

transition is dependent on the ability of MPI to attract and retain the needed talent.

Projected annual cost savings from transitioning all identified positions is projected at ~~\$0.2~~ \$0.5 million in 2017/18, ~~\$1.0~~ \$2.0 million in 2018/19, and ~~\$1.8~~ \$2.4 million in 2019/20 and annually thereafter. This timeframe includes sufficient time to transfer knowledge from external labour resources to internal staff, and allows for a measured transition maintaining the delivery of projects and services.

The recently completed Information Technology Optimization program addressed an accumulation of technology obsolescence. With the Corporation's technology position now greatly improved, the Technology Modernization Program will ensure that investments will be made to keep technology assets current, and avoid future accumulations of technological obsolescence.

The Technology Modernization Program includes two streams:

Technology Risk Management consists of regular investment in technology to avoid significant future outlays. Investments will be focused on application and infrastructure improvements, security risk management, and risk registry remediation.

Technology Innovation and Capabilities consist of initiatives to add new capabilities, or expand existing capabilities, in order to realize improvements, efficiencies, or financial benefits. Initiatives will focus on project portfolio management, quality assurance testing capabilities for batch, a cloud strategy and pilot, a virtual desktop pilot, and data governance.

The four year program funding envelope from 2016/17 through 2019/20 totals \$40 million dollars, with \$9.0 million and \$11.0 million allocated in each of the rating years, 2017/18 and 2018/19 respectively.

This level of funding is intended to preserve the value gained from significant past investments in IT, by keeping IT assets current through maintenance and updates. The Corporation's planned investments are appropriate, cost effective and in the long term best interest of policyholders.

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