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**Official Report  
of Debates  
(Hansard)**

E-18

**Journal  
des débats  
(Hansard)**

E-18

**Standing Committee on  
Estimates**

Treasury Board Secretariat

2<sup>nd</sup> Session  
41<sup>st</sup> Parliament

Tuesday 26 September 2017

**Comité permanent des  
budgets des dépenses**

Secrétariat du Conseil  
du Trésor

2<sup>e</sup> session  
41<sup>e</sup> législature

Mardi 26 septembre 2017

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Chair: Cheri DiNovo  
Clerk: Eric Rennie

Présidente : Cheri DiNovo  
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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

## STANDING COMMITTEE ON ESTIMATES

## COMITÉ PERMANENT DES BUDGETS DES DÉPENSES

Tuesday 26 September 2017

Mardi 26 septembre 2017

*The committee met at 0900 in room 151.*

### TREASURY BOARD SECRETARIAT

**The Chair (Ms. Cheri DiNovo):** Good morning, everyone. The committee is about to begin consideration of the estimates of the Treasury Board Secretariat for a total of seven hours and 30 minutes.

I would like to take this opportunity to remind everyone that the purpose of the estimates committee is for members of the Legislature to determine if the government is spending money appropriately, wisely and effectively in the delivery of the services intended.

I would also like to remind everyone that the estimates process has always worked well with a give-and-take approach. On one hand, members of the committee take care to keep their questions relevant to the estimates of the ministry, and the ministry, for its part, demonstrates openness in providing information requested by the committee.

As Chair, I tend to allow members to ask a wide range of questions pertaining to the estimates before the committee, to ensure they are confident the ministry will spend those dollars appropriately.

In the past, members have asked questions about the delivery of similar programs in previous fiscal years; about the policy framework that supports a ministry approach to a problem or to service delivery; or about the competence of a ministry to spend the money wisely and efficiently. However, it must be noted that the onus is on the member asking the question to make the questioning relevant to the estimates under consideration.

The ministry is required to monitor the proceedings for any questions or issues that the ministry undertakes to address. I trust that the deputy minister has made arrangements to have the hearings closely monitored with respect to questions raised so that the ministry can respond accordingly. If you wish, you may, at the end of your appearance, verify the questions and issues being tracked by the research officer.

Are there any questions before we start?

I am now required to call vote 3401 of the estimates, which sets the review process in motion.

We will begin with a statement of not more than 30 minutes by the President of the Treasury Board, followed by statements of up to 30 minutes by the official opposition and 30 minutes by the third party. Then the Pres-

ident of the Treasury Board will have 30 minutes for a reply. The remaining time will be apportioned equally amongst the three parties.

President, the floor is yours.

**Hon. Liz Sandals:** Good morning to everyone. I'm delighted to be here to speak about the estimates of the Treasury Board Secretariat. This is actually a historic day because the Treasury Board Secretariat as a separate ministry is relatively new so this will be, as far as we know, the first time in history that the Treasury Board Secretariat has ever appeared before estimates.

Obviously you have an important role to play, which the Chair just outlined. We, too, believe, obviously, at the Treasury Board Secretariat that it is absolutely obligatory that we must have good oversight of government spending. This estimates process is a key part of making sure that we are using taxpayer dollars in the most efficient and effective way possible, because that's actually what we do at the Treasury Board; that's actually our whole reason for being.

I think because we are a relatively new ministry, what I wanted to do is to talk about the mandate of the Treasury Board Secretariat and to work our way through what it is that the Treasury Board Secretariat actually does, because I'm not sure that that's always totally well understood.

As President of the Treasury Board, I would like to let you know about the secretariat's mandate, which is to lead the government's efforts on accountability, openness and modernization.

Before I get into my main remarks, let me provide some context on this Treasury Board Secretariat as a ministry. The Treasury Board Secretariat, or TBS, was formed just over three years ago in July of 2014, using resources from the Ministry of Government Services, which then became the Ministry of Government and Consumer Services, as well as resources from the Ministry of Infrastructure and, most obviously, the Ministry of Finance. Where the Treasury Board and Management Board of Cabinet support functions were placed previously was at the Ministry of Finance.

TBS is tasked with supporting the government's goal of achieving specific fiscal targets. The ministry helps the government meet fiscal goals, like balancing the budget, by finding the best possible value for money in every dollar spent. TBS manages all this while continuing to support the delivery of excellent public services.

As I mentioned, this is the first time TBS has been called, so this is a new experience for us, and we welcome the opportunity to tell you a bit about what we do.

Before I go any further, I want to thank the ministry's employees for the tireless work that they have done, first of all, in fulfilling TBS's mandate and in helping the government bring Ontario's budget to balance, and also for getting ready for estimates, because they have been working overtime preparing for this new experience.

Since the time when we were first created, they have provided professional, knowledgeable advice and have helped the government make the challenging, evidence-based decisions needed to balance the budget, so that we can invest in the services that matter to the people of this province.

On that note, I would also like to thank the individuals from Treasury Board Secretariat who are joining me here. Collectively, we will do our best to answer your questions when they are within our area of expertise.

I think that rather than attempting to introduce everybody, because virtually everybody in the room came with me—not everybody, but almost everybody—I think we'll introduce people as we call on them.

But I will introduce Helen Angus, who is my deputy at Treasury Board Secretariat. Some of you may have met Helen in previous roles when she was deputy at other ministries. I'm delighted that we have Helen as our deputy now.

Because Treasury Board Secretariat is a unique organization within government, I want to take some time to outline the role we play and our unique position as both a central agency responsible for working with other ministries, and as a line ministry in our own right, with specific programs and deliverables.

I'll come back to those line responsibilities later, but first of all, let's look at our role as a central agency.

TBS plays a role as a key enabler to support the President of the Treasury Board, which, as you know, is a committee of cabinet, as is Management Board. They are combined. Both have legislated mandates and responsibilities. But TBS, the ministry, plays a key role in supporting the President of the Treasury Board and leading the government's efforts on accountability, openness and modernization. TBS supports the government's goal in achieving its fiscal targets while continuing to deliver services that the people of Ontario rely on, and we do this while achieving the best possible value for money.

In our central agency role, we provide planning, expenditure management and controllership to support Treasury Board and the government's fiscal plan. We are ensuring sound stewardship and investment of public funds.

TBS supports the legislative functions of the Treasury Board and Management Board of Cabinet. While the Treasury Board and Management Board of Cabinet meet at the same time and have the same members, they are legislatively two separate oversight bodies, with different responsibility laid out in legislation. I'd like to take a moment to explain these differences.

The Treasury Board is responsible for in-year spending changes; annual spending plans based on the program review, renewal and transformation process that I will discuss later; and regulations and legislation with financial implications.

Essentially, what this means is, a lot of what TBS oversees is not actually TBS expenditures. It is expenditures that the Treasury Board or Management Board of Cabinet are overseeing on behalf of other ministries. In the legislation that governs the Treasury Board, for example, the Treasury Board is tasked "to direct the preparation and review of forecasts, estimates and analyses of ... expenditures" and to "establish policies for, the preparation, form and content of estimates...." Treasury Board is also mandated to review, evaluate and approve new and existing programs of any ministry or public entities and determine priorities with respect to them.

#### 0910

The Management Board of Cabinet is also supported by Treasury Board Secretariat, although, rather than dealing with financial resources, it deals with the operations of government and managing the public service. Under its purview lies corporate governance policies, agency governance, human resources, changes to ministry staffing allocations, bargaining mandates and procurement or IT projects valued at more than \$20 million.

To make sure that ministries are meeting the requirements set forth by Treasury Board and Management Board of Cabinet, TBS—the secretariat—sets guidelines for ministries to follow for the review, evaluation and approval of submissions to Treasury Board or Management Board.

TBS helps its partner ministries prepare funding and allocation requests to their ministry programs for presentation to Treasury Board and Management Board of Cabinet. TBS's guidance role helps the government achieve efficiency. The details of how to run those programs are dealt with by partner ministries. We do not actually do the implementation of these programs at Treasury Board Secretariat; that is the responsibility of the actual ministries, while advice on how to request expenditures is provided by Treasury Board Secretariat.

In order to support Treasury Board and Management Board of Cabinet, TBS sets processes to guide ministries in how to account for and determine their spending. However, the actual expenditure that occurs remains the responsibility of the ministries that come to Treasury Board and Management Board of Cabinet for approval.

Stated another way, TBS sets the rules, but ultimately, the spending is done by the ministries we oversee. Those ministries know better than anyone the fine details of what is in their estimates.

In TBS's central role, it also works with the Ministry of Finance to help them prepare key documents like the budget and the fall economic statement. We were happy to support the Ministry of Finance this year as they crafted and released a balanced budget, as promised. We do have a leadership role on some financial items like public accounts, but for other things, we are mostly in a support role.

One thing I want to make clear—because this can be confusing—is that TBS helps the Ministry of Finance, but TBS is not the Ministry of Finance. TBS takes a role in overseeing funding and providing ways to transform and guide spending. TBS does not lead the budget or take the leadership role that the Ministry of Finance does on fiscal matters. TBS sets spending limits and helps ministries stick to their spending limits through our policy leadership.

The Ministry of Finance deals with taxation, economic policy advice and takes the lead on documents like the budget and the fall economic statement, among many other things. The Ministry of Finance also oversees government assets like the LCBO, Ontario Power Generation and Hydro One. When it comes to these issues, the Ministry of Finance has the expertise and TBS plays a limited advisory role.

If the Treasury Board Secretariat is not the Ministry of Finance, then what does it do? Well, the Treasury Board Secretariat has four major goals outlined in our mandate. First, TBS is dedicated to supporting the government in achieving its fiscal targets. TBS has, I am happy to say, helped to achieve one of the major fiscal targets set by the government: The 2017-18 budget is balanced. TBS helps make this possible by identifying areas where spending could be made more efficient. Throughout that process, TBS still supported citizen-focused services and critical investments in priority areas, to enhance public services and support economic growth in a low-carbon economy.

Secondly, TBS is responsible for overseeing labour relations and compensation. In this role, TBS has taken a balanced approach to managing compensation in the Ontario public service, or, more colloquially, the OPS.

We recognize the need to maintain a stable, flexible and high-performing public sector workforce. Such a workforce supports the government's transformational priorities while at the same time ensuring that public service remains affordable. It is a tough balance, but one that is critical to get right if the public service is to function as efficiently as possible. A balanced approach to compensation recognizes the need to attract and retain talented leaders and individuals, to ensure a modern, sustainable and inclusive OPS. It also allows us to remain competitive with public sector peers.

TBS is interested in creating the conditions to attract and keep the best talent, while always being mindful of the limited resources government has. TBS's bargaining sets the stage for ministries to hire and retain the talent they need to deliver their programs.

Third, the Treasury Board Secretariat is tasked with advancing a more modern, open and digital government. TBS is meeting this goal through initiatives like the Transfer Payment Administrative Modernization Project, which aims to reduce the administrative burden on transfer payment recipients.

In November 2016, Ontario launched the common registration system. Organizations can now change their profile information online, greatly reducing the time it

takes to update their profiles. This simplifies business practices and gives organizations more time to deliver services to Ontarians. TBS is also meeting this goal through initiatives like Open Government.

Before I get into Open Government, I just wanted to comment.

Because you're all MPPs representing local communities, you would be aware of agencies in your communities that get transfer payment support from a variety of ministries. It's not unusual for agencies to get support from some combination of children and youth services, community and social services, the Attorney General, and maybe corrections, depending on what it is. And it goes on and on. Often, health is in there.

So, for many of these small agencies, a tremendous amount of time historically has been consumed in filling out the transfer payment applications and paperwork for one ministry, and different paperwork for another ministry, and then different paperwork for another ministry. So to have one common registration system, where they can enter the information about that agency once, and then have that stand for the relationship with an assortment of ministries, actually has been really well received by the transfer payment agencies, because it makes their life easier.

That's a really good example of the work that Treasury Board Secretariat is often engaged in.

You talked about your mandate at estimates, Chair, of looking at the efficiency of government. This would be an example of our role in making government more efficient and effective. It seems like a very small project, but it actually has an impact on hundreds of agencies out in the communities across Ontario.

That sounds like a lot of words, but I thought it was important to explain that the words actually represent real change for real people who are on the ground trying to get on with the work of helping your constituents.

#### **0920**

Another way that we are working towards meeting our goals is through Open Government. Through Open Government, TBS is sharing more about how government works than ever before. This includes sharing our directives, sharing our data, and consulting with Ontarians. TBS is working to be a world leader in open government, and it has made great strides towards that goal, including adopting the international Open Data Charter in May 2017. The Open Government office at TBS has excelled in opening up government and providing Ontarians with more opportunities to weigh in on government decision-making.

Just one example of this is the Budget Talks consultations that Ontarians are invited to participate in each year. Budget Talks is run by the Ministry of Finance, but TBS provides the support and the framework to truly open up this process for the people of Ontario.

The support of Open Government made possible a new digital approach to pre-budget consultations for 2015 and every year since. Open Government support has also helped engage thousands of Ontarians in the

preparation of the budget. This is another example of how TBS plays a strong supporting role in bringing about changes to government programs and initiatives but leaves the specifics up to the ministry that we support.

Fourth and finally, but definitely not least importantly, TBS is tasked with renewing the public service. This is no small task and requires input from many areas, including human resources and information and information technology, or I&IT.

TBS is building on the OPS human resources plan for 2015 to 2020 and other transformation initiatives to develop a strategic plan for public service renewal that ensures the OPS has the diversity, skills and leadership capacity to support innovation now and in the future. This includes critical work like the implementation of indigenous cultural competency throughout the OPS, anti-racism and accessibility and inclusion training within the OPS, as well as working on the province's action plan to end sexual violence and harassment.

Renewing the public service also involves more immediately tangible items, such as updates to the government's I&IT systems so that government can meet the growing demand for digital services from both residents of Ontario and workers within the government.

TBS's IT leadership has been improving efficiencies and the effectiveness of government's I&IT by careful negotiation of software contracts, consideration of our use of fee-for-service consultants—and I'm sure you'll want to ask more about that one later—and working more closely with the broader public sector to share resources where appropriate.

As you no doubt realize from our mandate, we have overall corporate policy leadership on many things, but generally the ministries that we support are accountable for the specifics of their programs. If I were to sum up our role, I would say that TBS enables other ministries to transform their products through our guidance and advice.

TBS plays an important role, but TBS is not a subject matter expert on every area that we support. However, through our program review, renewal and transformation, or PRRT, which I briefly mentioned when discussing the Treasury Board legislation, we are able to meet and beat our fiscal targets across government. Over the last several years, effectively managing this process has allowed government to beat our fiscal targets through following the process laid out by TBS. So TBS owns the process. It's a great way to really illustrate how TBS enables transformation in public service spending by taking a policy leadership role while other ministries do the work of meeting the targets.

Every year, program areas from across government must justify their spending in the PRRT process before the Treasury Board and Management Board of Cabinet. Just to clarify, leading into the budget process each year, through the PRRT process, every ministry presents their spending plans to the Treasury Board Secretariat. This is our opportunity to look at effectiveness and efficiency of government programs through the budgeting process. So,

the first step on the way to next year's budget is actually a stop at the Treasury Board through the PRRT process for each of the government ministries.

Every year, program areas from across government must justify their spending in the PRRT process before the Treasury Board and Management Board of Cabinet. By requiring this, TBS enables other ministries to make sound decisions about how to allocate their resources to priority areas, where it will best meet the needs of Ontarians. And, I might add, it gives the Treasury Board the opportunity to make sure that every ministry's fiscal plans are within their approved allocations. So, it's a bit of a two-way conversation, as ministries talk about allocations and what it is they plan to do with the funding that has been allocated. That is an extended process which leads into the budget. What we do want to see at TBS is that the proposed allocation of resources by ministries makes sure that they're addressing the priority areas to best meet the needs of Ontarians.

We also, through the PRRT process, because we see everybody's PRRT, have the opportunity to encourage people to work together. Often, what we are able to see from a TBS viewpoint is that there are areas of program and policy where what's going on in one ministry somewhat overlaps, coincides or complements what's going on in other ministries. So one of the things that we do with the PRRT process is encourage ministries with similar activities to work together.

I'm sure somewhere in my notes it's going to tell me to talk about that, but I just wanted to draw to your attention the re-creation of OSAP as a great example of where finance owned the tax credit piece of it and MTCU, the Ministry of Training, Colleges and Universities—now MAESD—owned the actual student loan piece of it. Obviously, I represent a university town, and what we heard from students was, "Well, it's not really all that helpful if my father gets a tax credit in April, if I have to pay tuition in September, and when you take out the loan you don't know whether, when you graduate, some of it will be converted to grants, so you never know up front what's going on and it's really, really complicated and nobody can figure it out."

There was a long list of complaints about the existing program. So what we did was, with the two ministries working together, they were literally able to throw the whole thing up in the air and bring it back down in a way that we took the same money and are able to spend the same money more effectively. But we're able to make sure that the money is now focused on people who need it most, so that we are able to offer free tuition to students from the lowest-income families, which means that any student who is qualified to go to post-secondary will be able to afford to go to post-secondary.

That's a great example of what it is that we hope to accomplish through the PRRT process: The ability to really transform and restructure programs so that we really are able to use the resources of government more effectively. It's something that TBS is well situated to require because of the fact that we do see the submissions



from everybody and see where they come together and where we can do a better job.

0930

**The Chair (Ms. Cheri DiNovo):** Minister, you have about two and a half minutes left.

**Hon. Liz Sandals:** I've got about two and a half minutes. Okay.

A couple of the things that we are also doing at PRRT is asking ministries to establish key performance indicators so that we can actually look at measuring what programs are effective. Obviously, everybody loves their own program; we want to know whether your own program is actually effective. Is your own program actually working?

We have a Centre of Excellence for Evidence-based Decision Making, and they are actually working with ministries all across government to help talk about what it is we can measure in terms of outcomes—not just how many dollars did you spend or how many projects did you spend on, but what are the key performance indicators that tell us whether the spending actually works? I think that's a little bit of a shift in the way that government thinks. We're working very closely with ministries to try and get that mind shift of measuring effectiveness and of laying out beforehand what those effectiveness measures shall be.

We can come back and talk more about some of the other things in my response.

**The Chair (Ms. Cheri DiNovo):** We now move to the official opposition: Ms. MacLeod.

**Ms. Lisa MacLeod:** It's a pleasure to be here. Welcome, President. It's good to see you here today. I appreciate you taking the time to provide us with remarks. Thank you to all of your staff who are here today.

You had mentioned at the beginning that you had never appeared before estimates as minister before. Just before you said that, I had said to my colleague that I've managed, in 12 years of being here, not to ever appear in this committee. I think you and I were probably both gunning for a shutout. We had about nine months to go. Anyway, our worlds collided.

I appreciated you going through the four areas of your mandate and what the Treasury Board does. I thought that was very helpful. I'm going to probably jump around in all four areas throughout the next couple of days, but I wanted to start with Open Government. It's fairly new. You do dedicate in the estimates a little bit of time going through some of the new changes in Open Government.

I'm just wondering—again, it's my first time here. I know I've been around Queen's Park a long time but it's my first time in this committee. In terms of actually presenting the submissions—and this might be a question for your deputy—who puts this book together? When it comes to, for example, the Open Government stuff, do you look after that or is it teamwork and goes through the ADM?

**Hon. Liz Sandals:** Can I just clarify there? Open Government is the process of making available government information and government data sets. If you're

talking about preparing this actual book, that would be a bit of a different answer. Which one do you want?

**Ms. Lisa MacLeod:** Okay. Maybe you can answer both. I think I need both because there's a question I have that may pertain to both.

**Hon. Liz Sandals:** Deputy, why don't you talk about your staff putting together the book?

**The Chair (Ms. Cheri DiNovo):** Deputy Minister, could you identify yourself first before speaking?

**Ms. Helen Angus:** I'd be delighted. I'm Helen Angus and I'm the deputy minister for the Treasury Board Secretariat.

Ms. MacLeod, it is a team that puts it together. All the different program areas would actually compile their best estimate about what the expenditures for Treasury Board would be for the coming year. They look at their programs; they look at what work they want to get done; they pull that together—I have my chief administrative officer here in the room, and she can talk in more detail about the compilation process. We look at it as a senior management team, and we provide advice to the government on the various expenditure areas.

**Ms. Lisa MacLeod:** So on page 87, just to clarify—

**Hon. Liz Sandals:** Are you looking at this?

**Ms. Lisa MacLeod:** Yes. That's the only thing I'm looking at today, Liz. I'm excited.

On page 87, your subtotal item, your actuals in 2015-16 were about \$2.3 million, and you're expecting this year to be about \$2 million. Of that, you've got about \$1.6 million in staffing. Can you break that down further in terms of where that will go? For example, I know you have an ADM, and there will be some support staff there. You talk about some initiatives on three of the pages, I believe on pages 14, 21 and 37. There are some initiatives with respect to databases, mandate letters, that sort of stuff. What type of employees would you have in that department?

**Hon. Liz Sandals:** Do you—

**Ms. Helen Angus:** Actually, why don't I—

**Hon. Liz Sandals:** I'll start while you gather people with the details.

Many of the people who are working in the Open Government area would be specifically working on opening up data sets. Some of them would be working on how we consult with the public, and others would be working on releasing government policies and directives and posting them online. People would tend to be working in one of those three areas.

I'll turn it over—

**Ms. Lisa MacLeod:** Can we maybe just pick up on what you said, President, and talk about those who would consult with the public, what kind of tools would they use and how you're doing it?

**Hon. Liz Sandals:** Remember, they're not going to be consulting; they're setting out the policy frameworks and support for effective consultation. Going back to what I was saying, we set up the support and then the line ministries who want to consult on whatever can avail themselves of the tools.

**Ms. Lisa MacLeod:** Okay.

**Hon. Liz Sandals:** Helen, where do you want to go from here?

**Ms. Helen Angus:** Why don't I introduce our chief administrative officer, Mel Fraser? She's the one who actually compiles all of the work for the estimates on behalf of Treasury Board. And then Shawn Lawson is the assistant deputy minister responsible for a number of things—agency oversight and other things—but also our Open Government work. He can talk a little bit about open government as a program, where we have work on open data, opening up Ontario government data stores; where we have work on open information, which is more providing reports and information beyond data to the public; and then open consultation, which is really about the methods of engaging the public in the public policy discourse.

**Ms. Lisa MacLeod:** The President of the Treasury Board mentioned that there was a digital approach to that. Can we talk a little bit more about that?

**Ms. Helen Angus:** We sure can.

**Ms. Lisa MacLeod:** Thanks.

**Ms. Helen Angus:** Mel, would you like to start? Introduce yourself.

**Ms. Melanie Fraser:** Sure. Good morning. I'm Melanie Fraser. I'm the assistant deputy minister and chief administrative officer for corporate services for the Treasury Board Secretariat. Maybe I'll just provide a little bit of context for this vote as well, and then I can ask Shawn to speak to some of his components in it.

Vote 3405—I think that's the vote that you were referencing on page 87 of the estimates—is for governance, agency oversight and the Centre for Leadership and Learning. Not only does that include our Open Government program, but it would also include the transfer payment administration project, which the minister spoke about previously, agency governance, as well as the Centre for Leadership and Learning, which leads OPS renewal as well as our leadership and learning across the OPS. So the vote contains a number of different items.

We can talk about some of the changes that have happened year over year. I would say that one of largest changes that has happened in that vote was the introduction of the Ontario Career Kick-Start Strategy, which resulted in an investment in our internship program. That represents a \$5-million variance in the estimates from last year through to this year. There will also be some other minor changes as we've seen programs move from one division to another and some in-year savings that we've been able to provide through efficiencies.

Maybe I can turn it over to Shawn to answer your question about open government staffing, which is one component of this vote.

**Ms. Lisa MacLeod:** Okay.

**Mr. Shawn Lawson:** Good morning. My name is Shawn Lawson. I'm the assistant deputy minister of the corporate policy, agency governance and open government division.

Within this vote and item, we have our team that is responsible for open government, as the minister has

mentioned. A main responsibility there is coordinating and assisting ministries and supporting them as they try to implement open government initiatives across the OPS. There is a team of 17 individuals within this branch. A big component is working with the ministries. It's setting out Ontario's action plan, which was based on the engagement team that was struck in 2013. It's looking at various corporate initiatives that we can implement, and a big component is assisting ministries with the release of data sets. At this current point, we have over 585 data sets that have been released on our website, on Ontario.ca.

**0940**

In addition, we now have a data catalogue that is available with all of the data holdings that the government has. We're also working quite closely, through the ministries, with our provincial agencies to continue to release data sets, but also to list those data sets online as well.

We also support some of the work in terms of—as the minister mentioned in her opening remarks, we adopted the International Open Data Charter earlier this year, which is a set of standards that is helping to guide some of our work and some of our policy work in terms of working with ministries as they try to move the Open Government priority forward.

**Ms. Lisa MacLeod:** Okay. On page 37, there's a list of achievements that the ministry has noted. It seems to be recurring. Basically, on pages 14, 21 and 37 it seems to be the same type of language with respect to open government and some of the achievements.

I am just wondering if you want to talk a little bit more about those, and who would be responsible for each one of them.

**Mr. Shawn Lawson:** Sure. If you'd like—

**Ms. Helen Angus:** Do you want to carry on?

**Mr. Shawn Lawson:** Yes. I can take you through the bullets on page 37.

Again, a lot of this work is undertaken by the ministries themselves. They are the data holders. As well as in the case of the first example, a big part of this is trying to be more open and transparent. We have been working with the ministries to release more documentation for the agencies.

We did make changes recently in 2016 in terms of issuing mandate letters to agencies, from the ministers who are accountable for those agencies, that are provided to the agencies as they develop their business plans on an annual basis. One of those components is also releasing both the agency business plan as well as that mandate letter once it's been approved by the minister.

**Ms. Lisa MacLeod:** Are those ever audited by the Auditor General?

**Mr. Shawn Lawson:** The Auditor General does have the ability to audit the agencies.

**Ms. Lisa MacLeod:** Has she in the past?

**Mr. Shawn Lawson:** She has some—

**Ms. Lisa MacLeod:** No, no. In terms of the—sorry; I'm not clear. In terms of the agency mandate letters, has

she ever gone back and looked to see if they've completed those deadlines?

**Mr. Shawn Lawson:** As I mentioned, the mandate letters are generally new to the process. They were introduced in 2016. It was past the point of when most agencies had submitted their 2016-17 business plan, so we are starting to see them put into action this year as part of 2017—

**Ms. Lisa MacLeod:** So there was a bit of a delay?

**Mr. Shawn Lawson:** That's correct.

**Ms. Lisa MacLeod:** How many have done it so far, of all of our—what is it, like all 622, or whatever it is?

**Mr. Shawn Lawson:** It would not be all; it would be the board-governed agencies. So I could give—

**Ms. Lisa MacLeod:** Okay. What did you say it was?

**Mr. Shawn Lawson:** It's the board-governed agencies.

**Ms. Lisa MacLeod:** Oh, the board-governed. Okay.

**Mr. Shawn Lawson:** Yes.

**Ms. Lisa MacLeod:** And what do you think in terms of—I'm just going to do this with all of them, probably—the board-governed agencies, what kind of percentage would you say has completed or complied?

**Mr. Shawn Lawson:** Ministries themselves are actually the ones accountable for ensuring the compliance, so I don't actually have the statistics.

**Ms. Lisa MacLeod:** Do you have any that are directly accountable to you in Treasury Board?

**Ms. Melanie Fraser:** Yes.

**Ms. Helen Angus:** If you'd like, I can read out the agencies, if that would be helpful.

**Ms. Lisa MacLeod:** Yes, if you don't mind, and let me know which ones have complied.

**Ms. Helen Angus:** Shawn, why don't I read out the agencies, and then if we don't have the answer here—they're actually not board-governed, so we have the Case Management Masters Remuneration Commission, which is not board-governed; we have the Deputy Judges Remuneration Commission, also not board-governed; and Justices of the Peace Remuneration Commission, similar, not board-governed.

**Ms. Lisa MacLeod:** And that's vacant at the moment, or has that changed?

**Ms. Helen Angus:** Correct. Yes, that is vacant.

**Ms. Lisa MacLeod:** What's the process there to fill that vacancy?

**Ms. Helen Angus:** It would be through the normal public appointments process.

**Ms. Lisa MacLeod:** How long has that been filed?

**Hon. Liz Sandals:** That is a specific person—this is maybe where I will ask the human resources people for some support. Because of the status of judges, we cannot negotiate directly with judges as politicians or government. There has to be some separation.

What happens with remuneration for those various people for whom there are commissions is, a commissioner is appointed who looks at compensation issues and then makes recommendations about the compensation of these people.

So this is not an appointment where you want people signing up on the website and saying, "Hey, I'd like to do this." This is someplace where you need somebody who has expertise in compensation of judges to be appointed, to review the compensation of judges.

**Ms. Lisa MacLeod:** I'll put a plug in for Norm Sterling, then.

**Hon. Liz Sandals:** Would Norm qualify? I'd need to think about that one.

At any rate, what I'm saying is that the agencies that belong to us, for the most part, are not necessarily typical agencies with respect to the mandate and accountability procedures that Shawn is talking about. We have some oddballs. The Treasury Board is often—

**Ms. Lisa MacLeod:** You have oddballs; okay.

Any on 25 or 26 that are actually board-governed in the traditional sense, that would be part of the mandate letters?

**Ms. Melanie Fraser:** The Ontario Public Service Pension Board would probably be a governed agency. They would have received a mandate letter. As part of our agency oversight, they submit an annual report to us each year as well a business plan, which identifies how they will address the mandate. The OPB is in full compliance with the requirements under the act, and those documents are made public and are posted on the website.

**Ms. Lisa MacLeod:** Do you want to continue with the bullets? If I have any questions on the bullets, maybe I'll ask.

**Mr. Shawn Lawson:** One of the pieces on the next bullet was that Ontario was selected to be one of the 15 sub-national governments to be part of the Open Government Partnership sub-national program. This is an international program, and we were one of the 15 amongst other jurisdictions. Scotland was one of the other 15.

**Ms. Lisa MacLeod:** Who chooses this?

**Mr. Shawn Lawson:** This was independently chosen. We submitted a proposal, and we were one of the 15.

**Ms. Lisa MacLeod:** Do we pay to be part of it, or do they pay us to be part of it?

**Mr. Shawn Lawson:** No.

The next one is, we released an Open Data Directive. This is being implemented across all ministries, as well as provincial agencies.

The next would be that we have over 2,300 data sets that are listed in our open data catalogue. As I mentioned before, we have over 585 open data sets now as part of that catalogue, that are available and open online on ontario.ca.

We've also been trying some new methodologies, and we've tried the change lab method, which is the process of co-designing and working with outside external stakeholders to try to co-design some processes.

**Ms. Lisa MacLeod:** If you're working with outside stakeholders, would that be a lot of consultancy work that would be coming in? How does that all work?

**Mr. Shawn Lawson:** The example that we did on the change lab was around the transfer payment moderniza-

tion project. We did invite a number of transfer payment recipients, as well as some organizations, as well as line ministries. That was a big part of that, involving the individuals who are actually part of the relationship—so both the recipient as well as the ministries that are actually providing the funding.

The other piece there is that we also are trying to increase our social media presence. We have a Twitter account where we utilize and share some of the work that we're doing.

As well, a good example is that this month we are hosting a number of Civic Tech Toronto workshops, which is an opportunity for members of the public and civil society to come together and work through some of the challenges and help not just us in the Ontario ministries, but also others as they're trying to move forward on Open Government initiatives as well digital initiatives.

**Ms. Lisa MacLeod:** So you're on Twitter now?

**Mr. Shawn Lawson:** We are.

**Ms. Lisa MacLeod:** You're like a viral sensation. What's your Twitter account handle?

**Mr. Shawn Lawson:** It is @OpenGovON.

**Ms. Lisa MacLeod:** Every single MPP knows I love Twitter. I'm fairly prolific on the old Twitter machine. I've got some 13,000-odd people who follow me.

I looked at this a couple of times, and I was so excited that you're on Twitter, but there's a typo. First, on three occasions, on 14, 21 and 37, you have, "A dedicated Twitter channel"—and I was like, "Yes, this is very good"—"@OpenGovON, was launched to promote meaningful, two-way conversation and engage in open dialogue with the public and the open government community." I went on Twitter, and you're linking to a group in the United Kingdom. I think we need to figure out what yours is because I don't know how many you've printed up of these. It seems like you've got a success story, but I don't know what you're actually—we should probably find out what that is and change this online and make sure that you're not promoting some organization in the United Kingdom that I don't know a lot about.

**0950**

That will be my big takeaway. We're in a period of a lot of political rhetoric where members of the government will suggest that we're too confused to do this, that or the next thing, and I think it would be good if we could figure that out. Unless you have a comment on what it actually is to put on the record here, we can move on. I would think that if you're trying to promote accountability and openness and transparency, you'll probably want the right thing out there.

**Ms. Helen Angus:** Okay.

**Ms. Lisa MacLeod:** So you'll get back to me this afternoon?

**Mr. Shawn Lawson:** Yes.

**Ms. Helen Angus:** Couldn't agree more.

**Ms. Lisa MacLeod:** I just want to switch gears, Treasury Board President, to what has been on everybody's mind. I guess it's the dispute between the govern-

ment and the Auditor General. You and I both spent a lot of time in public accounts before we made it to our respective front benches. I'm still there. Maybe someday I'll be on the other side like you, but until then, I sat a lot in this actual chair with the Auditor General.

I just recently spent some time—I'm not sure if any other members were here—in New Brunswick at the Canadian Council of Public Accounts Committees, as well as our auditors, which I'm sure you've attended before. One of the issues that came up time and time again throughout that two-day period was this qualified opinion of the Auditors General—not only this past year but the year previous. There was a lot of solidarity of the auditor with her colleagues, and I can tell you that in our sessions as legislators there was a concern about this qualified accounting or qualified public accounts.

I know your side and I know the auditor's side, but could the government explain why a chartered accountant and a certified internal auditor with a master's degree in business administration isn't qualified, given that it has been a tradition in this assembly that we accept the findings of the Auditor General, and the qualification in this particular case demonstrates that there could be a significant hole in the balanced budget that you're talking about with respect to your fiscal targets and actually balancing the budget in this particular year?

**Hon. Liz Sandals:** Yes. Let me make a number of comments here. First of all, while we certainly want to work with the Auditor General and endeavour to work with the Auditor General—and there are a number of areas in the public accounts this year where the auditor requested that we make a change or that we do the accounting a certain way that we actually complied with, that we followed the direction of the auditor. There are a number of areas where in fact we have complied with her requests in terms of accounting practice.

Last year, when, for the first time, the two pension plans—she took issue with the traditional accounting for the two pensions. I think it's important to realize that the accounting which we historically used and which we're now using again this year had been the long-standing practice in Ontario. I think we had had a total of four different Auditors General actually signing off on the accounting which we historically used.

If we had followed the auditor's direction a year ago, the deputy of Treasury Board, the Deputy Minister of Finance and the Provincial Controller would all have refused to sign the province's public accounts.

**Ms. Lisa MacLeod:** That said—

**Hon. Liz Sandals:** In other words, those three officials, the most senior finance officials in Ontario, all said, "We believe that the historic accounting is the correct accounting."

What happened a year ago at this time was to get around the dispute of the auditor saying, "I want it done differently this year," and those three senior finance officials saying, "The way it was historically done is correct." The way we got around that was there was actually a cabinet minute to do the accounting differently

until we got some advice on how to sort it out. Because there was a cabinet minute that said, “Do it this way,” then those three officials could attest that we had followed cabinet instructions, so—

**Ms. Lisa MacLeod:** But I guess the question is, we’ve been here a lot—

**Hon. Liz Sandals:** If I could—

**Ms. Lisa MacLeod:** No, no. I don’t have a lot of time, Liz, and you’ve got a lot of time left with others that you can clarify in.

I guess my question is, it’s been a long-standing tradition here that we’ve held the Auditor General above partisanship. We’ve held her as an officer of the assembly who is responsible to the members of the assembly. Yet in this case, the government is, in a sense, demeaning her, and it has been in the case—and we can go back to some of the education settlements, when she came out with a report. We can talk about some of the issues with a few of the audits that the members opposite probably were not here for, because it would have been previous to their time, whether it was gas plants—either one.

There’s always been this dispute and this decision to go and try to undermine the Office of the Auditor General, which is an effective watchdog. When I was away in New Brunswick, it was very clear to me that the accounting standards that she was upholding here in the province of Ontario were consistent with those of her colleagues from coast to coast to coast. It was a concern by members of the committee in every province that these qualified opinions are going to become more commonplace. In order to get around that—with all due respect to those deputy ministers, she’s the independent auditor of the province.

There is an agenda the government and Cabinet Office work together on, and I fully understand that, having sat in this room for gas plants hearings that went on and on. My concern is delegitimizing an effective legislative tool that the opposition will require—and I remind the members opposite that there won’t always be a Liberal government. You want to make sure that you protect those tools of the assembly, because the tools that we have to protect the minority are there for a reason. It’s against the tyranny of the majority, and those are just the basic principles and premises of opposition.

I personally—and I can, I think, speak on behalf of our caucus—speak with a lot of disappointment. It has been convention in this province that we support and accept the auditor’s recommendations and we strive for better government. In my opinion, that’s not what’s happened here.

**Hon. Liz Sandals:** I have to take issue with your statement that the disagreement over the accounting is somehow partisan. I would like to point out that the traditional accounting for the pension plan was accounting that had been accepted by a variety of auditors—four, including the current one—under a variety of governments: NDP and Conservative and Liberal—

**Ms. Lisa MacLeod:** You can’t sit here and talk to me about how you’re going to open government, become

more transparent and deal with the process, and then at the same time—

**Hon. Liz Sandals:** Excuse me, could I answer, Chair?

**The Chair (Ms. Cheri DiNovo):** Okay, one at a time, please.

President, wrap up, and then we’ll go back to Ms. MacLeod.

**Hon. Liz Sandals:** The issue here is an accounting dispute. It is not partisan. This is about the accounting for two jointly sponsored pension plans.

The issue here is not a partisan issue. The issue is whether the government has control over 50% of the assets. I can tell you, as a former Minister of Education, that the teachers’ pension plan cannot change its policy without the signatures of both the Minister of Education and the Minister of Finance. So if the opposition—

**The Chair (Ms. Cheri DiNovo):** Thank you, Minister. I think we’re going to go back to L. Mac. You’ve got just over two minutes.

**Ms. Lisa MacLeod:** All right. Thanks very much, Chair.

I go back, because I do understand. I’ve seen what has happened. It’s in the interest of the Liberal Party to balance its budget. I understand it and, heck, I respect it. Look, you want to do that? We all have a job to fight for in seven months; that’s the reality. But I guess I worry that you’re undermining the auditor. You’ve created a commission to undermine her, a third-party group who—I don’t know what their ties are to whatever political party. Maybe I’ll look into that myself—

**Hon. Liz Sandals:** None. None.

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**Ms. Lisa MacLeod:** —and they were obviously paid to do a job that we actually have an independent auditor for, who is widely respected by her colleagues, who defended her last week. So I’ll just put that back out there. You know what? I’m not even going to ask the question, because we’re not even going to agree on the answer. So I guess with that, my time—I’ll cede until this afternoon.

**The Chair (Ms. Cheri DiNovo):** Okay. Thank you, Ms. MacLeod. We move now to the third party: Mr. Vanthof.

**Mr. John Vanthof:** Thank you, Chair, and thank you very much, President, for coming, and to the staff, for these inaugural estimates of the Treasury Board. It’s also an inaugural estimates for myself. When I was lobbied by my local farmers to run for Queen’s Park, I never had any dreams of doing estimates.

**Hon. Liz Sandals:** But John, dairy farmers are good. We agree on this.

**Mr. John Vanthof:** Well, there are a few things that you said that piqued my interest, so we are going to proceed from that. I would like to thank you for the explanation of what the TBS, Treasury Board Secretariat, does. I am sure that 99.9% of the people of Ontario have no clue—

**Hon. Liz Sandals:** I can confirm that.

**Mr. John Vanthof:** And maybe that’s a good thing. But in a couple of your comments—you’re responsible

for oversight; best value for money, overall, for the government; effective use of money. I think that is of interest to everyone in the province, because everyone wants their tax dollars to be invested in places they actually support. My initial question is: It's easy to say what's the best value for money; what's your definition of what is the best value?

Secondary to that: You used the example of OSAP, which was very effective in explaining the role of working together, but I'm going to use a different example, and I would like you to differentiate. Yesterday, we brought up the issue in question period of the money that was spent on advertising the fair hydro plan. I would like to contrast that with money that's spent on advertising the OESP, which is something that people have to apply for. I understand advertising to make people aware of a program that's available and that they have to take the action to apply for so they can have access to much-needed funds. That would be my basis.

But what is the definition of value for money on using funds to advertise a program for which there's no application process? People will see it on their bill. Where does that fit in the best value for money? I think that's a question that people would—I'm trying to relate this to ordinary people, people who pay their taxes, people who see their bills. How is that, in your estimation, good value for money?

**Hon. Liz Sandals:** In general, if we're talking about value for money, because you phrased the question initially in terms of a generic, we would be looking at—the value for money is going to change a little bit as you look at different programs in different ministries. What I was saying in my opening remarks is that—because you're right; people have different views of what's good value for money. That's not well defined. That's precisely why we have a Centre of Excellence for Evidence-based Decision Making Support, so that in fact we can get into a culture where, when we set up a government program, we actually define what the key performance indicators are so that we can understand whether or not the program is achieving performance in the areas that were set out and that we're actually looking at performance, not just spending. That's an evolution that government is generally going through.

In terms of your specific question about advertising, one of the things that does happen in the process is monitoring how many people know about X as a result of advertising. Did the advertising actually help people learn about X?

Maybe it would be helpful if we talked a bit about the government advertising process. There are some areas of the government advertising process where Treasury Board has responsibility, but mainly we have responsibility for the Government Advertising Act and for paying the invoices. We do play the role of banker in advertising.

Generically, I think when we talk about government advertising, we would be looking at the bottom-line responsibility to ensure that Ontarians are engaged and

informed on a wide variety of issues. Sometimes that will be information about what's going on; some of it will be more specifically about how to access a service. But it isn't just confined to how to access a service. There is also advertising that is addressed more broadly to ensuring that Ontarians are simply informed about what is going on.

Generally speaking, then, to fulfill that duty, the government pays for advertising that we want to be appropriate, effective and cost-efficient. Government advertising can cover important subjects ranging from public education on children's vaccines to tax changes, impaired driving, or revenue-generating activities like tourism or international trade. There's a whole gamut. I think you'll agree that the performance indicators for that whole gamut would be different as you vary from campaign to campaign.

**Mr. John Vanthof:** I don't disagree, Minister, but getting back to my original question, what is the definition? If you're the oversight mechanism and oversight's reference is value for money, in your centre of excellence, is it to get the maximum dollars from a program to people? Is it to get the maximum dollars to infrastructure? It's an easy thing to say—

**Hon. Liz Sandals:** In many—

**Mr. John Vanthof:** On my farm, I was the oversight, but I had the exclusive decision of saying what I believed was where my focus was. To say, "We're the oversight mechanism," and "value for money and efficiency"—what is the guiding principle that defines that oversight?

**Hon. Liz Sandals:** The overall advertising strategy—if we can back up a bit and look at the process: If a line ministry wishes to have an advertising campaign, their first stop is actually to go to Cabinet Office. Cabinet Office has control over allocating money. Again, we hold the bulk media account, but we actually play the role of the banker.

The process is that the line ministry goes first of all to Cabinet Office. Cabinet Office looks at the overall plan. They look at—just let me, if I can find it here, give you the criteria that Cabinet Office would be looking at. I will eventually get to it.

The individual ministry would go to Cabinet Office to get approval for the campaign they wish to undertake. Cabinet Office would allocate the funds as to how much funding, approximately, would be going to which buy. Then, it moves on.

#### 1010

Before the actual procurement occurs, it goes to the Advertising Review Board, which is at the Ministry of Government and Consumer Services. The Ministry of Government and Consumer Services holds the vendor-of-record list for people who are vendors of record. There would be a competitive process based on the people on the vendor-of-record list.

At the point where there is a creative plan, it goes to the Auditor General. Before the ad is actually created, the plan for the ad—the preliminary components of the ad—go to the Auditor General for preliminary approval. The

auditor also sees the final product, but one of the amendments that we introduced in the Government Advertising Act was to make sure that there was preliminary approval because we had run into some circumstances in the past where you invested in actually creating the ad and then it could be rejected—

**Mr. John Vanthof:** But, getting back, I haven't heard where, in the process, someone—

**Hon. Liz Sandals:** Oh, sorry.

**Mr. John Vanthof:** I heard in your introduction—

**Hon. Liz Sandals:** Cabinet Office—

**Mr. John Vanthof:** Where is the value for money? Who decides whether that advertising program is going to be—where is the X, Y and Z, the formula, to say that this program is very beneficial; this one, not so much; and this one, it's a dog, quite frankly? I haven't heard that.

**Hon. Liz Sandals:** But that actually is what I just said: Line ministries apply to Cabinet Office for approval for their proposals on advertising. So it is Cabinet Office. It isn't Treasury Board Secretariat that is making the value judgment; it's Cabinet Office that is looking at the proposal and is approving or disapproving the proposal from the line ministry and allocating funding, whatever the proposed funding is for the campaign.

Then, as I said, there will be different indicators for different campaigns. If you're thinking about the OSAP campaign, one of the indicators would be: How many of the people that are actually affected are aware of the program to which they can apply? If you're talking about some of the other things, it might be a different indicator, depending on the intent of the ad. Do you want to have public awareness of an issue? Do you want to have public awareness of how to apply? With the Ministry of Health—the flu vaccine is now available—it might be that you want to have public awareness that it's a good idea to get a flu vaccination. So, depending on the type of ad—are you trying to just simply raise public awareness of an issue, are you trying to get people to apply, are you trying to make people know that it would be good for their health to do X—you would have different criteria for different ads as to whether this ad has been effective. In fact, the effectiveness of the ad will, to some degree, determine what sort of shelf-life it has and how much media exposure.

So the “who do you trust?” or “who do you support?” ads, the sexual violence ads—Who Will You Help—that series of ads turned out to be extraordinarily effective in shifting public opinion. So I think that ad probably had additional funding allocated to it during the course of its run because it turned out that it was tremendously effective at shifting public opinion. That's an example of an ad whose purpose is exactly to shift public opinion.

**The Chair (Ms. Cheri DiNovo):** And with that, President, we are finished. We will recess until 3:45 this afternoon. See you back then.

*The committee recessed from 1015 to 1545.*

**The Chair (Ms. Cheri DiNovo):** Good afternoon. We are now going to resume consideration of vote 3401 of

the estimates of the Treasury Board Secretariat. There is a total now of six hours and 15 minutes remaining. When the committee recessed this morning, the third party had just over 15 minutes left in their round of questions. Once the third party's rotation is complete, the minister will have 30 minutes for a reply. Are there any questions?

Mr. Vanthof, the floor is yours.

**Mr. John Vanthof:** Thank you, Chair. I believe when we wrapped up this morning I was trying to get my head around what the formula was for the Treasury Board Secretariat to—one of their roles is to look for best value for dollars spent. I was trying to get my head around what the formula for that was. I believe the example we were using was the ad dollars spent on the fair hydro plan. I'm not going to go over that again, but in your response, I still didn't hear where the formula—if I recall, it went to the Auditor General, but that's to see, and correct me if I'm wrong, if the ads actually followed the rules.

**Hon. Liz Sandals:** That's correct.

**Mr. John Vanthof:** But that's not whether they are value for money.

**Hon. Liz Sandals:** If I may, Chair, Cabinet Office is responsible for determining whether or not an ad buy will go forward, what the allocation will be, and obviously approving whether or not we're going to do it. But in terms of your value-for-money question, I'm going to ask the deputy, and maybe the deputy may want to call on some of the other staff with the larger question of how we determine value for money.

**Ms. Helen Angus:** I'm happy to do that. I might ask Karen Hughes, who is the associate deputy for the office of Treasury Board, to join me. We're going to talk a little bit about the PRRT process that the minister referenced in her opening remarks. That's the place where Treasury Board works with line ministries to look at the value of programs that are offered by the government. I can give you a sense of the kinds of questions that are asked through that process and the way that we work with ministries and then Karen can jump in. She's been at this a little bit longer than I have.

Really, the PRRT process is an annual process. It used to be called results-based planning. It's how ministries bring forward their ideas for programs. We look at how every government dollar is spent through that process. We make sure that the ideas that are brought forward use evidence and help inform choices and improve outcomes. We look across government to find the best way to deliver services. I think the minister this morning talked about looking horizontally across ministries in terms of delivering similar services or complementary services to the same population or trying to reach the same outcomes and making sure that those programs actually work together to maximize the outcomes and the best use of the dollars for that.

We also try to take a multi-year approach, so we look across and we also look longitudinally in terms of opportunities to transform programs and achieve savings.

The PRRT process has really, as I mentioned, shifted from program budgeting to an all-of-government ap-

proach to delivering better outcomes. The building blocks for this might be of interest to you as well, in terms of how we develop an inventory of ministry programs that are aligned to priority outcomes. They're actually in the middle of that process now, so ministries are actually building their program inventories and telling us about the kinds of outcomes and how they're going to apply resources to those outcomes.

The minister also talked this morning about establishing key performance indicators. We use those and we work with ministries to make sure that the indicators are actually reflective of the focus on outcomes rather than on process. We use those to help ministries track their progress towards the objectives they've set for themselves.

We also undertake assessments of ministry programs and identify proactively, from a Treasury Board platform, where we think there are opportunities for modernization and efficiencies.

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**Mr. John Vanthof:** If I could, do you look at the ministries individually or as a group?

**Ms. Helen Angus:** Both.

**Mr. John Vanthof:** Just to simplify: Ministry A is doing this, and ministry B is doing this, and you think, "Wait a second. It could maybe be more effectively done by"—where we've got three ministries doing potentially the same thing.

**Ms. Helen Angus:** That's exactly what we do. We look at different ministries that serve the same population of individuals, or where there's complementarity. Traditionally, we might look at the justice cluster or health and social services together, but often our look would actually be a little broader than that.

**Mr. John Vanthof:** If a ministry comes forward with something that, in your view, could be done better another way, do you have the authority to direct that or to go back to the drawing board?

**Hon. Liz Sandals:** Treasury Board does. Karen can talk about this a bit more, but one of the things that often happens after the budget, particularly if there's a new program or an expanded program, is that the money that is put in the budget for a new or expanded program is often put on what we call "holdback." For the ministry to have Treasury Board—and this is truly the Treasury Board—release the money from holdback, the ministry has to provide more detail of how the program is going to work, what resources are required, and all the details of the program that that money is going to be allocated towards, before we release the money.

Karen and her staff—and I don't think we totally introduced Karen. Karen Hughes is the associate deputy minister of all that feeds into Treasury Board, if I can put it that way.

Karen's staff, in back-and-forth conversations with the ministries, would be looking at this: Has the ministry appropriately accounted for how they're going to spend the money? Does their plan for how they're going to spend the money actually make sense?

It's not unusual, either at the stage where the analysts are reviewing preliminary proposals or when their proposal gets to Treasury Board, that that proposal may be sent back in order to either clarify the details or to change the details, to ensure that we have proper value for money and proper accountability.

In the things that actually have to come back to Treasury Board, there is that sort of facilitation negotiation, if I can put it that way, before money is released from holdback for many of the new programs that might appear in the budget.

Karen, do you want to talk a bit more about value for money?

**Ms. Karen Hughes:** Absolutely. I think the key thing for us is that we understand how the ministry is proposing to spend the money, what they're proposing to spend it on, and then what the outcomes are that they're expecting to achieve as a result of spending that money. Does it look like it will be efficient? Is it going to be effective, and is the program actually sustainable over time? Those are the types of questions that we would ask a ministry, or be willing to have a discussion on.

To your earlier point: If there's another ministry in a similar space, we would make sure that—are they taking lessons learned from how another ministry is providing a program or service, and can that then be applied to this new program or service?

**Mr. John Vanthof:** Is the level of scrutiny higher—I think I heard you answer this already. When a ministry wants to do something new, is the level of scrutiny higher? Maybe that's the wrong word. If it's a program that happens year after year, and you need to pay for the heat for the building, it's different than a new program?

We started with ads. Perhaps we can go to the Bulk Media Buy program on page 117.

When I look at my farm books and I see something that goes much higher than before, so would the level of scrutiny. What is the rationale, for starters?

**Hon. Liz Sandals:** Do you want to start in on it and then I can provide some more information?

**Ms. Helen Angus:** Yes. Mel actually knows the Bulk Media Buy very well, and perhaps you can explain some of the puts and takes that were part of the budgeting process, because we bring money in from ministries into a central pot, so she'll explain a little bit about that.

**The Chair (Ms. Cheri DiNovo):** Can you introduce yourself?

**Ms. Melanie Fraser:** Sure. I'm Melanie Fraser. I'm CAO for Treasury Board Secretariat.

Just referencing some of the information the minister provided earlier on, Cabinet Office is actually responsible for allocating the funding under the Bulk Media Buy fund, and they coordinate the media buy and advertising for government and would work with ministries. The allocation, though, the actual funding, sits within Treasury Board, and because of our experience with administering finances under the Financial Administration Act and our knowledge—we process a lot of recoveries—we become a bit of a centre of excellence for



administering the funds. These funds sit within the ministry once Cabinet Office has approved a ministry's fund and they've worked with the Auditor General and then they've worked with the Advertising Review Board. They've initiated and led their campaign and paid for it; then they engage with Treasury Board Secretariat to recover funding from the Bulk Media Buy if Cabinet Office had approved those funds be spent on their campaign. We come in sort of at the end of the process.

With respect to your question, in terms of the increase from estimates over estimates, what we see here is the estimates last year, in 2016-17, of \$25 million and the estimates this year of 2017-18. For the first time, though, last year the Cabinet Office actually coordinated the reallocation of funds that had been held in ministries for advertising and centralized them into the Bulk Media Buy fund in-year on a one-time basis. That actually brought the fund from \$25 million up to \$50 million.

That was a one-time basis. It was done in-year, and that's done through a mechanism called a Treasury Board order, and those are published in the Ontario Gazette. This year, through the PRRT, because it is best practice to have centralized funds that you can then move and shift around to priorities—if an emergent public health issue arises, for instance—we centralize those funds on an ongoing basis into the Bulk Media Buy. So now our estimates show a \$56-million fund. There was also a small increase to the fund, bringing it from \$50 million to \$56 million, and that was largely because of our requirement to translate campaigns into French and many different languages to be AODA-compliant. I would say probably, first and foremost, the commercialization of digital platforms has really added to the cost associated with running campaigns.

**The Chair (Ms. Cheri DiNovo):** Mr. Vanthof, you have just over two minutes left.

**Mr. John Vanthof:** So, just to clarify, at the end of this session for me, of the \$56 million, about \$6 million is new money?

**Ms. Melanie Fraser:** Yes.

**Mr. John Vanthof:** And the rest is transferred from other ministries. Basically it's money that was destined for individual media and it went to the group buy?

**Ms. Melanie Fraser:** That's right.

**Mr. John Vanthof:** Is that a standard practice from here on in, or how is that going to be reported in the future?

**Ms. Melanie Fraser:** Now that it's in our estimates, the money has been moved from those ministries into the estimates. There are no plans at this point in time that I'm aware of to consolidate any more funds from ministries. These were ministries where they had one-time advertising dollars, and it made sense to centralize it so that they could be used going forward. We don't have any plans, or aren't aware of any, from Cabinet Office at this point.

**Hon. Liz Sandals:** And if I could just wrap up on that issue: because the public accounts and the estimates quite properly show estimates to estimates, you get one result. If you actually do the comparison with what happened in

the previous fiscal year, the actual totals would be \$50,465,000 in 2016-17 and \$56,681,500, which is the number you're seeing this year.

**1600**

As our CAO said, the \$6-million increase was more related to some of the costs of digital translation. There's more and more pressure for us to translate and produce materials in a variety of languages, not just French and English, and then there's the requirement for us to be AODA-compliant. That's things like the closed captioning or the described video—the accessibility directorate requirements to comply with those. All of those things add extra costs. You're not necessarily buying a greater volume.

**The Chair (Ms. Cheri DiNovo):** Mr. Vanthof's time is up. We now move back to the president/minister for 30 minutes.

**Hon. Liz Sandals:** Thank you very much. Just let me get reorganized here.

Before I get into my response, one quick update from this morning: Ms. MacLeod had asked about the Twitter account for open government. Actually, our ADM was giving you the right handle. It is, in fact, @OpenGovON That is the correct Twitter handle. Unfortunately, the one that is in the estimates is not exactly the right one. We actually printed out a few things from the Twitter account. Could I get somebody to take that to Ms. MacLeod? There you go. Anyway, if you want to play around with that, you will find out that you get where you think you should be getting, okay?

Because I talked this morning about Treasury Board Secretariat as a central agency and TBS's central agency role in a fair bit of detail in terms of the guidance and support that they provide to other ministries, what I wanted to do was spend a little bit more time now, perhaps, on what TBS actually does as a line ministry. Some of this we did talk a bit about this morning. Certainly, the whole area of program review, renewal and transformation and open government, the PRRT process, is very important to what we actually do. I want to spend some more time now highlighting the policies and programs that TBS is responsible for as a line ministry and how these programs fit in with TBS's central role, namely, laying out the rules by which ministries spend money but not taking a direct role in spending that money.

Any questions related to specific program spending in the other line ministries are obviously best directed at those ministries. But what does TBS actually do that are our own line responsibilities?

When I was appointed as President of the Treasury Board, people said, "Okay, now you've been appointed as Dr. No"—that my role had become being Dr. No. While that interpretation is not entirely wrong if you ask my cabinet colleagues, a big part of that Dr. No, or at least that role, is ensuring, as we were talking about previously, that we have effective, efficient spending of money. That allows us to be on track to achieve our goals, our goal being to balance the budget, and then, of course, the side effect of balancing the budget is: What

programs can you actually provide because you have balanced the budget? What is it that we can do so that we can create jobs, grow the economy and help people in their everyday lives?

We ask questions, as you've heard already, like: Is every dollar enhancing service quality? Is every dollar improving the outcomes that really matter? Is every dollar being spent in a way that makes sense in the 21st century? We used the OSAP example this morning of something where the way it used to be done didn't totally make sense, so we totally redesigned it.

Another example of that is, sometimes things that happen at my ministry can allow other smaller changes and will go from the other end—a big transformation like OSAP, all the way down to changing the design of the organ donor form, which is something that happened at TBS and which impacts the lives of some Ontarians in quite different ways.

So we have quite a spectrum when it comes to staying lean and continually improving the way we do things and how those can happen with each other.

We did talk about PRRT before, but one of the things that we have at Treasury Board is the behavioural insights unit, which is focused on thinking about not something Orwellian, but actually thinking about how people interact with government and how we can get that interaction to be more positive so that there's a more positive outcome for the individual and also for society as a whole.

One of the things that the behavioural insights unit has been responsible for is—I want to talk about it because it's my favourite thing, so we'll come back to some of the other things later.

Within the Centre for Excellence for Evidence-based Decision-Making is the behavioural insights unit. As I said, the support that this unit can provide to ministry partners in improving their programs is impressive. The behavioural insights unit shows that by making small changes in key areas, there can be significant impacts in terms of cost saving and program effectiveness.

The behavioural insights unit works with academic partners who provide expert advice in the design and evaluation of policies and programs. The team develops solutions founded on established principles from the behavioural sciences and then tests those solutions using low-cost evaluations to measure their effectiveness.

One great example of the behavioural insights unit in action is the support that TBS provided to ServiceOntario as they tried to encourage more people to become organ donors. Ontario has historically had a low rate of organ donor consent. Cheri's late colleague Peter Kormos was very interested in how we could provide better response, or at least increase the rate of organ donors.

The majority of Ontarians say that they are willing to be organ donors, but of those eligible to sign up, only about 25% actually do sign up. There are some people who choose not to be organ donors, and that's fine. But there are many people who indicate they are willing to be organ donors and they just don't get around to signing

the forms. It's human nature—you get a form in the mail, it's buried in the pile in the front hall, it's from the government, and eventually it ends up in the recycling bin without doing anything about it.

ServiceOntario and the Ministry of Health and Long-Term Care turned to the behavioural insights unit at TBS for support and guidance in addressing this problem. There was a gap between where the government was in terms of organ donors and where we could possibly be. So the behavioural insights unit had ServiceOntario ask the question: Is there a way to change the government's approach to improve organ donor consent?

The behavioural insights unit helped craft a new form to pass out at ServiceOntario locations based on research about how people read and react to these types of forms. Then, because this is part of the Centre for Excellence for Evidence-based Decision-Making, they ran a test to determine if the new approach they had designed was more or less effective than the old approach.

#### 1610

We know that about 85% of organ donor registrations take place at ServiceOntario locations, although I would like to tell you that if you're not already a donor, you can just go to [beadonor.ca](http://beadonor.ca) and sign up. But, the majority—85%, actually—occur at ServiceOntario locations.

The behavioural insights unit ran an eight-week trial at a large ServiceOntario centre in the greater Toronto area. Originally, the organ donor form was quite long, and we shortened it considerably to make reading it less daunting. It was also handed out as soon as people checked in at the ServiceOntario centre, so that people could read through the form while they were waiting to renew their licence or their OHIP card or whatever, instead of at the end of the process as they are leaving and hurrying to get out of here. Giving it to people as soon as they walked in the door actually totally changed the way that they looked at it. It gave them more time to consider their decision and to reflect on the societal benefit of committing to being an organ donor.

Based on the change in presentation and the tweaks to the form, registration rates at that particular ServiceOntario centre increased by 143% to almost two and a half times the original rate of signing up for donations. The expertise from our behavioural insights unit resulted in more than double the number of organ donor registrations than before the unit was involved.

During the control weeks prior to the pilot, approximately 150 people had registered as organ and tissue donors at the pilot ServiceOntario site. During the eight-week pilot, approximately 100 more people per week registered as organ donors. Over the course of the eight weeks, that meant that 800 more additional people had signed up to donate organs and tissue. If the organ donor registration changes were rolled out across Ontario, it would garner over 450,000 new registrations in Ontario annually, approximately 200,000 more than the status quo.

Thanks to this pilot, the government has found an effective way to encourage organ donation without an

investment of any more tax dollars. It's good news in terms of outcome. It's good news in terms of effective investment of tax dollars. Since we know that a single organ donor can potentially benefit up to 75 other people, these changes will save lives.

Once again, TBS and the behavioural insights unit enabled other ministries to improve the programs that they're responsible for. As a result of this, as you can imagine, we're now working with ServiceOntario to expand that different methodology into other sites—a great example of what behavioural insights can do.

Another example where again there are frequent interactions between the public and government where the behavioural insights unit is working is on the convenience of renewing your licence plate stickers. Often they're called val tags, that funny little sticky thing that has the date in it in the upper corner of your licence plate. One of the things that we found is that while you can do that online, most people still were inclined to go off to ServiceOntario, the physical location, even though you can actually renew your val tag online.

TBS partnered with ServiceOntario again to test whether changing the content of the renewal notice that Ontarians receive would encourage Ontarians to use the online service to renew their plate stickers on time, rather than missing the deadline because either "It's from the government; throw it in the trash bin," or just because they didn't have time to physically go to ServiceOntario to renew the val tag.

Changes included to the renewal notice included adding colour to reminder envelopes, and drawing greater attention to the convenience of the online option in the actual renewal notice. The result was that ServiceOntario saw a 42% increase in the number of online renewals during the test period.

With those small but informed changes, \$1.6 million more was collected in the 90 days of the trial due to the online sticker renewal. It also meant, of course, that ServiceOntario didn't have to then worry about late renewals, and the public didn't get stopped by the police because they had forgotten to renew.

Those are some of the examples of things that happen in our behavioural insights unit.

I talked to you this morning about the work that we had done with OSAP, so I think we have pretty much covered how we worked on that.

We talked a bit this morning about open government and the role that Treasury Board Secretariat plays in open government with things like the Civic Tech hacknights, opening up the government data sets, and designing budget talks with the Ministry of Finance.

One of the side effects of open data is that as you open up data sets, you may have the private sector—or the public sector, for that matter; other people in the public sector—being able to use Ontario government data to do other things which are useful.

One of the things that has happened since we opened up some of our data sets is that a group of young software engineers created an app which is called

MapYourProperty. MapYourProperty is designed for engineers, developers, planners and real estate professionals. Those would all be people who would need to know all the information about a particular property: What are the zoning requirements? Are there any zoning changes pending? Are there any liens on the property? Is something next door going to be rezoned? Are there any financial constraints on the property? You can imagine that it would go on and on and on.

What MapYourProperty does is, it gets a Google Map-type map of the property, and then it overlays all the information from all the government data sets over that property and the adjacent properties.

You can imagine that if you're working in a law office or a real estate office, or if you're a developer, you can save mega time by having an app that collects all the available data from government open data sets. It all shows up, once you've given the legal description of the property or the address of the property. You can get all that data in one place without having to go around to three or four different government offices. That's a side benefit from making government data open.

Certainly, though, one of the things that we found with opening up data is that some of the people who most frequently access open data sets are actually other ministries. Historically, we've talked about integrating services and trying to encourage ministries to work together as they effectively design programs. It turns out that it's often the case that one ministry is holding data that is useful to another ministry, so we're finding that as we open up data sets it's helpful to other people within our own government.

#### 1620

The approach that we are taking since we have opened up the online data catalogue and opened up the data sets is that, as we review data sets, the approach now is "open by default." So if a government ministry has a data set, it should be open by default and available to the public.

Now, obviously there is a lot of data that the government holds which is not going to be open. If you think about the Ministry of Health, most of the data that the Ministry of Health holds would be private medical information, so it's not going to be open. Obviously there has to be a scan with government data to ensure that we continue to comply with protection of privacy legislation and with health privacy protection legislation, and there will be some various other legislation around commercial sensitivity and some of those sorts of things. But where there is no legal impediment to data being shared with the public, then the rule is becoming "open by default." And we are continuously working to open up more data sets.

MPP MacLeod was asking this morning about what people in the open government group do. One of the issues would be working with ministries: if you have an older data set, something that's maybe been archived, to make sure that the data is accurate enough or, if it's anticipated to be used as if it were current data, that it's current enough, that it's not misleading to release it.

There is a process of needing to have a look at data sets carefully before they're opened up to make sure that we are releasing reliable data to the public, because it's not helpful to release unreliable data.

This is certainly the way that we see government going in the future. One of the things that we've been able to do, as you think about accountability, is what we call our online project tracker, which allows people to go online and track some of the major infrastructure projects, locate them and then look at the online project tracker and determine how far through the process that project is, what is going on with that particular project at this particular time, what stage it is at. Because again, these are projects that are being paid for by public dollars, so the public has a right to know how those projects are progressing or whether they've been held up for some reason.

Another reason to have open government is efficacy and responsiveness. We're not just making government information more accessible; we're creating new ways of listening to Ontarians. Some of you might know about the Red Tape Challenge—I think it maybe came up in the House earlier this week—which is a call for insight from the business community about opportunities to enhance Ontario's regulatory landscape. To keep modernizing and improving, we need to keep listening hard, proactively seeking insights from people who do business here.

What happens with the Red Tape Challenge site is, people can go online and register their suggestions for what they consider to be red tape and how you could improve things if you change this particular process. It's an interesting way to collect ideas from the public, just as the budget talks website is an interesting way to collect ideas about small projects that could be included in the budget from the general public. These are ways in which the public can have an opportunity to actually directly provide input into government. It's really quite exciting to be involved with that particular project.

One of the other things that we are often asked about is I&IT. The Treasury Board Secretariat—and you may have more questions about that later—we are actually responsible for central I&IT operations, both from a technology support point of view but also we often provide software support to line ministries, where we may have consultants that they can borrow, as it were.

I've outlined how PRRT is transforming the way we deliver programs like OSAP and how evidence-based decision-making and behavioural insights are improving the efficiency and effectiveness of programs across government. But that's not the only kind of transformation taking place with TBS support. We have discussed some of the other programs, but inside TBS itself we are using information technology to transform Ontario public services.

Maybe if you were an early adopter, you had a Facebook account in 2007. It looked nothing like what you get from your Facebook account today. Facebook had nowhere near the two billion daily active users that it claims to have as of 2017. Certainly, when I went to school, back many, many decades ago, there was nothing

that—coding did not look at all like it looks now. There have been massive changes in the last decade when it comes to technology. While these are all examples from the private sector that I have just cited, the impacts are not limited to the private sector. Residents of Ontario expect the digital and technological services that the public sector offers to meet the same levels that they are getting from tech giants.

Of course, our challenge is different in many ways. We offer health care and legal identification. We do not sell books or connect you with your friends. In fact, though, we do process around 185 million OHIP medical claims and more than 200,000 online driver's licence renewals each and every year. But the point still remains: We must provide our services in a new way to fit with a new world.

You might be surprised to learn that through successful I&IT modernization, we have actually kept our investment in information technology relatively stable in the last decade, providing just over \$1.2 billion annually to that project.

I can see—

**The Chair (Ms. Cheri DiNovo):** Minister, you have just over two minutes left.

**Hon. Liz Sandals:** I could tell you were going to interrupt.

Despite the huge new demands on government that have specifically been placed on our IT, we have successfully improved IT operations while managing significantly increased demand for new and more services. We found that when we benchmarked, in 2015, apples to apples, what we provide versus other peers of similar size, we found that Ontario's OPS spends 10% less than jurisdictional peers of similar size, complexity and workload for IT application development and support.

Thank you to our I&IT professionals. That's another area in which we have been able to contain government spending in order to provide service to the public of Ontario.

Thank you very much, and back to questions, I believe.

**The Chair (Ms. Cheri DiNovo):** We now move to the official opposition. Ms. MacLeod?

**Ms. Lisa MacLeod:** Thank you very much, Chair. I appreciate the opportunity. Thanks, Minister, for coming back this afternoon and providing us with your statement.

**1630**

I just wanted to go back to where I left off, to the dispute with the auditor and the panel. I don't know this so I'm just asking it out of curiosity. When you appointed the panel, obviously there was a bit of compensation. Where did that come from in the line item? Did it come from vote 3406, the audit program, which is the Ontario internal audit division? Are we able to get a sense of how much the panel was compensated, both in the period—I don't know if I'm allowed to ask this—of 2017-18, but they probably were employed between 2016-17 as well?

**Hon. Liz Sandals:** They would only have been employed in 2016-17 because they actually reported back in winter of 2017.

**Ms. Lisa MacLeod:** In December?

**Hon. Liz Sandals:** I was going to say in the early winter.

I'll turn it over to the deputy.

**Ms. Helen Angus:** They did some work initially on the two pension plans where there was a professional disagreement between the staff at Treasury Board and the Auditor General. They continued to also do some work and give us some advice on two other pension plans: HOOPP, the Healthcare of Ontario Pension Plan; and CAAT—

**Ms. Lisa MacLeod:** Was that part of the dispute as well or just other advice?

**Ms. Helen Angus:** No, it was just other advice that we received. They actually agreed with the Auditor General around the treatment of those two pension plans.

**Hon. Liz Sandals:** We agreed with everybody and it's the auditor's treatment we use on those other two pension plans.

**Ms. Helen Angus:** I can't find my notes, but I believe the total compensation to the members of the panel was just over \$200,000.

**Ms. Lisa MacLeod:** Were they all treated the same? Where was the line item there?

**Ms. Helen Angus:** Do you recall? Was it OPCD—

**Ms. Melanie Fraser:** Again, it's Melanie Fraser, CAO.

The amount was \$221,000 that was paid in fiscal year 2016-17. If you were looking for where you would see that expense reflected, on page 75 you could see the vote item structure, so that's vote 3404, which is the Treasury Board support program. That's the program that provides advice and support to the board.

**Ms. Lisa MacLeod:** Sorry; which one was that, dear? Planning and expenditure or office—

**Ms. Melanie Fraser:** It would be under the Office of the Provincial Controller. You wouldn't be able to see precisely within those figures because you're looking at 2017-18 estimates. You would see this in the 2016-17 actuals for the program area, which would be published in the public accounts if the amounts were over \$50,000.

**Ms. Lisa MacLeod:** Are you able to provide us with what each of the four who were appointed would have received?

**Ms. Melanie Fraser:** Let me take that away and see if I can get that information for you.

**Ms. Lisa MacLeod:** Okay. In addition to that, would any of the compensation for any of these individuals fall outside that line item, in terms of other payments?

**Ms. Melanie Fraser:** I'm not aware of any other payments outside of OPCD that would have gone to these individuals.

**Ms. Lisa MacLeod:** Your chair of that committee then, Tricia O'Malley, was paid \$70,000 in 2016-17 under "other payments." Would that be the same or in addition to the panel?

**Ms. Melanie Fraser:** The amounts that were paid to Tricia O'Malley, I believe, do appear in the public accounts for 2016-17, and they would have been paid out

of the vote item 3404, under the Office of the Provincial Controller, for the advice provided.

**Ms. Lisa MacLeod:** Have they been retained for this year as well?

*Interjection.*

**Ms. Lisa MacLeod:** So what if a similar dispute arises with the auditor?

**Ms. Helen Angus:** I guess under those circumstances, we would see what the circumstances dictated. They were asked specifically to look at pension assets, and so that was the job that they were asked to do.

**Ms. Lisa MacLeod:** Were they appointed before the dispute with the auditor and then given the task? Or were they created as a result of the dispute with the auditor?

**Hon. Liz Sandals:** The expert advisory panel was appointed, I'm thinking, in November or December 2016, so that was after the publishing of the 2015-16 public accounts in September 2016. The sequence of events was that a year ago, in September 2016, there was a dispute with the auditor at the time of publishing the accounts. As I explained this morning, the way we resolved the accounts in the fall of 2016 was to pass a cabinet minute in essence directing the officials to do the accounting in a way that they would not have recommended. That's not a viable situation, to have cabinet writing minutes telling senior officials to do the accounting in a manner that is contrary to the senior officials' advice. That was something we felt we needed to sort out.

We appointed the expert advisory panel on pension asset accounting in the fall of 2016. They reported in the winter of 2017. As the deputy has just explained, they were asked to do a second, much briefer report on the accounting for a couple of other pension plans. Then their task was done and that was the end of their contract.

**Ms. Lisa MacLeod:** It seems that the issue with the auditor is still ongoing. I appreciate that three senior bureaucrats in the financial area decided that if the auditor didn't like it, they were not going to sign off themselves or what have you. But typically the way these auditor's reports are, they do challenge the bureaucracy, and each Tuesday our committee sits with the auditor but also with deputy ministers and assistant deputy ministers to talk about this.

I just want to go through the news release that the auditor put out on September 7. This concerns me, because I feel like there is a hole in the budget; it's about \$1.4 billion. She says that as well. She says, "I have issued a qualified audit opinion because the statements were not prepared following Canadian public sector accounting standards," and that, "The Legislature and all Ontarians must be able to rely on the province's consolidated financial statements to fairly report the fiscal results for the year. This year they cannot do so."

She said there were two issues in the province's consolidated financial statements that failed to conform to Canadian public service accounting standards—forever here known as PSAS—which led her to issue a qualified opinion, the first relating to the government's

accounting for its calculated surplus of \$12.429 billion for two pension funds it co-sponsors, the Ontario Teachers' Pension Plan and OPSEU. "As well, the government's half of the actual funded surpluses within these two pension funds is only \$5.7 billion, which is considerably lower than the government's calculated surplus" on its financial statements.

She said she's had extensive consultations with outside experts. Her office's position is consistent with the TTC, BC and New Brunswick, who all adopted this PSAS. This was also consistent, as I mentioned this morning, with what we heard from the Canadian Council of Public Accounts Committees and auditors. She did look at your panel's report. She rejected it, though, because they "are not an authoritative source" on the application of the CPSAS. I should just write that all down.

All that brings me to look at: Well, who is on this committee? I sort of threw out something this morning. I had asked you if they had any political affiliation, to which you said, "None. None." I took your word for it, but then we went upstairs, my staff and I, and we looked through some of these folks.

Murray Gold was a board member, a former Liberal riding president in Wellington-Halton Hills between 2014 and 2016. He has donated \$2,700 to the Ontario Liberals and over \$3,300 to the federal Liberals. Uros Karadzic—I'm not sure if that's the right number, but he donated to both the federal Liberals and your party. Paul Martin works for the Liberal Premier of New Brunswick, and was during a similar dispute with the Auditor General there.

**Hon. Liz Sandals:** He's the comptroller.

**Ms. Lisa MacLeod:** Bureaucrats can laugh, and so can ministers of the crown, but I have an opportunity here for 20 minutes that sort of lays out the fact that some of these folks are aligned with your political party. When I threw it out there earlier today, I didn't expect it. I thought, "Surely to heavens the government wouldn't have had a whole bunch of their friends appointed to a committee in order to disprove an independent and impartial officer of this Legislature and go on a two-year crusade to try to discredit her and undermine her based on the work that she's done."

1640

Of course, we in the Ontario Legislative Assembly take our work at the Standing Committee on Public Accounts very seriously. I feel all of us who work on the public accounts committee have a good relationship with the auditor. So I was quite surprised when I saw all this and the fact that not only did they undermine the Ontario Auditor General, but then they were compensated to the tune of \$200,000. I take that very seriously. They're paid public money.

One of the things that I thought was pretty outstanding when we were at the public accounts meeting just this past September—we worked with a group that does public accounting and they reminded me of something very profound: Public money has no party. So when

we're looking at a budget, that's public money. It's not Liberal Party money; it's not Progressive Conservative Party money; it's not New Democratic money or Green Party money; it's public money. We've all seen—and all of our parties have done it—where they have appointed people to make their positions. I just would like to remind that when we have the Auditor General making a point on public money, it seems and it resonates more with me and I think members of the public that she is giving an independent and unbiased view.

What I see here is a view that is skewed towards more of a caucus or a government or a party line rather than what's in the best interests of public funds and what's in it for the funds that people send to Queen's Park through their taxes, whether that's their gas tax, whether that's their income tax, whether that's through sales tax or whether that's through fees and what have you. Then, that's why I looked, with the Auditor General saying we've got a \$1.4-billion hole at this period of time, and I wonder how the government justifies this. The auditor challenged them to present a letter from the Ontario Public Service Employees Union, as well as the Ontario Teachers' Pension Plan, to provide permission to use that asset.

I know that's a lot, Minister, but I wanted all of that on the record and I wanted to know from you: Have you received letters from both those unions to justify that their assets can be used by the government, and if a similar dispute arises this year, is the public expected to once again foot the bill for an advisory committee or a panel to you to undermine the Auditor General?

**Hon. Liz Sandals:** Interesting. I wonder if you checked what riding Mr. Gold was a party president in.

**Ms. Lisa MacLeod:** Wellington-Halton Hills.

**Hon. Liz Sandals:** Yes. And do you know anything about Wellington-Halton Hills? The riding of Wellington-Halton Hills happens to surround the riding of Guelph.

**Ms. Lisa MacLeod:** So this was a partisan appointment—

**Hon. Liz Sandals:** I am very familiar—

**Ms. Lisa MacLeod:** —a patronage appointment from you for a friend?

**Hon. Liz Sandals:** I am very, very familiar with Murray Gold, who is the riding president, or has been, of Wellington-Halton Hills riding association—

**Ms. Lisa MacLeod:** So was this a partisan political—

**Hon. Liz Sandals:** Would you please listen to me?

**Ms. Lisa MacLeod:** No. I'm just questioning—

**Hon. Liz Sandals:** I listened to you.

**The Chair (Ms. Cheri DiNovo):** One at a time, please.

**Hon. Liz Sandals:** I listened to you; you can listen to me.

**Ms. Lisa MacLeod:** With due respect, it's my question time.

**Hon. Liz Sandals:** There is a Mr. Gold who is in fact an active member of the Liberal riding association in Wellington-Halton Hills. I have in fact appeared at many events that Mr. Gold, who is the president of that riding

association, has organized because he is in the adjacent riding to mine. I absolutely can 100% assure you, because I know the gentleman, that he is not the Murray Gold who was appointed to the panel.

**Ms. Lisa MacLeod:** Okay. Yes, sorry.

*Interjections.*

**Hon. Liz Sandals:** The Murray Gold who was appointed to the panel—

**Ms. Lisa MacLeod:** Just a point of order, Chair.

*Interjections.*

**The Chair (Ms. Cheri DiNovo):** Order.

**Mr. Mike Colle:** Hey, I think we need a retraction here, an apology.

**The Chair (Ms. Cheri DiNovo):** Point of order, Ms. MacLeod.

**Ms. Lisa MacLeod:** It looks like the research I was given was misinformed, and I'd like to apologize.

**Hon. Liz Sandals:** Yes, it certainly was.

**Ms. Lisa MacLeod:** And I'm just getting to that.

**Mr. Mike Colle:** Point of order.

**Ms. Lisa MacLeod:** No, let me finish.

**Mr. Mike Colle:** Point of order.

**The Chair (Ms. Cheri DiNovo):** Okay. We have another point of order. Mr. Colle.

**Ms. Lisa MacLeod:** I'm just trying to apologize and retract—

**Mr. Mike Colle:** I think this is a very serious matter. She has attacked the reputation of a citizen who has no role here. I think the committee and the person who was, on the public record, attacked unfairly deserve a written apology from this committee and the member saying that this was an example of faulty PC research, and that innocent Ontario citizen deserves that apology. I think that's a motion I'd like to put forward here.

**The Chair (Ms. Cheri DiNovo):** Okay.

**Ms. Lisa MacLeod:** May I speak, Chair?

**The Chair (Ms. Cheri DiNovo):** Ms. MacLeod, do you want to respond?

**Ms. Lisa MacLeod:** Yes, I do unreservedly apologize to both the minister as well as the individual that was mentioned. I'll be happy to write a letter, and I'll be happy to retract it and have it stricken.

**Mr. Mike Colle:** I think the committee should also send an apology.

**Ms. Lisa MacLeod:** I'm still speaking.

**The Chair (Ms. Cheri DiNovo):** Okay, one at a time, please.

**Ms. Lisa MacLeod:** It would have been helpful, when I did mention that, had the minister corrected me at the time. Having said that, I do—

**Hon. Liz Sandals:** I attempted to.

**Mr. Mike Colle:** You couldn't get a word in edgewise.

**Ms. Lisa MacLeod:** But I don't think it speaks—

**The Chair (Ms. Cheri DiNovo):** Order.

We're going back to Ms. MacLeod. She still has some minutes on the clock.

**Ms. Lisa MacLeod:** How many minutes do I have?

**The Chair (Ms. Cheri DiNovo):** About three.

**Ms. Lisa MacLeod:** I do notice, though, they didn't walk back the other two appointments that we did have concerns with.

I would point out that it's also interesting that today we had some time in the House where a Liberal MPP would have had the opportunity to apologize to northern Ontarians, but chose not to. It was a piece of information that I got from an old friend of mine, John Baird, who said—

**Mr. Mike Colle:** Point of order.

**The Chair (Ms. Cheri DiNovo):** Point of order, Mr. Colle.

**Mr. Mike Colle:** Again, I ask that this committee consider that motion whereby this committee send an apology to Mr. Gold, who was unfairly maligned by the member—

**Ms. Ann Hoggarth:** Slandered.

**Mr. Mike Colle:** And slandered by the member in open session here. I think this offhanded apology is not sufficient. Given the details she went into, we need this committee to make—

**The Chair (Ms. Cheri DiNovo):** I'm going to halt you there, Mr. Colle. We are actually dealing with the motion on the floor; it is not the one that you put forward. I'm going to consult procedurally after this, but let's get back to business.

Ms. MacLeod, you've got now two and a bit minutes.

**Ms. Lisa MacLeod:** Okay. Thanks very much, Chair. Again, my apologies to Mr. Gold. These mistakes happen with research, and that's not—

**Mr. Mike Colle:** Oh, yes, blame research.

**Ms. Lisa MacLeod:** Well, it's unfortunate, but again, the Liberals are just shouting over us, every single time. You make a mistake, you own up to it. They can't do that in the House. I'm happy to do that. I'm happy to say I'm sorry to the minister for that one issue.

**Ms. Ann Hoggarth:** You didn't say it.

**Mr. Todd Smith:** She said it four times.

**Ms. Lisa MacLeod:** I've said it four times. We can go through it. I'll even send a letter, if the minister would be happy to bring to hearings tomorrow this individual's address. I'll personally send a note.

But at the same time, let's not forget: This is a Liberal government that has a \$1.4-billion hole in its budget, and the slander that they have engaged in against Ontario's Auditor General—

**Mr. Mike Colle:** You're the only one slandering.

**The Chair (Ms. Cheri DiNovo):** Order. Can we get back to the purpose for this committee? You are asking questions of the minister. Can you wrap up, please?

**Ms. Lisa MacLeod:** Sure. Again, I point out that the Auditor General has problems with the 2017-18 estimates as a result of the public accounts. She has offered two qualified opinions on this Liberal government. The Liberals instead decided they were going to create a panel, for which we have paid \$200,000 of Ontario taxpayer money, in order to undermine an independent, impartial, unbiased officer of this assembly, and we have not received any answers as to why that happened.

Again, it's disappointing that when a mistake here was made, the government would instead prefer to yell and shout me down and slander me and call for things that I've offered—

*Laughter.*

**Ms. Lisa MacLeod:** And then the Liberals laugh.

So there you have it. Chair, I'll just cede the rest of my time. We'll pick this up in 20 minutes.

**The Chair (Ms. Cheri DiNovo):** We now move to the third party. Mr. Vanthof.

**Mr. John Vanthof:** Thank you, Chair. This is unlike any farm meeting I've ever attended.

We share some of the concerns regarding the Auditor General, but I'm going to go in a different direction for a second. In your remarks, you said that TBS is responsible for central I&IT.

**Hon. Liz Sandals:** Yes.

**Mr. John Vanthof:** Okay, and that's something, again, that people wouldn't naturally think of. So what's the minister of digital government responsible for? Don't we have a ministry—

**Ms. Helen Angus:** I can answer that.

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**Hon. Liz Sandals:** Go ahead.

**Ms. Helen Angus:** Yes, we do have a new deputy minister responsible for digital government, and I believe Minister Matthews is the minister responsible for that. I would say that my team that works on IT works very well and is working with this new office.

I think they're designed largely to be a change agent and bring a set of skills and a way of working. They conceptualize IT a little bit differently. Not only is digital about IT, but it's about a different way of working. It's about a different way of implementing projects and approaching the work in a co-design kind of way. We're learning together about how to do that more often. So it is a partnership.

**Mr. John Vanthof:** I don't pretend to be that up on IT, but it would appear to me that if you have a ministry responsible for—because, again, if you ask someone, a layperson, who is responsible for IT, they would think: the deputy minister of digital government.

**Ms. Helen Angus:** Right.

**Mr. John Vanthof:** So where are the line items? Because I just find it confusing. To say, "Well, we're learning how to work together"—you are responsible for IT.

**Ms. Helen Angus:** Correct. And they're a small office. The deputy minister was appointed over the summer and took her position over the summer. She's building a team to be able to do that. It isn't in my ministry, but we are partners in the development of innovative solutions. I would say that they're very much focused on bringing a different way of working to the work of the government. They have a very small budget and a very small team.

We work a little bit differently. We have quite a sizable budget and a large and distributed team across the government, supporting key IT infrastructure, as well as working—I can ask David Nicholl, if that would be

helpful, to come and answer the question. David, do you want to—

**Mr. David Nicholl:** Sure, I'd be happy to.

**Hon. Liz Sandals:** While you're coming up, Dave, I think it would be helpful if, at this point, you could explain the various functions that you have within your role and what you actually do, because it's quite large.

**The Chair (Ms. Cheri DiNovo):** And if you could introduce yourself first.

**Hon. Liz Sandals:** Oh, sorry.

**Mr. David Nicholl:** I'm David Nicholl. I'm the corporate CIO within the Ontario public service for the Treasury Board Secretariat.

Just a quick mention on digital versus what might be called slightly more traditional I&IT: I guess when we started looking at digital functions probably four or five years ago, we really found that there was a desire for a different way for people to interact when it comes to services. We've had a very long record of 50 or 60 years of developing services along certain lines. I think there was a recognition, probably growing out of different parts of the world, where citizens really were demanding a different way of doing things when it came to services in government. I think that probably a lot of it came from, as the minister said earlier, pressures from people like Amazon and Google, where citizens didn't want to have to navigate four or five different websites, or four or five different offices, in some cases, to get transactions done.

I think what digital brought to the table was not a technology piece at all, but a different way of thinking when it came to services. When I look at digital, I don't look at technology at all; I look at how we can adapt policies right up front that actually make sense for citizens and for businesses. It's really driving that notion of how to make things easier and simpler for people to use. That's the focus of digital.

**Mr. John Vanthof:** I see that. But just a few moments ago, the minister was talking about Facebook and organ donation. So that's what you're talking about.

**Mr. David Nicholl:** Yes.

**Mr. John Vanthof:** Again, what's the difference? I'm just hearing "small team" and "big team."

**Mr. David Nicholl:** Yes, they're very small. What we've got within the I&IT organization, obviously, is a lot larger. We run north of 1,200 applications on behalf of the OPS. We're structured between two main areas. We have a corporate function, where we have things like infrastructure. We run data centres. We run servers and mainframes. We run the network that you're all on. We run the email system that you use. We look after things, from a cyber perspective. We protect our data. That's very much a siloed role within Treasury Board, on behalf of the whole of the OPS.

Spread across the ministries, then, is what we call "clusters." We have nine clusters, and they work with between one ministry, in the case of health, and six or seven ministries, to service the business solutioning aspects and requirements for those ministries.



Basically, I think we're north of approximately 4,300 people across the I&IT organization. We spend roughly \$1.2 billion a year. We process millions and millions of transactions every single day, across every single business you could possibly ever think of.

I think that's the difference: The digital side is a very focused, very specialized view—irrespective of technology, irrespective of whether we actually even build a system to do it—on how we can encourage a simpler approach to bring services to Ontarians.

**Mr. John Vanthof:** When the minister was talking about making things easier, was she talking about what the deputy minister of the digital government was doing? Because I still see overlap. I'm not accusing anybody here, but I see overlap.

**Hon. Liz Sandals:** Can I respond to that? And then I'll go back to Dave.

The examples I was talking about were examples where the behavioural insights unit worked with a line ministry—Service Ontario, through the Ministry of Government and Consumer Services—and the behavioural insights unit worked with an existing process. In a couple of those cases, they were actually paper processes, not IT processes. They worked to refine the process so that it worked more effectively, which is different than the whole issue of looking at which services, currently not offered as digital services, could be offered as digital services.

What Dave's department is doing is taking the huge number of government systems—some of which are interactive, public-facing, and many of which are internal information processing systems, so it's the bulk stuff, like OHIP claims, all of that, the payroll for this—all those big, huge bulk systems that already exist.

Back to you, Dave, to explain it better than me.

Does that help sort it out a bit?

**Mr. John Vanthof:** Perhaps the digital government piece is more on how to best convert towards that?

**Hon. Liz Sandals:** And looking at the future.

**Mr. John Vanthof:** As opposed to the OPS—

**Mr. David Nicholl:** It's trying to focus on things to make things simpler and easier for people to use. That's really what their focus is. Their mindset is absolutely based on how to make things simpler and easier to use.

The people that they employ have got a very specific talent in translating needs into simple and straightforward processes. That's really what they're about. It will likely end up with some kind of technology implementation at the end of the day, but they are far more all-encompassing than just simply developing a system at the end of the day.

**Mr. John Vanthof:** I'm not 100% on board yet, but—

**Hon. Liz Sandals:** Would it be helpful if Dave explained some more of the things that are actually going on in his shop?

**Mr. John Vanthof:** I've just got a few more questions. I'll maybe go back to that.

I'm really interested in the online project tracker. Is that solely infrastructure projects, or all types? I'm assuming that's a fairly broad range.

**Ms. Helen Angus:** I might get Shawn to give you—you met him earlier this morning.

**Mr. John Vanthof:** Yes, we did.

**Ms. Helen Angus:** Shawn can tell you a little bit more about the functionality of that, and where you can see it and what it includes.

**Mr. John Vanthof:** Yes.

**Mr. Shawn Lawson:** Hi; my name is Shawn Lawson. I'm the assistant deputy minister of corporate policy, agency governance and open government.

1700

There are a couple of trackers that are available. One that the minister was referring to is about open government partnership commitments. We do have a tracker online that tracks some of our corporate commitments in terms of how we're moving forward the Open Government Initiative and following up on the engagement panel.

There are also a number of other trackers. One, which the Ministry of Infrastructure has and which is available online, brings together a bunch of data for individuals to be able to see various funding commitments and where there are projects across the province. That's up to the Ministry of Infrastructure to maintain.

**Mr. John Vanthof:** Okay. So again, when I think of an online project tracker, I think of project A, and why is it three years behind, if it were three years behind. But we're not exactly talking about the same thing. You're talking more about overall government planning as opposed to individual projects. Am I putting words in your mouth?

**Ms. Helen Angus:** The projects on the infrastructure side would be individual projects.

**Mr. John Vanthof:** Would be individual?

**Ms. Helen Angus:** Yes. My understanding is that each community is actually mapped using mapping software so that you can take a look at where those projects are.

**Mr. John Vanthof:** And that is universal across the province?

**Mr. Shawn Lawson:** I believe that's the case, but it is owned by the Ministry of Infrastructure, so it's something we would want to take a look at.

**Ms. Helen Angus:** Yes, so that's a good reminder to—I believe you'll be seeing them later on.

**Mr. John Vanthof:** Okay, because it's one thing that frustrates. Northern Ontario has been mentioned a couple of times, but one thing that really frustrates many people, and certainly in our part of the world—I'll give you an example. Perhaps it's not in the purview, and please tell me if it's not.

Winter maintenance: It's paid for through the MTO. When we ask for incident reports or when we ask for fine reports, we are told that they are not available or that we have to pay for them. When I hear a lot of talk about open government and I, as MPP, can't access incident reports or whether the contractors in my region are actually meeting their standards, "open government" doesn't mean a lot to me.

That's a lot of information being thrown out, but for the information that I need to ensure that my residents and the residents of the country—the TransCanada Highway travels through our riding—have a safe trip, the response is, “Freedom-of-information request. You have to pay so many thousands of dollars.” We are now with the privacy commissioner arguing that.

That is the opposite of what—and perhaps we're not there yet. But open government and just throwing piles of information at people is maybe not the same as actually providing the information that holds government accountable. That's why I go back to the same. It's one thing to say that you're the guardians of efficiency and to make sure of the best value for money; again, what is the parameter for that? In open government, is the actual checklist available? What the various ministries believe is the best: Is that available? Because the average person on the street might disagree with what the various ministries believe is the most effective use of their money.

I know that's not an easy one to answer. I'm not even sure it's a question. But I have been sitting here for six years—and sitting here for three hours. It doesn't feel like six years.

**Hon. Liz Sandals:** Does it feel like three hours?

**Mr. John Vanthof:** No, it doesn't feel like three hours either.

But it's one of the most frustrating things about sitting here, sitting in the Legislature. I think we're all elected for the same thing, and when we want information that the government of the day is a bit leery to produce, we get, “We produce all this information,” but all of it, if it's not relevant to the people driving on that road, for instance, then we're spinning our wheels. That's why I like the online tracker. Why that really clued in to me—it's my 20 minutes and I'll use it how I want—

**Mr. Arthur Potts:** Five more minutes.

**Mr. John Vanthof:** Five more minutes.

MTO has a fantastic program. It's called Track Your Snowplow. Snowplows are incredibly important, especially in northern Ontario. The TransCanada Highway does track your snowplow, but we don't have it. You can track your snowplow in parts of the province, but you can't track your snowplow in the whole province.

I'm sure MTO is working that way—

**Ms. Ann Hoggarth:** I didn't know about that.

**Mr. John Vanthof:** Do you know how frustrating that is when we can go on a website and we can track all the snowplows going in and around Barrie, but when you come farther north, you are in no-man's land as far as Track Your Snowplow?

Now I'm on a roll. I'm going to set the record straight: I'm not complaining about that comment because the member from Nipissing, a few minutes before that comment—I took exception to that—said that when you fly over northern Ontario, all you see are rocks and swamp. I took exception to that. That's what I hate about politics. I hate where you pick one or two words and make a big issue. What I hate even more is when I hear

“online data” and “online project tracker” and there's no basic information that people need; it isn't there.

I'm on a rant now, but it's my rant.

Today is a specific anniversary, a very sad anniversary for northern Ontario. Today is the day that the government cancelled the Ontario Northland passenger train. We can talk about your infrastructure projects, but I have seniors in my riding who have to leave the riding because unless you have a car—and a lot of seniors can't drive. You cannot go to medical appointments on a bus.

We talk about all the great things we're doing in this province, but not everyone—and we don't expect a subway; we don't expect an LRT. But people across the province expect to be treated equitably. That, folks, is not happening right now. And you wonder why you hear things about an urban-rural divide and then, “Oh, no, it's not here.” We're proud of being rural, but we're tired of losing our services because every government program is focused on population and focused on growth. Growth is important, but other things are important as well.

I know that's not a question, but I needed to get that off my chest today. Thank you.

**The Chair (Ms. Cheri DiNovo):** And now we move to the government side: Mr. Potts.

**Mr. Arthur Potts:** No, I think it's Nathalie.

**The Chair (Ms. Cheri DiNovo):** Ms. Des Rosiers.

**M<sup>me</sup> Nathalie Des Rosiers:** I was quite intrigued when you described the behavioural insights unit. I think you've identified that Ontario was maybe the first jurisdiction to have a behavioural insights unit. You talked a little bit about the work that it has done for the organ donor registration. To follow up on the theme of value for money, what other things does this behavioural insights unit do? What are its key accomplishments and how can we be sure that it delivers on its objectives?

1710

**Hon. Liz Sandals:** Thank you very much. So, to talk about behavioural insights a little bit more, to give you a little bit more of the background around that, behavioural insights as a topic is a really powerful tool to leverage research from behavioural economics, psychology, marketing, and apply that to the work of government. I think that idea that you can take work that was perhaps originally to do with marketing or originally to do with economics and say, “Hey, what can we learn about that work and apply it to government?” is a relatively new idea. We're able to use that to help citizens make positive choices—for example, the organ donor—to achieve better outcomes for themselves and for the province.

By running randomized control trials, the behavioural insights unit is able to better understand how people respond to different contexts and information, and understanding how people respond is obviously important when you're designing government processes because we want to be able to—it isn't that you're always going to have a positive response, necessarily, given the context, but you actually want to make it easier for people to respond. And where there's some preferred behaviour, like to do it online or to sign up to be an organ donor, you

actually want to increase the probability that you'll get that positive response.

Through this understanding the government can help design and implement better policies and services for Ontarians, and the evidence from this team's work so far has been impressive. I'll turn it over to the deputy and then over—

**Ms. Helen Angus:** Terrific. Thank you very much, Minister. I'm going to ask Julian House, who has just joined us, a behavioural scientist with the behavioural insights unit within Treasury Board, to give us some more examples. We've talked a little bit about the organ donation pilot and project, but we've got some more examples about how we're applying behavioural science to the work of delivering better programs to the people of Ontario. With that, Julian, I might hand it over to you to give some more life to the idea of behavioural science.

**The Chair (Ms. Cheri DiNovo):** Could you introduce yourself, please?

**Mr. Julian House:** Thank you, Deputy Angus. My name is Julian House. I'm a scientist with the behavioural insights unit. Thank you, members of the committee, for giving me the opportunity to speak about how behavioural science can help promote innovation that improves public service outcomes and efficiencies.

The behavioural insights unit within Treasury Board Secretariat has been around for just over three years now. As mentioned, it was one of the first of its kind in Canada. Originally modelled after the United Kingdom's behavioural insights team, the unit now finds itself in good company with other similar units in jurisdictions around the world. Countries such as the Netherlands, Australia, the United States and Singapore have national and subnational units similar to ours, as does the province of British Columbia now and several units in the federal government. There are also units like ours at the World Bank and the Organization for Economic Cooperation and Development, OECD. So I think Ontario can be proud to be among kind of the vanguard of governments and international organizations applying behavioural science to improve outcomes for its citizens.

The application of behavioural science to the design of public policies and services is an additional tool in the toolkit of governments; not a silver bullet or a replacement to the good work that's already going on, but rather a supplement or complement to other means of evidence-based decision-making, etc. Hopefully, some of the examples that I give today, in addition to those already provided by the minister, can shed a little bit of light on these kinds of abstract notions we're talking about.

First, I just want to say that our team, as with many other teams around the globe, is quite small. We have expertise in the scientific knowledge and methodologies necessary for carrying out this kind of work, but we primarily work through partnerships. I just want to be clear that both for the examples already provided and for the other ones that I'll discuss today, we shouldn't give sole attribution to the behavioural insights unit.

We work in tandem with our partners at other ministries and organizations across the broader public sector

who also deserve credit for this work, as well as—we have partnerships with academic institutions here in southern Ontario, which help us make sure that we're applying cutting-edge theory and methodologies when it comes to applying this to the programs and services here in Ontario.

The way that we work is by applying methodology developed by Professors Datta and Mullainathan and refined by the behavioural insights team. We partner with organizations to identify great opportunities for applying behavioural science and then seek to explore the context in a fulsome way using a multi-method approach, including surveys, ethnographic research, interviews, etc., to fully understand the behavioural context, before we then move to designing some of the solutions that Minister Sandals was referring to about organ donation, for example, and helping more people use the great online services that ServiceOntario was already offering.

However, to the member's question about how we know that these work, rather than stopping at that solution phase, we then always proceed to a test in which we're actually putting those ideas into a low-cost evaluation to generate evidence that is going to help our partners make that scale of decision about whether we are actually able to make improvements above and beyond business as usual, status quo. That is done through scientific methods such as randomized control trials that really generate clear, easy-to-analyze evidence that can be convincing both for our partners here within Ontario but also, as part of open government, communicating these results internationally so that we can learn from what other teams are doing and they can learn from us, so that together, we can build up the body of evidence about what works in public service design and how that can be made better when you incorporate the behavioural science components about how people are actually responding to those services in a human factors kind of way.

**M<sup>me</sup> Nathalie Des Rosiers:** So how did you select the projects? Do ministries apply for this or do they send you ideas, or do you have a list of projects that comes from your international connections?

**Mr. Julian House:** It's a mixture of the two kinds of processes, especially now. In the beginning, we were definitely bringing ideas to partners and suggesting ideas to them, but one of the goals of our unit is also to develop the capacity of the OPS to actually apply a behavioural science lens to the kind of work that they are doing, so that increasingly we find they are bringing ideas to us and with some of our partners. Indeed, for some of the case studies that we have been talking about and that the minister was talking about earlier and that I can provide more details on, they are actually following up on exploring subsequent opportunities because the scientific process—and it's no different when it comes to public policy and service design—is an iterative one. We try to espouse a methodology that doesn't believe that we are going to solve complex problems in one go, but rather, cycling through this kind of methodology that I was talking about: identifying, exploring, solutioning and

testing. You can make iterative, incremental improvements that in the end add up to something significant for the province. It's a mixture of the two.

**M<sup>me</sup> Nathalie Des Rosiers:** Can you give me another example of what's next that you're working on?

**Mr. Julian House:** Yes, absolutely.

**Ms. Helen Angus:** It will probably be on the organ donation because we have heard a fair bit about that—

**M<sup>me</sup> Nathalie Des Rosiers:** That's right, yes.

**Ms. Helen Angus:** —which is terrific. Maybe talk a bit about some of the tax remittance or some of the other projects. You can even mention the nudge challenge.

**Mr. Julian House:** Yes. Just elaborating a little bit on one of the other examples that Minister Sandals raised, which was getting more people to use online services: I think this dovetails quite nicely with a conversation we were having earlier about online government services and how behavioural science can complement those kinds of things. Often, even if we build a really great service, like being able to renew your driver's licence or your vehicle licence online, it doesn't mean that people will take it up. Even though we have a very digitally advanced population and people expressed in surveys that they would prefer to interact, often, with the government online, things like habit, things like being reticent to try something new, things like being busy and not paying attention to the information when it comes to you might prevent people from actually taking advantage of those services that already exist. We try to develop these really low-cost—often no-cost—solutions that can help people close that gap between what they say they want to do on surveys, be it organ donation or going online, and what they actually do in reality.

1720

Another great example that Deputy Angus was referring to is tax remittance. I think it might seem to be the case that nobody wants to pay their taxes, but in reality, when people have studied this, they find that people find a certain moral quality to paying one's fair share in society. In addition to that, we know just from basic economic analysis that if you don't pay, you're going to be paying interest and, in some cases, financial penalties for not doing so. In a situation like that, one would expect that those people who pay their taxes late are doing so maybe because they have a liquidity problem—they just don't have the cash at the time that the taxes are due; or even stranger, in some cases, when people have a tax refund because they've overpaid in instalments. They would, obviously, make sure that they get the money that is theirs. But we've found, looking at some of the data from the Ministry of Finance, that there's about 9% of employers who are late filing their annual tax return for employer health tax every year. Some of those people owe money and some of those people are owed money, but what we found is that, in a lot of cases, it's just simple forgetfulness. It's failing to have a really concrete plan of how to actually follow through on one's intentions to pay their taxes.

In this project, all that we did was take the standard collections letter that the Ministry of Finance was

sending to these employers, letting them know that they were late filing their return, and laid out for them a simple plan of how, when and where they were going to be able to pay their taxes. That's called a planning prompt, and it's been shown to be effective when it comes to getting people to get their flu vaccines and get their colonoscopies, for example.

In this case, we showed here in Ontario that we could use the same technique to increase the timeliness of people's tax remittance. In 10 days, after we sent out this new letter, the group who received the new letter versus the group who received the old letter remitted an additional \$500,000 in taxes. That saved the Ministry of Finance over \$10,000 in terms of collection costs because they didn't have to send out additional letters, they didn't have to staff phone banks to call these people, and they didn't have to go to external collection agencies. So small, low-cost or, in this case, no-cost change was able to produce a small but we would say significant return on investment, or a good value for money, from the research that was conducted.

**M<sup>me</sup> Nathalie Des Rosiers:** Any other ideas coming from your partners internationally?

**Mr. Julian House:** Yes, I think that's a great source of inspiration that we draw on. There are lots of folks who are in government or in the non-profit sector applying this kind of work. I think there are some low-hanging fruit in terms of getting people to be where they're supposed to be on time. If one looks, for example, at some of the backlogs in the court system, one of the things that we could do that would be a really low-cost fix—that wouldn't solve the problem but might shave a few percentages off—would be actually preventing people from failing to appear when it's their time for a hearing. A judge's time is expensive; so is that of the bailiffs and the lawyers. If we get those people to show up, they also wouldn't face bench warrants and other negative consequences. Looking to what's been done in other jurisdictions, for example, low-cost text messaging systems have been used to help remind people to go to doctors' appointments and to help remind people to go to employment fairs. I think it would be worthwhile exploring, for example, whether we could use this in contexts here in Ontario, like medical appointments, judicial hearings, employment opportunities etc., the value being that, like with the other trials, although there's an upfront cost of setting up these systems, they're actually very low-cost to set up and then virtually free, once you have them running.

It also allows for further testing in terms of: What is the particular message? What time of day should we deliver it? When should we be delivering the message that is most likely to inspire people to take action and do what they say they would want to do, if you ask them, which is to not get a bench warrant, and to show up on time, so that they can get on with the rest of their lives?

**M<sup>me</sup> Nathalie Des Rosiers:** That's very interesting. Any other examples that you want to share with us about roofing?

**Mr. Julian House:** Yes, sure. I should also just mention that all of the examples that we have mentioned today are also available in greater detail on the Treasury Board Secretariat's website. If something I say is something you'd like to follow up on, I encourage you to seek them out. I think that's part of our commitment, as I was saying, to the broader scientific community and also represents, I think, the government of Ontario's commitment to openness and transparency.

With the roofing project, this was a collaborative effort between not only ourselves and the Ministry of Labour but also the Ministry of Finance.

Construction happens to be a large proportion—I think maybe even one of the largest—of dollars that go into the underground economy. That obviously undermines our entire public service and the ability to collect revenue.

**The Chair (Ms. Cheri DiNovo):** Madame Des Rosiers, you have about two minutes left.

**M<sup>me</sup> Nathalie Des Rosiers:** Two minutes. Thank you.

**Mr. Julian House:** In addition to that, falls from heights represent the number one cause of fatalities in the construction industry.

Obviously, this was a very important nexus that the Ministry of Labour and Ministry of Finance wanted to focus on. Their idea was to focus on the demand side of the equation, to see if they could help homeowners realize that their choices, when it comes to which roofer they're going to use for a job, have impacts on society.

That, I think, is the traditional approach that we've taken when it comes to advertising: We talk about the large public impact. But we had a hypothesis that said that maybe if we focus on the negative consequences for the homeowner—shoddy workmanship, lack of a guarantee, potential legal liability, roofing scams that happen—we could actually motivate people to be more interested in this idea of not engaging in a cash deal but, instead, getting a contract.

Importantly, as with all of our projects, rather than just trying one message, we tried eight. This, I think, is part of the innovative and efficient processes of taking the scientific method. Rather than giving ourselves one chance, we gave ourselves eight. Therefore, it's not that surprising, or magic or anything of that nature, that we were able to have a large increase in the number of people who went to the Ministry of Labour's website. It was that we gave ourselves a bunch of different chances. We had some educated guesses as to what would work, and now we have the data as to what does work.

**M<sup>me</sup> Nathalie Des Rosiers:** Okay. Thank you.

**The Chair (Ms. Cheri DiNovo):** We now move to the official opposition. Ms. MacLeod?

**Ms. Lisa MacLeod:** Again, just to the minister: Thanks for pointing out the error there. Again, just to point out, my unreserved apology to Murray Gold, who is from Halton Hills—where is he from?

**Mr. Todd Smith:** Wellington.

**Ms. Lisa MacLeod:** Wellington—Halton Hills—and the other Murray, who has worked for Mitzie Hunter in the past.

I'm going to switch over to some information and technology.

The government spends a great deal of money on consulting/IT staffing/recruiting firms. I remember first coming to the Legislature. I believe you were on the committee when Norm Sterling was the Chair of public accounts. He once said, about 12 years ago, that one of the places to look, to improve government, is into its IT expenditures. Of course, after that, we learned about eHealth and other issues.

**1730**

One of the areas I'd like to talk about right now is some of the expenditures that your department is either authorizing—is it authorizing, or do you take carriage of all IT for the government? Is it similar to the ad buy, for example?

**Hon. Liz Sandals:** No. It will depend on the circumstances. Mr. Nicholl was here a minute ago—it's almost like we're a provider of consultants to other ministries. I'm assuming you're wanting to know about the use of consultants in I&IT?

**Ms. Lisa MacLeod:** Yes.

**Hon. Liz Sandals:** Okay. I am going to just go directly to Mr. Nicholl—

**Ms. Lisa MacLeod:** We're old friends.

**Hon. Liz Sandals:** Yes. This is, in my view, a very good-news story. In fact, I recall working with Auditor General McCarter and Norm Sterling, who was then the chair of public accounts, and discussing this whole issue of whether we get better value for money from consultants or if there are circumstances in which it is better just to have public servants who are full-time employees on your payroll. In fact, over the years we have made significant inroads, particularly in the area of I&IT consultants, in converting consultants into actual employees. I'm sure that Dave would be delighted to tell you about the details.

**Mr. David Nicholl:** I would. As the minister said, we have a very strong record of reducing our reliance on external IT consultants. Since 2004, over 1,700 consulting positions have been converted from fee-for-service into FTEs, resulting in ongoing savings of approximately \$73 million a year, and of those 1,700, 1,500 were actually IT positions.

The government expenditures on all consultants—

**Ms. Lisa MacLeod:** Does that mean that you would have the IT positions and then you would send them out to, for example, the Ministry of Health or—

**Mr. David Nicholl:** There are various ways of doing it, but when it comes to IT task-based consultants, we've centralized that whole function. We have a couple of ways that we try to do this. First of all, we've created an internal consulting group of FTEs—I think I've been here before talking about that—a thing called IT Source, where we took about 200 or 250 people who were contractors, converted them to full-time, and then made them available to those clusters that I talked about earlier to carry out IT work.

**Ms. Lisa MacLeod:** Do they then send transfers back to Treasury Board? Is that what the explanation is on page 95?

**Mr. David Nicholl:** IT Source is contained within Treasury Board Secretariat. We have cartage for those people, and we simply charge back for the time and money spent from the ministries to those people—

**Ms. Lisa MacLeod:** Okay. So that's where it says "operating assets," "capital assets," "operating expense," "capital expense"?

**Ms. Melanie Fraser:** That's another program area. If you're looking for the IT Source recoveries, those would be under our central agencies cluster, and you can see that on page 107 in our estimates. You'll see a \$281-million recovery. Those are recoveries for consultants who are procured on behalf of other ministries through the organization that David mentioned.

**Mr. David Nicholl:** Just to finish your question, Ms. MacLeod: You asked about how we obtain those consultants. They are obtained centrally as well. So IT Source not only has its own resources, but if it can't actually fulfill the need from one of those clusters, it then goes out to the vendor of record, competitively procured through Supply Chain Ontario. They take cartage of carrying out that transaction, and then the person will go and work for the cluster ministry in which they're employed.

**Ms. Lisa MacLeod:** But you still have a significant amount of people that you consult out to?

**Mr. David Nicholl:** We have a large number of independent contractors; correct.

**Ms. Lisa MacLeod:** For the independent contractors: Do you do the independent contracting for the other ministries as well?

**Mr. David Nicholl:** For IT task-based? That's done through IT Source, yes.

**Ms. Lisa MacLeod:** Wow. That's quite big.

**Mr. David Nicholl:** Yes, it is.

**Ms. Lisa MacLeod:** If I asked you about maybe five or six of the different ones, could you tell me what they would do and why they charged and what ministry they were part of? For example, last year the government spent \$872,712 at Altis Human Resources. Would you be able to track and say, "This is who they worked for, this is what they did, this is why they got this amount of money"?

**Ms. Melanie Fraser:** If you're looking at the amounts that are printed in the public accounts, yes, those amounts will reflect how much we paid to companies for a variety of consulting contracts. It could be one contract or it could be 40. As David mentioned, I think we procured—I'm just looking at last year—1,674 contracts through IT Source on behalf of all of government. Some of those might be multiple contracts with the same company. But yes, we track each contract, and we recover from each ministry for their expense, and then that expense would be shown in the public accounts as a contract.

**Ms. Lisa MacLeod:** So you would charge the ministry, but you would pay the contractor.

**Ms. Melanie Fraser:** That's correct.

**Ms. Lisa MacLeod:** What ministry would have the most consultants? Can you tell me that—the top three, maybe?

**Ms. Melanie Fraser:** I wouldn't be able to speak to—

**Ms. Lisa MacLeod:** Maybe health and government services?

**Mr. David Nicholl:** I would say to just go by size of ministry, spend on ministry. That's probably the safest way of doing it. Justice would be big; health would be big.

**Ms. Lisa MacLeod:** What are some of the projects in health that you would need a consultant for?

**Mr. David Nicholl:** I wouldn't be the right person to speak to.

**Ms. Lisa MacLeod:** In terms of some of these consultants, you wouldn't be able to tell us today if I showed it to you or just asked you.

**Ms. Melanie Fraser:** I have a volume 3 here, too. No, I wouldn't be able to give you a breakdown. I would have to go back and look to see how many contracts formed each expenditure line for sure.

**Ms. Lisa MacLeod:** So when you centralized this, presumably—is it a department in and of itself, with HR, or no? It would be part of the—

**Mr. David Nicholl:** It's a part of IT Source.

**Ms. Lisa MacLeod:** So you would have administration that would schedule it—

**Hon. Liz Sandals:** I think it's IT.

**Mr. David Nicholl:** If it's IT, sorry; only if it's IT.

**Ms. Lisa MacLeod:** How many staff would work for IT, who would deal with the consulting and the procurement? What's that process?

**Mr. David Nicholl:** The process is kind of—a ministry or a cluster requires a resource. They would fill out a requisition basically saying what the requirement was. That would come in to IT Source. IT Source would look to their own bench first to see, "Do we have someone who actually can do that, a full-time equivalent who could do that job?" If they do, they send that person out to the ministerial cluster. If they don't, then they go to the vendor of record. They choose a number of vendors of the vendor of record and they send out what's called an RFS, or a request for services, basically asking each of those vendors to provide the best person they've got.

There's a second-stage competitive process that they go through, they're interviewed, and a contract is formed. That's kind of the process that we go through.

**Ms. Lisa MacLeod:** How would you get on the list to be at the first—

**Mr. David Nicholl:** Every five years or so, there is a full RFB, a bid process, run by Supply Chain Ontario that goes out to the market and says, "If you're interested in providing resources to the Ontario government, then respond. Here's all the"—it's a fairly typical RFP process that—

**Ms. Lisa MacLeod:** Is there a requirement to be Ontario or Canadian first, or do you take bids from all over the world?

**Mr. David Nicholl:** No. They've got to be registered as a company in Ontario. I would say that's probably the best way of looking at it.

**Ms. Lisa MacLeod:** So they would have to be registered to be a company in Ontario, but they could have companies elsewhere.

**Mr. David Nicholl:** Yes, I would think so.

**Ms. Lisa MacLeod:** What would be your biggest outsource?

**Mr. David Nicholl:** The biggest company doing this? Do you have the list from public accounts?

**Ms. Melanie Fraser:** I do have the list from public accounts.

**Mr. David Nicholl:** It's in public accounts, so it literally is a matter of going to the largest staffing firm. You just look for the professional services companies that have applied and you'll kind of see—there are a few names in there that—

**Ms. Lisa MacLeod:** Can you, for the next time when we come back, tomorrow afternoon—

**Mr. David Nicholl:** Do you want a top-three kind of thing?

**Ms. Lisa MacLeod:** Yes. Just let me know what they are.

**Mr. David Nicholl:** Yes, sure.

**Ms. Lisa MacLeod:** We did several votes, though, on information technology, right? We did, I think, 3404. This is 3409. How much do we spend in total on IT, with all of the votes that we took?

**Mr. David Nicholl:** In here?

**Hon. Liz Sandals:** In Treasury Board Secretariat.

**Ms. Lisa MacLeod:** In Treasury Board.

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**Ms. Melanie Fraser:** It's a bit of a difficult question to answer in that. We have our enterprise IT services, which are reflected in here in terms of the IT spend. That is vote 3408. You can see the amounts there. You'll notice that there's also a large recovery line in enterprise IT services because they do recover from ministries for the costs associated with email accounts, with what we call "user seat" costs; you know, the cost of your computer on your desk, the cost of your email account. The costs here reflect not only Treasury Board as a ministry but also recoveries that we take from other ministries.

Then we have the cluster costs, which are the following vote; that's vote 3409. The central agencies cluster provides support not only to Treasury Board Secretariat but also to Cabinet Office and the Ministry of Finance. In fact, I would say that 80% of their work is related to the Ministry of Finance. Then again, as we discussed previously, they do that large recovery for all of the IT task-based resourcing across government.

The whole of the government spend that we refer to is about \$1.2 billion. When we talk about the I&IT spend across the OPS—

**Ms. Lisa MacLeod:** Sorry; the \$1.2 billion is the entire spend for all of IT across government?

**Ms. Melanie Fraser:** That's right

**Ms. Lisa MacLeod:** And for you, it will be obviously—

**Ms. Melanie Fraser:** For our ministry, we are embedded in these costs, but then these costs also reflect services that we're providing on behalf of all of those other ministries, and that would be captured in that \$1.2 billion—

**Ms. Lisa MacLeod:** Are any ministries ever delinquent in making their payments to the Treasury Board?

**Ms. Melanie Fraser:** No, we're really good at this.

**Mr. David Nicholl:** We send Rocco to get them.

**Ms. Lisa MacLeod:** You could send Mr. Colle. He's a good shaker-downer.

In terms of cyber security transactions, on page 97, I notice that incidents seem to have gone down over the years from 2011-12. I guess we had about 3,100 incidents down to expecting, this year, 2,034. I'm just wondering: What have we done differently, or is it just because of the evolution of our system here in the province of Ontario? And is this just your ministry or is it government-wide?

**Mr. David Nicholl:** No, this is in totality. We'd look at the whole network when we look at our numbers. I think what's happened over the last three or four years is that automation has stepped in and has actually taken a lot of the load off what used to be a manual process of checking. We now rely on technology and things like routers at the very edge, the periphery, of our network to actually intercept a lot of the bad things that are going to happen. So if we do right out to the edge of our network and look at the numbers, we're talking about billions.

Everybody is in the same boat. It's the level of sophistication that the technology net provides to protect us that is really helping. That's probably the majority of the reason why you're seeing a slight downgrade. My guess is that the number is way up but technology is actually protecting us a lot more and, therefore, you're not seeing it reflected.

**Ms. Lisa MacLeod:** Oh, is that right? So would these incidents be actually something that would make a computer crash or a breach or something? Is that what you're saying? What would this actually be?

**Mr. David Nicholl:** Yes. This would be something like—if you think back a few months when WannaCry was in the news. You saw it in the UK hospital system. The German rail system got attacked. That's something of substance that needs attention. When it's something that large, that's what we would call a real incident and something that we really pay attention to.

**Ms. Lisa MacLeod:** But we haven't had any type of breach here in Ontario that would compromise anybody's personal records?

**Mr. David Nicholl:** No, we haven't, but don't make me say that it'll never happen because that's not a good thing to do. We are at risk all the time, Ms. MacLeod. It's just that the threat is there all the time.

**Ms. Lisa MacLeod:** Yes. Now, this wouldn't include any of our hospitals or our education systems either?

**Mr. David Nicholl:** No, it wouldn't.

**Ms. Lisa MacLeod:** Now, how do you link in with them in the education system and in our hospital system?

**Mr. David Nicholl:** There's a good network that exists. I would say we're very collaborative with the federal government. The federal government really is the leader in this when it comes to Canada. The federal government would take a fairly active role, through the CSE and through CSIS, as regards tracking what's going on, what threats are coming from where, whether there are threats coming from state players or from criminal gangs, and they feed down intelligence to us on a fairly frequent basis as to what they're looking for and what they're looking at it for.

**Ms. Lisa MacLeod:** So you have to collaborate not only with the federal government but sort of worldwide?

**Mr. David Nicholl:** Absolutely. I mean, the key—

**Ms. Lisa MacLeod:** No Russian hackers here getting into our election, I hope.

**Mr. David Nicholl:** The key to a successful cyber security posture is very much based around layer upon layer upon layer of activity. So much of this does come down to personalities in the end. Our biggest risk is still people. Most of the intrusions you'll see in the press are typically caused by someone who opens an email when they shouldn't. I see Mohammad Qureshi, who's our head of cyber security—

**Ms. Lisa MacLeod:** It's a spam sort of thing that hits my computer and shuts it down?

**Mr. David Nicholl:** Exactly.

Mohammad's biggest job is to educate people: Don't open things unless you know where it's coming from. That's our biggest threat. Quite often it comes from that. Therefore, education—actually, education is probably the biggest weapon we have to teach people to recognize that if an email doesn't look like it should be coming to you and you don't quite recognize the email address—

**Ms. Lisa MacLeod:** A prince in Namibia once sent me a note that I won a lot of money.

**Mr. David Nicholl:** Delete it. You're allowed to delete those.

**Ms. Lisa MacLeod:** Actually, my staffer at the time printed it off and gave it to me. I think she thought it was serious.

Can I go on to vulnerability management? Then you have, under "Others," threat risk assessment. What does this all mean? What is a penetration test and what are vulnerability assessment scans? Is this when you sit there are you're actually are being proactive in trying to find what's out there?

**Mr. David Nicholl:** Mohammad Qureshi runs our cyber, so I'll ask Mohammad to answer that.

**Mr. Mohammad Qureshi:** Yes. Mohammad Qureshi, head of cyber security within TBS.

In terms of penetration testing, what we do is, before a system goes live, we actually have ethical hackers on staff to try to penetrate that system and actually—

**Ms. Lisa MacLeod:** Oh, do tell: What's an ethical hacker?

**Mr. Mohammad Qureshi:** Ethical hackers are good hackers. They abide by—

**Mr. John Vanthof:** It's an NDP hacker.

**Ms. Lisa MacLeod:** An NDP hacker?

*Laughter.*

**Ms. Lisa MacLeod:** This is somebody that's—you're hacking in to try our stuff, so that we create the firewall or something?

**Mr. Mohammad Qureshi:** Absolutely. Before a system goes live—for example, the organ donation system that was discussed earlier—our team will try to hack into that to find out what vulnerabilities exist and make sure they're addressed before we actually go live with that system.

**The Chair (Ms. Cheri DiNovo):** Ms. MacLeod, you have two minutes left.

**Ms. Lisa MacLeod:** How many people would we employ who are ethical hackers?

**Mr. Mohammad Qureshi:** We have five FTEs who are dedicated to doing our penetration testing.

**Ms. Lisa MacLeod:** Wow. I really want to meet these people. Can you bring them in tomorrow?

**Mr. Mohammad Qureshi:** I could ask them, absolutely.

**Ms. Lisa MacLeod:** I have an image in my head.

**Mr. David Nicholl:** We keep them in the basement, though.

**Ms. Lisa MacLeod:** I'll bet. I was thinking—just to keep them feeling like they're at their mum's house.

Well, that's pretty fascinating. I didn't realize that we had done things like that. In the last few minutes we have: Do we have threat risk assessments in order to protect records?

**Mr. Mohammad Qureshi:** We do perform threat risk assessments against projects and systems. We have a whole slew of security policy and security standards tied into our governance process. Whenever a project is going through governance and through our Architecture Review Board, there are key checkpoints that they have to have security involved in and provide risk advice to. When we actually look at the artifacts for the project, look at the security designs and the entire solution, we will provide them with risk advice and also with how to mitigate that risk.

One of the examples would be, if we have a system going live, to actually have a monitoring program associated with that system to ensure there are no brute force attacks happening, that no one is trying to compromise the accounts or trying to get information. We will also ensure that there is a patching program in place to ensure that vulnerabilities are addressed.

**Ms. Lisa MacLeod:** Do you have an upcoming launch of a website or a system that you're presently preparing for?

**Mr. Mohammad Qureshi:** I would say that at any given time, we probably have about 20 TRAs happening. It doesn't have to be a full-blown application launch; it could be a minor modification that's happening. As well,



as systems run, there are vulnerabilities that come out over time—

**The Chair (Ms. Cheri DiNovo):** I'm afraid Ms. MacLeod's time is up.

**Ms. Lisa MacLeod:** Thanks very much. It was very fascinating.

**The Chair (Ms. Cheri DiNovo):** We're going to move to the third party. Mr. Vanthof.

**Mr. John Vanthof:** Thank you very much. I think I'm going to stay kind of on the same—

*Interjections.*

**Mr. John Vanthof:** No, not about the ethical hackers—I need one of those guys just to get me into my own computer system.

You provide, TBS provides, the IT for the overall public service, from what I understand. So if a ministry needs IT, do they go to you first, and if you can't provide it, then they go to a vendor of record? Or do you do that too?

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**Mr. David Nicholl:** Structurally, we're structured in two parts.

We have a centralized service, which would be our infrastructure, mainframes, servers, networks, email system, cyber security, enterprise service management—so centralized areas that provide services.

Then we have clusters. Clusters are attached to ministries. When a ministry is looking for either a change to an existing program or a new program, they work with their cluster on coming up with what those requirements will be. It can either be a single-ministry cluster in health or six ministries attached to a cluster. The cluster are the actual people who work with ministries to provide solutions.

If clusters need more resource than they have, then they will come to IT Source—either more resource or specialized resource, but they come to IT Source. If IT Source have that resource, they'll make that available—for a charge, of course. If they don't, then they will go to the vendor of record and they will do a second-stage procurement off that vendor of record. They will compete and they will choose someone to fill that position.

**Mr. John Vanthof:** So the cluster: If it's determined that you need an outside vendor of record, that you need that service—

**Mr. David Nicholl:** Specialized skills or just spiking a resource: You need more people.

**Mr. John Vanthof:** Yes. I'm just trying to get this through my head.

I'll give you an example, and this is a question that has come to my office. If the Ministry of Government and Consumer Services needs something and you provide, through your cluster, I'm assuming—

**Mr. David Nicholl:** The cluster.

**Mr. John Vanthof:** Do they go directly to a vendor of record, or do they go through your cluster?

**Mr. David Nicholl:** They would come through IT Source if they needed specialized technical help or they had some short-term need for resources—not long-term

but short-term need. They would come to IT Source first. If IT Source had the resource, they would provide it. If they didn't, they'd use a vendor of record to hire.

**Mr. John Vanthof:** Okay, because it has come to our attention that, specifically for that ministry, the level to qualify for a vendor of record has changed or is going to change soon.

**Mr. David Nicholl:** There have been ongoing discussions around what the next—as I explained, this changes every five or six years, that we go through a refresh. There has been some discussion around what the next phase of the RFP would be for the task-based vendor of record. We're in that process right now.

**Mr. John Vanthof:** Okay.

**Hon. Liz Sandals:** But if I could just clarify: For the actual RFP or whatever it is, the actual competitive procurement for people on the vendor of record, no matter whether it's an I&IT or whether it's a widget vendor-of-record list, it's actually the Ministry of Government and Consumer Services, MGCS, that runs the process to fill the vendor-of-record list. When you go to the vendor-of-record list, we're not making up the list. We're using the list and pulling people off of it.

**Mr. John Vanthof:** From MGCS?

**Mr. David Nicholl:** Yes, that's correct.

**Hon. Liz Sandals:** Does that help?

**Mr. John Vanthof:** Yes. So the concerns that were raised to us that for IT services, the vendor-of-record requirements were changing so that the number of vendors of record would drop drastically, that's MCGS.

**Mr. David Nicholl:** Yes.

**Hon. Liz Sandals:** And that is a discussion that has been reported to you and has been a live discussion. MGCS would be the lead on that.

If I could just clarify one other thing, because I don't want you to get a misimpression: What TBS is doing is the ongoing I&IT infrastructure and sort of the ongoing software tasks. You can describe it better than I. If a ministry is going to have a total redevelopment of a major system, that would go through a different process that belongs to the ministry, not us.

**Mr. David Nicholl:** That's correct.

**Hon. Liz Sandals:** Okay? We don't want to mislead you.

**Mr. David Nicholl:** There are times when a project is large enough and self-contained enough that it would actually have a bid all on its own and it would actually be issued as a competitive bid. There are other projects or just enhancements, like smaller pieces of work, where we would use task-based. So it's a judgment call as to when it's a large enough entity all on its own to go out and do a large-scale bid versus using the task-based.

**Mr. John Vanthof:** The concern we've had from some—several vendors, actually—is that the number of vendors of record for IT services is, in their estimation, going from 300 and change to 10.

**Mr. David Nicholl:** Yes, MGCS is going through that process right now.

**Mr. John Vanthof:** So your part in the process would be—since you've got the computer expertise, you would

set out the parameters, wouldn't you, based on security, based on—

**Mr. David Nicholl:** Yes. We would detail the roles that we were actually looking for; MGCS are accountable to do the actual procurement. We take their results in the form of a vendor of record—today it's about 325 vendors—and then IT Source goes through that process to help select which vendor will actually win and which contractor will actually be employed.

**Mr. John Vanthof:** Okay. So from your perspective is it easier if you have fewer vendors? Although you're not the one deciding how many vendors there are.

**Mr. David Nicholl:** Procurement is such a science. I'd honestly prefer MGCS to answer that question.

**Mr. John Vanthof:** Okay.

**The Chair (Ms. Cheri DiNovo):** You have about two minutes left.

**Mr. John Vanthof:** I have about two minutes?

**Ms. Lisa MacLeod:** You can cede the floor and we can go home early.

**Mr. John Vanthof:** Pardon?

**Ms. Lisa MacLeod:** Nothing.

**Mr. John Vanthof:** Well, I've got a whole new subject to start so I am going to wrap it up.

**The Chair (Ms. Cheri DiNovo):** Thank you.

We are adjourned until tomorrow at 3:45. Thank you, everyone.

*The committee adjourned at 1757.*



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