



**Statistics
Canada**

**Statistique
Canada**

**1998-99
Estimates**

A Report on Plans and Priorities

John Manley
Minister of Industry

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A. Minister's Message

A new global economy based on knowledge and innovation is rapidly emerging. Canada has the opportunity to position itself as a world leader in this knowledge-based economy, and the Industry Portfolio plays a key role in the government's strategy to seize this opportunity. Bringing together thirteen departments and agencies responsible for science and technology, regional development, marketplace services and micro-economic policy, the Industry Portfolio is a powerful toolkit to help Canada make a smooth transition to the economy of the 21st Century.

The Industry Portfolio is ...

Atlantic Canada Opportunities Agency
Business Development Bank of Canada*
Canadian Space Agency
Competition Tribunal
Copyright Board Canada
Canada Economic Development for Quebec Regions
(formerly the Federal Office of Regional
Development (Quebec))
Industry Canada
National Research Council Canada
Natural Sciences and Engineering Research Council of
Canada
Social Sciences and Humanities Research Council of
Canada
Standards Council of Canada*
Statistics Canada
Western Economic Diversification Canada

Since the creation of the Industry Portfolio, my priority has been to ensure that the Portfolio focusses on helping Canadian businesses to fulfill their potential to innovate, grow and create jobs. Portfolio members work together and with other partners to narrow Canada's gaps in the areas of innovation, trade, investment, human resources and community economic development, helping to create jobs and wealth in all sectors of the economy and in all regions. In so doing, we are helping Canadian businesses to position themselves at the forefront of the knowledge-based economy.

The Portfolio members' Reports on Plans and Priorities collectively illustrate how the Portfolio is meeting the challenges of the knowledge-based economy through our focus on: promoting innovation through science and technology; encouraging trade and investment; helping small and medium-sized enterprises to grow; promoting economic growth in Canadian communities; improving the coordination of Portfolio communications; realizing the potential of the Portfolio's people; and measuring the Portfolio's performance. The Portfolio is strongly committed to achieving these objectives and has a strong sense of accountability to Canadians for their delivery. We are also committed to measuring the success of our performance and to reporting on our accomplishments in future performance reports.

Working together, we will make a difference to the economic and social fabric of Canada and ensure our success in the global knowledge-based economy.

The Honourable John Manley

Management Representation

Report on Plans and Priorities 1998-99 to 2000-2001

I submit, for tabling in Parliament, the 1998-99 Report on Plans and Priorities for **Statistics Canada**

To the best of my knowledge (and subject to the qualifications outlined below), the information:

- Accurately portrays the department's mandate, plans, priorities, strategies and expected key results of the organization.
- Is consistent with Treasury Board policy and instructions and the disclosure principles contained in the *Guidelines for Preparing a Report on Plans and Priorities*.
- Is comprehensive and accurate
- Is based on sound underlying departmental information and management systems.

I am satisfied as to the quality assurance processes and procedures used for the RPP's production.

The Planning and Reporting Accountability Structure (PRAS) on which this document is based has been approved by Treasury Board Ministers and is the basis for accountability for results achieved with the resources and authorities provided.

Name/Nom: _____

Date: _____

SECTION II: STATISTICS CANADA OVERVIEW

A. Introduction

The condition of a nation and its people can be assessed in many ways. Fundamental to these assessments is the availability of information on the many and diverse dimensions of the modern nation state, such as information on its population, its economy, its resources, and its social and cultural life. Under the Canadian Constitution, provision of statistics is a federal responsibility. Within the federal government, Statistics Canada has been legislated as the central agency to produce such information.

A complete portrayal of Canada requires the integration of a complex array of data. For example, to understand a phenomenon such as the health status of Canadians, information is required not only on the prevalence of illness and its precursors, but also on the socio-economic characteristics of the population and the characteristics of the health care system. Statistics Canada strives to deliver information which is timely and relevant to the issues of concern to Canadians.

The gathering of information involves a partnership with all Canadians. In this partnership, Canadians both contribute and benefit. Information is provided to Statistics Canada through surveys and access to administrative records, while Statistics Canada, after compiling and analyzing this information, provides feedback through a myriad of information products.

B. Mandate, Roles and Responsibilities

Statistics Canada's mandate derives primarily from the Statistics Act. The Act requires the Agency, under the direction of the Minister, to collect, compile, analyze and publish statistical information on the economic, social and general conditions of the country and its citizens. This activity is fundamentally important to an open, democratic society as it provides objective information to Canadians and their elected representatives about the evolution of our society and economy. The Agency's information resources also are exploited by businesses, unions, and non-profit organizations to make better informed decisions.

Statistics Canada also has a mandate to provide coordination and leadership to the country's statistical system. Its leadership responsibilities are inseparable from and reinforce its information-providing responsibilities. They lead to:

- improved data quality through the use of common concepts and classifications;
- elimination of collection overlap and inefficiency through federal-provincial cooperation;
- reduced response burden through use of administrative records instead of surveys; and
- the development of more efficient statistical methods and systems through joint-research studies and projects.

In recent years, Agency data are increasingly used in a statutory or regulatory mode. Uses include distribution of federal funds to provinces (*Federal Provincial Fiscal Arrangements Act*); apportioning of federal-provincial collections (Harmonized Sales Tax); indexing both federal payments to beneficiaries and income tax credits (*Income Tax Act*); determining areas of eligibility for supplementary benefits (*Employment Insurance Act*); determining the distribution of parliamentary seats among provinces and defining federal electoral districts (*Electoral Boundaries Readjustment Act*); designating federal bilingual services areas (*Official Languages Act*) and measuring the prevalence of sub-populations which are the focus of the federal employment equity program (*Employment Equity Act*). Other federal legislation also requires Statistics Canada to produce data for specific purposes. (A complete list of legislated requirements is provided in Appendix 1.)

C. Objectives

From Statistics Canada's mandate are derived two primary objectives:

- to provide statistical information and analysis of the economic and social structure and functioning of Canadian society as a basis for the development, operation and evaluation of public policies and programs, for public and private decision making and for the general benefit of all Canadians; and
- to promote the quality, coherence, and comparability of Canada's statistics through collaboration with other federal departments and agencies, with the provinces and territories, and in accordance with sound scientific standards and practices.

Statistics Canada - Financial Spending Plan

(millions of dollars)	Forecast Spending 1997-98 ¹	Planned Spending 1998-99	Planned Spending 1999-00	Planned Spending 2000-01
Gross Program Spending:				
Economic and Social Statistics	323.2	331.2	321.0	322.2
Census of Population Statistics	51.1	59.6	50.5	110.1
	<u>374.3</u>	<u>390.8</u>	<u>371.5</u>	<u>432.3</u>
Less: Revenue Credited to the Vote	74.0	74.0	69.2	69.2
Net Spending	<u>300.3</u>	<u>316.8</u>	<u>302.3</u>	<u>363.1</u>
Less: Revenue Credited to the Consolidated Revenue Fund	1.0	1.0	0.8	0.8
Plus: Cost of Services Provided by other Departments	40.5	44.3	43.7	45.0
Net Cost of the Agency	<u>339.8</u>	<u>360.1</u>	<u>345.2</u>	<u>407.3</u>

¹ Reflects best forecast of total planned spending to the end of the fiscal year.

D. Stakeholders and Uses

Stakeholders : The operations and priorities of Statistics Canada must satisfy a very broad range of interests – key federal and provincial users, a multiplicity of other users, respondents, and other agencies whose administrative data are a major information source. The Agency's specific stakeholders include the following groups.

- **Public and Media:** Statistics Canada's basic information on Canadian society – economic growth, employment, inflation, balance of payments, population, family income, health, education, justice, and a host of other subjects – is communicated to the public largely through the media.
- **Government:** Most federal departments and agencies are major users of Statistics Canada data and several are also important suppliers of administrative data to the Agency. Intensive bilateral arrangements are in place to ensure an effective flow of information. Provincial and territorial governments, like the federal government, are heavily dependent on Statistics Canada data over the entire range of subjects covered by the Agency; they are also major suppliers of data on health, education and justice.
- **Businesses and Labour Unions:** Businesses and labour unions are important sources and users of the Agency's information. The burden of surveys on the business community continues to be an important factor in the design of statistical programs. A multiplicity of communication channels is maintained with this sector, including close collaboration with the small businesses.

- **Academic Sector:** For both research and pedagogical purposes, the academic sector is a significant user of Statistics Canada data and is also a prime source of advice to the Agency.
- **Foreign and International Bodies:** Statistics Canada maintains extensive contacts with international, scientific and intergovernmental organizations, to share professional expertise and to promote common concepts, standards and practices. Canada's membership in international organizations, such as the United Nations and the Organization for Economic Cooperation and Development, requires that the program's outputs meet international standards to ensure that Canadian data continues to be comparable with those of other countries.
- **Other client groups:** There are many other users of Statistics Canada's data whose interests have to be borne in mind; for example, regional and local governments, public libraries, professional associations, research institutes and special interest groups.

Uses: The relevance of the Agency's statistical information to stakeholders is demonstrated by the uses made of it. Information is used to:

- **analyze** economic performance;
- **develop** fiscal, monetary, and foreign exchange policies;
- **shape** international tariffs and trade negotiations;
- **develop** policies and programs to assist small businesses;
- **support** policy development and evaluate government programs on economic and social well-being;
- **improve** allocation of government program funding by determining their social and economic effects;
- **support** the regulatory and legislative requirements of government;
- **draw** electoral boundaries;
- **determine** equalization payments and other federal-provincial fiscal transfers;
- **adjust** inflation-indexed contracts and entitlements;
- **develop** programs to promote domestic and international competitiveness;
- **support** immigration policies and programs;
- **support** tourism strategies and programs;
- **assess** the cost-effectiveness of health care and education programs; and
- **monitor** the justice system's effectiveness and efficiency.

E. Ensuring Relevance and Performance

E.1 Relevance

Historically, Statistics Canada's program has been structured to provide information on the macro-economy, the micro-economy and the socio-demographic structure of Canada. Statistical information also has been provided on public institutions and programs. Such information continues to be relevant. However, emerging issues prompt demands for new kinds of data. Maintaining the relevance of the Statistics Canada program by meeting such information needs continues to be a primary goal for the Agency.

Statistics Canada relies on many ongoing mechanisms which contribute to the assessment of the Agency's overall program. Given their nature and the breadth of their review, the impact of the advice received in the course of time affects virtually all Statistics Canada's programs. Consultation and advice is provided by the following mechanisms.

The National Statistics Council

The National Statistics Council advises the Chief Statistician of Canada on the full range of Statistics Canada's activities, particularly on overall program priorities.

Professional Advisory Committees

A network of Professional Advisory Committees in major subject areas ensures the continuous review of the Agency's statistical outputs and helps set priorities and foster program relevance.

***Ensuring
relevance
through
consultation***

Bilateral Relationships with Key Federal Departments

Statistics Canada maintains, on a continuing basis, a close bilateral relationship with key federal departments and agencies, including Industry, Health, Human Resources Development, Environment, Agriculture, Transport, the Canadian Transportation Agency, Revenue Canada/Taxation and Customs, Heritage, Canada Housing and Mortgage Corporation, Citizenship and Immigration and Justice. These bilateral relationships foster an awareness of each department's needs and their information priorities.

Federal-Provincial-Territorial Consultative Council on Statistical Policy (and its subcommittees)

This Council and its subcommittees comprise a network of 12 provincial/territorial official representatives, who collaborate with Statistics Canada to determine data requirements, consult on current statistical activities and coordinate the dissemination of Statistics Canada products to provincial and territorial governments.

In the last instance, three special initiatives in the areas of health, education and justice statistics warrant mention.

Health: Statistics Canada priorities are developed with the assistance of the Board of Directors of the Canadian Institute for Health Information. The Board comprises senior federal, provincial and private sector representatives including the Chief Statistician.

Education: the Canadian Education Statistics Council is a joint creation of Statistics Canada and the Council of Ministers of Education, Canada. The Council, comprising the Chief Statistician and Provincial/Territorial Deputy Ministers of Education, advises the Chief Statistician on the Education Statistics Program at Statistics Canada.

Justice: The Justice Information Council comprises federal and provincial Deputy Ministers responsible for justice policies and programs and the Chief Statistician, and provides advice to the Chief Statistician on the Justice Statistics Program at the Canadian Centre for Justice Statistics within Statistics Canada.

In addition to these consultation mechanisms, the Agency conducts special program reviews (featuring focus groups or special consultations during program re-designs) to monitor the continued relevance of its products and to enhance its understanding of client needs.

E.2 Performance

Statistics Canada has, for several years, maintained a system for monitoring the performance of its programs, systematically reviewing program directions, strengths and weaknesses, identifying emerging management issues, and the threats and opportunities that programs face.

***Improved
monitoring
and
reporting***

Performance Monitoring

The Agency's performance monitoring program is undertaken through several formal and inter-related processes.

- Detailed Program Reports, produced for every statistical and infrastructure program every two years, provide a comprehensive review of the full range of activities and performance over the two previous years as well as an analysis of key challenges and opportunities.
- A highly structured and transparent planning process is used to annually reassess and update multi-year strategies and program plans, and adjusts specific program resource levels for coming years to reflect changing priorities.

- Reports to senior management in each long-term planning cycle describe the progress on proposals approved in the previous year, as well as progress on major multi-year initiatives and cross-cutting issues.
- Internal audits provide regular reports on compliance with external and internal policies, as well as on high-priority management issues.
- Regular financial reviews of expenditures, revenues and commitments are integral to the Agency's financial management process.
- Annual reports to the Treasury Board Secretariat provide information on Human Resources programs, most notably employment equity and official languages.
- The Agency has long recognized that program relevance has three special attributes that can be closely monitored, namely the timeliness, quality and comparability of its information. Measures of performance in these three areas, together with other measures, such as respondent burden, the accessibility of Statistics Canada's information to users, the cost effectiveness of programs, and the development and management of its human resources, allow the Agency to assess how its strategies and activities are contributing to the achievement of its primary goals. The results of these measures are detailed in the Agency's Performance Report (the 1996-97 Performance Report was tabled in October 1997).
- Building upon experience producing a departmental Performance Report, Statistics Canada has developed a new Performance Reporting and Accountability Structure to improve its ability to monitor and report on progress towards program goals.

Together, these mechanisms provide management with insight into the changing demands being placed on the Agency, and a comprehensive assessment of the adequacy of its program and organization in light of evolving demands.

SECTION III: PLANS, PRIORITIES AND STRATEGIES

A. Summary of Key Plans, Priorities and Strategies

A.1 Goal

Statistics Canada is at the core of an integrated and efficient system that strives to provide an important commodity - relevant and insightful statistical information.

Whether it is for the development of government policy, business decisions, or the decisions of individual Canadians, Statistics Canada must deliver information which goes beyond simple monitoring and sheds light on the issues Canadians face.

THE GOAL
***to shed light on the critical
issues facing Canada***

This Report describes the strategies and initiatives which Statistics Canada will pursue over the next few years to continue to provide quality information that Canadians need and deserve.

A.2 Challenges

To meet its objectives of providing statistical information and analysis and promoting the quality, coherence and comparability of Canada's statistical information (see II – C. Objectives above), the Agency must consider and balance many, often competing, demands prior to setting statistical program priorities. The determination of these priorities is influenced by the need to:

- **serve** the public good and provide information to contribute to a democratic society
- **maintain** data required by legislation;
- **develop** and **maintain** other key statistical series which are essential for government policy development and monitoring ;
- **enhance** the effectiveness of the private sector;
- **preserve** cooperative relations with the provinces in areas of shared federal-provincial jurisdictions;
- **meet** the need for new statistical information, while managing the impact of budget reductions on the existing information base; and
- **balance** the competing demands for additional statistical information from Canadians and the protection of individual privacy.

As a result, Statistics Canada's program priorities, over the planning period, will place emphasis on:

- **producing** information that is not only relevant and objective, but that is also complete, timely, consistent, accurate, and comparable nationally and internationally;
- **improving** effectiveness of operations by reducing costs for, and controlling the respondent burden of, collecting required statistical information;
- **preserving** an up-to-date technical infrastructure which is fundamental to the cost-effective production of information;
- **maintaining** a highly competent, motivated, skilled professional workforce which is essential to innovative and high quality products and services;
- **improving** users' access to statistical products and services and their ease of use;
- **upholding** high standards of service with clients, as well as with those who supply information; and
- **maintaining** effective relationships with the provinces and territories, and with international scientific and intergovernmental organizations.

A.3 Program Priorities

Statistics Canada has established a number of priorities to meet its challenges over the planning period. The following table summarizes the Agency's program priorities.

Statistics Canada

To provide Canadians with:	To be demonstrated by:
Information to support federal-provincial sales tax harmonization	The development of an integrated and reliable system of provincial economic accounts
<p>Information needed to meet policy challenges in the areas of:</p> <ul style="list-style-type: none"> • Performance of the Canadian economy and its competitiveness • Outcomes and impacts of social, health and education programs • the knowledge-based economy • Economic growth • Social cohesion • Human development 	<p>The development of new, and/or enhancement of existing statistical and analytic information in the areas of:</p> <ul style="list-style-type: none"> • science and technology • service industries • health • education • justice • labour market dynamics • the environment • youth • small business • trade and its promotion
Demographic information on Canada's population	<ul style="list-style-type: none"> • Analysis and publication of further 1996 Census results • Planning, consultation and preparation for the 2001 Census

A.4 Key Strategies

Specific program plans to enable the Agency to meet its challenges over the planning period are guided by four key strategies:

- **making the most of existing information** already collected by Statistics Canada, by other departments and agencies, as well as by respondents in the private sector, through:
 - more issue-related analysis to add value to data, so that they can be used and understood more easily and, thus, be useful to a larger group of clients;
 - greater harmonization and integration of data from different sources to enable a better understanding of key issues, such as the competitiveness of Canadian industries; and
 - development of improved information management tools to enable clients and internal analysts to locate and retrieve available information more easily.
- **making the most of existing resources** by improving the efficiency of the Agency's operations, and maintaining a highly skilled and motivated workforce;
- **making the most of external resources** by developing partnerships with clients to fund the collection of needed statistical information and through the recovery of costs for products and services provided to clients for their exclusive use; and
- **preserving** a strong, professional and technical infrastructure which is essential to the success of the first three strategies. Finely honed subject matter, methodologies, systems, and operational skills are necessary for the Agency to be able to maintain its record of constantly improving productivity in both survey and administrative operations.

B Details by Business Lines

B.1 Economic and Social Statistics Business Line

Net Planned Spending

(millions of dollars)

Business Line	1997-98	1998-99	1999-2000	2000-01
Economic and Social Statistics	261.4	275.3	265.1	266.3

Objective

The objective of this Business Line is twofold:

- to provide statistical information and analysis relating to the measurement of the international and domestic components of Canadian economic performance, and
- to provide statistical information on the social, economic and physical well-being of individuals and families and on the public systems and institutions which serve them.

External Factors Affecting the Business Line

Changing information needs: The economic and social statistics business line must respond to the diverse interests of its stakeholders. It was framed many decades ago to focus on macro-economic and socio-economic indicators and on social program expenditures. Although as relevant today as then, new information requirements continue to emerge. New federal-provincial fiscal arrangements, the factors affecting economic performance in the new knowledge-based economy, economic growth, the micro-economic factors affecting competitiveness, social cohesion, human development and the outcomes of social programs are but some of the areas requiring more information and analysis to assist public and private decision makers in understanding the issues they face.

Year 2000: Statistics Canada has become highly dependent on information technology to collect, compile, analyze and disseminate data and information. In addition, all secondary activities (such as financial systems, management information and human resource systems, etc.) supporting the Agency's primary objective have become highly automated. The Agency faces the challenge of achieving "Year 2000 compliance" for its systems while fulfilling its ongoing commitments and development objectives. The situation is further complicated as Statistics Canada finds itself in competition with other parts of the government and the private sector for systems development expertise. The Agency has identified Year 2000 compliance as a key management priority. All Agency mission critical systems will be Year 2000 compliant by December 1998.

Description

This business line provides measures of the performance and structural make-up of the Canadian economy. The business line also produces information on the economic and social characteristics of individuals, families and households in Canada, on the major factors which contribute to their well-being and on publicly-funded facilities, agencies, institutions and industries which influence Canadians. This business line can be more clearly described through the activities of its two subsidiary service lines – economic statistics and social statistics.

Economic Statistics Service Line

The Economic Statistics Service Line provides information and analysis on the entire spectrum of Canadian economic activity, both domestic and international, through a set of macro-economic statistics. The organization of economic statistics is guided, in large measure, by frameworks which constitute the Canadian System of National Accounts. The system makes it possible to measure both the current performance and the structural make-up of the Canadian economy by type of economic transaction and by sector. This set of accounts is designed to provide information in direct support of fiscal, monetary, human resource, industrial and international economic policy formulation and adjustment. The System of National Accounts also serves as a framework within which individual statistical series are compared to assess their reliability and as an analytic tool to identify shifts in the economic importance of various sectors.

*Measuring
Canadian
economic
performance*

Another component of the service line focuses on the business, trade and tourism sectors of the Canadian economy. Information produced includes measures of the value of production, cost structures, commodities produced and consumed, the flows and stocks of fixed capital assets employed in the economy, the degree of capacity utilization, estimates of planned annual capital expenditure of businesses and governments, and measures of price changes for industrial goods, capital expenditures and construction.

In addition, information is provided on the volume and financial implications of international travel to and from Canada, on measures of change in retail prices, on the science and technology activities of the federal and provincial governments, and on research and development in government and other sectors of the economy.

Key Plans and Strategies

The following provides an overview of the major initiatives to be undertaken over the next three years.

1. Project to Improve Provincial Economic Statistics (PIPES)

Statistics Canada launched a large and important project to improve provincial economic statistics during 1996-97. The approved ongoing budget in 1998-99 will reach \$42.9 million per annum.

The project is the outcome of discussions in 1996 between the governments of Canada, New Brunswick, Newfoundland and Labrador, and Nova Scotia on sales tax harmonization resulting in the decision to use a revenue allocation formula based on aggregate statistics. In order to minimize the burden on business, this approach was adopted rather than one that attempts to track every business transaction involving the payment or rebate of sales taxes. It was recognized that in order for this revenue allocation method to be used, substantial improvements in the quality of provincial economic statistics would be necessary. As a consequence, Statistics Canada is strengthening its provincial economic statistics.

***Improved provincial
economic statistics
for sales tax
harmonization***

Objectives of the Project to Improve Provincial Economic Statistics

In broad terms, the goal is to improve the quality of Canadian provincial economic statistics. This means the development of a tightly integrated and reliable system of provincial economic accounts centered on inter-provincial input-output accounts and income and expenditure accounts, both prepared annually.

The structure of Canada's economy is highly interrelated where large companies, accounting for over half of Canada's GDP, are involved in many provinces and their production and sales transactions frequently cross provincial and territorial boundaries and small companies are also involved in the interprovincial trade. For this reason, it would not be feasible to confine the improvements to the three affected provinces. The scope of the project must, therefore, be such as to capture production and sales for all provinces as they affect the Harmonized Sales Tax (HST) of the three signatory provinces.

Expected Results

From 1997 to 1999, the outputs associated with these improvements will be used by federal and provincial finance department officials to prepare preliminary and interim estimates of the Harmonized Sales Tax revenue shares. By the fourth year, 2000, the

statistical outputs will have reached a stage of completeness permitting them to be used to produce annual provincial and territorial Input-Output Accounts and Provincial Economic Accounts. These accounts will, in turn, be used by federal and provincial finance departments to calculate the final revenue shares.

In addition to their role in the HST revenue allocation formula, the new data produced as a result of this initiative will be useful in a wide range of other applications ranging from intergovernmental transfer arrangements and regional development policy formulation to business investment, marketing and cost analysis. More detailed information is contained in Appendix 2.

2. Science and Technology Redesign Project: Information System for Science and Technology

Science and technology activities are central to the creation of jobs and economic growth, to the improvement of the quality of life, and to the advancement of knowledge. Although effective exploitation of science and technology is fundamental to individual and societal well being, many questions relating to this issue could not be answered with the statistical information available a number of years ago.

***Information
system for
science
and
technology***

Objective

The development of an information system for science and technology was launched two years ago to address the information gaps in this area. It is intended to provide information, in an integrated manner, on three aspects of science and technology in Canada: the basic performance of science and technology, including research, development, and innovation, in all sectors of the economy; the economic and social impacts of technological innovation; and the diffusion of technologies and ideas in a knowledge-based economy.

Expected Results

The project aims at developing three sets of measurements under the headings of science and technology, innovation, and diffusion and appropriation. These measurements will serve to provide a coherent picture of the Canadian system of innovation and its relation to the knowledge-based economy.

As a result of this initiative, existing surveys have been improved, new surveys have been conducted and new analytical work undertaken. Activities have focused on:

- industrial research and development
- federal science and technology activity
- innovation
- technology diffusion – biotechnology
- technology diffusion – advanced manufacturing technology
- knowledge flows
- economic performance.

3. *Other Service Line Initiatives*

- ***Small Business Micro-data Base***

Statistics Canada, in partnership with Industry Canada, is developing a public-use micro-data base on small businesses. This will be an unprecedented source of information to federal and provincial governments, financial institutions, small business associations and small businesses themselves in assessing the financial performance of a single firm or group of firms against user-selected industry norms.

- ***International Trade***

The Agency will place more emphasis on reducing the undercoverage of its statistics on exports to non-US destinations and on reducing the response burden of exporters. Jointly with Revenue Canada, Statistics Canada will pursue strategies to improve the quality of import data provided by importers, brokers and agents.

- ***Agriculture***

Interviews for the biennial Farm Financial Survey will be conducted in the spring of 1998. This initiative, to be carried out in collaboration with Agriculture and Agri-Food Canada, will assess the financial health of Canadian farms. Results will be released in the fall of 1998.

The 2001 Census of Agriculture draft questionnaire content and the new field collection procedures will be tested as part of a National Census Test in October 1998. Also, the 1996 Agriculture – Population Linkage will be completed, resulting in the release of key socio-economic information on farm operators, their families and households in the fall of 1998.

The Rural Data Research and Analysis Program will be enhanced to meet increasing demands for statistics to monitor the structure and trends in rural Canada. A program of rural analysis bulletins will also be initiated.

- ***Services Statistics***

Coverage of service industries will be greatly expanded over a three-year period. In addition to wider coverage of service sector industries, the content will be enhanced with more information available on services inputs, commodity outputs, clients and class of customer. In addition, new estimates on service industries' sales based on Goods and Services Tax data will be made available. Analysis will be enhanced through the use of new data sources, providing enhanced breadth and scope.

- ***Inter-Provincial Trade***

While Canada depends heavily on international trade, there is also considerable trade between Canadian provinces. In order to address a gap in the measurement of the flow of goods from manufacturer to consumer, Statistics Canada has conducted a survey on the origin and destination of goods in 1997. The results are to be published in 1998.

- ***Natural Resources and the Environment***

The objective of this program is to produce information on the linkages between human activity and the environment for use in decision making and choices about the environment. The information will provide insight into the interaction between society, the economy and the environment. It will also provide a critical tool in the examination of sustainable management of natural resources, to support the improvement of the eco-efficiency of the Canadian economy and the development of Canadian environmental technologies, and in the preservation of environmental health and in the reduction and management of waste.

- ***Classification Systems***

Industrial classification provides the framework for Statistics Canada's economic statistics. In response to the changing structure of the economy, user requirements and the introduction of the North American Free Trade Agreement, the Agency has developed, in conjunction with the statistical offices of Mexico and the United States, a new classification system to replace existing classification systems.

The North American Industry Classification System (NAICS), its structure, codes, titles and descriptions, will be available in the form of a printed manual and in electronic form by the end of 1997-98. A computer assisted coding and rulings system (CARS) was developed to ensure integration of NAICS throughout Statistics Canada's programs. During 1998-99 consultations with the statistical agencies of the U.S. and Mexico will continue to ensure consistent implementation of NAICS in the three countries.

Social Statistics Service Line

*Information
on Canadians
and the systems
funded to meet their
needs*

The first component of this service line provides information on the economic and social characteristics of individuals, families and households in Canada, and on the major factors which can contribute to their well-being. It includes measures of household income and expenditure; of employment, unemployment, their associated costs and benefits, labour income and factors affecting labour supply; and information on topics of specific social policy concern.

The second component of this service line provides information on the facilities, agencies and systems which are publicly funded to meet the socio-economic and physical needs of Canadians. It encompasses the justice, health care and education systems, cultural institutions and industries. Information is provided on the nature and extent of their services and operations, and the characteristics of the individual Canadians and families whom they serve. Increasingly, the Agency must go beyond the institutional orientation of this component, and to portray the impacts on Canadians of the health, education and justice systems.

Key Plans and Strategies

- *Labour and Household surveys*

The Agency will focus on three major program goals in this area over the next 18 to 24 months:

1. In response to policy issues identified by federal departments, the primary focus of Statistics Canada over the next year will be to consolidate and develop, in conjunction with other departments, a survey research program which will respond to the information demands in the areas of the *knowledge-based economy, economic growth, social cohesion and human development*. In 1998-99 the program will focus upon:

*Knowledge-based
economy*

Economic growth

Social cohesion

Human development

- development of a Workplace and Employee Survey, to shed light on the impact of changes taking place in the workplace on employees, and conversely on the impact of changes in the characteristics and activities of employees on their establishments;

- development of an analytical program which will produce information on the life paths of Canadians, how they allocate their time to key life activities, how this is changing and the impact of those changes. The analysis of existing data, as well as new data being developed, will contribute to a better understanding of such issues as the changing nature of work, the quality of care provided to children, and how families balance work, learning, leisure and caring activities.
- development of projects which can provide information on the transition of young people from school to the labour market and help in understanding the difficulties they encounter and the factors which influence them;
- development of a survey of financial security which will lead to measures of the assets, debts, net wealth and financial vulnerability of Canadians and help policy makers to better understand the impact of tax and other fiscal policies on Canadians; and
- expansion of the General Social Survey which produces statistical information on time-use, criminal victimization, education and work, family and social support and care-giving. Expansion of the survey in frequency and in its sample size will result in more detailed data on target groups of interest, such as residents of rural areas, visible minorities and lone-parents.

In the ensuing years, a data production program will be launched with a series of new and enhanced projects. In order to meet the information needs to address the identified policy issues, the above activities will be complemented by development and analysis initiatives in the areas of science and technology (see p.17), the environment (see p.19) and education (see p.23).

2. The program of longitudinal surveys will be pursued, particularly with a focus on the development of products and services from the Survey of Labour and Income Dynamics (SLID) and the National Longitudinal Survey of Children and Youth (NLSCY). While the NLSCY has met the objectives established for the program under the requirements of the federal government's Brighter Futures initiative, there may be an expansion of the survey content based on requirements for measures of school readiness. These new requirements will result in a significant expansion of this initiative sponsored and funded by Human Resources Development Canada.

3. The re-engineering of the Income Statistics Program will see the integration of a number of the current sources of estimates of income and expenditure into a more integrated and harmonized program designed to better meet users' income data requirements. The initial focus of this redesign will be to implement a new approach to collection of household expenditure data that will serve as input to the Project to Improve Provincial and Economic Statistics and the Consumer Price Index.

- ***Targeting vulnerable populations***

Governments are seeking ways to attain their social policy objectives more effectively by means of improved targeting and selectivity. A new method developed by the Agency assists governments in achieving this goal by providing

reliable estimates for target or “vulnerable” populations, such as groups subject to social isolation, major health problems, high dependence for income support, etc. This method of targeting, which has already been used to support work of Health Canada, will be applied to assist in areas such as health policy and in support of provincial governments.

- ***Integrated view of work in the market and non-market sectors of the total economy***

Over the review period, information on market work and unpaid productive work will be used to study family-care responsibilities and community-support work in relation to time spent in the paid labour market. This work is being carried out in support of policy analysis and program evaluation by Human Resources Development Canada, Status of Women Canada, and provinces (such as the Balancing Work and Family project of the Government of Saskatchewan and the Nova Scotia Advisory Council on the Status of Women).

- ***Immigration issues***

Immigration will be an area of public concern and government policies for the foreseeable future since, given current birth rates, immigration will become the major source of population growth in Canada. The current program of policy-relevant studies on the attributes and distribution of immigrants will be expanded and intensified.

- ***Intergenerational supports and social cohesion***

Social cohesion is a growing concern of the federal government. Intra-familial supports, especially those exchanged between parents and their children, form a major aspect of the preservation and improvement of social cohesion within Canadian society. For the 1998/99 to 2000/01 period, Statistics Canada will extend its analyses of intra-familial supports and publish major monographs to discuss these patterns in the context of issues that closely touch social cohesion and intergenerational equity as policy concerns.

- ***Health***

The third cycle of the National Population Health Survey will be conducted during 1998-99. This cycle will build on the successful surveys conducted in previous years. The longitudinal analysis of the survey will provide the first Canadian data to illustrate the dynamics of health and factors affecting health.

In partnership with Health Canada and the Canadian Institute for Health Information (CIHI), Statistics Canada will be conducting an extensive information needs consultation across Canada. The results will help establish the priorities for CIHI and Statistics Canada with respect to analysis programs and data collection activities.

The continuing trend towards the regionalization of health services has created new demands for information at the sub-provincial level. During the upcoming year several activities will contribute towards increasing access to the data and to the improvement of the geographic detail available.

The rapid growth of the population of advanced age portends serious pressure upon resources for delivering mental health services in the years ahead. For the 1998-99 to 2000-01 period, analyses dealing with changing patterns of mental health care to help determine the circumstances in which mental illness is most likely to generate major cost and family care pressures will continue. A monograph based upon a long series of data for Nova Scotia and shorter series for other provinces will be published.

- ***Education***

In collaboration with the Council of Ministers of Education, Canada, a strategic plan was developed to provide the basis for continued co-operation between the provincial ministries of education and Statistics Canada's Centre for Education Statistics. Development of the plan included consultation with provincial ministries, federal departments and major education stakeholder organizations to identify relevant policy issues and information needed to inform these issues. The plan was accepted by the Canadian Education Statistics Council and has been widely disseminated within the education community. The strategic plan identifies a number of new initiatives to address information gaps as well as a series of measures to address data quality problems with the current education statistics program over the next three years. These initiatives and measures include:

- developing national student records systems;
- implementing an initiative to provide information on student flows, mobility and transitions, and relationships between education and the labour market;
- developing data to shed light on the relationship between education practices and outcomes;
- establishing a working group, with representatives from provincial ministries, to oversee the implementation of solutions to data quality issues related to timeliness, comparability, and coverage and implement approved revisions to the International System for Classification of Education Statistics;
- examining the factors that influence how well the education and training system is preparing students for life, work and the challenges of the future; and
- publishing results from the National Longitudinal Survey of Children and Youth and other surveys which will examine factors influencing child development and education outcomes.

- **Justice**

The Family Violence initiative will permit the development of information on the nature and extent of family violence. This information is considered crucial to support future government activities in family violence prevention. It is recognized by the members of the Interdepartmental Working Group on Family Violence that activities undertaken by Statistics Canada will facilitate an effective response to the needs of governments, researchers and community groups for information to effectively research and monitor trends in these areas. In 1998-99, activities will focus on the following:

- production and dissemination of the annual family violence report;
- data collection, analysis and production of a publication on the Use of Transition Homes;
- review of provincial automated family violence data collection systems to assess the feasibility of collecting transition home data through these systems;
- review of the Transition Home Survey sample;
- testing and data collection of spousal and senior abuse through the General Social Survey on Victimization;
- continued feasibility work on gathering child abuse information through the National Longitudinal Survey on Children and Youth;
- continued feasibility work on collecting senior abuse data on the institutionalized population through the National Population Health survey; and
- ongoing work to assess the feasibility of linking police and court survey records to analyze sentencing patterns in family violence cases.

- **Culture**

In partnership with the departments of Foreign Affairs and International Trade, Heritage Canada and Industry Canada, work to measure the international flows in cultural commodities, services and investment between Canada and the rest of the world will be completed by the end of 1998-99.

A renewed communications and partnership initiative with federal and provincial agencies is planned for 1998-99 to continue the work initiated in such areas as sport and economic impact, and to develop work in cultural labour force analysis.

B.2 Census of Population Business Line

Net Planned Spending

(millions of dollars)

Business Line	1997-98	1998-99	1999-2000	2000-01
Census of Population Statistics	38.9	41.5	37.2	96.8

Objective

The objective of this business line is to provide statistical information on the Canadian population, its demographic characteristics and conditions, and their changes over time.

Description

This business line provides statistical information from the Census of Population which is conducted every five years. The Census provides benchmark information on the structure of the Canadian population and its demographic, social and economic conditions. It provides the detailed information on sub-populations and for small geographic areas, which cannot be generated through sample surveys. Estimates of the size of the population and its demographic structure between Censuses, as well as population projections, are dependent on Census information.

Population counts and estimates are required to determine electoral boundaries, the distribution of federal transfer payments, and the transfer and allocation of funds among regional and municipal governments, school boards and other local agencies within provinces.

Population Counts to determine:

- ***electoral boundaries***
- ***transfer payments***
- ***municipal allocation of funds***

The Census, by law (the Statistics Act), must be taken every five years. The decennial Census of Population is required by the Constitution as well as by the Statistics Act in every year ending in the number one, such as 2001. An entire cycle of activities for the Censuses of Population, from developing content and questionnaires to collecting, processing, and disseminating data, takes eight years to complete. Thus, the census cycles and funding requirements overlap each other, the completion of one census program taking place simultaneously with the development and consultation activities of the next.

Conducting the Census entails both continuing and cyclical activities. Ongoing activities comprise the maintenance of an essential infrastructure to support research and development, to service requests for information, to update geographic boundaries, maintain computer systems and undertake the consultation required to develop content

options for consideration by Cabinet. Cyclical activities are concentrated in the year when the Censuses are taken and in the years immediately preceding and following that year, and involve the hiring, training and supervision of a temporary work force of some 50,000 people.

External Factors Affecting the Business Line

The Canadian Census of Population is the cornerstone of a number of specialized surveys which attempt to capture and illustrate the changes that are taking place in Canadian society. Such changes are often the result of emerging demographic trends such as aging, changing family structures, immigration, the diverging evolution of urban and rural Canada, the high growth rate of the Aboriginal population and the changing economic circumstances of families.

Governments and interest groups are turning more and more to the examination of social programs and policies in order to assess their effectiveness and their impact on particular population groups. Demographic information is a crucial element in this process. As a result, demands for more varied and detailed demographic information are ever increasing.

The need for more and better information on individuals and families, however, must be balanced with the need to protect individual privacy and control respondent burden. The Census of Population must continually adjust its information collection and processing methods to maintain this balance.

Key Plans and Strategies

1996 Census

The later stages of the 1996 Census are ongoing:

- A wide range of 1996 Census products was published in 1997-98. The remaining data from the long questionnaire (covering data on ethnic origin, education, labour market activity and unpaid work, income and housing) will be released by the end of June 1998. Other products and services emanating from the 1996 Census will also be prepared and released throughout the year.
- Evaluation studies of the 1996 Census, including the evaluation of the completeness of enumeration, will be completed during the year and will be used to help plan for the 2001 Census.

2001 Census

Planning, research, testing and content determination in preparation for the 2001 Census are well under way:

- The 2001 Census content consultation process, which was initiated in 1997-98 with major stakeholders, will be completed in March 1998. This activity will identify, from the perspective of Census data users, the issues for the 2001 Census with respect to content, geography, dissemination and marketing.
- The results of the consultation on the 2001 Census questionnaire content will be analyzed and presented in a report which is scheduled for release in the fall of 1998. Focus group testing and in-depth interviews will continue to help build the questionnaire content for the National Census Test which is scheduled for October 1998.
- A new method of collecting data, designed to enhance the protection of individual privacy, will also be tested in the National Census Test. Test results and processes will be analyzed and evaluated before being implemented for the 2001 Census.
- New systems and data processing procedures, such as optical character recognition, which are expected to make processing the census more efficient, will be evaluated for use during the 2001 Census.

Section IV: SUPPLEMENTARY INFORMATION

Industry

Table 1:

Spending Authorities – Ministry Summary Part II of the Estimates

Vote	(thousands of dollars)	1998-99 Main Estimates	1997-98 Main Estimates
Statistics Canada			
110	Program expenditures and authority to expend revenue received during the fiscal year	263,842	225,028
(S)	Contributions to employee benefit plans	52,062	37,240
Agency Total		315,904	262,268

Table 2:

Statistics Canada

1998-99 Resources by Organization and Business Line

(millions of dollars)

Business Line	<div style="text-align: center;"> <div style="border: 1px solid black; padding: 5px; margin: 0 auto; width: 150px;">Minister of Industry</div> <div style="border: 1px solid black; padding: 5px; margin: 0 auto; width: 150px;">Chief Statistician</div> </div>						Sub-Total	Vote Netted Revenues	Total
	ACS* Social, Institutions And Labour Statistics	ACS Business And Trade Statistics	ACS National Accounts and Analytical Studies	ACS Communications and Operations	ACS Informatics and Methodology	ACS Management Services			
Economic and Social Statistics	42.3	66.9	27.8	65.8	50.3	78.1	331.2	55.9	275.3
Census of Population Statistics	23.2	0.0	0.0	13.3	15.9	7.2	59.6	18.1	41.5
Total Planned Spending	65.5	66.9	27.8	79.1	66.2	85.3	390.8	74.0	316.8

*ACS- Assistant Chief Statistician

Table 2.1

Statistics Canada

Planned Full Time Equivalent (FTEs) by Business Line

	Forecast 1997-98	Planned 1998-99	Planned 1999-00	Planned 2000-01
Economic and Social Statistics	4,026	4,280	4,182	4,189
Census of Population Statistics	769	712	664	1,024
Agency Total	4,795	4,992	4,846	5,213

Table 3.**Agency Summary of Standard Objects of Expenditure**

(millions of dollars)	Forecast Spending 1997-98	Planned Spending 1998-99	Planned Spending 1999-00	Planned Spending 2000-01
<i>PERSONNEL</i>				
Salaries and wages	217.1	227.1	219.7	236.9
Contributions to employee benefit plans	40.2	52.2	50.4	54.0
Enumerators/Interviewers	19.6	21.3	20.1	20.1
	276.9	300.6	290.2	311.0
<i>GOODS AND SERVICES</i>				
Transportation and communications	17.7	16.0	14.3	21.8
Information	7.5	7.0	6.2	9.5
Professional and special services	30.3	25.7	23.1	35.1
Rentals	10.5	10.5	9.4	14.4
Purchased repair and maintenance	4.5	3.7	3.3	5.0
Utilities, materials and supplies	17.5	17.8	16.0	24.3
Postal subsidy	4.6	4.7	4.2	6.4
Minor capital	4.8	4.8	4.8	4.8
	97.4	90.2	81.3	121.3
	374.3	390.8	371.5	432.3
<i>GROSS BUDGETARY EXPENDITURES</i>				
<i>LESS:</i>				
Revenues Credited to the Vote	74.0	74.0	69.2	69.2
	300.3	316.8	302.3	363.1
<i>NET BUDGETARY EXPENDITURES</i>				

Table 4.

Statistics Canada

Program Resources by Business Line for the Estimates Year

(millions of dollars)					
Business Line	FTE	Operating¹	Gross Planned Spending	Less: Revenue Credited to the Vote	Net Planned Spending
Economic and Social Statistics	4,280	331.2	331.2	55.9	275.3
Census of Population Statistics	712	59.6	59.6	18.1	41.5
Total	4,992	390.8	390.8	74.0	316.8

¹Operating includes contributions to employee benefit plans.

Table 5.**Statistics Canada****Details of Revenues by Business Line**

(millions of dollars)	Forecast Revenue 1997-98	Planned Revenue 1998-99	Planned Revenue 1999-00	Planned Revenue 2000-01
Revenue Credited to the Vote				
Economic and Social Statistics				
Sales of publications	5.0	5.0	5.0	5.0
Special statistical services	<u>56.8</u>	<u>50.9</u>	<u>50.9</u>	<u>50.9</u>
	61.8	55.9	55.9	55.9
Census of Population Statistics				
Sales of publications	1.2	1.0	0.3	0.0
Special statistical services	0.9	2.0	0.9	1.2
Census cost sharing	<u>10.1</u>	<u>15.1</u>	<u>12.1</u>	<u>12.1</u>
	12.2	18.1	13.3	13.3
Total Credited to the Vote	74.0	74.0	69.2	69.2
Revenue Credited to the Consolidated Revenue Fund				
Economic and Social Statistics	1.0	1.0	0.8	0.8
Total credited to the CRF	1.0	1.0	0.8	0.8
Total Revenues	75.0	75.0	70.0	70.0

Table 6.**Statistics Canada****Net Cost of Program for 1998-99**

(millions of dollars)	Planned Spending 1998-99
Gross Planned Spending	390.8
Plus: Services Received without Charge	
• Accommodation provided by Public Works and Government Services Canada	24.1
• Contributions covering employees' share of insurance premiums and costs paid by Treasury Board Secretariat	19.8
• Workman's compensation coverage provided by Human Resources Development Canada	0.4
	44.3
Total Cost	435.1
Less:	
Revenue Credited to the Vote	74.0
Revenue Credited to the CRF	1.0
	75.0
1998-99 Net Cost	360.1
1997-98 Estimated Net Cost	339.8

Appendices

Appendix 1

Legislated Requirements

In addition to the Statistics Act, the following Federal Acts give the Chief Statistician or Statistics Canada responsibility for the collection or provision of specific information:

Banks and Banking Law Revision Act, 1980
Canada Council Act
Canada Elections Act
Canada Pension Plan Act
Canada Student Loans Act
Children's of Deceased Veterans Education Assistance Act
Children's Special Allowances Act
Competition Act
Constitution Act
Corporations and Labour Unions Returns Act
Electoral Boundaries Readjustment Act
Excise Tax Act
Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, 1977
Employment Equity Act
Income Tax Act
Judges Act
Municipal Grants Act
Official Languages Act
Old Age Security Act
Pension Act
Parliament of Canada Act
Railway Relocation and Crossing Act
Salaries Act
Supplementary Retirement Benefits Act

Appendix 2

Project to Improve Provincial Economic Statistics (PIPES)

On October 23, 1996 the Governments of Canada, New Brunswick, Nova Scotia and Newfoundland announced formal agreement on an arrangement to harmonize sales taxes. Effective April 1, 1997 there is a single harmonized sales tax rate of 15% in the three provinces, instead of three separate sales taxes and a distinct federal Goods and Services Tax. The revenues from the combined tax are collected by Revenue Canada and divided among the four governments by means of a specified revenue allocation formula. The formula is based primarily on aggregate statistics compiled by Statistics Canada. This harmonized tax arrangement is expected to be simpler and less burdensome for consumers and businesses and cheaper for government to administer. During the intergovernmental discussions leading up to the harmonization agreement, it was considered essential that the statistics used in the revenue allocation formula be highly reliable. Total revenues to be allocated are in the order of \$2 billion per annum, so the stakes are high. The Government of Canada undertook to substantially improve the quality of the available provincial economic statistics and Statistics Canada drafted a plan to accomplish this objective, called the Project to Improve Provincial Economic Statistics (PIPES).

In February 1997 the Treasury Board authorized Statistics Canada to proceed with PIPES. Work on the project will extend over a four-year period, during which time an ongoing program of annual, comprehensive and reliable provincial economic statistics will be put in place. The "bottom line" objective in this instance is the production of a full set of Provincial Input-Output Accounts and associated Provincial Economic Accounts each year. These statistics are scheduled to begin to appear in their full detail during the second half of the year 2000, applying to reference year 1997, and to continue appearing every year thereafter. Several supporting objectives will be met that are fundamental to the achievement of the primary one, in that they will provide the source data required to build the Provincial Input-Output Accounts and associated Provincial Economic Accounts.

The plan put forward by Statistics Canada and accepted by the government encompassed the following principal elements:

- annual Provincial Input-Output Accounts and greatly improved annual Provincial Economic Accounts estimates;
- an expanded and improved Business Register (BR) database, recording the names of all Canadian businesses of significant size, their addresses, their industry classification and other key information necessary for survey-taking purposes;
- a much improved business statistics system, making greater use of administrative data and yielding more accurate, complete and detailed data of roughly equal reliability for all provinces and territories; and

- more frequent surveys of Household Spending with a larger sample size, regular Homeowner Renovation and Repair Surveys (HRRS), and an annual Canadian Travel Survey (CTS).

Statistics Canada was asked to start immediately on the project and to realize as many of the statistical improvements as possible for reference year 1997, the first year in which the new revenue allocation formula applies. It was recognized, however, that many of the improvements involving fundamental changes to the statistical program would take a number of years to implement fully.

Expected Results

Statistics produced under the program will be used in allocating the revenues of the new Harmonized Sales Tax among the four participating governments. The project will yield a growing stream of improvements to the statistical system. From 1997 to 1999, the outputs associated with these improvements will be used by federal and provincial finance department officials to prepare preliminary and interim estimates of the HST revenue shares. By the fourth year, 2000, the PIPES statistical outputs will have reached a stage of completeness permitting them to be used to produce annual provincial and territorial Input-Output Accounts and Provincial Economic Accounts. These accounts in turn will be used by federal and provincial finance department officials to calculate the final revenue shares.

In addition to their role in the HST revenue allocation formula, the new data produced as a result of PIPES will be useful in a wide range of other applications ranging from intergovernmental transfer arrangements and regional development policy formulation to business investment, marketing and cost analysis.

Status

During 1997 a detailed, cross-cutting project management structure was put in place and following a wide-ranging consultations effort, a project charter, called the *PIPES Project Evaluation Framework*, was submitted to the Treasury Board, the National Statistics Council and the Provincial statistical focal points. Work began on: (i) a pilot *Unified Enterprise Survey* addressing several important data gaps, (ii) improvements to a number of existing business surveys, (iii) enhancements to and an expansion of the business register, (iv) exploitation of new sources of tax data, and (v) the introduction of a new “Key Provider Managers” program and other steps to encourage high response rates and to moderate, as much as possible, the survey compliance burden imposed on individual respondents. Three important household surveys are also being conducted for reference year 1997: the Survey of Household Spending, the Homeowner Renovation and Repair Survey and the Canadian Travel Survey. Improved statistical estimation methods for inter-provincial trade flows were developed and technical assistance was provided to the federal and three provincial finance departments involved in the Harmonized Sales Tax arrangement.

The second year of PIPES involves several big challenges, all of which represent a continuation of the work started in 1997. The mobilization of resources must carry on. Plans and schedules must be developed in greater detail. A lot more practical work needs to be done to implement the improved statistical program itself. Toward the end of the 1998 and in the first half of 1999, concrete outputs for reference year 1997 will be produced, resulting from:

1. the three household surveys: Survey of Household Spending, the Homeowner Repair and Renovations Survey, and the Canadian Travel Survey;
2. the pilot Unified Enterprise Survey, covering construction, real estate lessors and agents, restaurants and drinking places, couriers, taxis and aquaculture;
3. interim statistical improvements to existing surveys covering retail trade, business and personal services and interprovincial trade; and
4. new tax data from the GST housing rebates file, the T1 and T2 files and the Generalized Index of Financial Information.

PIPES expenditures were \$31.6 million and 270 full-time person-year equivalents in 1997-98 and they will be \$42.9 million and 510 full-time person-year equivalents in 1998-99.