



EXPENDITURE BUDGET
2018 ▶ 2019

EXPENDITURE MANAGEMENT STRATEGY

RESPONSIBLE
MANAGEMENT
BENEFITING
THE POPULATION

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**Expenditure Management Strategy
Responsible Management Benefiting the Population**

Expenditure Budget 2018-2019

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MESSAGE FROM THE CHAIR

CHOICES FOR THE POPULATION

For each of the Government's actions, our concern remains the same: to improve the quality of life of all citizens. This is the principle that motivated the achievement of a balanced budget. Our Government is determined to bequeath a Québec in sound financial health to future generations. They must have access to quality public services in the same way previous generations did.

This sound management of public finances is reinforced by the strong performance of the Québec economy, one of the most successful in the country, which generates additional revenue for the Government.

Responsible management coupled with an economy that exceeds our forecasts explains that we are now able to have expenditure growth reflective of our ambitions for the Québec of tomorrow.

We have greater freedom of action in the investments we want to make. We can now further invest in developing and maintaining our infrastructure. Be it our hospitals, our schools or the maintenance and development of our road and public transit infrastructure. An historic level of over \$100 billion will be invested for the 2018-2028 period. This is the largest growth since the implementation of the Québec Infrastructure Plan in 2007, a record investment of which 65% will be used to maintain our assets. The job creation that will result from our choice will achieve our goal of 250,000 new jobs. A choice, which I repeat, is possible because of the efforts we made in recent years to review some of our programs and ways of doing things.

Our Government has succeeded in introducing an ongoing program review. Although there were several attempts since the 1980s, none brought the results we see today. Furthermore, the expenditure cap still applies and no new program can emerge without strong justification.

Staff level management is another great example of how we are improving the way we do things. We now have a clear and comprehensive portrait of the number of employees working for the Government. This count is made public on a regular and transparent basis. A glance at this situation shows that, after experiencing a reduction of its staff level, the Government is now seeing an increase in sectors corresponding to the government priorities of health and education. This is how we view the growth of Québec's staff level, directly in line with the investments in our priorities.

Like the private sector, the Government seeks to attract new talent in a labour shortage environment. This is in addition to competing with businesses that are more innovative in the benefits they offer to attract new candidates. As an employer, the Gouvernement du Québec must also innovate if it wants to stay in the race. Workfamily balance, the design of work spaces, adopting new technologies, the diversity of the public service—all are included in our reflection for the development of the second Human resource management strategy to be unveiled in the next few months.

Over the years, we have been able to make the necessary decisions to succeed today in building the new Québec. We are implementing these actions for the sole purpose of improving the quality of life of citizens.

Pierre Arcand

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EXPENDITURE MANAGEMENT

THE RESULTS OF GOVERNMENT ACTION

THE ECONOMIC AND FINANCIAL CONTEXT

In 2014, Québec faced a major structural deficit. The annual expenditure growth rate over the previous 10 years was almost 5% on average, while the nominal growth rate of the economy forecast for the coming decade was closer to 3.5%¹.

In addition, Québec's financial statements had only shown a balanced budget eight times in almost 40 years. In the five years that followed the 2008 financial crisis, the annual budget deficit averaged more than \$2.7 billion.

Over these years, these recurrent deficits have added to Québec's debt, so that the debt representing accumulated deficits as a share of GDP was higher in Québec than in the rest of Canada.

A high debt necessarily entails a significant burden for future generations. In 2016-2017, servicing the debt reached \$7.5 billion, or 9.8% of budget expenditures, despite the low interest rates in place for a number of years. Every dollar allocated to the debt is one dollar less that can be spent on services to the population. This is an issue, especially when the situation results from debt incurred to finance current expenditures.

Québec's budgetary position must also be seen in a context where demographic changes have an increasingly large impact on economic growth and expenditure levels; and where public infrastructure requires a significant investment, namely to offset the obsolescence of infrastructure required to deliver public services.

The Government has thus made a firm commitment to regain control of public finances, through a more responsible management of expenditures. Over the last few years, the Government's approach to expenditure management has been driven by three major objectives:

- Responsible management of expenditures;
- Revitalization of the economy and regional economic development;
- Efforts directed towards public services.

1. Rapport d'experts sur l'état des finances publiques du Québec, April 2014.

RESPONSIBLE MANAGEMENT OF EXPENDITURES

In recent years, the Government has introduced major measures to ensure the predictable financing of public services and to improve their effectiveness and efficiency, for example:

- **Signing long-term agreements with government employees and partners**, such as the renewal of collective agreements for the 2015-2020 period, the Partnership Agreement with municipalities for the 2016-2019 period, the financing of childcare services and agreements with medical federations;
- **Reducing public prescription drug insurance plan costs**, through the signing of special agreements with the manufacturers, cost reductions for generic drugs and the implementation of best practices;
- **Optimizing ways of doing things** by reviewing processes, reducing outsourcing, rationalizing the space used, pooling administrative services and joint procurement;
- **Reviewing governance structures** such as the reorganization of the healthcare network or the decrease in the number of levels of intervention in the school network;
- **Merging bodies** such as those responsible for pensions and retirement plans, those responsible for labour, as well as administrative labour tribunals.

Moreover, staff level growth is now under control and informed arbitration can be conducted. Under these conditions, the deployment of government human resources can be more focused on public priorities, which improves the efficiency of measures and prevents undue growth in remuneration expenditures, which represent close to 60% of program spending.

In order to foster maintaining a balanced budget in the medium to long term, the Government has also set up an ongoing program review mechanism. It has thus implemented a process to propose potential solutions to improve public administration performance. For 2018-2019, emphasis will be placed on innovation and optimization projects whose objective is to improve the quality of services offered to the population, families and businesses.

These initiatives, as well as the systematic vigilance exercised by the departments, bodies and the Conseil du trésor to control public spending, have reduced the gap between expenditure and revenue growth rates.

REVITALIZATION OF THE ECONOMY AND REGIONAL ECONOMIC DEVELOPMENT

A sustainable balanced budget is also achieved by developing Québec's economy. Without changing the tax system, a strongly growing economy generates more revenue for the Government, in addition to reducing the pressure on some expenditures.

The Government has therefore introduced measures to stimulate private investment, foster regional economic development, boost research and innovation, promote and foster entrepreneurship, and meet employers' labour needs.

The Government is also an economic player by keeping public infrastructure investments at exceptionally high levels. The 2018-2028 Québec Infrastructure Plan provides for historic investments of \$100.4 billion over 10 years, including \$10 billion in 2018-2019, an increase of \$9.3 billion or 10.2% over the 2017-2027 Québec Infrastructure Plan. These investments stimulate economic growth over the short term, in addition to helping develop an environment that is conducive to economic growth over the medium and long term.

EFFORTS DIRECTED TOWARDS PUBLIC SERVICES

In a context where growth in spending had to be limited compared with previous years, it was essential to ensure that resources be allocated based on government priorities.

The budget had to be balanced while at the same time protecting the Government's core missions. The disciplined management of expenditures and the cost-saving measures identified have generated some leeway to support these missions. Thus, 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 the academic success rate;
- In **healthcare**, for increased public services, in particular, with a view to reducing hospital wait times, increasing and improving care and services in residential and long-term care centres, reducing wait times for diagnostic services and surgery, and increasing access to youth protection and psychosocial services;
- In **economic development**, for initiatives to stimulate economic growth and bolster job creation;
- In **support for individuals and families**, to reduce poverty by increasing the disposable income of people living in poverty and fostering the social inclusion of low-income households.

Similarly, increased investments in public infrastructure support the Government's ability to provide quality services to the population. In this area also, additional amounts are allocated to priority sectors such as public transit and the road network, health and social services, education, higher education and research, and the development of digital infrastructure.

EXPENDITURE GROWTH

2017-2018 RESULTS

In the 2017-2018 fiscal year, the Government is, for a fourth consecutive year, poised to meet its objective for program spending. As forecast, program spending should be \$72,591.4 million, an increase of \$3,215.2 million or 4.6% from 2016-2017.

EXPENDITURE OBJECTIVE FOR 2018-2019 AND SUBSEQUENT YEARS

For 2018-2019, program spending will be \$76,869.4 million, an increase of \$4,278.0 million from the 2017-2018 fiscal year. Excluding the amounts allocated to offset the financial impacts of the reform of the school tax system, the increase will be \$3,779.3 million or 5.2% on a comparable basis. This increase includes the amounts required to finance the measures announced in the 2018-2019 Budget Speech, which will allow public services to be increased and improved, especially in healthcare and education.

The budget allocated to the Ministère de la Santé et des Services sociaux is \$38,540.8 million, an increase of \$1,671.4 million or 4.6% from 2017-2018.

Also, the expenditures of the Ministère de l'Éducation et de l'Enseignement supérieur are \$19,380.1 million, an increase of \$1,311.1 million in 2018-2019. Excluding the amounts allocated to offset the financial impacts of the reform of the school tax system, and by adjusting for the provision for activities supporting the integration and francization of immigrants of the Ministère de l'Immigration, de la Diversité et de l'Inclusion, expenditures increase by \$890.9 million or 5.0% on a comparable basis.

Lastly, the expenditures of the other departments, excluding the Contingency Fund, are \$17,870.2 million, an increase of \$830.4 million or 4.3% over the 2017-2018 fiscal year.

These expenditure levels are possible due to the performance of the economy and of the choices made to improve the management of government expenditures.

Breakdown of Program Spending Growth in 2018-2019

(millions of dollars)

	2018-2019 Expenditure Budget	2017-2018 Probable Expenditure	Variation	
			\$ million	%
Santé et Services sociaux	38,540.8	36,869.4	1,671.4	4.6 ¹
Éducation et Enseignement supérieur	19,380.1	18,069.0	1,311.1	5.0 ²
Other portfolios (excluding the Contingency Fund)	17,870.2	17,039.8	830.4	4.3 ³
Contingency Fund ⁴	1,078.3	613.2	465.1	
Total	76,869.4	72,591.4	4 278.0	5.2⁵

1. The percentage variation was calculated by excluding, from the 2017-2018 probable expenditure, transfers from the provision for activities supporting the integration and francization of immigrants of the Ministère de l'Immigration, de la Diversité et de l'Inclusion.
2. The percentage variation was calculated by excluding, from the 2017-2018 probable expenditure, transfers from the provision for activities supporting the integration and francization of immigrants of the Ministère de l'Immigration, de la Diversité et de l'Inclusion. Moreover, the percentage was calculated by excluding from the 2018-2019 expenditure budget the provision for the implementation of the reform of the school tax system.
3. The percentage variation was calculated by including, in the 2017-2018 probable expenditure, the transfers to the Ministère de l'Éducation et de l'Enseignement supérieur and the Ministère de la Santé et des Services sociaux from the provision for activities supporting the integration and francization of immigrants from the Ministère de l'Immigration, de la Diversité et de l'Inclusion, which will be added during the 2018-2019 fiscal year.
4. To fund unexpected expenditures that may arise in any government program, costs pertaining to certain measures announced in the 2018-2019 Budget Speech, and forecast expenditures not broken down in departmental portfolios.
5. The percentage variation was calculated by excluding from the 2018-2019 expenditure budget the provision for the implementation of the reform of the school tax system by the Ministère de l'Éducation et de l'Enseignement supérieur.

REQUIRED EFFORTS

Since 2014-2015, the gap to eliminate in program spending is presented in the budget documents. This gap corresponds to the difference between estimated program renewal costs and the expenditure target established by the Government. It therefore represents the effort to be made by the departments and bodies to respect their expenditure targets or, if it is negative, the budget flexibility they have.

The 2017-2018 Expenditure Budget included, for 2018-2019, a \$505-million gap to eliminate in program spending. This gap was eliminated after program renewal costs were updated, the budgetary margin was used, and the expenditure objective was revised.

Similarly, the gap is \$867.9 million for 2019-2020, which represent less than 1.1% of program spending. This gap is \$739.0 million for 2020-2021, a lower level than the previous fiscal year.

These gaps are normal insofar as they are assessed before consideration of the actions to be identified to limit expenditure growth, and because renewal costs have usually been established in a prudent, conservative manner.

Gap to eliminate in program spending

(millions of dollars)

	2018-2019	2019-2020	2020-2021
Program renewal costs	76,869.4	80,549.9	83,033.3
Program spending objective	76,869.4	79,682.0	82,294.3
Gap to eliminate	0.0	867.9	739.0

UPDATING THE BUDGET PROCESS

STRENGTHENING THE GOVERNANCE OF FINANCIAL ASSISTANCE PROGRAMS

For the last three years, the Secrétariat du Conseil du trésor has implemented various initiatives to strengthen the design and monitoring of financial assistance programs of departments and bodies in order to promote disciplined management of the amounts granted, equity among clientele and an evidence-based evaluation of the results. Today, owing to these initiatives, the majority of the current financial assistance programs are in line with the guiding principles established by the Secrétariat. For example, the results objectives, refundable expenditures and eligibility and selection criteria are established in a precise, fair and harmonized manner, and monitoring and evaluation measures are expressly provided for.

In order to formalize the process and ensure its permanence, this past year the Secrétariat du Conseil du trésor circulated through the public administration a guide on good practices for drafting program standards. It also delivered staff training to the departments and bodies involved in program design and evaluation to help them adopt good practices.

As well, the Secrétariat continued its work to propose regulatory and administrative adjustments to the Government to improve financial assistance programs so that they are better targeted, have measurable objectives and are subject to quality monitoring and reporting. Since the recommended approach involves legislative adjustments, this work will continue in the year ahead.

IMPROVING BUDGET INFORMATION AND PARLIAMENTARY CONTROL

The presentation of a transparent expenditure budget is a key component of an open and responsible government that allows the public and Members of the National Assembly to know the efforts and resources expended by departments and bodies to execute their missions and strategic directions. Thus, the Secrétariat du Conseil du trésor worked with the departments to make the presentation structure of their portfolio budget more transparent and uniform.

The guidelines drawn up to that end require, among other things, that each budget program describe a specific purpose for the benefit of the target clientele, that the related elements contribute to this purpose and that the administration costs be grouped separately, when relevant.

At this point, in addition to the changes already made to the “Santé et Services sociaux” and “Conseil du trésor et Administration gouvernementale” portfolios, the Secrétariat invited five portfolios to revise their 2018-2019 expenditure architecture in keeping with these guidelines: “Affaires municipales et Occupation du territoire,” “Économie, Science et Innovation,” “Famille,” “Finances” and “Relations internationales et Francophonie.” The Ministère de l’Agriculture, des Pêcheries et de l’Alimentation also made adjustments in this regard and should complete the expected changes over the next year.

Starting in the 2018-2019 fiscal year, other departments will be able to embark on a second wave that will extend these guidelines to the entire spending budget. The goal of the Secrétariat du Conseil du trésor is to revise the budget architecture of six other portfolios in 2018-2019 and take the necessary steps to ensure these improvements continue to be applied.

PUBLIC INFRASTRUCTURE: A MAJOR PLAN FOR QUÉBEC

AN AMBITIOUS MAINTENANCE AND DEVELOPMENT PLAN FOR PUBLIC INFRASTRUCTURE

Under the 2018-2028 Québec Infrastructure Plan (QIP), the Gouvernement du Québec will invest \$100.4 billion over 10 years, \$9.3 billion more (or 10% more) than under the previous QIP. Furthermore, \$3.7 billion has become available as a result of the progress and completion of several projects in the 2017-2018 fiscal year. Thus, \$13 billion will be allocated to new investments.

This unprecedented increase in infrastructure investment, already begun last year, is concrete action in solid support of the Government's commitment to equipping Québec with efficient, modern infrastructure. Never has the Government invested this much in infrastructure.

With this plan, Québec's infrastructure will continue to be developed based on current and future needs, and efforts required for its restoration will be maintained. This increase will enable numerous infrastructure investment projects in all spheres across Québec and help keep the economy healthy.

INVESTING IN PUBLIC TRANSIT AND THE ROAD NETWORK

To improve user traffic flow through a reliable, efficient and safe infrastructure, \$6.3 billion has been added to the transit system, bringing the total investment in this sector to more than \$29 billion over the 2018-2028 period, including the planned investments in the central envelope. Major road rehabilitation projects will be undertaken and the development of new public transit infrastructure will be stepped up.

Politique de mobilité durable

Close to \$1.5 billion will be invested to implement the Politique de mobilité durable in order to support the Government's province-wide sustainable development strategies. The Politique will address public transit, active transportation and projects for the road network.

Transformative transit projects in Québec City and Lévis

The Ville de Québec has spent the last eight years planning for a transit system to better serve its citizens and reduce traffic congestion. On March 16, the Mayor of Québec, along with the Premier, unveiled a large-scale public transit project for Québec's capital. In line with the Government's vision of sustainable mobility, this project is valued by the Ville at about \$3.3 billion.

The Gouvernement du Québec has pledged to invest in the transformative transit project of the Ville de Québec in partnership with the federal government, which has already expressed its interest in this regard.

First, the Ville de Québec will receive \$215 million to complete the studies required to develop a business plan. This amount is included in the 2018-2028 QIP along with a \$1-billion reserve for the contribution of the province of Québec to the project, scheduled to begin in three years.

Furthermore, to ensure a link between the two shores, the Government will first support a project involving priority measures on Boulevard Guillaume-Couture to improve public transit. To this end, the 2018-2028 QIP contains \$7.9 million for the studies required for this project, in addition to a preliminary estimate of \$80 million to carry out the work.

Thus, in the 2018-2028 QIP, these projects have been moved from "Under Study" to "In the Planning Stage."

The Gouvernement du Québec will ensure that these two projects are carried out with a view of sustainable mobility between the two shores.

In March 2017, the Government pledged \$20.5 million to set up a Bureau de projet pour le troisième lien. The office will be tasked with conducting the studies required to develop a new link between Québec City and Lévis in order to improve traffic flow in the greater Québec City area, particularly during rush hours.

Once an optimal solution has been found, the Government pledges to provide the necessary funding for the project.

Extension of the Montréal metro's blue line

The 2018-2028 QIP ensures that the Gouvernement du Québec will contribute to the extension of the Montréal metro's blue line, whose estimated cost is \$3.9 billion. It allots \$364.9 million for a project office, the preparation of plans and specifications, and property acquisitions. The project is classified as "In the Planning Stage."

Work on the Réseau express métropolitain

In addition to the investments included in the 2018-2028 QIP, the Gouvernement du Québec will invest \$1.3 billion in the form of share capital in the Réseau express métropolitain project of the Caisse de dépôt et placement du Québec.

Based on an innovative business model, the Caisse will be fully responsible for this project valued at \$6.3 billion. It is the largest public transit investment in Montréal since the construction of the metro in the late 1960s.

INVESTING IN HEALTH AND SOCIAL SERVICES

The health and social services infrastructure is aging. Specific action has been taken to finalize its condition assessment in order to prioritize rehabilitation and development projects.

Here, the Gouvernement du Québec continues to take concrete steps to offer Quebecers quality access to health care establishments by allocating \$18.7 billion in the 2018-2028 QIP, including an additional \$1.2 billion to initiate and carry out projects to reduce infrastructure obsolescence.

These funds will also be used for major hospital construction, renovation, modernization and expansion projects across Québec, including the construction of a new hospital in the Vaudreuil-Soulanges region.

INVESTING IN EDUCATION, HIGHER EDUCATION AND RESEARCH

The Government continues its action in this sphere and is allotting upwards of \$17 billion over 10 years, including over \$2.2 billion in additional funding for schools and post-secondary institutions to enhance student success and provide staff with a work environment conducive to learning.

This amount includes more than \$500 million for the next five years specifically to restore existing infrastructure and prevent schools from falling into disrepair. Moreover, nearly \$600 million has been allocated to speed up the creation of new classrooms across Québec.

The additional funds include specific amounts to renovate heritage buildings, many of which are in unsatisfactory condition. These funds will help schools deal with the additional costs of heritage preservation requirements.

INVESTING TO DEVELOP THE DIGITAL STRATEGY

By implementing its Digital Strategy, Québec is acquiring the means and ability to adapt and transition to a successful digital society. Here, the Government is allocating \$1.2 billion specifically for digital infrastructure. As a result of the additional allocation, Québec will have reliable, secure digital infrastructure to meet the current and future needs of its communities and regions.

These substantial investments will be made in various sectors, including:

- A total of \$608 million for education (\$421 million) and higher education (\$187 million). These amounts will facilitate the development of the digital skills required for both young people and adults to succeed. They will also enrich teaching and learning practices through the use of digital technology;
- \$367 million to improve regional telecommunications networks. Digital infrastructure stimulates innovation, skill development and business productivity; it also attracts skilled labour and trade;
- \$125 million for Québec's public administration, which must become more digital in order to create more public value for society by making it easier for citizens and businesses to interact with the Government;
- \$100 million for other sectors. Access to high-performance, robust digital infrastructure that meets needs is an important prerequisite for any digital transformation project; it will speed up progress in every sector of Québec.

INVESTING IN ALL SECTORS

Many other projects and programs will be created or improved for the benefit of all Quebecers. A total of \$2.1 billion has therefore been added for other sectors, in particular for the Fonds d'appui au rayonnement des régions, the Sports and Physical Activity Development Fund and social housing.

PRIORITIZING INVESTMENTS THAT FOCUS ON ASSET RENOVATION AND REPLACEMENT

The Gouvernement du Québec plans its public infrastructure investments based on objectives to maintain service offerings combined with targeted actions to reduce the asset maintenance deficit. In this regard, it prioritizes projects to maintain or replace assets that have reached the end of their useful life. Accordingly, the 2018-2028 QIP earmarks almost 65% of investments for projects ensuring the sustainability of the existing inventory.

PARTNERSHIPS IN SUPPORT OF QUÉBEC PRIORITIES

The commitment of other stakeholders, who are in partnership, makes it possible to carry out many projects that are a priority for Québec and, in some cases, move them up.

These partnerships enable Québec to build quality public infrastructure that meets the priority needs of citizens and businesses, while stimulating its economy.

In this regard, the federal government is a financial partner of the Gouvernement du Québec in the funding of several infrastructure projects. In addition, other partners, mostly municipalities and universities, are also expected to invest in the projects put forward by Québec.

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 express métropolitain project is also an innovative partnership.

AN IMPROVING PROJECT MANAGEMENT CULTURE

In 2014, the Government approved the Directive sur la gestion des projets majeurs en infrastructures publiques, which sets out rigorous management rules to support the decision-making process of the Conseil des ministres for the analysis, planning and execution of major projects for the Government's public bodies.

The Government is continuing its work to improve its management of major projects, by developing a framework adapted to the context of large-scale projects carried out by municipal bodies, which includes public transit corporations.

In addition, in the interest of transparency and to clearly present the information available, in June 2018 the Government will post on the Internet information on infrastructure projects of \$50 million or more. This will allow citizens to follow the decision-making path and track large infrastructure projects. Citizens will be able to examine short project descriptions, and identify projects by region and sector.

INVESTMENT GOVERNANCE FOCUSING ON EFFICIENCY, EFFECTIVENESS AND THE ECONOMY

The report produced by the Conseil consultatif sur l'économie et l'innovation entitled "Agir ensemble – Pour un Québec innovant, inclusif et prospère" and tabled in the fall of 2017 sets out several recommendations for the Government, one of which concerns the planning and governance of public infrastructure projects. This recommendation is consistent with the objectives of the changes made subsequent to the passage of the Public Infrastructure Act in the fall of 2013.

The Public Infrastructure Act sets out new governance rules for the planning of public investments, and for the management of public infrastructure. Accordingly, a governance committee for infrastructure projects was formed at the Secrétariat du Conseil du trésor to ensure follow-up, especially for major projects, with respect to problems encountered and issues that arise. Furthermore, a strategic committee will be established, composed of the ministers responsible for government planning on infrastructure.

In addition, as part of the Government's new real estate vision in developing its real estate inventory, the Société québécoise des infrastructures will be entrusted with more responsibilities in the support it offers to public bodies in managing their infrastructure and investment projects.

The Government intends to continue its strategic planning and its efforts, and to keep monitoring this area so as to maintain a strong, evolving governance model for its investments, to support it in carrying out its responsibilities. It will thus make any required adjustments to keep infrastructure investments focused on efficiency, effectiveness and the economy.

AN INVESTMENT PLAN IN SUPPORT OF PUBLIC SERVICES

The projects presented in the 2018-2028 QIP reflect the Government's priorities.

Investment Envelopes by Sector in the 2018-2028 QIP

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

	2018-2028 QIP		2017-2027 QIP	
	\$ million	%	\$ million	%
Road Network	20,027.5	19.9	17,901.0	19.6
Public Transit	9,002.4	9.0	7,059.9	7.7
Marine, Air, Rail and Other Transportation	3,089.8	3.1	2,654.3	2.9
Health and Social Services ¹	18,677.1	18.6	17,096.1	18.8
Education ²	8,972.7	8.9	8,384.5	9.2
Information Resources in the Education System ²	494.9	0.5	494.9	0.5
Higher Education ³	6,140.7	6.1	5,923.7	6.5
Information Resources in the Higher Education System ³	561.3	0.6	561.3	0.6
Research	917.3	0.9	863.9	0.9
Culture	1,578.0	1.6	1,525.2	1.7
Municipal Infrastructure	7,296.4	7.3	6,872.9	7.5
Sports, Community, Tourism and Recreational Infrastructure	1,860.9	1.8	1,722.8	1.9
Social and Community Housing	2,320.1	2.3	2,082.5	2.3
Government Buildings	2,507.9	2.5	2,253.9	2.5
Information Resources ⁴	3,514.9	3.5	3,400.3	3.7
Other Sectors				
Childcare Centres	}	3,537.2	3.5	3,527.3
Northern Plan				
Acquisitions by Departements and Bodies, and Other Investments				
Digital Strategy	1,200.0	1.2		
Central Envelope ⁵	8,700.9	8.7	8,775.4	9.6
Total	100,400.0	100.0	91,100.0	100.0

Note: The increases in the investment envelopes, explained in the previous pages, reflect the discrepancy between the preliminary envelope assigned by sector in the early development of the 2018-2028 QIP and the envelope assigned in the final version of the 2018-2028 QIP. This discrepancy of \$13.0 billion, spread across the sectors and the central envelope, draws from the \$3.7 billion made available and the increased investment of \$9.3 billion in the QIP. Consequently, these increases do not represent the discrepancies by sector between the QIP of 2017-2027 and 2018-2028.

1. Including investments in the information resources of the health and social services network of \$110.0 million.
2. Investments in education, including information resources in the education network, for a total of \$9,467.6 million.
3. Investments in higher education, including information resources in the higher education network, for a total of \$6,702.0 million.
4. Investments in information resources, including those in the health and social services network and the education and higher education networks, for a total of \$4,681.1 million.
5. This envelope ensures the financing potentially required to implement the projects retained and prioritized by the Government from among those studied. The transfer to the sectors requires a decision by the Conseil des ministres.

THE REAL ESTATE VISION

The real estate and construction sectors are major contributors to Québec's economy. Public investments in these sectors are the drivers of prosperity. Whether they involve hospitals, schools, courthouses, museums or laboratories, this collective real estate heritage is consistently enriched with the completion of each project to meet the population's needs.

Evolving and growing needs, especially in health and social services, require the massive renewal of specialized infrastructure throughout Québec, as well as substantial investments. The digital revolution and advances in artificial intelligence are now affecting all sectors of activity, including the construction industry. Project delivery and financing mechanisms are changing, and buildings are now integrating increasingly sophisticated technology.

In this rapidly evolving environment, the Government will present its real estate vision, a constructive and ambitious long-term vision that will guide the development and management of public buildings in the years ahead.

This vision, the first of its kind in Québec, presents the broad guidelines the Government intends to follow to improve the management of its real estate inventory, with a view to:

- relying on its internal expertise in matters of real estate;
- providing the Government with a long-term vision of building occupancy and the management of its spaces;
- ensuring the improved management of public infrastructure projects.

The Société québécoise des infrastructures, whose role and responsibilities will be modified to reflect this broader mandate, is mainly in charge of realizing this vision. Through its experience and expertise in project management and real estate management, the Société will ensure that citizens are offered modern, functional and sustainable public buildings they can be proud of, and in which Québec's creativity and expertise is expressed.

STAFF LEVEL AND REMUNERATION MANAGEMENT

STAFF LEVEL HEAD COUNT AND CONTROL

THE RESULTS AS AT MARCH 31, 2018

For 2017-2018, the interim data show, for the public service, an increase of 926 full-time equivalent (FTE) positions, or a 1.4% increase from the 2016-2017 fiscal year. This increase is mostly explained by the implementation of the government action strategy to reduce delays in criminal and penal matters, through the management of the disaster assistance program for victims of the spring flooding in 2017, by opening new detention facilities and by the consolidation of internal government expertise. Staffing within the public service has, nevertheless, decreased by 3,585 FTEs compared to the 2013-2014 level.

For bodies outside the public service, forecast staff level is up 7,935 FTEs or 1.9% from the 2016-2017 fiscal year. This increase is mainly due to the additional investments announced in the March 2017 Québec Economic Plan in health and social services, with a view to reducing hospital wait times, increasing and improving care and services in residential and long-term care centres, reducing wait times for diagnostic services and access to surgery, and increasing access to youth protection and psychosocial services, as well as in education and higher education, to increase the educational success of students.

Overall, staffing has therefore increased by 8,861 FTEs in the last year.

Variation in Utilized Staff Level¹(in FTE)²

	Public Service	Outside the Public Service^{3,4}	Total
	FTE	FTE	FTE
Utilized Staff Level in 2013-2014 ⁵	69,541	N/A	N/A
Variation	(1,437)	N/A	N/A
Utilized Staff Level in 2014-2015	68,104	408,592	476,696
Variation	(2,721)	(5,378)	(8,099)
Utilized Staff Level in 2015-2016 ⁶	65,383	403,214	468,597
Variation	(353)	4,877	4,524
Utilized Staff Level in 2016-2017	65,030	408,091	473,121
Variation	926	7,935	8,861
Utilized Staff Level in 2017-2018⁷	65,956	416,026	481,982

1. From a staff level control perspective, the National Assembly and Persons appointed by the National Assembly, the Université du Québec and its constituent universities, research institutes and institutes of higher learning, school boards for Cree, Inuit and Naskapi Native peoples as well as the Anti-Corruption Commissioner are excluded. Also excluded are paid hours for staff hired to fill student jobs or for internships in the departments and bodies subject to the Public Service Act.
2. Number of paid hours converted into 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. Including upward adjustments of 40.9-thousand paid hours in 2014-2015, 128.1-thousand paid hours in 2015-2016 and 204.1-thousand paid hours in 2016-2017, related to the recognition by Hydro-Québec of employees subject to the conditions of employment of the Commission de la construction du Québec.
4. Also including downward adjustments during the 2016-2017 fiscal year of 13,712.8-thousand paid hours in 2014-2015, of 13,947.8-thousand paid hours in 2015-2016, and of 9,573.1-thousand paid hours in 2016-2017 (nine months adjusted), mainly related to private institutions under agreement governed by the Act respecting health services and social services being excluded from the application of the Act respecting workforce management and control within government departments, public sector bodies and networks and state-owned enterprises.
5. 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.
6. The period covered includes 262 business days. Adjustments were made to bring staffing data to a comparable base of 261 business days.
7. The period covered includes 260 business days. Adjustments were made to bring staffing data to a comparable base of 261 business days.

STAFF LEVEL CONTROL APPROACH FOR 2018-2019 AND SUBSEQUENT YEARS

The actions taken in recent years have enabled staff level growth to be controlled.

Since 2014-2015, the Government has had a cohesive and ongoing snapshot of staffing levels and allocation. This information has made it possible to develop an integrated vision of human resource utilization and facilitate optimal staffing allocation throughout the Government.

Thus, the staffing reductions recorded in 2014-2015 and 2015-2016 were combined with the reallocation of resources in keeping with government priorities. In 2016-2017 and 2017-2018, staffing increased once again, mostly in support of the reinvestments announced by the Government, for example:

- actions taken to increase health and social services to the public, as well as the implementation of the strategy to enhance educational success, through the addition of specialized resources and support;
- implementation of the action strategy to reduce delays in criminal and penal matters 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.

This explains, for example, why nursing and teaching staff levels have increased by 3.6% and 4.1% respectively since 2014-2015, while the overall staff level rose by only 1.1% over the same period.

In upcoming years, staff deployment must remain in line with government priorities and their growth must help support the improvement and development of these public services. The Government will therefore align its overall staffing target to real expenditure growth, i.e. the growth rate of program expenditures adjusted for inflation.

While the growth in expenditures is partly due to the indexing of the costs of existing programs and services, including the indexing of remuneration expenditures, it is also due to the enhancement of these programs and services or the addition of new programs and services. Therefore, staff levels must be adjusted to adequately support increased services.

Thus, the Conseil du trésor will be able to adjust the staffing envelopes for public bodies based on the needs arising from the investments announced in the Budget Speech.

CONSOLIDATION OF GOVERNMENT EXPERTISE

The Government is continuing its priority actions in consolidating internal expertise, particularly in the area of information technology (IT). Thus, a third snapshot of the IT staff level within the public service will be made available and targeted promotion activities will be carried out to attract candidates to high-demand sectors. Moreover, new recruiting procedures will be implemented to fill specialized jobs in this field, for the benefit of all departments and bodies as well as all regions of Québec.

In addition, staff continue to be allocated to public bodies for this purpose:

- Since the announcement of the government information technology strategy, more than 945 FTEs have been allocated to internalize the IT staff level. Thus, more than 70% of IT workers are now internal resources. In addition, expertise in critical specialities is being strengthened, the proportion of internal resources having increased by 10 percentage points between 2015 and 2017;
- Moreover, the Conseil du trésor authorized 263 FTEs, to complete the allocation of the 970 positions announced as part of the Concerted Action Plan to Strengthen the Fight Against Collusion and Corruption from the Ministère des Transports, de la Mobilité durable et de l'Électrification des transports. This addition to total staffing enables the resumption of activities under contract and the strengthening or implementation of new activities by the Department. This plan enabled the hiring of public works engineers and technicians;
- Lastly, as part of the renewal of the latest collective agreements, the parties agreed to add staff to repatriate expertise internally. Thus, the Conseil du trésor allocated to the "Transports, Mobilité durable et Électrification des transports" portfolio an additional 246 FTEs for 2018-2019, to repatriate expertise in snow and ice removal from the road network, as well as the preservation of structures.

Overall, internalization is resulting in increased staffing levels, and this is being balanced out by an equivalent and lasting reduction in external resources. Beyond the benefits associated with complete internal control and lasting expertise, the strategy generates recurring savings, since the cost of internal resources is generally lower than that of external resources.

RENEWAL OF WORKING CONDITIONS

In the 2017-2018 fiscal year, work to renew collective agreements for approximately 500,000 unionized government employees continued.

Note that to date, there have been 57 agreements in principle, involving more than 99% of employees, that have been reached in the public and parapublic sectors for the 2015-2020 period.

In addition, the Government reached agreements with the Fédération médicale des omnipraticiens du Québec and the Fédération des médecins spécialistes du Québec, which will stabilize the share of medical compensation to approximately 20% of health expenses and establish the average growth for said compensation to 2.8%.

There have also been agreements reached with the following groups: the Government's engineers, special constables, bodyguard-chauffeurs, and Sûreté du Québec's police and officers.

Moreover, certain central elements in the agreements reached will be implemented in 2018-2019 and 2019-2020. Specifically, increases for nursing staff in the health and social services sector as well as the implementation of the new wage structure resulting from the relativity assessment, which will take effect on April 2, 2019.

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 stability in labour relations and delivery of public services, making it possible to focus efforts on government priorities.

2018-2023 HUMAN RESOURCE MANAGEMENT STRATEGY

Public service is the largest employer in Québec and has more than 60,000 employees throughout the entire territory of Québec. These men and women contribute to shaping the Québec of tomorrow by working on promising and significant projects in all important sectors of society: economy and environment, support for individuals and families, administration and justice, education and culture, and health and social services, to name only a few. The services provided by the Government play a determining role in the capacity of Québec's population to prosper and in their quality of life.

The staff level challenges confronting Québec businesses have forced employers to carefully review their human resource management strategies, and more specifically those for attracting talent as well as maintaining and developing expertise.

Public service is not immune to this reality and must meet significant challenges over the next few years. In a job market characterized by a scarcity of labour in certain sectors, in an era where new technology shapes jobs and careers, both for today and tomorrow, public service must stand out as an employer. To this end, it must more than ever be recognized for its excellence, expertise and innovation. In this context, the Minister responsible for Government Administration and Ongoing Program Review and Chair of the Conseil du trésor will introduce, in the near future, a new five-year human resources management strategy. This strategy will propose various actions to meet future challenges to enable public service to stand out as an employer of choice.

These actions specifically target the attraction of the best talents, development of both expertise and succession, representativeness of Québec's diversity and transformation of organizations as well as performance of public service. More specifically, new job equality access programs will be implemented to contribute to enriching public service through the hiring of people who reflect the diversity of Québec's society. Pilot projects will also be carried out to develop a versatile work organization that is adapted to the new realities of the labour market and digital transformation, contributing to offering stimulating work environments.

PUBLIC ADMINISTRATION PERFORMANCE

The Public Administration Act, adopted on May 30, 2000, affirms the priority given to the quality of services provided to citizens. It implemented a management framework for government administration based on reaching results and compliance with the transparency principle.

In this regard, the Government has taken the resources to strengthen the capacities of both departments and bodies in the areas of service quality, strategic planning, program assessment and revision, and internal auditing, as well as reporting on performance in all these areas to members of parliament and the public.

GOVERNANCE AND PERFORMANCE OF ORGANIZATIONS

STRATEGIC PLANNING

A public body's strategic plan enables it, among other things, to make commitments to the population regarding strategies that it plans to implement to accomplish its mission, as well as the expected results.

The Government ensured that all required strategic plans that are expired for departments and bodies be renewed in 2017-2018. To this end, the Secrétariat du Conseil du trésor disseminated new guidelines for strategic planning in the summer of 2017. It also systematically held startup meetings with the departments and bodies that need to renew their plans, in addition to offering them guidance services.

The Secrétariat du Conseil du trésor will pursue its efforts to this end, specifically by updating the strategic planning guide and the statement of services for the public, as well as systematically following up on departments and bodies whose strategic plans will be expiring.

Moreover, work has also been started on optimizing the annual management report, which will make reporting clearer for Members of the National Assembly and citizens.

PROGRAM ASSESSMENT

Program assessment is a systematic process that assesses the relevance of a program, the effectiveness with which its objectives are sought, the efficiency of the means implemented or their profitability, as well as the impact on the problems it seeks to correct, or the clientele it seeks to support. It makes decision-making by government bodies easier and improves programs to the benefit of the population.

To foster the development of the assessment function within Government Administration, the Secrétariat du Conseil du trésor continued the implementation of the Directive concernant l'évaluation de programme dans les ministères et les organismes. Note in that regard that all departments submitted, in 2017-2018, their multi-year assessment plan as required under the Directive.

The Secrétariat du Conseil du trésor plans to continue its guidance of departments and bodies to specifically improve the quality of the assessments and their use in decision-making.

INTERNAL AUDITING

Internal auditing is an independent and objective activity that gives an organization reasonable assurance regarding the degree of mastery of its operations and provides advice on improving them. It can therefore contribute significantly to improving an organization's management and reaching its objectives.

The orientations regarding internal auditing currently in effect were adopted in 2006 and are not mandatory for departments and bodies. The Secrétariat du Conseil du trésor is considering replacing these orientations by a more constraining directive, with the goals of improving governance and framework instruments, strengthening the role of external audit committees and ensuring that all departments and bodies have sufficient, high-quality, internal auditing capabilities.

PROGRAM REVIEW

RECORD OF ACHIEVEMENT

Since 2015-2016, a total of twenty-five revision projects were made public through the 2015-2016, 2016-2017 and 2017-2018 expenditure management strategies. Initiated as a result of the Commission de révision permanente des programmes, these were made by the corresponding ministers and completed in a return to a fiscal balance context.

The record of achievement includes sixteen completed revision projects. The latter are significant undertakings, including major revisions, reorganizations, eliminations or mergers of bodies or optimization exercises.

Revision projects completed since the 2015-2016 fiscal year have generated estimated accumulated savings of \$2.2 billion and an estimated additional income of \$455 million as well as efficiency gains for several services provided to the general public. These projects are presented below.

Revision of governance structures

- The reorganization of the Health and Social Services network helped improve its operations, reducing administration costs and improving public access to services.
- Revision of regional governance ended with the conclusion, between the Government and municipal representatives, of the tax agreement regarding financial transfers to municipalities.
- The reorganization of Québec's representation network in Canada, and Québec's foreign delegation network as well as immigration structures have improved efficiency and optimized the use of resources. The redeployment of these networks is being carried out on new bases according to updated priorities.

Grouping of public bodies with related mandates

- The merger of the bodies responsible for pensions and retirement plans leading to the creation of Retraite Québec contributed to strengthening the Government's know-how and expertise in retirement plan matters specifically, and increased efficiency in the provision of services offered.
- The merger of bodies responsible for the supervision of work resulting in the creation of the Commission des normes, de l'équité, de la santé et de la sécurité du travail resulted in simplification of access to services by clienteles, better regional coverage and greater efficiency of activities.
- The grouping of administrative tribunals in the labour field resulted in the creation of the Administrative Labour Tribunal, generating savings through the harmonization of decision-making processes and greater efficiency of activities.
- Integration of the Régie du cinéma with the Ministère de la Culture et des Communications generated the pooling of resources and expertise while ensuring better efficiency in the services provided.

Elimination of administrative structures

- Reducing the number of levels of intervention from four to three for the education network (Department, school boards and establishments) optimized the organizational structure and gave priority to service to students.
- The elimination of the Destination Québec offices was completed, resulting in the optimization of the services provided by the Ministère du Tourisme.

Improvement of the effectiveness and efficiency of government action

- Revenu Québec undertook disciplined management of its resources and optimized its processes, resulting in efficiency gains. The quality of its relationships with its clientele was also improved.
- Improvement in the Société des alcools du Québec's performance resulted in improved efficiency and productivity, enabling it to reinvest, specifically by reducing prices to consumers.
- The reduction of the Government's contribution to La Financière agricole du Québec was completed without compromising the body's assistance programs to farmers.
- Revision of childcare service fees ensured sustainability of subsidized childcare services and specifically protected low-income families.

ONGOING EXAMINATION OF PROGRAMS OR EXAMINATIONS TO BE STARTED IN 2018-2019

During the 2018-2019 fiscal year, the Government will continue its process of introducing a true culture of continuing revision and improvement of public administration programs.

Resulting from revision projects initiated since 2015-2016 but still ongoing (nine projects), the Secrétariat du Conseil du trésor will continue its collaboration with the various departments and bodies involved to complete the various strategic examinations in 2018-2019.

In order to bolster public administration's performance, the Government wishes to act on the quality of public services provided to the population. Thus, for 2018-2019, the Secrétariat du Conseil du trésor announces twelve innovation and optimization projects whose purpose is to improve access to services provided to the general population, from the cradle to the grave. Improvement in the services provided to businesses is also included.

Even though each optimization project is at a different stage of completion, ultimately, they will result in gains in effectiveness and efficiency, while improving their clienteles' experience and using technology to increase the quality of services provided. These projects are presented below.

Health and Social Services

- Making appointments online with a family physician, through the Québec Medical Appointment Scheduler contributes to the improvement and simplification of access to care and to the Health and Social Services service objectives for the entire population. The purpose of the project is to make a free solution available at all times that is simple to use and safe.
- The Office des personnes handicapées du Québec proposes to simplify the access procedures for programs, measures and services for persons with disabilities and their families in order to ensure better access to services, specifically for customized needs assessments.

Education and Culture

- The student's online school record is part of the Ministère de l'Éducation et de l'Enseignement supérieur's initiatives for the digital era and it plans to implement a department portal to offer, to all students, online access to their transcripts at any time.
- To meet its clientele's habits and needs, the Ministère de l'Éducation et de l'Enseignement supérieur plans to implement an Aide financière aux études platform (AFE) with a mobile version of the AFE's website, creation of the student's Internet file and secured messaging for its clientele.

Support for individuals and families

- To continue the unification of its customer relationship centres, Retraite Québec has simplified its clientele procedures in sectors as varied as child assistance and retirement plan and disability benefits. Improvements in the interactive voice response system will increase functionalities, help adapt the system to the clients' needs and increase the number of self-services.
- The Ministère du Travail, de l'Emploi et de la Solidarité sociale is launching its Becoming and Being a Parent project whose purpose is to offer families a single gateway to access government services. With the deployment of Services Québec, this project will increase the number of administrative procedures automatically triggered following a birth.
- Simplification of procedures resulting from death is part of the same vision by Services Québec. Like the single declaration of birth, the specific purpose of the various project components is to provide guidance for the administrative procedures for bereaved families and trigger payment of benefits, indemnities or reimbursements to eligible relatives.

- Initiated by Services Québec, the purpose of the Accès UniQC project is to simplify interactions with the Government for both citizens and businesses. This solution will authenticate and verify the identity of a citizen or business wishing to benefit from integrated electronic services offered by the Gouvernement du Québec.

Administration and Justice

- The revision of the organization method for government-wide collection activities will contribute to improving the quality and access to services for debtors, reducing the processing delays and simplifying procedures for citizens and businesses that owe money to several departments and bodies.
- As part of the implementation of the action strategy to reduce delays in criminal and penal matters, the purpose of the 2018-2023 business plan to transform the justice system is to bring medium- and long-term solutions to the problem of delays and to implement the technological projects required to modernize the justice system.

Economy and Environment

- The Société de l'assurance automobile du Québec is modernizing its service and business process systems. Its purpose is to make access to online services for driver's licences and vehicle registration easier, specifically by sending documents electronically, by making vehicle registration certificates permanent and by introducing automatic renewal, in addition to grouping all these services onto a single invoice.
- The purpose of the optimization of programs providing direct financial assistance for innovation and investment is to improve services provided to businesses and is part of the mandate of the Table interministérielle sur l'aide au développement économique. The implementation of these orientations and parameters will simplify procedures for businesses, improve the effectiveness of programs and ensure consistency in government interventions.

INFORMATION RESOURCES: THE KEY TO AN EFFICIENT DIGITAL PUBLIC ADMINISTRATION FOCUSED ON CITIZEN AND BUSINESS NEEDS

THE STRATÉGIE GOUVERNEMENTALE EN TECHNOLOGIES DE L'INFORMATION

The 2018-2019 fiscal year will mark the final leg of the Stratégie gouvernementale en technologies de l'information. Adopted in 2015, this strategy was the springboard for a major transition in the area of information resources. It propelled the adoption of legislative provisions to step up information resource governance, the reappropriation of expertise, the laying of firm technological foundations, and advances in cloud computing. The strategy has made it possible to forge the path that, today, allows IT to serve as a real driver of change and innovation in the public administration and in services to citizens and businesses.

RENEWED GOVERNANCE

At the Gouvernement du Québec, governance over information technology means coordinating the initiatives and decisions of all public bodies, including the bodies in the health and social services, education and higher education networks. The new provisions of the Act respecting the governance and management of the information resources of public bodies and government enterprises, which came into force on March 7, 2018, give rise to a modern governance model tailored to this reality. Under these provisions, information resource governance will henceforth be based on the departmental portfolios. Information resource managers will work with their information officer, who will work with the chief information officer. Network-based governance enables concerted decision making, promotes buy-in to organizational goals, and keeps public bodies accountable for the management of information resources. Moreover, given how important information resources are in delivering services to the public, such governance ensures that the solutions deployed are aligned with citizens' needs.

The new governance structure will also be supported by a governance committee made up of the chief information officer and information officers. The committee will help institute integrated, concerted governance that will promote the emergence of government-wide goals and initiatives.

PRIORITIES INFORMED BY EXPERTISE

In 2017, a snapshot of the information technology staff level indicated an increase in the control of critical functions by qualified internal staff. This finding is due to a labour insourcing strategy. In fact, in the last two years, more than 945 IT positions have been allocated so as to increase government expertise.

In addition to being financially beneficial, insourcing by assigning staff has been a linchpin for getting public bodies to review their outsourcing strategy. Actions taken to address some of these challenges include regularly refreshing candidate banks, improving sourcing procedures within the banks, and holding targeted activities to promote job openings.

In the coming years, these conventional measures will have to be paired with innovative practices to deal with the digital transformation affecting IT jobs, all in the context of a labour shortage. Already evident, the changes in IT jobs means that training and recruiting will have to be innovative and agile in order to effectively support the digital public administration in serving citizens and business.

TECHNOLOGICAL FOUNDATIONS TO ACCELERATE DIGITAL TRANSFORMATION

The technological foundations announced in the 2017-2018 Expenditure Management Strategy are still being laid. The Conseil du trésor has declared Accès UniQC, a project which would make it possible to authenticate and verify the identity of individuals or businesses seeking an integrated government service experience, to be of government-wide interest. Rapid, streamlined access to digital services is now an everyday part of citizens' lives and how businesses operate. Citizens and businesses expect to be able to access government services quickly and easily. They want to deal with the government as a single "entity" and only be required to provide their identification and contact information once. The user authentication process for dealing with the government has to be simple.

SHARED SERVICES

In the framework of implementing its organizational transformation plan, the Centre de services partagés du Québec planned to develop new services, including data processing centres. Thus, the Centre offers a physical IT infrastructure hosting service in Québec City and Montréal that complies with applicable laws, regulations and policies. At the client's request, it can take charge of the client's data processing centre based on the needs set out.

When it launched its Stratégie gouvernementale en technologies de l'information, the Government mandated the Centre de services partagés du Québec with developing a detailed plan for aggregating data processing centres and optimizing how storage was handled. Overall, the consolidation project involves gradually clustering data processing centres of public bodies and setting up a government processing and storage service. Data processing centre consolidation and the optimization of processing and storage are dominant trends in both the public and private sectors.

Parallel to the development of these two major technological foundations, the Gouvernement du Québec remains firmly committed to protecting its IT assets and their data from cyber threats. According to information security experts, cyber security is the biggest challenge of the 21st century. The directive on security and the IT security mechanisms deployed will be reviewed in 2018-2019.

CLOUD COMPUTING DELIVERS RESULTS

The adaptation by the Gouvernement du Québec of cloud computing is now a reality: the bodies are acquiring secure cloud computing solutions when they are the best option for what is needed. Adopting this global trend yields real benefits in terms of cost savings and, by rendering bodies more agile for instance, in terms of quality as well.

On one hand, the savings stem from the costs avoided by sparing public bodies from drawing up and handling calls for tenders. The bodies can now enter into over-the-counter contracts within the master agreements that the cloud computing broker has with suppliers. On the other, the business model used maximizes competition between suppliers, to the Government's benefit.

So far, public bodies have signed contracts for the roll-out of more than 239,000 cloud voicemail boxes offered in the catalogue. The catalogue will be offering cloud office software suites and collaboration services shortly.

THE STRATÉGIE GOUVERNEMENTALE EN TECHNOLOGIES DE L'INFORMATION: NEARING THE FINISH LINE

Efforts in the final sprint of wrapping up the IT strategy commitments will, among other things, focus on setting up an oversight committee, ensuring the mechanisms to support knowledge transfer among public bodies are in place, and in taking public services digital and mobile.

INFORMATION RESOURCES FOCUSED ON THE FUTURE

BUILDING ON A CULTURE OF TRANSPARENCY AND OPENNESS

Putting Données Québec online was a key milestone in the Government's commitment to an open government approach. New momentum will foster a healthy, lasting adoption of this cultural shift. The Government will soon be presenting its 2018-2020 action plan on open government. With the action plan, the Government will take a substantial leap in implementing an open government, for example, through broader dissemination of public data, by stimulating innovation through open data, and through active civic engagement in public affairs.

A STRATEGY FOR THE DIGITAL PUBLIC ADMINISTRATION

Adopted in December 2011, the Stratégie numérique du Québec emphasizes that the Government is striving to build a transparent public administration that is being transformed by digital technology to offer a person-centric experience. To achieve this, the Government pledged to adopt, by April 30, 2018, the Stratégie pour une administration publique numérique as well as an action plan that will be updated annually. The strategy and action plan are designed to support the digital transformation of all public organizations, to benefit the population.

STRATEGIC AND RESPONSIBLE INVESTMENT

Information resources are essential for supporting and enhancing services to citizens and businesses, as well as playing a role in the Government's performance. They are both central to service delivery and an undeniable driver of performance. The importance of information resources thus requires that related investments be rigorously planned and monitored.

Thus, the Government plans the level of investment in information resources on a ten-year basis, which yields a global, long-term vision of its investment priorities. The planning process is updated every year so that the Government is always in a position to make wise investments to keep its assets in good shape and upgrade them based on the needs of citizens, businesses and public bodies. Investment decisions are based on prioritization criteria. To develop the 2018-2028 Québec Infrastructure Plan – Information Resources (QIP-IR) component, the priority has been put on moving forward with authorized projects that are already underway, as well as new initiatives to keep information assets from becoming obsolete, and government-wide initiatives that foster sharing, pooling and transformation in the area of information resources.

The 2018-2028 QIP-IR sets out a total investment envelope of \$4,681.1 million; \$651.9 million being earmarked for the 2018-2019 fiscal year. The scheduled investments in the departmental portfolios total \$3,514.9 million in the 2018-2028 QIP-IR. Major investments are earmarked for the following departmental portfolios: “Finances,” including the Agence du revenu du Québec; “Transports, Mobilité durable et Électrification des transports;” as well as the “Conseil du trésor et Administration gouvernementale,” including the Centre de services partagés du Québec. Investments for the education, higher education, and health and social services networks are set at \$1,166.2 million.

Two new planning tools, introduced when the legislative changes to the Act respecting the governance and management of the information resources of public bodies and government enterprises came into effect, will help make the investment planning exercise even more efficient. The bodies will have to create a master plan that sets out a vision for how information resources contribute to achieving the body’s strategic objectives. Lastly, making wise investment decisions regarding information resources requires a thorough grasp of the condition of those assets. To obtain that knowledge, each public body will have to inventory its information assets and assess their condition.

ACCESS TO PUBLIC CONTRACTS AND THE INTEGRITY OF THE CONTRACTING PROCESS

For several years now, the Government has been striving to facilitate access to public contracts by businesses, and to maintain transparency and integrity in its contract processes. Numerous steps have been taken in this regard, including the creation of the Autorité des marchés publics, a body that monitors public bodies' compliance with the rules on contracting, and Passeport Entreprises, a government action plan to facilitate access to public contracts.

In identifying and implementing best practices in the area of public contracts, among other things, the Secrétariat du Conseil du trésor proposes bills, regulations and directives, and consults on acquisition practices.

THE AUTORITÉ DES MARCHÉS PUBLICS

The Act to facilitate oversight of public bodies' contracts and to establish the Autorité des marchés publics was assented to on December 1, 2017. This law follows up on the first recommendation issued by the Commission of Inquiry on the Awarding and Management of Public Contracts in the Construction Industry.

Several of the measures introduced by this important piece of legislation will reinforce the integrity of contracting processes while promoting supplier access to public contracts. The creation of the Autorité des marchés publics, whose mission is to oversee the application of the normative framework for public contracts, and the introduction of a complaint handling system for businesses will play a key role in this regard.

The Autorité will have a wide range of powers to carry out its mission with public bodies, including municipal bodies. It will be able to review complaints from businesses, order a call for tenders to be amended or cancelled, do audits of and administrative investigations into contract award processes, or intervene based on information provided by the public, businesses and public servants.

THE REPORT OF THE COMMISSION OF INQUIRY ON THE AWARDING AND MANAGEMENT OF PUBLIC CONTRACTS IN THE CONSTRUCTION INDUSTRY

The passage of the Act to facilitate oversight of public bodies' contracts and to establish the Autorité des marchés publics responds to the Commission's first recommendation. The Act also fulfilled other Commission recommendations pertaining to:

- the contractual obligations of paramunicipal organizations and non-profit organizations controlled or subsidized by a public body;
- the confidentiality of the identity of those receiving tender documents;
- the creation of criminal penalties for attempted collusion;
- the application of a time limit for criminal prosecution.

Moreover, in the last fiscal year, the Secrétariat du Conseil du trésor has continued to implement the Commission's recommendations on the integrity and oversight of public contracts. It continued with its review of the contract rules for professional service contracts (architects and engineers) and construction contracts.

PAYMENT DELAYS IN CONSTRUCTION

With respect to the issue of payment periods in the construction industry, the Secrétariat du Conseil du trésor consulted with the Coalition contre les retards de paiements dans l'industrie de la construction and the public bodies in order to develop a pilot project to test out a mandatory payment calendar and a new dispute settlement approach. The pilot project should be launched shortly.

ISO 37001: ANTI-BRIBERY MANAGEMENT SYSTEM

Last fall, government authorities stated that they intended to implement the ISO 37001 standard within various public bodies. Published in October 2016 by the International Organization for Standardization (ISO), the standard is designed to prevent and combat corruption by helping organizations develop and implement an anti-corruption management system. A pilot project coordinated by the Secrétariat du Conseil du trésor was recently launched. The project is designed to evaluate the benefits for public bodies as well as its feasibility throughout the Government.

PASSEPORT ENTREPRISES

Implementation continued for the Passeport Entreprises action plan. The plan is designed to facilitate business access to public contracts, and allow more SMEs and start-ups to participate. Passeport Entreprises contains 24 measures, 23 of which have been implemented. The final measure, intended to allow the option of tendering electronically, will be introduced gradually in 2018. For some of the measures, application initially focused on IT contracts. A construction industry working group was put together to develop benchmarks for contractual criteria and requirements for that sector. Another working group will be created soon for the health sector.

THE SYSTÈME D'APPEL D'OFFRES ÉLECTRONIQUES

In 2011, the Gouvernement du Québec entered into a contract with CGI following a public tendering process for developing and operating the electronic tendering system (SEAO) of the Gouvernement du Québec. The contract expires in November 2022 at the latest, including the three extension years provided for in the contract.

The Auditor General of Québec audited the SEAO business model; that report was tabled in the National Assembly in spring 2016.

In its action plan, the Secrétariat du Conseil du trésor committed to developing a business case to analyze various options for the system's business model in order to select the best option.

Creating the business case will make it possible to develop detailed specifications, proceed to a call for tenders, if required, and select a service provider in order to ensure that all of the development required can be done before the current contract ends.

INTERNATIONAL AGREEMENTS

Since the early 1990s, Québec has stated that it is bound by six intergovernmental agreements on the liberalization of public procurement:

- The Canadian Free Trade Agreement;
- The Trade and Cooperation Agreement between Ontario and Québec;
- The Agreement on the Opening of Public Procurement for Québec and New-Brunswick;
- The Canada-European Union Comprehensive Economic and Trade Agreement;
- The World Trade Organization's Agreement on Government Procurement;
- The intergovernmental agreement on public procurement between the Gouvernement du Québec and the State of New York.

These agreements give public bodies access to a larger pool of suppliers, meaning that they can make better acquisitions, while providing Québec businesses with new business opportunities, which stimulates Québec's economy and creates jobs.

Québec is also participating in the negotiations over the Comprehensive Progressive Agreement for Trans-Pacific Partnership and revision of the North American Free Trade Agreement with the United States and Mexico.

The Government's many actions show the importance it places on access to public contracts and the integrity of the contracting process.

