

# EXPENDITURE MANAGEMENT STRATEGY

EXPENDITURE BUDGET  
2017-2018





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**Expenditure Management Strategy**  
Expenditure Budget 2017-2018

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## MESSAGE FROM THE CHAIR

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The first steps taken by our Government at the beginning of its mandate had a single purpose: to ensure that Québec returns to a sound financial footing and regains the economic health allowing it to, once again, make choices that meet the needs and priorities of Quebecers. The sound management of government expenditures is part of this process.

The economy's good performance and the Government's financial discipline have allowed us to achieve and maintain a balanced budget, providing us with the necessary leeway to increase program expenditures by 4.1% from the 2016-2017 probable expenditure. Total program expenditures for 2017-2018 are therefore \$72.6 billion.

For a second year in a row, the Government is in a position to use the funds made available to improve Quebecers' quality of life. Therefore, major investments will be made to foster academic success, reduce hospital waiting times, improve care and services in residential and long-term care centres, and foster greater accessibility to youth protection services.

In addition, from 2017 to 2027, the Government will be able to make unprecedented public infrastructure investments, creating quality jobs in every region of Québec. These investments, which are at historic peaks, will be used to improve the safety of road users and traffic flow, build social housing and roll out digital infrastructure across Québec.

This is proof that sound management of government expenditures can pay off for everyone, in that it strengthens our current and future ability to continue to offer the public services that matter to Quebecers, and to maintain the infrastructure that is essential to their quality of life.

Québec is able to make choices because it has regained its financial strength and economic health. More than ever, it can develop to its full potential and Quebecers can live up to their dreams and talents—they and the generations to come.

The Minister responsible for Government Administration  
and Ongoing Program Review  
and Chair of the Conseil du trésor

Pierre Moreau





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# CHANGES IN PROGRAM SPENDING AND BUDGET APPROACH

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## 2016-2017 RESULTS

In the 2016-2017 fiscal year, the Government is, for a third consecutive year, poised to meet its objective for program spending. The budgetary discipline that is essential to sound management of public funds continues to be applied in the departments and bodies, with the result that less effort is required to comply with the financial framework than in the last two years.

The Government has regained control of spending by taking the necessary action. Many programs have been revised. Workforce growth is now under control and informed trade-offs can be conducted. Remuneration agreements with terms of at least five years have been reached with over 95% of State employees, which makes Government expenditures more predictable and provides for labour relations stability. It is from this perspective that the Government has tabled offers to the medical federations with a view to reaching agreements that will ensure that the growth of expenditures for medical services remuneration will be compatible with the growth of the Government's revenue and expenditures.

The Government can now make choices. Although vigilance and discipline are still in order, the Government can now begin to focus on implementing new initiatives to enhance public services or foster economic growth. In this context, the 2016-2017 fiscal year was marked by the announcement of further major investments in education, healthcare, and regional economic development. These investments have been funded from the leeway that has been created.

## REINVESTMENT IN PRIORITIES AND FUTURE CHALLENGES

Since the fall 2015 economic update, the Government has been able to inject substantial additional funds into priority sectors, for example:

- In education and higher education, the addition of resources to improve educational success;
- In healthcare, increased services to the population, in particular, with a view to reducing hospital wait times, increasing and improving care and services in residential and long-term care centres (CHSLDs), reducing wait times for diagnostic services and surgery, and increasing access to youth protection and psychosocial services;
- In economic development, initiatives to stimulate economic growth, bolster job creation, and support families.

Sound management of the public finances is, moreover, allowing the Government to keep pursuing its debt ratio reduction targets while keeping public infrastructure investment at a historically high level. Not only do these investments stimulate economic growth over the short term due to their immediate impact on the economy, they also help develop an environment that is conducive to economic growth over the medium and long range, along with maintaining the Government's ability to offer quality services to the public.

Under the 2017-2027 Québec Infrastructure Plan, the Government's infrastructure investment will total \$91.1 billion over 10 years, an increase of \$2.4 billion over the last plan.

The substantial increase in infrastructure investment will allow the Government to pursue the priority actions undertaken in recent years, i.e. the renewal and rehabilitation of school, hospital and road network infrastructure. It also means that the funds that will eventually be required for the financing of Québec's share in the projects to introduce bus rapid transit service between Québec City and Lévis and extend the Montréal metro's blue line can be secured as of now.

Its renewed financial health puts Québec in a good position to deal with the risks associated with economic growth, and the impacts of population ageing, which will continue to put substantial pressure on spending, particularly in healthcare.

The Government therefore intends to continue to manage all expenditures responsibly while ensuring that the new amounts allocated to priority sectors are invested in a targeted manner.

## SPENDING GROWTH AND EFFORTS REQUIRED

For 2017-2018, the objective for program spending has increased 4.1% from the 2016-2017 probable expenditure, setting the target at \$72,591 million.

Excluding expenditures that were previously charged to the Fund to Finance Health and Social Services Institutions (FINESSS<sup>1</sup>) and other accounting adjustments, the amount is \$676 million higher than the objective set out in the fall 2016 update to the Québec Economic Plan. Among other things, the increase will make it possible to finance the measures announced in Budget Speech 2017-2018.

Note that, since 2014-2015, the Government has been presenting the gap to eliminate in program spending. That is, for a given year, it publishes the difference between estimated program renewal costs and the expenditure target established.

The gap is normal insofar as it is assessed before consideration of the actions to be taken to limit the expenditure increase and taking into account that renewal costs have been established in a prudent, conservative manner. Among other things, these costs factor in a budgetary margin established to deal with contingencies when the Government is preparing the expenditure budget. In the likely situation that this margin is not used, the gap to eliminate would be reduced by that amount.

For example, the 2016-2017 Expenditure Budget included, for 2017-2018, an \$890-million gap to eliminate in program spending. This gap was revised to \$469 million after program renewal costs were updated and the expenditure objective was revised. In the last year, the departments and bodies have established measures to fully eliminate this amount, so that all of the efforts required to meet the objective for program spending growth established for 2017-2018 have now been specified.

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1 FINESSS will be abolished as of April 1, 2017.

**Table 1**  
**Gap to Eliminate in Program Spending**  
(millions of dollars)

	2017-2018	2018-2019	2019-2020
<b>Gap to eliminate<sup>1</sup></b>	<b>469</b>	<b>1,312</b>	<b>2,620</b>
Measures established for 2017-2018	(469)	(807)	(922)
Remaining gap to eliminate	-	505	1,698
Less amounts reallocated to the budgetary margin		(250)	(500)
<b>Remaining gap to eliminate excluding the budgetary margin<sup>2</sup></b>	<b>-</b>	<b>255</b>	<b>1,198</b>
In 2018-2019		255	255
In 2019-2020		-	943

1 For 2017-2018, corresponds to the \$890 million gap to eliminate presented in the 2016-2017 Expenditure Budget, less \$421 million subsequent to the revision of program renewal costs, and the revision of expenditure objectives.

2 For 2018-2019 and 2019-2020, corresponds to the remaining gap to eliminate net of the budgetary margin, thus assuming that the margin would not be used to develop new services or enhance existing services.

## REMUNERATION OF DOCTORS

The pre-measure gaps are mainly due to the substantial growth in spending on doctor remuneration, whereas the other budget items generally show normal growth. The proportion of healthcare spending that such remuneration represents has also increased substantially in recent years.

Note that the remuneration agreements that are responsible for this growth were reached, among other things, on the basis of closing the wage gap with doctors in the rest of Canada. Several indicators suggest that the remuneration of Québec doctors is now in line with remuneration in other provinces.

The Government is relying mainly on the renewal of agreements with the medical federations to eliminate the identified gaps in program spending. While recognizing the agreements with the federations, it has submitted a proposal to free up funds to reallocate to the budgets of health network establishments.



## **OTHER EFFORTS**

The departments and bodies, for their part, will continue their efforts to improve the effectiveness and efficiency of government action, which will also help reduce the gaps.

Excluding the amounts reallocated to the budgetary margin, the remaining gaps to eliminate are \$255 million in 2018-2019 and \$943 million in 2019-2020, representing just 0.3% and 1.2% respectively of program spending for each period.



# WORKFORCE AND REMUNERATION MANAGEMENT

## WORKFORCE MANAGEMENT AND CONTROL

### ASSESSMENT OF EFFORTS MADE

Responsible workforce management also continued in 2016-2017. The interim data shows, for the public service, a reduction of 296 full-time equivalent (FTE) positions, or a decrease of 0.5% from 2015-2016. For the last three years, the total decrease is 4,454 FTEs or 6.4%.

For bodies outside the public service, forecast workforce is up 3,186 FTEs or 0.8% from 2015-2016. The increase is due to the reinvestments in healthcare and education, and the impact of the strike days in the education networks in 2015.

Overall, the workforce has increased by 2,890 FTEs in the last year, but has been down 5,258 FTEs for the last two years.

#### Variation in Utilized Workforce<sup>1</sup>

(FTE)<sup>2</sup>

	Public Service	Outside the Public Service <sup>3</sup>	Total
	FTE	FTE	FTE
Utilized Workforce in 2013-2014 <sup>4</sup>	69,541	N/A	N/A
Variation	(1,437)	N/A	N/A
Utilized Workforce in 2014-2015	68,104	408,570	476,674
Variation	(2,721)	(5,427)	(8,148)
Utilized Workforce in 2015-2016	65,383	403,143	468,526
Variation	(296)	3,186	2,890
<b>Utilized Workforce in 2016-2017 (forecast)</b>	<b>65,087</b>	<b>406,329</b>	<b>471,416</b>

1 From a workforce control perspective, the National Assembly and persons appointed by the National Assembly, Université du Québec and its constituent universities, research institutes and institutes of higher learning, school boards for Cree, Inuit and Naskapi Native persons as well as the Anti-Corruption Commissioner are excluded.

2 Number of paid hours converted into fulltime equivalents (FTEs) on the basis of a 35-hour week. To do this, the total number of paid hours is divided by 1,826.3.

3 Data adjusted to factor in the downward adjustment to private establishments excluded by the Act respecting health and social services (CQLR, chapter S-4.2) from the application of the Act respecting workforce management and control within government departments, public sector bodies and networks and state-owned enterprises (CQLR, chapter G-1.011).

4 The data on bodies outside the public service is not available as the Act respecting workforce management and control within government departments, public sector bodies and networks and state-owned enterprises is not yet in force.

Over the last three years, the Government has used the means necessary to count staff and control staffing. The strategy implemented in this regard was primarily intended to yield a continuous picture of staffing levels and allocation. This information is essential so that the Government can develop an integrated vision of human resource utilization. The strategy was also intended to facilitate optimal staffing allocation throughout the Government.

The staffing cuts recorded since April 2014 have made it possible to reallocate resources in keeping with government priorities. As a matter of fact, certain job categories nevertheless record net increases, for example nursing and teaching personnel, whereas others such as management personnel have dropped, mainly in the “Santé et Services sociaux” portfolio.

This situation should persist in 2017-2018, as staff will be added taking into account the investments announced in education and healthcare, among others.

## **2017-2018 STRATEGY**

In this context, the Government will continue to control staffing within the public service and bodies outside the public service in 2017-2018. This will result in a freeze on envelopes for most portfolios.

Additional staff will be allocated specifically to some departments and bodies based on the Government’s priorities. Among other things, this will support:

- Actions taken to increase health and social services to the public, as well as implementation of the strategy to enhance academic success, through the addition of specialized resources and support;
- Implementation of the Stratégie d’action visant à contribuer à la réduction des délais de justice criminelle et pénale by adding prosecutors, judges at the Court of Québec, support staff for justice services, and resources to ensure courthouse security;
- Execution of other measures announced in the Budget Speech.

## CONSOLIDATION OF THE GOVERNMENT'S EXPERTISE

The Government has instituted a strategy to reduce use of outside staff and strengthen internal expertise in key government action sectors to ensure better control over its decisions, among other things. This strategy calls for a separate staffing envelope for replacing outside resources with internal resources. In the last year, 111 FTEs were granted to replace external information technology personnel. The impact of these additions will represent 370 FTEs in 2017-2018.

Overall, the increase resulting from the strategy on the internal staffing level is offset by an equivalent lasting reduction in external resources. Beyond strengthening expertise, this strategy generates savings, as the internal resources generally cost less than external resources. Implementation of this strategy will continue in 2017-2018, essentially in terms of strategic positions in information technology and engineers at the Ministère des Transports, de la Mobilité durable et de l'Électrification des transports.

## RENEWAL OF WORKING CONDITIONS

### RENEWAL OF WORKING CONDITIONS FOR PUBLIC AND PARAPUBLIC SECTOR PERSONNEL

In the 2016-2017 fiscal year, work to renew collective agreements for approximately 500,000 unionized State employees continued in a context in which the Government had pledged to maintain the budget balance achieved in 2015-2016.

Subsequent to the agreement reached in December 2015, collective agreements that respected these parameters were signed with the major unions, including unions grouped into coalitions or alliances. To date, nearly 95% of the unionized employees in the public and parapublic sectors have renewed their collective agreements for the 2015-2020 period.

An agreement was reached with most management and non-union staff in the public and parapublic sectors at the end of 2016. Among other things, this agreement covers factors that promote the financial health and sustainability of the pension plan for management staff. Agreements in principle were also reached with other public service unions, including the peace officers in correctional services, highway controllers, wildlife protection officers, and government teachers.

The Government is engaged in ongoing discussions with groups with which no agreement in principle has yet been reached. The goal is, and remains, to renew these collective agreements while respecting the established financial framework, particularly with the coalition, while factoring in considerations to ensure fairness and coherence among all the agreements concluded by the Government.

Moreover, the Government has tabled offers to the medical federations with a view to reaching agreements that will ensure that the growth of expenditures for medical services remuneration is compatible with growth of the Government's revenues and expenditures.

Note that remuneration accounts for nearly 60% of program spending. Agreements with terms of at least five years make the Government's expenditures more predictable and provide for stability in labour relations and delivery of public services, making it possible to focus efforts on government priorities.

## UPDATING THE BUDGET PROCESS

### STRONGER GOVERNANCE AND MONITORING OF FINANCIAL ASSISTANCE PROGRAMS

In the context of disciplined, prudent management of public expenditures, the Government is being vigilant to ensure that subsidies and other forms of financial assistance awarded meet priority needs and are used effectively and efficiently. In the last few fiscal years, the Secrétariat du Conseil du trésor has strengthened the governance for financial assistance to ensure that financial assistance programs produce concrete, measurable and lasting results.

To date, actions have been taken through specific decisions by the Conseil du trésor aiming particularly to adopt or renew various financial assistance programs. This has improved the quality of the standards submitted for approval by the departments and bodies. These actions have prompted the Secrétariat to formalize the guidelines for developing financial assistance programs, which can be summarized as follows:

- Funding must be awarded to predefined recipients based on specific eligibility criteria, which must be consistent with the need to be met;
- Programs must feature objective, discriminative criteria, based on a transparent application selection mechanism, and make it possible to prioritize applications that best match the purpose and goals of the programs;
- Eligible expenses, financial assistance calculation rules, and parameters for combining government contributions must be precise and fair, to ensure that the Government pays a fair part of the funding in a manner that is harmonized across programs, with no overlap;
- While avoiding duplication between departments and bodies, reporting requirements must enable realistic assessment of program results, and be known when programs go into effect. They must also consider project scope, funds awarded, objectives, and risks.

At the same time, the Secrétariat du Conseil du trésor is finalizing a sound practices guide for the development of financial assistance program standards based on the above principles. Over the next year, the guide will be made available to the persons in charge of financial assistance programs in the departments and bodies. In addition to counting on the support of the Secrétariat du Conseil du trésor, the departments and bodies will be able to use this tool to better oversee applicant eligibility and selection and to track their programs, so as to improve their performance on an ongoing basis.

The work carried out to date will also bring the Secrétariat du Conseil du trésor to propose adjustments to the Regulation respecting the promise and awarding of grants and its directive. These regulatory changes will enable the completion of the exercise to tighten financial assistance management requirements and improve procedures by encouraging best practices.

## IMPROVING THE PRESENTATION OF BUDGET INFORMATION

Budget information is a communication and accountability tool for legislators and the population. Thus, the presentation of the expenditure budget must be transparent and aligned with the intended outcomes, so as to provide a complete overview of the activities of each department and body.

To this effect, guidelines were developed to consolidate activities and financial assistance programs with the same goals, and to present the expenditures related to a body's general administration separately. The alignment between appropriations and intended outcomes will be made easier and allow a more coherent picture of public expenditures, thereby strengthening the link between resources and strategic results.

To this end, adjustments had already been made to the breakdown of activities carried out by the Ministère de la Santé et des Services sociaux in 2016-2017. Improvements have now been made to the budget structure of the "Conseil du trésor et Administration gouvernementale" portfolio for 2017-2018 based on the guidelines that were developed. Preliminary proposals for several other portfolios were also prepared. These proposals will guide, during 2017-2018, the work that will be carried out in collaboration with the departments and budget-funded bodies to review and improve their budget structure.

In addition to the review begun on the Government's budget structure, the results-based management tools will be reviewed in order to foster a better alignment between allocated resources and the strategic results of departments and bodies. This matching approach will continue to improve available budget information with a view to ensuring informed decision making in the area of public expenditure management.



## PROGRAM REVIEW

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### IMPLEMENTING A PERMANENT REVIEW CULTURE

The program review is intended to strengthen the sustainability and quality of government initiatives based on priority needs and available resources. It thereby contributes to an optimal allocation of the Government's resources.

Over the last three years, the Government has taken the necessary measures to regain control of its expenditures. The challenge for the next few years will involve implementing a true culture of review and improvement of the Government's programs.

With this in mind, the Government has implemented a process for proposing solutions to improve program performance and support decision making in this regard. This process operates through the strategic program review, which is complementary to the annual expenditure planning.

### STRATEGIC PROGRAM REVIEW

For the less effective programs targeted by the departments and bodies, in collaboration with the Secrétariat du Conseil du trésor, the strategic program review:

- Establishes a diagnosis about the performance of a body or program;
- Determines the actions required to either optimize or abolish a program;
- Plans the coordinated implementation of the chosen solutions as well as the systematic follow-up of expected results.

A strategic review can take many forms depending on the identified shortcomings and objectives pursued. The three types of strategic review concern the review of a business model or function, the optimization of a public good or service, and the optimization of an expenditure.

## **STRATEGIC REVIEW OF A BUSINESS MODEL OR FUNCTION ADMINISTERED BY SEVERAL DEPARTMENTS OR BODIES**

This type of strategic review aims to update the relevance of a business model or function performed by one or more public bodies, so as to increase its efficiency and effectiveness. Ultimately, the goal of this type of strategic review is to generate savings and ensure the financial sustainability of the business model or function reviewed.

Among the programs that will undergo a strategic review:

- The reassessment of government-wide recovery activities, with a view to developing an integrated, consistent approach with debtors;
- The follow-up of the deployment of the Services Québec business model and the instituting of a model that will be able to evaluate the appropriateness of integrating other services, to continue optimizing access to services and simplifying citizen and business transactions, while ensuring the efficient and effective use of government resources;
- The register function in the departments and bodies, with a view to creating an optimal, effective business model for Registre Québec to develop, administer and manage the public registers.

## **STRATEGIC REVIEW OF THE SYSTEM FOR PRODUCING A PUBLIC GOOD OR SERVICE**

This type of strategic review aims to update the objectives pursued by the production of a good or the delivery of a service. Ultimately, these reviews will enable efficiency and effectiveness gains, while maintaining or improving the quality of public goods and services.

Among the programs that will undergo a strategic review:

- The process of producing the strategic plans and annual management reports of the departments and bodies, for the purpose of updating their contents in accordance with the needs of legislators and optimizing production processes;
- Les Offices jeunesse internationaux du Québec service delivery, for which optimization opportunities have already been identified based on needs expressed by young people, and for which these solutions will continue to be implemented.

## STRATEGIC REVIEW OF EXPENDITURES

The aim of this kind of strategic review is to determine the relevance, effectiveness and efficiency of mechanisms for awarding public funds to third parties, so as to optimize financial resource allocation and, in turn, generate savings.

The work by the Table interministérielle sur l'aide au développement économique in 2016-2017, with respect to direct support for investment and innovation, has been completed. This work made it possible to finalize guidelines that should assist departments and bodies in developing and renewing financial assistance programs.

These guidelines apply to programs providing direct support for innovation and investment aimed at enhancing productivity, and for which the clienteles are for-profit and collective entrepreneurship enterprises.

- The first guideline concerns equal treatment for various clienteles. This is to help strike a better balance in risk-sharing between beneficiaries and taxpayers, and to improve Government-wide consistency in this area. Departments' and bodies' programs will thus better contribute to offering financial assistance in the same manner, based on the intended outcomes.
- The second guideline concerns simplifying procedures for clients. It seeks to minimize the risk of overlap between programs with similar goals. The Government also aims to streamline processes for clients via the Entreprises Québec portal.

The Secrétariat du Conseil du trésor will provide departments and bodies with support in implementing these guidelines, in order to foster harmonization between these programs.



## **PUBLIC INFRASTRUCTURE INVESTMENTS – CONTINUE TO DEVELOP A MODERN, PROSPEROUS QUÉBEC**

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### **INVESTMENTS THAT WILL ALLOW QUÉBEC SOCIETY TO PROSPER AND WILL SUPPORT ECONOMIC GROWTH**

Under the 2017-2027 Québec Infrastructure Plan, the Gouvernement du Québec will invest \$91.1 billion over 10 years, \$2.4 billion more than under the previous Québec Infrastructure Plan.

This substantial increase in the level of infrastructure investment enables the Government to continue with its priority actions undertaken in recent years to upgrade and rehabilitate school, hospital and road network infrastructures. It also allows the Government to immediately secure the funds that will be needed to cover the financing for Québec's share of the projects to implement bus rapid transit service between Québec City and Lévis and extend the Montréal metro's blue line, should the Government approve these undertakings once the plans and specifications have been submitted.

Therefore, with investments dedicated as a priority to maintaining the service offer and replacing dilapidated infrastructure, the Government is upholding its commitment to providing Québec with safe, efficient and modern infrastructure. These investments will not only equally support job creation and economic growth in Québec, but will also improve citizens' quality of life.

In addition to the amounts set out in the Québec Infrastructure Plan, the development of the Réseau électrique métropolitain, entrusted to the Caisse de dépôt et placement du Québec, will also generate major economic spinoffs for Québec with an investment of \$6 billion.

## **INVESTMENTS IN EDUCATION AND HIGHER EDUCATION TO FOSTER ACADEMIC SUCCESS AND INNOVATION**

Given all the benefits associated with academic success, the Government is announcing a targeted investment of \$900 million primarily to support education in Québec, specifically:

- An amount of \$400 million over four years to assist institutions with deficiencies identified during the assessment of the primary- and secondary-school infrastructure, particularly in the Commission scolaire de Montréal;
- An amount of \$400 million over three years for the addition of classrooms and the expansion of schools to allow Québec school boards to meet space needs over the medium term;
- An amount of \$100 million for the Stratégie numérique en éducation to facilitate and support Québec schools in their transition to digital technology.

The Government will also invest more than \$250 million specifically for CEGEP and university infrastructure, among other things to modernize research facilities and undertake the shift to digital technology efficiently.

By making substantial investments in schools and post-secondary institutions, the Government plans to continue to offer students an environment that is conducive to learning, academic success and innovation, in order to foster competency development.

The 2017-2027 Québec Infrastructure Plan puts more than \$16 billion toward education, higher education and research.

## **INVESTMENTS THAT WILL IMPROVE QUALITY OF LIFE FOR FAMILIES**

Improving quality of life for Québec families is also a government priority in the 2017-2027 Québec Infrastructure Plan. To help reach this objective, the Government will make additional investments in a variety of areas over the 2017-2027 period, more specifically:

- More than \$200 million to improve healthcare infrastructure through priority projects, namely the building of emergency rooms and addition of specialized medical equipment in various Québec institutions;

- Close to \$150 million for sports and recreation infrastructure, which will primarily support the construction, renovation, outfitting and upgrading of sports and recreation facilities, such as new soccer and baseball fields, pools and sports centres. Of this amount, \$75 million will be allocated over five years to the Société des établissements de plein air du Québec, primarily to deal with asset maintenance for buildings, road access and trails that fall under its purview;
- Starting in 2020-2021, more than \$200 million will be dedicated over three years for the construction of 3,000 new social housing units to make decent, affordable housing available for many families who are in especially vulnerable situations;
- In addition to the \$10 million already announced in the 2016-2017 budget for the Stratégie numérique, a further \$90 million will be invested in the Québec branché program to deploy digital infrastructure across Québec.

The public infrastructure investments set out in the 2017-2027 Québec Infrastructure Plan constitute a powerful driver of the creation and maintenance of jobs in every region of Québec and will ensure that its economy prospers in a booming North American context. Now, more than ever, Québec must strive to ensure that it stands out and develops in a manner that lives up to its full potential and talent.

## **MAJOR INVESTMENTS IN PUBLIC TRANSIT AND THE ROAD NETWORK**

The amounts earmarked for public transit and the road network in the 2017-2027 Québec Infrastructure Plan will not only improve the safety of road users but also help traffic flow.

These investments are an important opportunity for Québec to implement structured measures to keep its greenhouse gas reduction commitment and support the efforts being deployed to adapt infrastructure to climate change.

Over the next 10 years, more than \$7 billion is allocated for public transit, among other things to acquire Azur metro cars for Montréal and to renovate several stations. The Government has also confirmed its commitments with respect to two major public transit projects in Greater Montréal and the Capitale-Nationale.

With regard to the road network sector, investments of \$17.9 billion are provided for in the 2017-2027 Québec Infrastructure Plan. More than 87% of the investments will be directed to the maintenance or replacement of roadways and structures, which will help to maintain or restore the condition of road infrastructure as well as stimulate the economy across Québec's regions.

## PARTNERSHIPS IN SUPPORT OF QUÉBEC PRIORITIES

The public infrastructure investment needs are substantial throughout Québec and call for considerable funding. It is therefore essential that priority government projects be supported in particular by the engagement of other stakeholders and the creation of partnerships.

To this end, major funding is expected from federal infrastructure programs and these will need to be aligned with the priorities established in the Québec Infrastructure Plan.

Moreover, the agreement reached between the Gouvernement du Québec and the Caisse de dépôt et placement du Québec to have the latter carry out the Réseau électrique métropolitain project is also an innovative partnership.

Lastly, other partners, primarily the municipalities, are expected to invest just over \$9.5 billion in the 2017-2027 period on public infrastructure.

## INVESTMENTS THAT REQUIRE RESPONSIBLE, INFORMED CHOICES

By its very actions, the Government will continue its sound management of public infrastructure investments and thereby allow the entire Québec population to benefit from the resulting economic spinoffs.

With investments of \$91.1 billion over 10 years, the Government intends to ensure that the condition of public infrastructure is maintained at a level that is safe for citizens and that new infrastructure is built to enhance the government services offer, particularly in cases that foster Québec's economic development.

To this end, the Government has implemented a policy for prioritizing its public infrastructure investments based on maintaining existing assets and replacing those that have reached the end of their lifespan. This responsible policy will restore to citizens the infrastructure they are entitled to, while at the same time spurring economic growth.

Lastly, the 2017-2018 Annual Management Plans for Public Infrastructure Investments, which present the changes in the condition of infrastructures and the asset maintenance deficit, will inform the Government in prioritizing its asset maintenance and infrastructure replacement investments.



## AN INVESTMENT PLAN IN SUPPORT OF PUBLIC SERVICES

The projects in the 2017-2027 Québec Infrastructure Plan reflect the Government's priorities.

### INVESTMENTS UNDER THE 2017-2027 QUÉBEC INFRASTRUCTURE PLAN

(contribution of the Gouvernement du Québec, in millions of dollars and as a percentage)

	\$ million	%
Road Network	17,901.0	19.6
Public Transit	7,059.9	7.7
Marine, Air, Rail and Other Transportation	2,654.3	2.9
Health and Social Services	17,096.1	18.8
Education	8,879.4	9.7
Higher Education and Research	7,348.9	8.1
Culture	1,525.2	1.7
Municipal, Sports, Community and Recreational Infrastructure	8,595.7	9.4
Social and Community Housing	2,082.5	2.3
Government Buildings	2,253.9	2.5
Information Resources	3,400.3	3.7
Other Sectors		
Northern Plan: 826.2		
Childcare Centres: 529.8		
Acquisitions by Departments and Bodies and Other Investments: 2,171.3	3,527.3	3.9
Central Envelope <sup>1</sup>	8,775.4	9.6
<b>Total</b>	<b>91,100.0</b>	<b>100.0</b>

Note: Figures are rounded and the sum of the amounts may not correspond to the total indicated.

- 1 This envelope is required to eventually fund strategic projects of \$50 million and more currently "under study" that have been recognized and prioritized by the Government.



## INFORMATION RESOURCE GOVERNANCE – A STRATEGIC DRIVER OF CHANGE

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The implementation of the Government IT Strategy – Renewing the State through Information Technology, announced in June 2015, added to the control of information resource projects and activities, has strengthened the management and governance of the Government's information technologies.

During the last fiscal year, the strategy continued to be implemented. As such, 33 of the Strategy's 36 measures were carried out or are being carried out, and the Government intends to propose legislative changes to pursue the 3 other measures.

The Government has set a goal of coordinating investments centrally in order to have sound management of information resources. The planning of information resource investment envelopes under the Québec Infrastructure Plan attests to this. For the 2017-2027 period, the investments budgeted for information resources are \$3.4 billion.

In 2016-2017, 96% of active projects listed on the Tableau de bord de l'état de santé des projets en ressources informationnelles du gouvernement du Québec<sup>2</sup>—representing 98% of budgets allocated for information resources—were within their budget. This demonstrates that these projects are being planned and tracked efficiently.

### TOWARDS STRENGTHENED GOVERNANCE

In order to implement certain measures announced in the strategy, the Government remains intent on structuring them through legislative provisions. These provisions will aim mainly to strengthen the chief information officer's role, reduce the number of information officers and increase their participation in governance, as well as reinforcing the effectiveness of governance processes.

For 2017-2018, a first portrait of the condition of assets will be prepared to inform the Government on the health status of IT assets. The knowledge regarding IT equipment will enable the Government to make better investment choices when it comes to anticipating outdated IT infrastructure and initiating optimization strategies. This will ensure a more reliable and durable technological infrastructure to better support government operations, as well as service delivery to individuals and businesses.

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2 Not including projects of the education network or the Agence du revenu du Québec, whose projects are not included in the Tableau de bord de l'état de santé des projets en ressources informationnelles.

## INTERNAL EXPERTISE TO DEAL WITH TOMORROW'S CHALLENGES

A comprehensive information technology staffing portrait was published in 2016 and will be updated shortly. Actions to improve the internal expertise of public bodies are now built on detailed, comprehensive information, which will be updated annually.

Information technology staffing additions have targeted key jobs to ensure that they are held by qualified internal resources. In this regard, more than 370 full-time equivalent positions have been granted to organizations in the past few months in order to meet their expertise enhancement needs. The staffing provision generates savings by diminishing the need for external resources, which are typically more costly than internal resources. At the same time, it ensures the technology management skills needed for the future, providing a true lever for transformation and innovation for the Government.

## TECHNOLOGICAL FOUNDATIONS TO ACCELERATE DIGITAL TRANSFORMATION

Since launching the strategy, three projects have been implemented for the adoption of best practices: the use of cloud-computing, improved access to digital services and the development of a shared service for government administration entities.

The Government has implemented a powerful, versatile business model based on cloud-computing to take advantage of emerging technologies specific to information resources. Public bodies can now obtain cloud-computing electronic messaging services, with the assurance of using secure solutions that meet all legal requirements. Further cloud-computing services will be added later to benefit from the best opportunities available on the market.

To make government services more accessible, secure, simple and efficient, the Government relies on two building blocks that are crucial for digital service delivery: a single sign-on government authentication service and a Québec identity and address service. These services, for which the development costs are included in the Québec Infrastructure Plan, will help make their experience more user-friendly, increase the number of services delivered digitally, and reduce the costs associated with maintaining and integrating various technologies.

Finally, a major optimization project for the consolidation of the Government's data processing centres has been initiated and will continue over the next few years. This transformation will help reduce the total cost of operating the numerous processing centres currently in existence, optimize data storage and processing activities, and ensure an adequate level of security.

## CLOSER TO THE PEOPLE

An open and transparent approach is a government priority. Accordingly, the Government and a large number of municipalities combined their efforts in April 2016 to create the new open-data portal known as Données Québec.

This portal makes it easier for people to participate in developing innovative solutions, which can ultimately support economic development. In this respect, the Government and certain municipalities organized in March 2017 a first hackathon activity in Sherbrooke, aimed at developing transport and sustainable mobility applications from the portal's open-data.

## MEDIUM- AND LONG-TERM OUTLOOKS

Digital technology is fundamentally transforming the Government's way of doing things; the Government is having to adapt to a constantly changing technological environment and to the population's growing digital service expectations. To guide and catalyze government administration efforts in this transformation, a new government enterprise architecture and a new vision will be developed in 2017-2018.



## INTEGRITY AND ACCESSIBILITY OF CONTRACT PROCESSES

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The implementation of the recommendations of the Commission of Inquiry on the Awarding and Management of Public Contracts in the Construction Industry (CEIC) concerning the Secrétariat du Conseil du trésor actively continued over the past fiscal year.

The work continues with a view to adopting legislation to protect whistleblowers who wish to denounce reprehensible behaviours within the public bodies, as well as to developing a bill to establish an Autorité des marchés publics<sup>3</sup> called upon to oversee the integrity of contract processes by government and municipal bodies.

The establishment of the Autorité des marchés publics is pursuant to the first recommendation of the CEIC. Given its effect on the competition and the quality of contract processes, it would constitute an unprecedented move that would benefit the Government as much as the businesses with whom it does business.

To meet this objective, the Autorité would be empowered to:

- Handle bidders' complaints to ensure that calls for tenders from public bodies, including municipalities, do not unduly restrict competition and follow a fair, honest and transparent process;
- Investigate the contract management of public bodies designated by the Government, including that of the Ministère des Transports, de la Mobilité durable et de l'Électrification des transports;
- Conduct audits and intervene with public bodies, if necessary;
- Manage the system of authorizations to contract, currently administered by the Autorité des marchés financiers, and the register of enterprises ineligible for public contracts, currently administered by the Secrétariat du Conseil du trésor.

Furthermore, efforts have also been agreed upon to revise rules regarding contracts for professional services related to construction (architects and engineers) and contracts for construction work. Drawing on observed best practices and learnings gained from pilot projects carried out by the Société québécoise des infrastructures and the Ministère des Transports, de la Mobilité durable et de l'Électrification des transports, the objective is to provide the departments and public bodies with rules that will help them make better acquisitions, thus providing the Government and ultimately taxpayers with a better return on investment.

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3 Bill 108: An Act to facilitate oversight of public bodies' contracts and to establish the Autorité des marchés publics, tabled at the National Assembly of Québec on June 8, 2016.

The implementation of the Passeport Entreprises action plan also continued, and conditions have been put in place to give businesses easier access to public contracts, particularly small- and medium-size businesses. An initial follow-up of these measures and their impact will be carried out over the next fiscal year.

Such concrete actions taken by the Government demonstrate the importance given to meeting the highest contract management standards.



## CONCLUSION

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Over the past three years, the Government has made choices, such as that pertaining to the rigorous management of public funds, that have put Québec in an enviable position. The Government is now able to accomplish with more confidence than ever its primary mission, namely to offer all Quebecers the services to which they are entitled and which better meet their needs.

The Government's rigour has given it the leeway to invest wisely in these services and to offer Quebecers a better quality of life, while respecting taxpayers' ability to pay.

The 2017-2018 fiscal year will see the emergence and advancement of numerous projects in every region of Québec, including projects aimed at fostering academic success, improving healthcare, providing quality housing to families in need, maintaining and building adequate infrastructure for education and health services, as well as projects aimed at keeping roads safe and in good condition. All this will play out against a backdrop of job creation, economic growth, support for youth and action on climate change.

The Government has restored Québec's financial health. Thus, it can guarantee its current and future ability to continue to offer public services that will meet the needs and expectations of Quebecers, as well as maintain infrastructure that is essential to their quality of life.





