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Consumer Price Index Enhancement Initiative

CPI EI

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Meeting of Group of Experts on the CPI

Geneva, Switzerland

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Outline

- Context for the CPI Enhancement Initiative
- Project Overview
- Project Governance and Management
- Project Planning
- Project Achievements by Portfolio:
 - Basket
 - Sample
 - Quality
 - Information Technology



Context for the CPI Enhancement Initiative

ORGANIZATIONAL

- Analytical capacity
- Work-Life balance
- Planning culture
- IT

SUBJECT MATTER

- Basket Updates
- Sample
- Quality adjustment
- Index Methodologies



CPI Enhancement Initiative

- a 5 yr project
- Objective is to renew the CPI statistical program

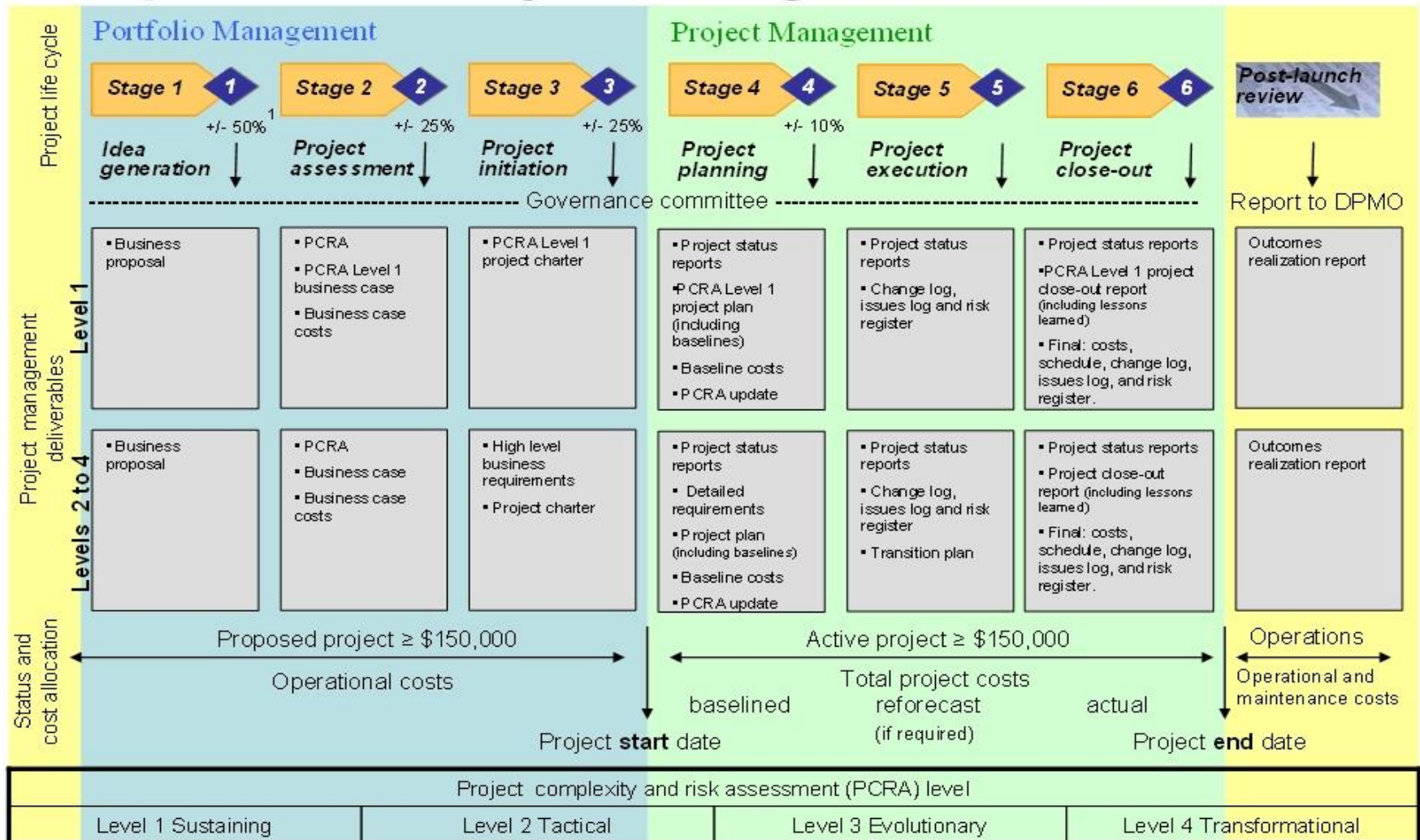
- 3 major SM portfolios:
 - Basket
 - Sample
 - Quality improvement

- Enablers:
 - IT renewal
 - ❖ Cygnus
 - ❖ Existing systems evolution
 - Human capital formation
 - Project management

- Outcome: a better measure of price change in Canada (CPI)



Departmental Project Management Framework



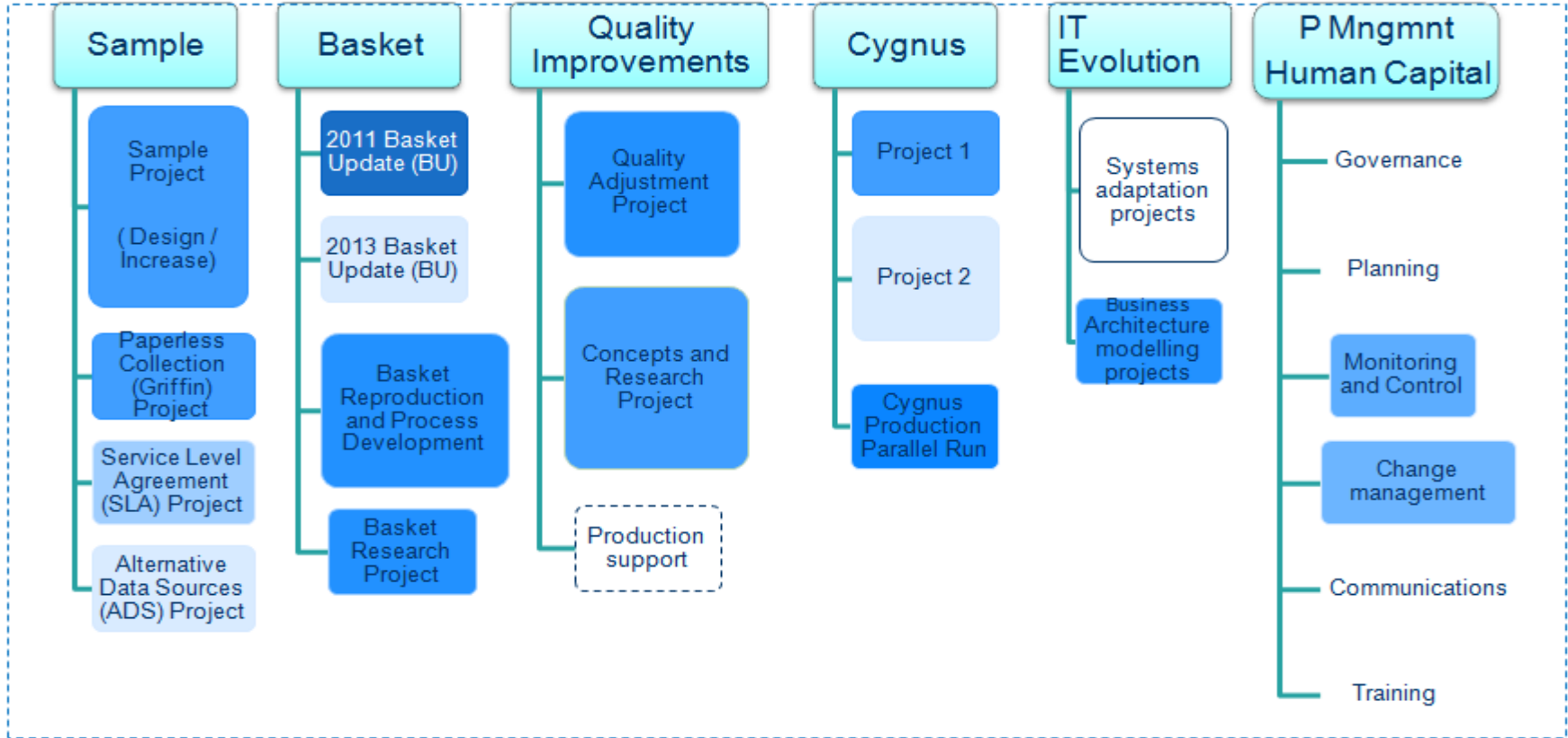
1. Variance for schedule and costs.



CPI EI Project Map

Subject matter projects

Enabling projects



Current Stage: At Stage 3 (Initiation) At Stage 5 (Execution) Multiple stages

At Stage 4 (Planning) At Stage 6 (Close-out) Distributed deliverable



Governance and management

Governance / Management infrastructure for oversight, control and monitoring:

- Steering committees (monthly and as needed)
- Management boards (weekly)
- Integration and one-one project leaders



Project Planning

- Challenge: to translate broad objectives from high level documents into inter-connected multi-year work plans:
 - Planning tool
 - Planning cycle
 - Accountability Network



Achievements – Basket Portfolio

- Objective: more frequent and timely basket updates
- To move from a 4 year update cycle to a 2 year update basket update (2005 – 2009 – 2012 – 2014 – 2016)
- 2009 basket weights were released in June 2011 and 2011 updates were released in March 2013
- Next BU: 2013 RY to be released in February 2015 with a December link month (12 mos after RY)
- (2005 – 2009 – 2011 – 2013 – 2015 – 2017)
- Substitution bias*:
 - 0.20% per year from 2005 – 2009
 - 0.07% per year from 2009 – 2011
 - * as illustrated by the gap between the Laspeyres and Fisher indices
- Piloting basket functionality in Cygnus / Developing new update process



Achievements – Sample Portfolio

- Objective: to create a larger, more representative CPI sample based on a more scientific sampling process
- Sample Design
 - Statistical infrastructure
 - Index/Commodity review
 - Sample management
 - Optimization
 - Dissemination
- Paperless collection
- Alternative Data Sources



Achievements – Quality / IT Portfolios

Quality Portfolio

- Quality adjustment
- Enhanced research capacity

Information Technology Portfolio

- Phase 1 Index aggregation system (Cygnus)
- Existing collection and processing systems adaptations



Questions

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