Consumer Price Index Enhancement Initiative

CPI EI

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Meeting of Group of Experts on the CPI

Geneva, Switzerland

May 28th, 2014
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

Portfolio Management

Stage 1:
- Idea generation
- +/- 50%

Stage 2:
- Project assessment
- +/- 25%

Stage 3:
- Project initiation
- +/- 25%

Project Management

Stage 4:
- Project planning
- +/- 10%

Stage 5:
- Project execution

Stage 6:
- Project close-out

Post-launch review

Project management deliverables

Level 1:
- Business proposal
- PCRA
- PCRA Level 1 business case
- Business case costs
- PCRA Level 1 project charter

Levels 2 to 4:
- Business proposal
- PCRA
- Business case
- Business case costs
- High level business requirements
- Project charter

Status and cost allocation

Proposed project ≥ $150,000
Operational costs

Active project ≥ $150,000
Total project costs reforecast (if required)
Actual Project end date

Project start date

Operations
- Operational and maintenance costs

Project complexity and risk assessment (PCRA) level

Level 1 Sustaining
Level 2 Tactical
Level 3 Evolutionary
Level 4 Transformational

1. Variance for schedule and costs.
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
- 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)
- 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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