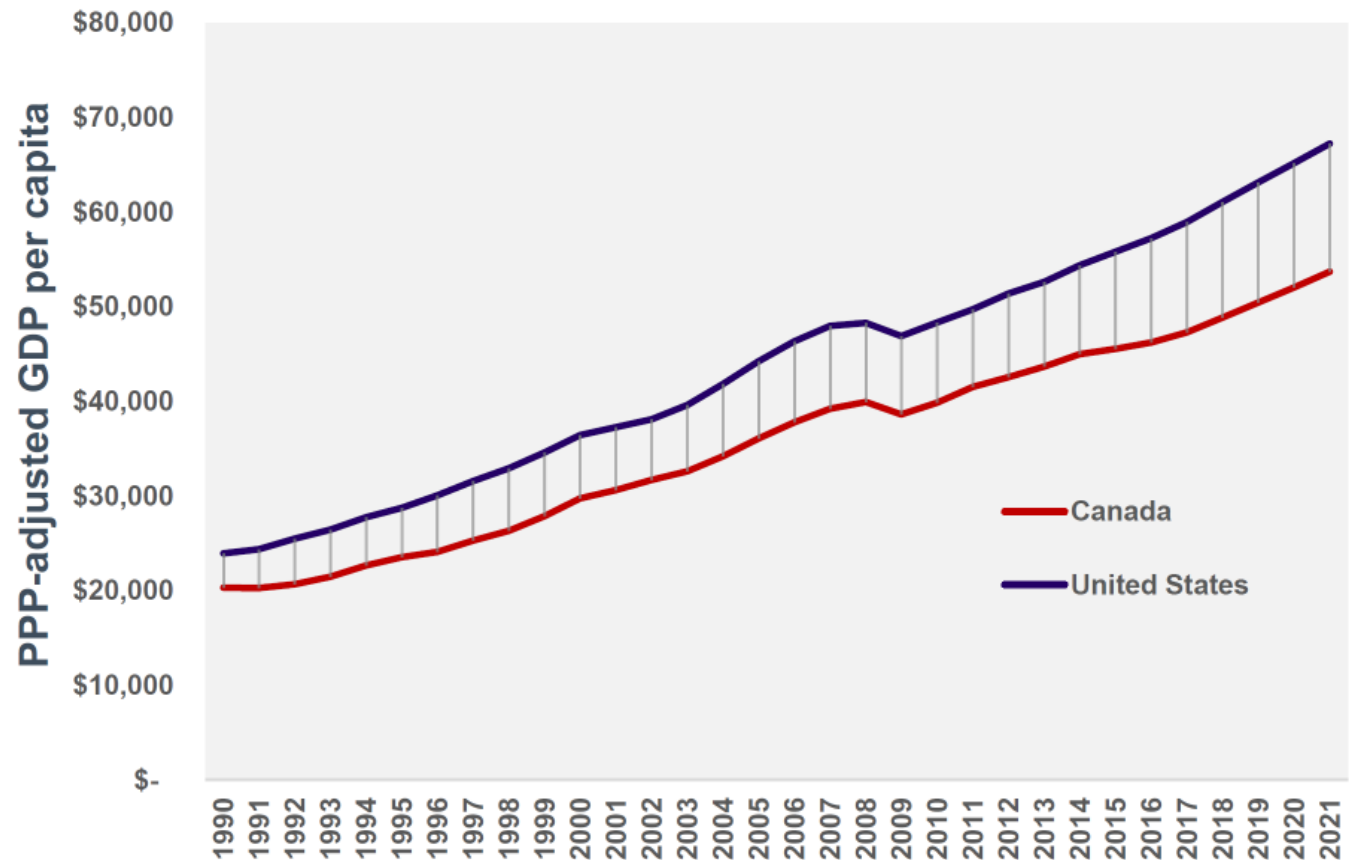
# The PPP-adjusted GDP Per Capita

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Gap between  
the U.S. and  
Canada has  
grown

1990:  
Approximately  
\$4,000

2015:  
+\$11,500

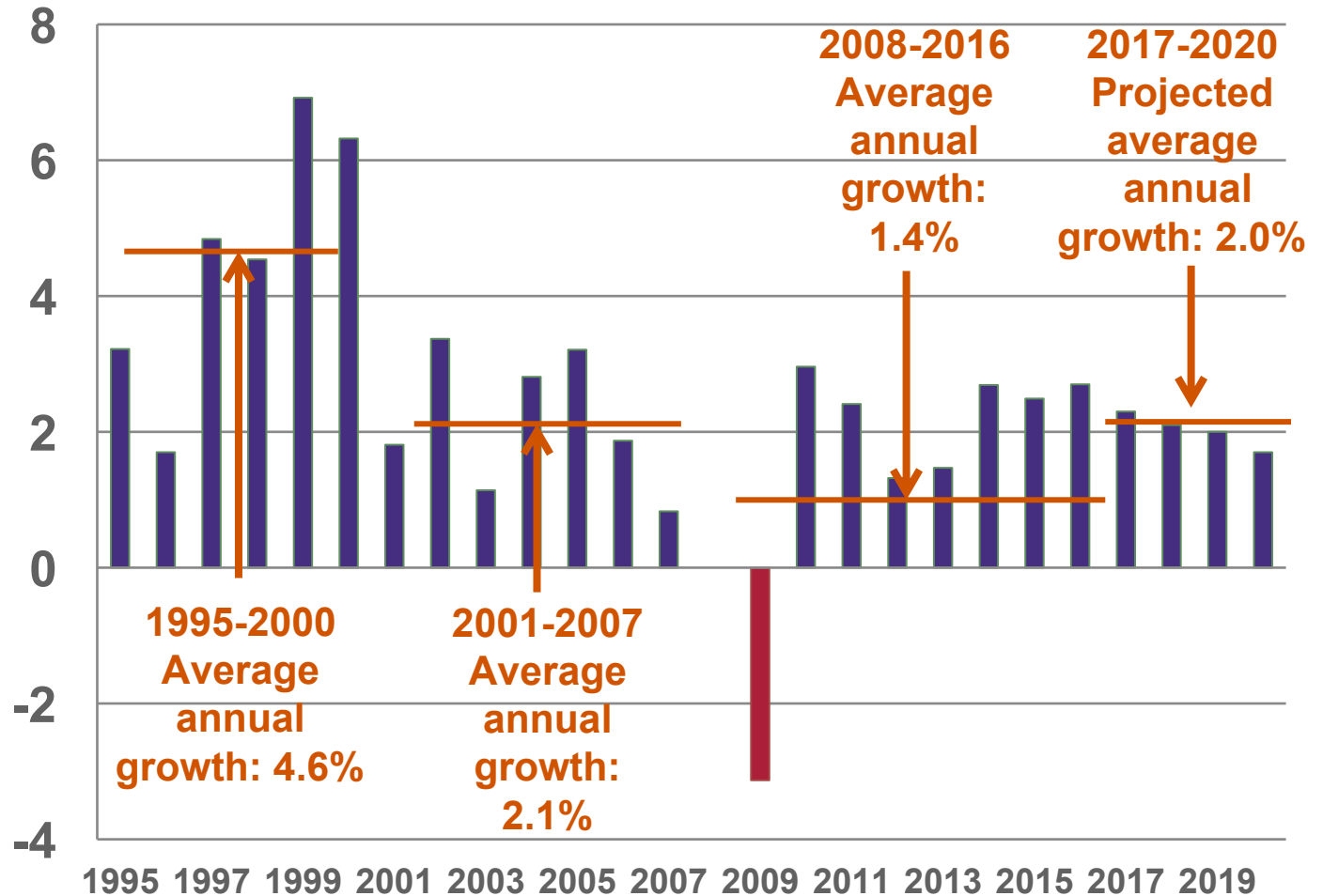


*Purchasing Power Parity, or PPP, is the rate of currency conversion that equalizes the purchasing power of different currencies by eliminating the differences in price levels between countries.*

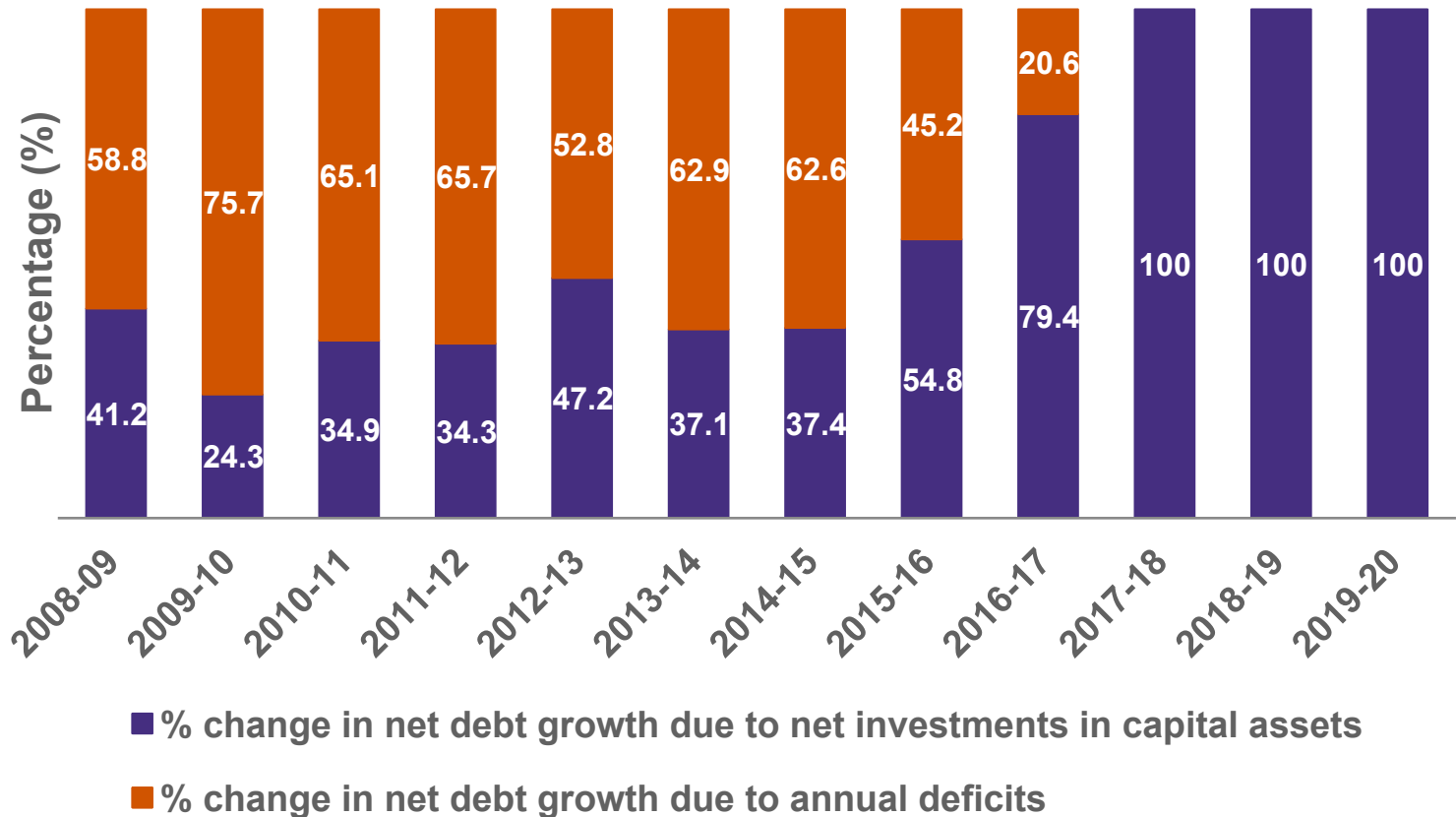
*SOURCE: McKinsey & Company, December 2016*

## Historic and projected Ontario real GDP growth (%)

1995–2020



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



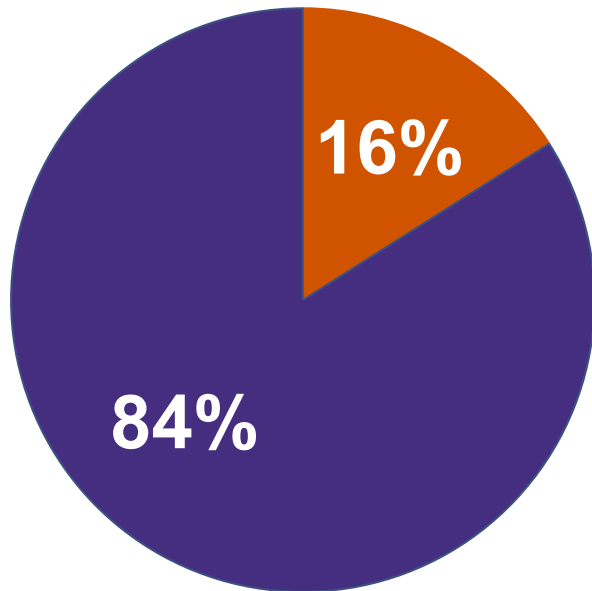
NOTES: The 2015–16 actuals have been restated to reflect recognizing jointly sponsored net pension assets for the Ontario Public Service Employees' Union and the Ontario Teachers' Pension Plan on the Province's financial statements, consistent with the 2016 Budget and as described in the 2016–17 Third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

# Ontario's Aging Society

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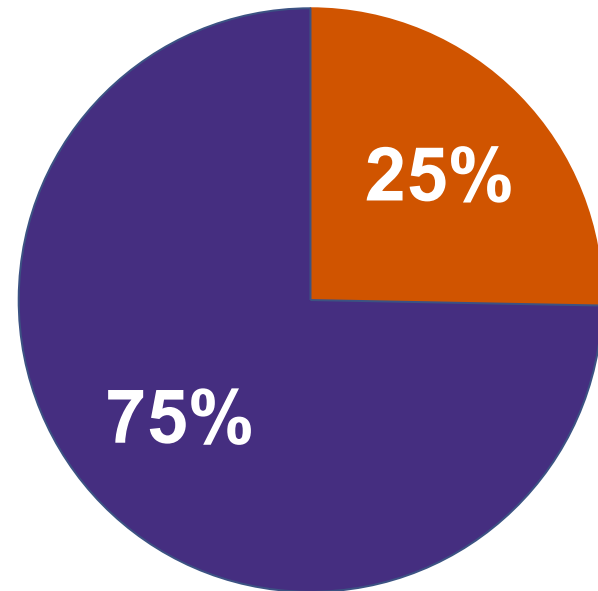
2016

■ 65 and older ■ Under 65



2041

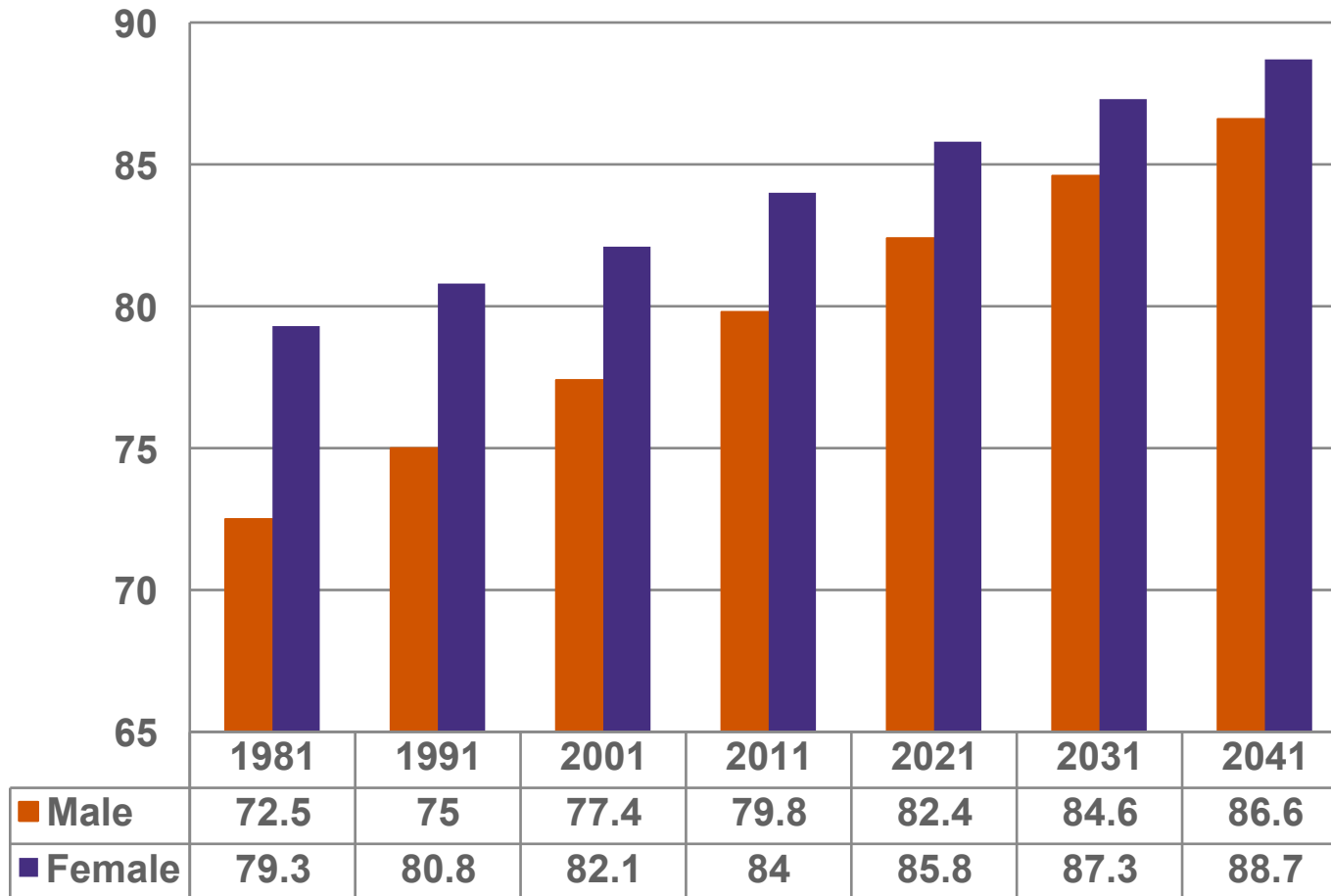
■ 65 and older ■ Under 65



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**

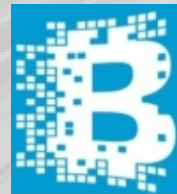
**1981–2041**

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

# Disruptive technologies

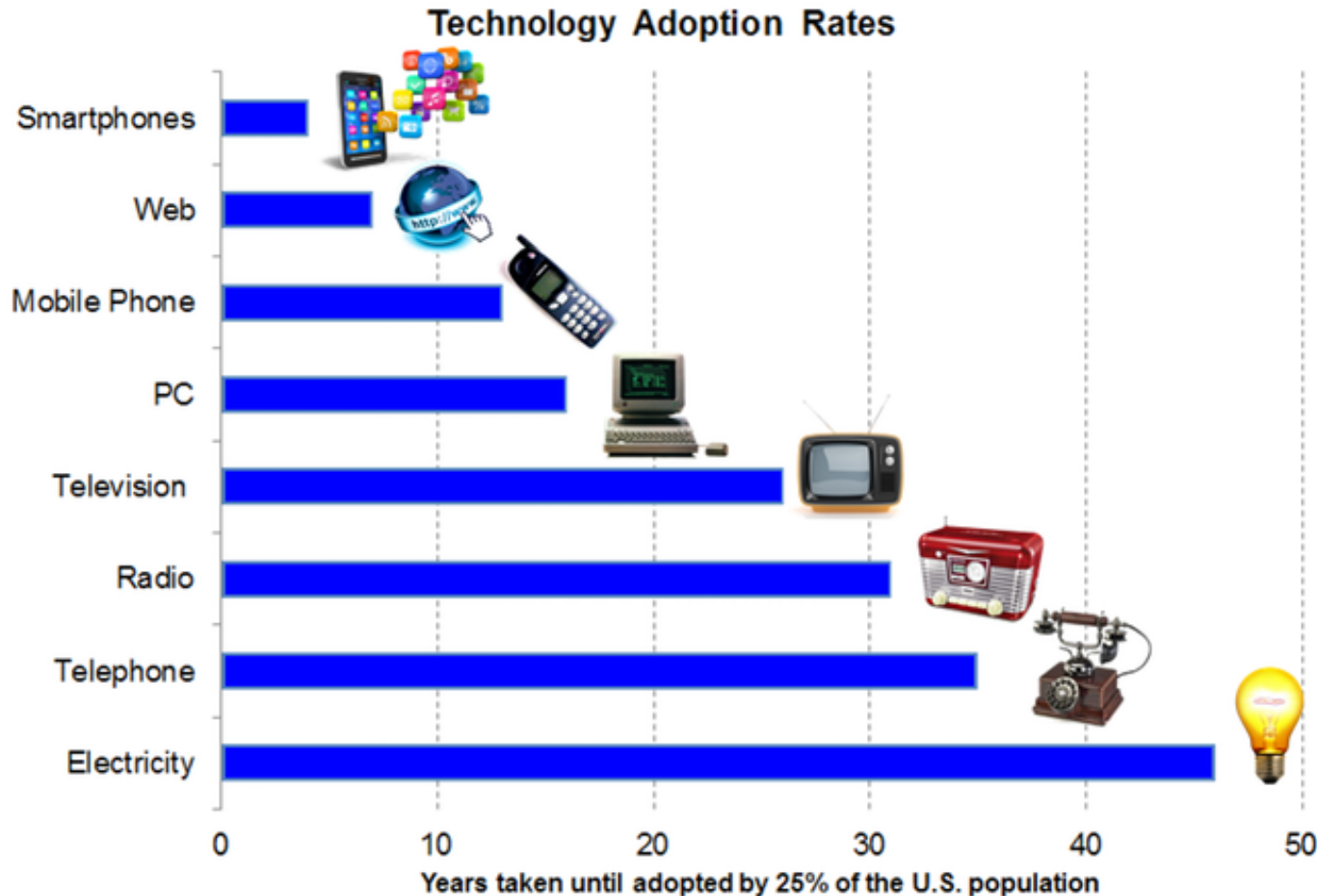
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Harnessing  
the power  
of technology



# Accelerating Rate of Technology Adoption

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Market Realist

Source: U.S. Census, Wall Street Journal

**Technology adoption rate:**

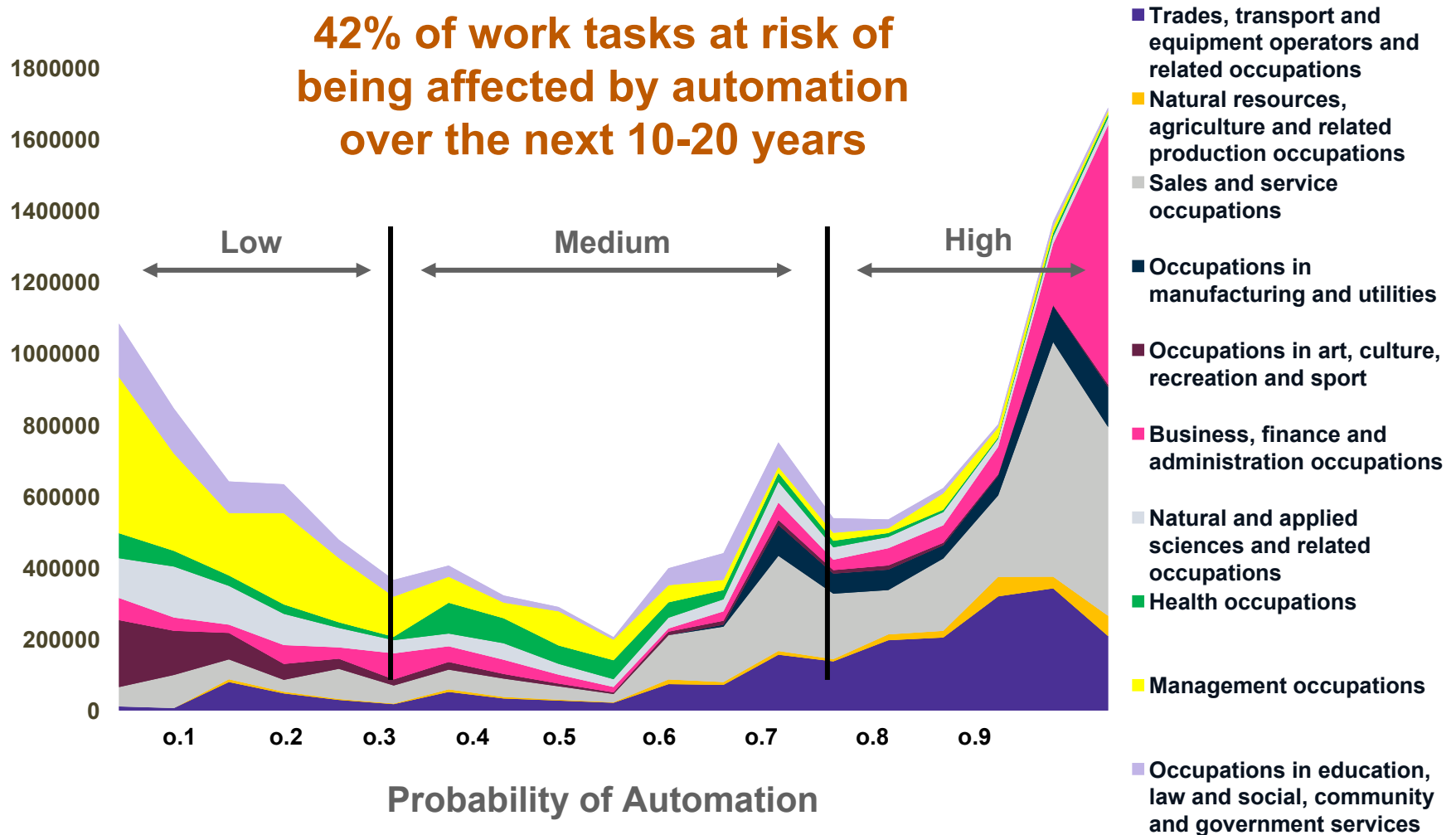
**Years taken for new tech to be adopted by 25% of U.S. population**

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*

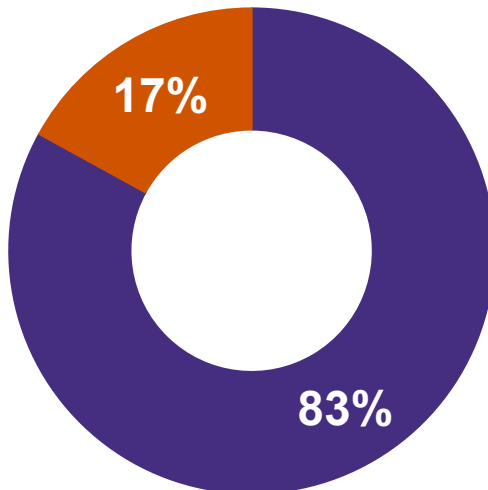
# The “experience paradox”

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## Are Canada's youth adequately prepared for the workforce?

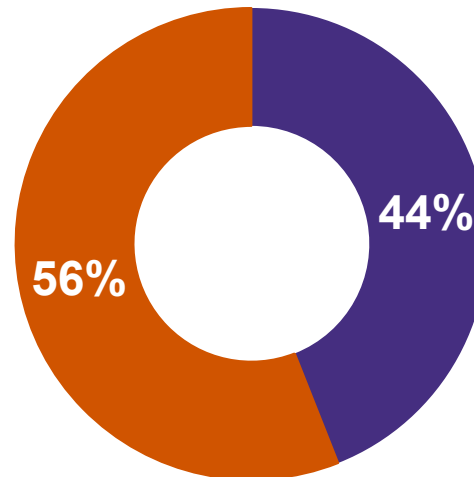
Education providers

■ Yes ■ No



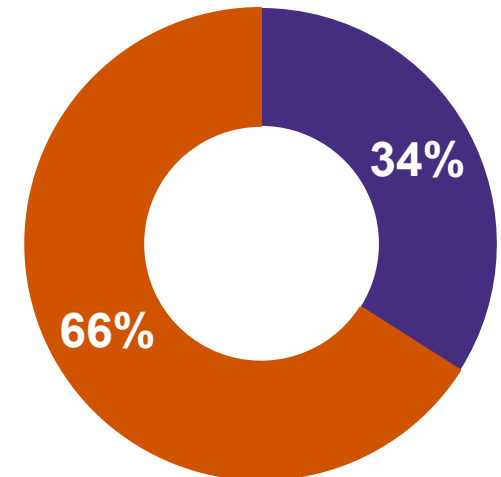
Youth

■ Yes ■ No



Employers

■ Yes ■ No

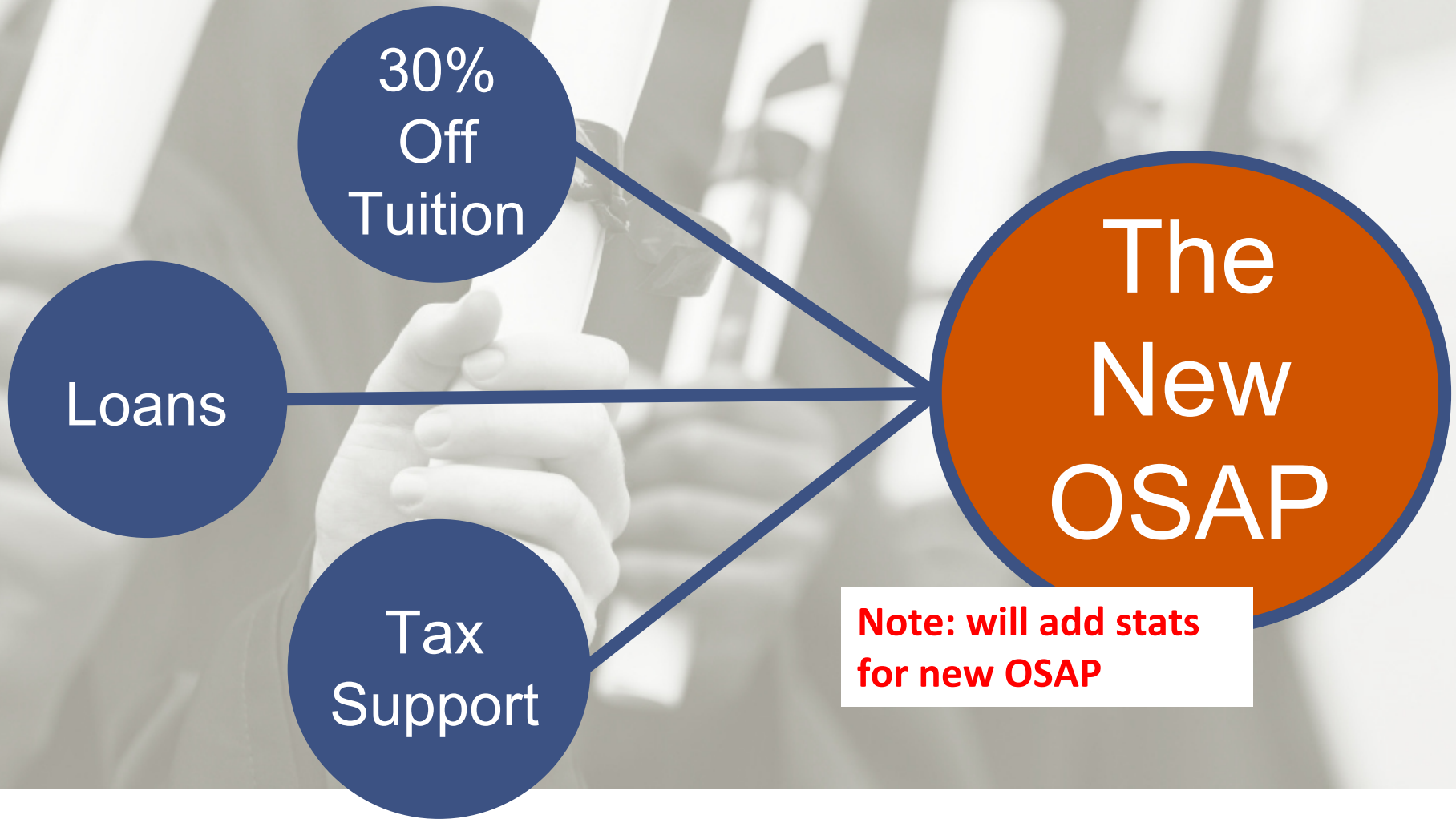


SOURCE: Future-Proof: Preparing Young Canadians for the Future of Work, The Brookfield Institute for Innovation + Entrepreneurship, page 15

Need new Chart showing Ontario PSE  
participation rates by household income

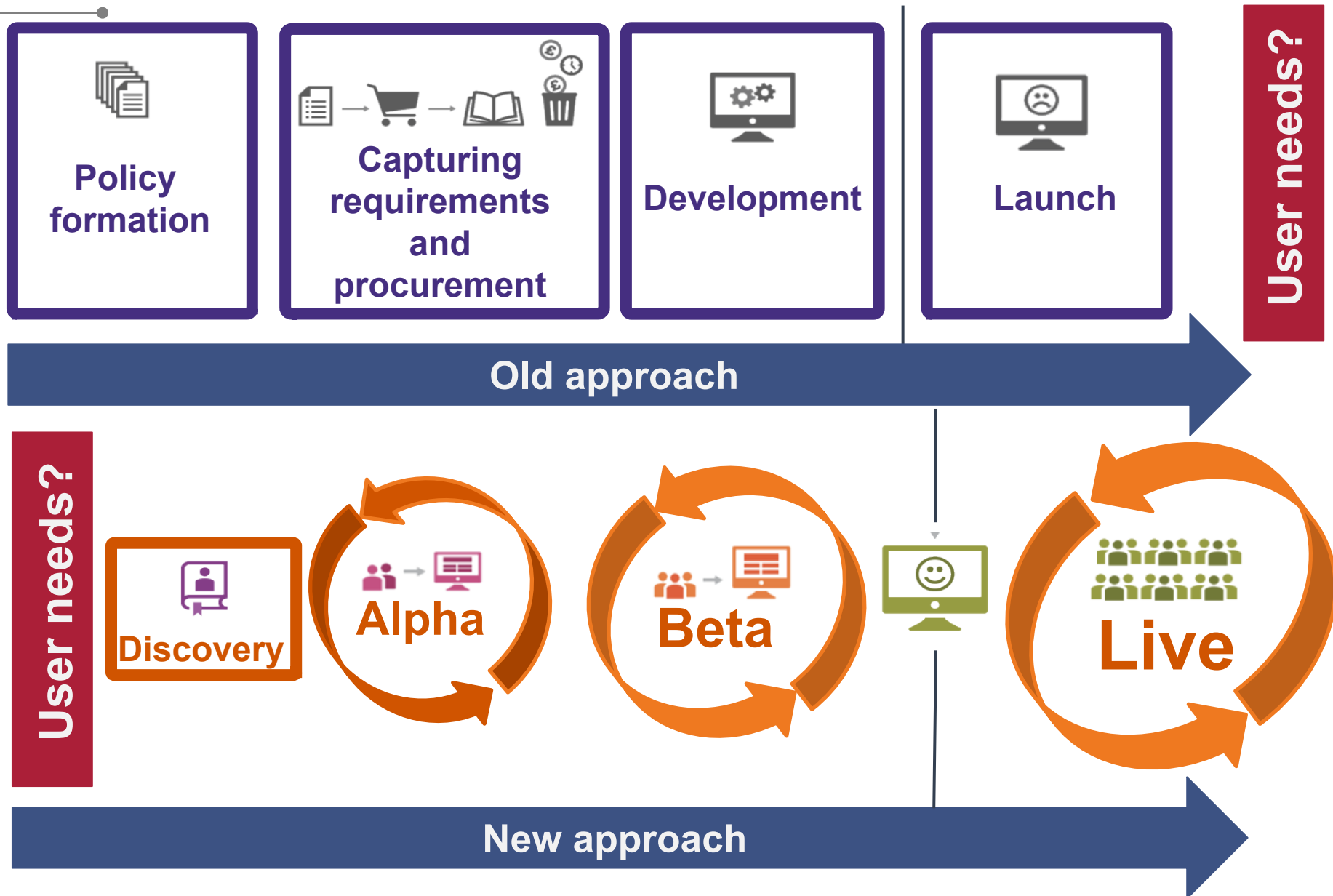
## Provider-Focused

## 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>