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Chair

Mr. Dan Ruimy

Standing Committee on Industry, Science and Technology

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• (1550)

[English]

The Chair (Mr. Dan Ruimy (Pitt Meadows—Maple Ridge, Lib.)): I call the meeting to order.

Thank you, everybody, for coming in today to meeting 32 of the Standing Committee on Industry, Science and Technology, pursuant to Standing Orders 110 and 111 and the order in council appointment of Anil Arora to the position of chief statistician of Canada, as referred to the committee on Friday, October 21, 2016.

Today we will be having a conversation with you.

Go ahead, Mr. Nuttall.

Mr. Alexander Nuttall (Barrie—Springwater—Oro-Medonte, CPC): Thank you, Mr. Chair.

I know last week—it feels like a lot longer ago than that—we had the opportunity to briefly start a conversation in regard to the effects of a carbon tax on the manufacturing industry. I did need two business days for that to take effect. I'd like to move that motion at committee and deal with it. Mr. Chair, do you need me to read it out based on the previous—

The Chair: No.

Mr. Brian Masse (Windsor West, NDP): I have a point of order.

The Chair: Yes, Mr. Masse.

Mr. Brian Masse: I'm just wondering if we had officially started the meeting.

A voice: Yes, the gavel has sounded.

Mr. Brian Masse: Then I will have additional motions to propose after that.

The Chair: Just one second here.

Mr. Brian Masse: I didn't hear you, Mr. Chair.

The Chair: We started the meeting.

Mr. Brian Masse: Right, but...okay.

The Chair: What are we not sure of?

Mr. Nuttall and then—

Mr. Brian Masse: Is this the first seven minutes of Conservative time?

The Chair: No, he's moving a motion. He has...

Mr. Brian Masse: I think it's important, because it is televised, that the public at least understand what's taking place here. That's what I'm concerned about, that at least there's some narrative. We're

not having the witness just now because we're doing some business

—

The Chair: I'm going to get to that.

We have Mr. Arora here. I hope at some time that we will have time to talk to him about his qualifications and that he will be able to present to us.

However, Mr. Nuttall, you are able to move your motion.

Mr. Chandra Arya (Nepean, Lib.): Regarding the camera in the room, is it a normal thing that a private TV—

Mr. Alexander Nuttall: It's called democracy. People can come in.

Mr. Chandra Arya: Is it a normal thing that anybody with a camera can come in to record it, or do we need a resolution?

The Chair: As per the clerk, they are allowed to do this under certain conditions, provided they file the proper paperwork. There is a whole list of rules as to what they're allowed to do. For instance, they can't just pan on everybody. They're pointing to the camera. It's the same as if we were in a regular televised session. The same rules apply.

Mr. Chandra Arya: Are the clips going to be made available to us or to the committee?

The Chair: This is CTV, by the way. Everybody say hi to CTV.

We can ask for them. Here are the rules:

Video recording of committee meetings is subject to the express condition that the party so recording retain the original recording(s) for a period of thirty-five (35) days, and upon receipt of a request in writing from the Speaker, the Clerk or other authorized representative of the House of Commons, deliver forthwith the original recording(s) of any committee meeting video recorded pursuant to these rules.

Mr. Nuttall, you have the floor. Do you have your motion?

• (1555)

Mr. Alexander Nuttall: Yes, and I was just advised that we do have members here who weren't present during the last one and would like to know what is going to be on the floor, so I would like to read it. I move:

That pursuant to Standing Order 108(2), the Committee conduct a pre-budget study on the effects that the recently-announced Liberal Government carbon tax would have on the manufacturing sector; that this study be comprised of no less than four meetings to be held at the Committee's earliest convenience; that departmental officials from Innovation, Science, and Economic Development Canada be in attendance for at least one meeting; that the Committee report its findings and recommendations to the Minister of Innovation, Science, and Economic Development Canada no later than February 15, 2017.

That is what is, I believe, on the floor at this point, Mr. Chair.

The Chair: It's on the floor.

Mr. Alexander Nuttall: I have given a preamble previously so I'm not going to go on and on. Certainly we have a guest here from whom we would like to hear, but this is my earliest convenience to be able to move this motion since it was originally presented.

It is incredibly important to me that we know the effects of a carbon tax on jobs in Canada. How many jobs will be lost? What prices will be put on products that are created in this country? How much higher will they go? And the effects.... Right now we know that it's a \$3.8-billion tax on manufacturing in this country. Over 50% of those jobs are in Ontario. Over 25% of the jobs are in Quebec. It's very important that we understand what the effects are going forward.

I hope that all of my colleagues around the table—it doesn't matter what colour of party we belong to—understand that good data makes for good decision-making. Unfortunately, there is no data right now, but I'll tell you this: the reason I wasn't here on Monday was I spent it going through different manufacturers in the GTA. They are doing their own data research, and it will be ready within a couple of weeks. I would hope that the Government of Canada is one step ahead of industry since they are the ones who moved it in the first place.

With all of that said, I will cede the floor to any questions or comments there might be.

The Chair: Mr. Hoback, you are next. Are you speaking to the motion or something else?

Mr. Randy Hoback (Prince Albert, CPC): I will speak to the motion, for sure. Thank you, Chair.

Mr. Arora, I do apologize, but this is such an important issue for Saskatchewan, for people in rural Canada, and for our manufacturing sector right across Canada. I think it's very important that we look at industry, science, and technology, that we deal with this motion, and that they take part in this motion to move it forward and see the impact.

Premier Wall asked the Prime Minister what the impact of a carbon tax would be in Saskatchewan or across Canada. He asked him that more than once. His reply was basically that there was no impact study done. There's really been no assessment done to analyze what this means for our manufacturers, our industries, and our farmers, and what it means for rural Canadians who are required to use fossil fuels to drive to and from work, to buy groceries, and to go about their day-to-day business.

Look at the agriculture sector. We compete in a global marketplace. We sell the products we produce, the products we grow, on the world market. When you have a carbon tax on inputs such as fuel and fertilizer, it puts us at such a disadvantage compared to jurisdictions such as the U.S., Australia, or Europe, which don't have these types of carbon taxes in place. When you ask our farmers to be even more efficient and to bear more costs to produce the grain and the foods that we require to survive, they feel threatened, because now you've taken the playing field and you've made it unlevel.

We've done a lot of things in the trade committee and in trade to level the playing field so that they have market access and a chance

equal to the chance of anybody else around the world in markets that are very important to us. Then a carbon tax comes in, and what does it do? It basically disjoints it again.

All of a sudden they're saying, "You know what? It is really tough for us to figure out how it's going to work." Everybody says that it's only going to be 10¢ a litre or 11¢ a litre, depending on what you price carbon at and how you go about implementing the policy, but you also see studies out there saying that \$50 a tonne won't curb the actions and reduce the carbon output. What you're going to do at \$50 a tonne, though, is move businesses out of Canada into jurisdictions that don't have a carbon tax.

When you look at that scenario, you can look at a situation like the one in Sarnia, for example, where there was a \$1.5-billion fertilizer plant proposed. All of a sudden they have the huge power costs that have happened here in Ontario, and a carbon tax, and then they look at places like Louisville or Louisiana, where they don't have any of those expenses in their inputs. You can see exactly that it becomes a no-brainer in terms of where they're going to locate their facility.

I was talking to some Calgary businesses last weekend when I was attending Mr. Prentice's funeral. They were telling me that people from American cities are coming up into Canada and poaching businesses because of the carbon tax in Alberta. Look at our science and industry, and our science and technology. We have great research going on in universities right across Canada, and we're going to continue having great researchers, but when it comes to commercialization, they're going to commercialize in areas outside of Canada. Why? It's because the playing field isn't level, because other jurisdictions don't have a carbon tax, and because they compete in a world market. It's a shame.

When you're competing in a world market and you're looking at your costs of production, you'll say, "Well, because of the carbon tax in Saskatchewan now, it's cheaper to produce it in Montana." What are you going to do? You're going to produce it in Montana.

We've talked to investment bankers and people in that area who deal in billions and billions of dollars. Look at the oil and gas sector. They're saying that right now, with the uncertainty in Canada with what's going on with carbon taxes and big debt.... Look at the economic update, where they talk about attracting this foreign investment to build Canada and make it stronger. People are saying that they have projects that they can do in Texas, Montana, or North Dakota, or they can do them in Alberta, but they know that their costs down there are substantially less, so why would they go to Alberta? Why would they come to Canada? What is the incentive? They might say, "You're great guys and I love ya, but when I look at my balance sheet and I have to make a decision on where I'm going to spend this amount of money on behalf of my investors and shareholders and you've made it so unattractive to go there, why should I?"

I think you're being very naive when you think that you can start doing things unilaterally. In fact, I think you should learn from the Ontario experience on power. It's not a bad thing to go to renewable power. That's not a bad thing, but it's tough, though, when you make your businesses pay a higher rate for power and then tell them to go out in the world and compete, and by the way, you're going to dump the excess power into another jurisdiction outside of Canada that they're going to compete against. It doesn't make sense. It doesn't work.

If you're going to do a carbon tax and if you're going to look at an environment policy, you have to look at it in a North American picture. You have to make sure that you don't disadvantage your industries, your small and medium-sized enterprises here in Canada, or your farmers. You haven't done that. You haven't done the study.

• (1600)

That's where I get really concerned. I think that's where this committee could show great responsibility and do the work the committees are supposed to do. Do the study. Look at it. Look for suggestions. Look for other alternatives. We all want to reduce our carbon footprint. We all want to make the environment greener and safer, and we want to see booms there. Nobody's denying that, but how we go about doing it is so important. Thousands of jobs across Canada are at stake, so I would encourage you to support this motion.

Chair, I don't think there's going to be much more debate on this motion. I think it makes a lot of sense. I move that we vote on this motion now.

The Chair: We have some names on the list here, so we're going to keep going with the debate until there is no debate to have.

Mr. Masse, will you be speaking to the motion or to something else?

Mr. Brian Masse: I'll be speaking to the motion.

The Chair: Okay, go ahead.

Mr. Brian Masse: I'd obviously be interested in the studies in order to have more input on manufacturing. I think what we've done over these years is helpful. One of the concerns I have is that this is for a pre-budget study. I'd like to know from our perspective what that will do to our manufacturing study, and whether it's going to delay it and the recommendations we can make before the budget. That's a serious consequence of the suggestions here, and I hope there's a plan as to whether we exhaust our current availability slots or whether or not we meet more or longer. If it is going to be done, the reality is it should not be done at the expense of the manufacturing study. We've got a light time-wise, and also monetarily, to do these things.

Unfortunately, this issue has come up at this time, but it's not a mystery, in a sense, because the Harper administration originally broached this topic. When we look at the analysis, I'm hoping to see some things that should be there already. The impact of this topic on industry and so forth is not new. It's happening not only to those corporations that are here domestically, but also internationally. They perhaps have some arrangements in Europe and from other nation-states that could be good examples for Canada. It would also be interesting to find out what their plan is here versus what they've

done in other jurisdictions that have applied this kind of tax, whether provincial ones in Canada or states in Europe or other places.

I'm open to it as long as it doesn't negate our current efforts. That would be my big concern.

I'll leave it at that, because a serious issue has been brought here. If we want to resolve it, let's make sure that it doesn't come at a cost to anything else we've done.

• (1605)

The Chair: Thank you.

Mr. Longfield is next.

Mr. Lloyd Longfield (Guelph, Lib.): I think the motion is a good motion, in terms of the theory of looking into something that will impact industry. It's the timing of the motion that I'm concerned with. We're currently working with the provinces and territories to come up with a national strategy that will take effect in 2018, moving forward to 2022. We don't know how the different provinces are going to deal with this, so the impact on industry is going to be different across the country.

We're working on a tremendous economic upside, and that's the green economy. We've seen that in Guelph, with Canadian Solar moving to Guelph, and businesses that are focused on reducing the carbon footprint for the planet. It's a tremendous opportunity for business and for manufacturing businesses that might want to transition into making parts for that industry as well.

I think there are a lot of variables, but it's so early in the game to know how we are going to be trading carbon credits with California, for instance, with New Zealand, with the EU. In the EU agreement that's just coming in, this price on pollution that's just coming in has a tremendous upside in terms of economic opportunity for Canada, but until we know what we're doing with the provinces, I think it's really early for us to try to pick up a study until we have lots of stuff to study.

I wouldn't be supporting the motion at this time. I think we need to bring it forward when it's the right time. I just don't think it's the right time now, Mr. Chair.

The Chair: Thank you.

Go ahead, Mr. Nuttall.

Mr. Alexander Nuttall: Thank you.

I appreciate the feedback from Mr. Masse regarding the timing. Obviously I view this, as I said before, as supplemental to what we have been working on to date in terms of manufacturing. I don't think any one part is more important than the other. These are things we need to have discourse on and provide opinion and support to the government on.

In terms of hydro, because that's where we just started to go with Mr. Longfield, I find it interesting that the only time I've actually heard "green energy" in Ontario is related to hydro. I wish that 10 years ago there had been a committee somewhere in the legislature of Ontario that had said that this is what the effect of the Green Energy Act would be.

A voice: It's been awesome.

•(1610)

Mr. Alexander Nuttall: The Green Energy Act has been awesome. It has pushed hundreds of thousands of people into poverty and it has created an environment where business is fleeing. The only businesses that are surviving are those that are in solar and wind and are making big donations to your provincial counterparts. This is the reality.

If we want to influence the process as a committee—and I believe that's our job—we can either do studies on what happened in the past or we can do a study and propose solutions and opportunities to the government, which they can then institute and speak to the provinces about. Then we can hopefully come up with a system that is better tomorrow than what we've seen happen in the past. That's the opportunity we have. We have the opportunity to influence, through good policies and the use of good data, what the government will actually do. We can do that or we can wait for this thing to blow up again, just as the Green Energy Act did in Ontario, and for the next 15 years talk about how we wish we had thought this through.

There are places and jurisdictions in Canada that have done it well. Let's study what they are doing. There are jurisdictions that will come online and provinces like Ontario that will come online next year.

If we have the opportunity to help provide feedback and ideas, let's do that. I don't think it's a good process to put ourselves on the sidelines until after someone somewhere has made the decision without any data backing up what they're doing. You wouldn't see that in the private sector; that's for darned sure.

The Chair: Go ahead, Mr. Hoback.

Mr. Randy Hoback: Thank you, Mr. Chair.

I see Mr. Masse's point about timing and stuff like that, but I really would stress to the committee that this is such an important issue.

You talk about timing, but I'll tell you what: I'd rather have these answers now. I'd actually rather have the information now, with regard to the implementation of this carbon tax or cap and trade that you're forcing on the provinces in two years, than wait until it's put in place and then realize two years after that date, or four years from now, why our unemployment rate is sitting at 10%, why we don't have jobs for our youth and our young people, why the science industry and all the research and development and our great scientists are leaving Canada, and why the manufacturers are leaving Canada.

It's just like when Ontario went down this path on green energy. It's a great path, and it's an honourable path, but what happened? You raised your power rates to such a point that you drove everybody away or into poverty. Now, if you'd known that before you started down that path, do you not think you would have said, "Whoa;

maybe we have to look at this a little differently and go about it in a different fashion. Maybe we should be concerned.?"

The last time we had a 75-cent dollar, do you know what Ontario was like? It was bangin'. It was boomin'. It was moving stuff into the States and around the world. When our dollar was at par, it was still doing well. We did a trade study on TPP. We were down in Windsor and we were talking to the unions down there. They are not for TPP, no question about it, but when we asked them about the biggest problem they have in Ontario, to see growth in Ontario, to see more expansion of auto plants in Ontario, they said it was the cost of power. They had just had a meeting the night before in Windsor, and they identified the cost of power as chasing their jobs outside of Canada.

Why wouldn't we learn from that experience? Let's take a step back. Let's look at it. Let's do a study.

I was in a public works committee, and they were talking about military procurement last week. I asked them what they were doing about the fact that Canadian companies now will have to pay some sort of carbon tax. I wanted to know if they were taking that into consideration in the tender, if they were going to allow them some credit or some grace period there, because their costs will definitely be higher than those competing against them who don't have a carbon tax. I asked them how they were going to account for that. The guy said, yes, we're going to have to account for that, figure out a formula, and put that in place so that Canadian manufacturers aren't actually discriminated against because they're forced to have this carbon price. When I asked him what it was going to cost him to do that, his response was that he didn't think it would be anything. He didn't really know.

Again, you talk about it being revenue-neutral, but if government gets bigger because we have to start doing things in procurement like analyze the cost of carbon in the process of deciding which types of pens and pencils we're going to buy here, or in the military which types of military hardware we're going to buy, it will cost us more money, which means higher taxes.

To go back to rural Saskatchewan, I lived on a farm. I don't anymore, but I did. I had to drive 12 miles to get to the closest grocery store and usually 40 miles to get to a supermarket. That's just the way of life. Now throw in a carbon tax of 11¢ a litre. That 11¢ a litre won't change the activity. I'm still going to have to drive; I'm just going to pay 7¢ a litre more than I did before. How are you going to help me out? Now I'm going to pay a lot more—for what? So that we can chase jobs to the U.S. or somewhere else that doesn't have a carbon tax?

There's Innovation Place at the University of Saskatchewan, with all these great researchers. If they all disappear, we'll ask what happened, and the answer will be that the companies that were going to implement their research had to locate outside of Canada because their costs were too high due to the carbon tax.

Then I hear you say that we don't have the information, that we don't want to do it now. Don't put your head in the sand here, guys. Be very alert. Be very concerned. I'd encourage you to take this study on. If there are some great stories, as Lloyd said, such as the solar company moving to Ontario, shine a light on them. Maybe there are some good examples to be found that we can actually use in the implementation as we look at putting a price on carbon.

But to do nothing, to say that you don't want to touch this one because they're dealing with provinces—well, that's garbage. What did the provinces do in the last set of meetings? They walked out. Where was the goodwill of the provinces then? Now you're saying that you have all this goodwill with the provinces. No, you don't. You never do when you force things onto the provinces, and you did on this one.

Premier Wall last week was at a Fraser Institute supper. It was a record fundraising supper, and do you know what he talked about? Carbon tax. Do you know how upset people are about this in Alberta, in Saskatchewan, in rural Canada? They're very upset, and if you don't see that, and if you're an MP in rural Saskatchewan, whether you're Liberal, NDP, or Conservative, if you don't hear that, then you're not doing your job, because it's out there, and they are talking about it.

• (1615)

I haven't talked about the forestry industry and softwood lumber and the implications there from the carbon tax, or the trucking industry and the implications there of the carbon tax, or the cost of food and the implications of the carbon tax.

You need to do the research. You need to do the study. You need to understand exactly what you're doing. This blind idea of putting your head in the sand, going to do a carbon tax, and going to compete in this day and age and in this world doesn't work.

I would move that we vote on this now, and then we can get on to Mr. Arora's presentation. I apologize, Mr. Arora. I know what you're doing is very important, too, but this committee needs to take this seriously and move this motion forward and get to work on it.

You know what? It might be a tough study. You're going to get lots of controversy in it, but I would rather deal with the controversy now than be trying to figure out why we have an unemployment of 10% four years from now, and why our researchers have all left Canada, and why our industries have all left Canada, because then it's too late.

The Chair: I have nobody left on the speaker's list. Is there any more debate on this?

Mr. Alexander Nuttall: I would like a recorded vote, please, Mr. Chair.

The Chair: As soon as there is no debate, we will call for the vote.

Is there any further debate on this motion? No. Then we shall go to a recorded vote.

Are you going to do it? You do it. You get the glory.

The Clerk of the Committee (Mr. Michael MacPherson): The question is on the motion submitted by Alex Nuttall.

(Motion negatived: nays 5; yeas 4 [See *Minutes of Proceedings*])

The Chair: The motion is defeated 5 to 4.

We'll go on to Mr. Arora. You have 10 minutes.

Mr. Anil Arora (Chief Statistician of Canada, Statistics Canada): Thank you very much.

[*Translation*]

I want to thank the committee for inviting me to appear today.

[*English*]

I'll give my remarks in English, but

[*Translation*]

of course, if you have questions in French, don't hesitate to ask them after my presentation.

[*English*]

Thank you for this opportunity to present myself to you. I thought I would tell you a little bit about myself, my background, and what brings me to this stage in my career.

I immigrated to Canada with my parents when I was 11 years old, on a freezing cold winter day in Edmonton. My father, also having worked as a public servant most of his life, taught me early on that hard work in this country significantly increases the chances of success, and that the more you give back, the more you savour that success. I've tried to live by those principles throughout my life.

I obtained my Bachelor of Science from the University of Alberta, and right after that started working in the oil and gas sector. The mid-1980s weren't that kind to that industry, and I decided to retool and return to school, and studied computing science. After computing stints in both provincial and municipal governments, I applied and started my career in the federal public service with Statistics Canada, in the regional office in Edmonton, almost exactly 28 years ago this month.

Having introduced the first computers to field interviewers and after overseeing survey processing operations, I managed the administration and internal operations for the 1991 census for the prairie region and the Northwest Territories, and then subsequently managed all business and social surveys in the region, followed by overseeing all aspects of the 1996 census, along with the post-censal surveys.

I had the opportunity to conduct surveys with Canadians first-hand, myself, in numerous parts of this vast country, including the north and aboriginal communities. I introduced a number of automated systems and redesigned processes in the region, which got the attention of the chief statistician of the day, Ivan Fellegi, and I was asked to compete for a senior position in Ottawa.

I moved to Ottawa in early 1997 and started my work in the dissemination division, in dissemination functions. There I was responsible for transforming publications from essentially paper-based formats, at that point, to the web, redesigning Statistics Canada's database to disseminate its socio-economic time-series data and to dynamically generate tables and publications. This significantly increased access to the enormous amount of information from Statistics Canada to all Canadians through the web. I also oversaw a number of other initiatives, such as the data liberation initiative to get more public microdata into the hands of researchers, as well as the inclusion of Canadian statistics in our school curricula.

Shortly thereafter I took on the research and development portion of the census program in 2001, and with an amazing team saw the complete redesign of the program, including the mailing out and mailing back of questionnaires, the secure Internet application, and the automated conversion of written responses to electronic responses and data for the 2006 census. This redesign thrust Statistics Canada to the forefront of the world stage in taking a modern census. Thereafter the seeds of the current corporate business architecture and the integrated collection systems were sown, leading to significant cost savings, providing response options to Canadians for a number of business and household surveys, as well as increasing data quality and timeliness. I also led a number of international task forces and working groups.

In parallel, I completed a graduate certificate at the University of Ottawa in public sector governance and management. I took on the role of the assistant chief statistician of the social institutions and labour statistics field after the 2006 census, and also served as a co-chair of the government-wide policy research data gaps initiative, which saw the introduction of a number of innovative surveys. I was nominated to participate in the advanced leadership program at the Canada School of Public Service.

In 2010 I left Statistics Canada and took on the assistant deputy minister role in the minerals and metals sector at Natural Resources Canada, and for a one-year period, also at the same time, the ADM role of our corporate services area in Natural Resources Canada, followed by a senior ADM role for strategic policy functions in the department.

I was fortunate to lead a number of important policy and legislative files in close collaboration with other departments, covering the range of natural resource sectors, including coordinating a number of missions for business leaders to several countries and around the world to promote our resource sector. Working with provinces and territories and industry was critical in moving a number of key initiatives forward, and I supported ministers in federal-provincial meetings, including chairing a number of domestic and international fora. I took on a number of champion roles, including leading the assistant deputy minister learning committee for the federal government.

Two years ago I was approached to take on the role of the regulator responsible for overseeing reviews, approval or refusal, and any corrective action required to ensure the safety of food, drugs, and consumer health products that are consumed by Canadians. In addition to this role, I co-chaired the Government of Canada's Community of Federal Regulators, as well as chairing the International Coalition of Medicines Regulatory Authorities.

That's where I was until asked to return to Statistics Canada as the chief statistician as of September 19, returning back roughly seven years after I had left.

With that, I look forward to your questions.

• (1620)

The Chair: Thank you very much, and thank you again for your patience.

We're going to move right to questioning.

Mr. Jowhari, you have seven minutes.

Mr. Majid Jowhari (Richmond Hill, Lib.): Thank you, Mr. Chair. I'll be sharing my time with my colleague Mr. Baylis.

Mr. Arora, first of all let me congratulate you on your appointment as well as your accomplishments.

I would like to ask a specific question. Your predecessor stated that Shared Services was a key issue for him in the decision he made. He specifically stated security, location of data, timely access, control, reporting, analytics capability, and oversight as some of the issues he could not reconcile, basically, or he had challenges with.

Can you, having been in this position now for six weeks, share your initial assessments of these challenges, if they actually are challenges?

Thank you.

• (1625)

Mr. Anil Arora: Thank you very much for that question.

In six weeks, obviously in the context within which I arrived in the job, if this wasn't job one, I think it was pre-job one. I've had the opportunity to meet with my counterpart at Shared Services Canada no less than probably a couple of dozen times. I think it's fair to say that Statistics Canada, as a department that essentially deals with data that has to reside on infrastructure, was a department that really hadn't looked at or faced any kind of serious investments in infrastructure. I'm talking here about CPUs and space. The demands of a statistical agency means that as it grows, it requires additional capacity. I think that's the most pressing need.

Over the course of the six weeks, roughly, that I've been in the job, I've been able to agree on a formal arrangement with Shared Services Canada. I had meetings with their folks and our folks to come up with some very creative and innovative ways to start to increase the capacity of that infrastructure. In fact, we're starting to see that happen. We're starting to see more hardware. We're starting to see some of that capacity come in, which obviously will help us reduce some of the risk. As more data stores come into play, we want to make sure the capacity is there. There's a fairly aggressive plan to make sure that we have the kind of infrastructure we require and that it's going to be there over the course of roughly the year and a half to two years that we need, in fact, to move from our current data centre to a more modernized facility that will have even more capacity.

Just to make it very clear, in the agreement I've made it very clear to Shared Services Canada in writing that they have no say in anything to do with confidentiality or security. That remains my responsibility, because that's really the currency within which we operate with Canadians: the trust, the confidentiality and security of their information. We control that in whole. Nor do they have any say in terms of the authorities that are vested with Statistics Canada in how we go about doing our business. If that were a point of contention, it's absolutely clear in the agreement that, going forward, those domains are exclusively ours. They've agreed to it, and that's the way we're going to proceed.

Mr. Majid Jowhari: Thank you.

[Translation]

Mr. Frank Baylis (Pierrefonds—Dollard, Lib.): Welcome, Mr. Arora.

I'll ask you a few questions about the recent census, which had an extremely impressive participation rate of almost 98%. I want to know what made the census so successful. How does the participation rate compare with the rates in other countries?

Mr. Anil Arora: Thank you for the question.

It's absolutely true that the response rate in 2016 was unprecedented. It was very impressive. It's difficult for me to analyze the factors that resulted in such an impressive and significant response rate because I wasn't there at that time.

However, I can speculate a bit about the factors that resulted in the response rate. First, it's the methodology that was established in 2006.

Mr. Frank Baylis: Was it the use of new technologies?

Mr. Anil Arora: Exactly. It's the methodology and the associated tools. For example, there is the methodology of using the mail services, of starting with a qualified workforce and of having good facilities.

Mr. Frank Baylis: You thought of training people.

• (1630)

Mr. Anil Arora: Exactly.

Canadians were given options.

Mr. Frank Baylis: You provided several ways of responding. As a result, they could choose their preferred method. This had an impact.

Mr. Anil Arora: Some psychology was also used to encourage Canadians to respond. Areas where the response rate had been low before were targeted, and a bit more information was provided after the first step.

Mr. Frank Baylis: After the first step, you again followed up in areas where the response rate was a bit low.

Mr. Anil Arora: Yes.

The communication strategy was fairly solid. The factors were therefore the methodology, a good communication plan, and the methods and options provided to Canadians.

Mr. Frank Baylis: I found that quite impressive.

One of the reasons provided by the previous government for cancelling the long-form census was that Canadians were not agreeing to fill it in and that they didn't want anything to do with the census. All of a sudden, we have a response rate of almost 98%. That's as good as it gets, and you didn't need to be persistent with Canadians to obtain this response rate.

Mr. Anil Arora: As I said earlier, I wasn't there at that time. Therefore, it's difficult for me to explain the reasons for the success. Of course, many more discussions took place and there was more knowledge.

Mr. Frank Baylis: So the positive approach really worked.

[English]

The Chair: Thank you very much.

We're going to move to Mr. Lobb.

Mr. Ben Lobb (Huron—Bruce, CPC): Thank you very much, Mr. Arora, for appearing here today.

What interaction did you have with the Prime Minister's Office or Minister Bains's office prior to being appointed as the chief?

Mr. Anil Arora: I had no interaction with the Prime Minister's Office. I was called by colleagues at PCO, who essentially told me that this was something that was under consideration. I had a very brief meeting with Minister Bains. I would say it was more pro forma. After that, I was informed that I would be asked to take on the position as of September 19.

Mr. Ben Lobb: Since your hiring, have you had any contact at all with Minister Bains or with the Prime Minister's Office?

Mr. Anil Arora: I haven't had any with the Prime Minister's Office. Obviously, just as any deputy minister does, I have interactions with the Privy Council Office. In terms of Minister Bains, it's been more in the conduct of the day-to-day business of moving business through cabinet and so on, and of giving recommendations and advice, as I did in other positions within government.

Mr. Ben Lobb: Thank you for that.

Your predecessor, Mr. Smith, complained about issues with Shared Services Canada. He had issues about servers, capacity, storage, and performance within their data centre. Shared Services Canada basically said—and I'll paraphrase—that there were no issues between the two departments at that time. We know from your comments today that there obviously were, and still are, issues with Shared Services Canada, specifically around storage and performance. Is that correct?

Mr. Anil Arora: As I said, when I came in, I had a full look at where our current capacity was and at how our demand was escalating, with projections in terms of additional data. As you can imagine, every new survey, every new set of data that we get from Global Affairs or anywhere else, puts increased demands on the infrastructure.

By doing those projections of where we were, of the gap, and of how that gap was narrowing, if you like, over the next little while, it was very clear to me that there was going to be a requirement for additional servers and additional storage space. We mapped that out. I had a pretty detailed session between Shared Services Canada and Statistics Canada, in a very collaborative way, to map that gap out and to come to an agreement about the kinds of investments that were going to be required to make sure that the infrastructure was going to be there as the demand increased.

So far, as I said, I think Shared Services has been nothing but responsive. In fact, hardware and software are being installed as we speak.

Mr. Ben Lobb: It would be great to have Mr. Parker, who made the comments from Shared Services Canada, as well as Mr. Smith, appear before this committee to talk about some of the issues that they saw prior to resigning, just to reiterate the comments and go over it. It's nothing against you, obviously, because you're coming in to do the job.

The RCMP, the defence department, and many others have complained to Shared Services Canada about crashes and a multitude, a litany, of performance issues. Since September, have there been any crashes related to Statistics Canada and the work that Statistics Canada does?

• (1635)

Mr. Anil Arora: I started on September 19—

Mr. Ben Lobb: Yes.

Mr. Anil Arora: —and I can only tell you that since that point, there have been no issues that have escalated to my level, or any issues that have prevented us from providing timely and detailed access to information—

Mr. Ben Lobb: How would a Canadian or a member of Parliament find out if there was a crash on a site with a server? How would that come to our attention?

Mr. Anil Arora: First of all, Statistics Canada puts out on the web all its publications that are coming up in the future, so you can go on the website today and be able to tell what we are going to release tomorrow, what we are going to release the next day, and so on. The schedule of releases is transparent. It's there. All those releases get posted as of 8:30 in the morning, every single morning. If there is a technical issue—and it could be for all sorts of reasons, I suppose—that release wouldn't come out on that particular day. I think Canadians would know that there was some sort of an issue, and that does happen from time to time, for various reasons. There could be power outages, there could be technical issues, there could be—

Mr. Ben Lobb: One question I had for you is on one of the other concerns Mr. Smith and his team had. They were concerned about the number of projects, in his words, going red. Is that the same system that you would use, maybe a colour coordination for issues, and are there currently any issues, any projects, between you and Shared Services Canada that are currently in the red at this time?

Mr. Anil Arora: I bring in a certain way of looking at things and managing things. For example, these are just made-up numbers. On a weekly basis, let's say, I need another terabyte or what have you, and then there are certain peaks when, let's say, we're going to get international trade data from our colleagues in the U.S., which is

going to increase the requirement by a petabyte of space, for example. We've tracked those requirements for the amount of space and the associated capacity in terms of server power and so on very carefully, and we've said, okay, at this rate of growth, with the programs as we anticipate, with the demand that we have and given our current capacity, at what point do we start to become exposed to risk?

Mr. Ben Lobb: Is it your position today that there are no projects behind or in the red between Stats Canada and Shared Services Canada?

Mr. Anil Arora: If we don't do what we're doing now, which is increasing the capacity, we see that the further out we go, as more data comes in and the capacity isn't there, obviously we would start to now see some increased risk.

Mr. Ben Lobb: Yes, I think people who operate data centres or corporations that are data centres would have a pretty sharp criticism of Shared Services Canada, if that's their issue. In the real world, that is not an issue. You can ramp up and ramp down as you see fit. I'll leave that as my own edification there on that. We understand there are no projects currently in the red, and we may follow up with that later on.

Does Shared Services Canada have an effective veto on any of the information that is in their storage right now for Stats Canada to pull out as they see fit? Is there any issue right now with the data that is stored and your ability to pull it out and use it or retrieve it at any time you like?

The Chair: Time is up, but I will allow you very briefly to answer the question.

Mr. Anil Arora: They have absolutely no say. As I've said up front, we've actually put it in the agreement that they have no say in terms of what we have on there or what happens to it.

Mr. Ben Lobb: Prior to that, did they? Prior to the agreement, did they?

Mr. Anil Arora: I would suspect not. I have no evidence to suggest that they did.

The Chair: Thank you.

We're going to move to Mr. Masse. You have seven minutes.

Mr. Brian Masse: Thank you, Mr. Chair.

Thank you for being here.

One of the first things I want to touch on is a statistic that came up in terms of the response rate. I was part of the complete count in the year 2000 as a city councillor, because my riding, Windsor West, had a 54% response rate to the previous censuses.

When you say “response rate”, are those censuses that were completed to the full, and then they were satisfactorily input into data, in terms of the 80% that you said was the response rate?

• (1640)

Mr. Anil Arora: Yes. The response rate is calculated based on the total number of questionnaires that are distributed to occupied dwellings, and from that frame, the number of forms that are received.

Mr. Brian Masse: Okay, “received” meaning completed, done, statistically entered, so 98% of the people of Windsor West whom I represented, despite our languages and the cultural differences, responded to the request that was sent.

Mr. Anil Arora: You have to break that down. The 98% is a global response rate for all of Canada for both the short form and the long form. There's a differential between the long form and the short form in this census, and it is marginal—

Mr. Brian Masse: Okay, but you're here saying it's a 98% response rate.

Mr. Anil Arora: The second thing is, of course, that the response rate varies by geography. I wouldn't know off the top of my head what the response rate was for Windsor. For many communities, the response rate may be 100% and in other cases it may be a bit lower, but overall the response rate was 98%.

Mr. Brian Masse: I'd like to have a breakdown by riding. I think that the stats should be provided to members of Parliament to show the interest of the area where the people are. I know Windsor was targeted. I have a hard time believing in that 98%, so I'm assuming that in testifying here today, you're saying that people replied to the census and it was entered into the data system as a 98% overall response rate of good, usable data. That's not just responding in general, but this is good, usable data that can be equated equally.

Mr. Anil Arora: I repeat, the response rate that is being quoted by Statistics Canada as 98% is essentially the questionnaires we got back within the universe of the questionnaires we sent out. There are differences, as I said, between the long form and the short form and within the different geographies.

Even within the questionnaires themselves, of course, there is item non-response, and that comes out as we put out all the different statistics on labour mobility or immigration or language or whatever. What happens is that for certain cells you can have fewer responses than you do for others. When those data are released, the quality identifiers for each of those.... There's also sampling, as you know, for the long form; not every Canadian household fills that out. All the responses, as well as that sampling, are taken into account, and a quality identifier is released with the information.

Mr. Brian Masse: I think that's rather interesting for a scientific approach to data. The use of a response rate at that number is quite misleading, and the usable data, as well.

I will move, Mr. Chair, that the clerk invite former chief statisticians Mr. Munir Sheikh and Mr. Wayne Smith to testify before the Standing Committee on Innovation, Science and Technology.

The Chair: Do you have that notice of motion? We'll pass it on to the clerk. Thank you.

Mr. Brian Masse: It's a motion, Mr. Chair. It doesn't require 48 hours. I move the motion.

The Chair: Just one second.

Mr. Brian Masse: Well, I'm moving the motion. I said I'm moving the motion, and I'm moving the motion.

The Chair: You can say it, but it doesn't relate to what we're here for today, so this is—

Mr. Brian Masse: With that I would differ, Mr. Chair, because the Liberals have brought up the previous statistician, Mr. Smith, and he's mentioned here as well, so the government did open this up. It is relevant and pertinent because our first line of questioning was related to that, and specifically to reference as well, too.

The Chair: We can have plenty of discussion going back and forth, but again, this is not relating to the competencies of Mr. Arora, so it is a notice of motion.

Mr. Brian Masse: Well, Mr. Chair, I don't understand that, because the Liberals have brought this up. They have brought up the connection during the discussion, and it is pertinent to the discussion that we're having today. I would disagree with that ruling because the reality is that I was not the one who introduced that line of conversation to this meeting. That was done beyond me, and I think it adds to this meeting, and I would think that it's very appropriate to deal with it right now.

●(1645)

The Chair: Mr. Nuttall—oh, sorry; Mr. Longfield, go ahead.

Mr. Lloyd Longfield: Thank you.

I'd like to move to adjourn debate so that we can continue on with the witness.

The Chair: As of right now I've ruled it as a notice of motion, so as not to—

Mr. Masse—

Mr. Alexander Nuttall: I would like to call that into question. I challenge that ruling on the basis that if there's a subject on the floor that we're discussing, which includes...

The Chair: There's no debate on it. You can challenge my decision, but—

Mr. Alexander Nuttall: It is so challenged.

The Chair: Okay. We will take a vote.

Mr. Alexander Nuttall: Could we call a recorded vote on that?

The Clerk: Shall the chair's ruling be sustained?

(Ruling of the chair sustained: yeas 5; nays 4)

The Chair: The chair's ruling is sustained.

You still have three minutes.

Mr. Brian Masse: Thank you, Mr. Chair.

I guess if I can't have my motion passed, I'll continue with the questioning of Mr. Jowhari with regard to the actions of Mr. Smith.

What type of advice did Mr. Smith leave behind for you? What documents and what type of working materials did he leave with regard to this conflict or with regard to concerns raised when he was leaving the position?

Mr. Anil Arora: Mr. Smith left nothing for me specifically, in terms of either advice or documents. You have what I have in terms of his public commentary.

Mr. Brian Masse: All we have is one page from you, and ours from someone—the clerk or whoever. That's all. We don't have a curriculum vitae. We don't have a resume. We don't have any of those things.

We have your presentation, and I thank you for being here, but I find it odd that there would be no succession planning in a major position such as this, and no advice provided upon exiting a very serious department that's responsible for a lot of government funding and opinions that are important for industry, science, and technology. It's quite shocking, actually, that we have that dysfunctionality.

Were there any documents or words of advice left from Mr. Sheikh before that? He too departed in relation to a conflict in the workplace. Did he provide any type of material or advice to Mr. Smith and yourself?

Mr. Anil Arora: I left Statistics Canada before Mr. Munir Sheikh resigned.

Mr. Brian Masse: Well, you must have been there during the time he was there, since you started there in 1997.

Mr. Anil Arora: I left in March of 2010. If I have my dates right, I think Munir Sheikh left in June of the same year, so I left a few months before he did.

Mr. Brian Masse: Why did you leave? Was there a particular reason?

Mr. Anil Arora: I had an opportunity at Natural Resources Canada.

Mr. Brian Masse: Okay.

With regard to the current situation, the RCMP and the Canadian Armed Forces have raised significant concerns about what's taking place. How confident are you in the privacy and the protection of data during the system change? We have seen what has taken place with the Phoenix pay system. How confident are you in the privacy and protection of data, especially by two organizations that deal with very sensitive information?

The Chair: You have about 20 seconds.

Mr. Anil Arora: First of all, I can't comment on those organizations. I have no idea what their specific context is.

I can tell you that what we're talking about isn't a change to a different system or a different kind of centre; we are talking about increasing the overall capacity while maintaining the current robust architecture for security and confidentiality. We are talking about increasing the capacity, and as that capacity comes in, security and confidentiality is first and foremost and will be maintained to its current level.

We of course continue to make enhancements. We will make enhancements to security and confidentiality as additional risks are identified, and methodologies and approaches are there to mitigate those risks.

• (1650)

Mr. Brian Masse: Thank you for your time.

The Chair: Thank you very much.

We're going to move to Mr. Longfield. You have seven minutes.

Mr. Lloyd Longfield: Thanks, Mr. Chair, and thanks, Mr. Arora, for being here and for your patience.

Yesterday in the House we heard the finance minister say that he wanted to ensure that Statistics Canada would be operating

independently of the government. It was good to hear you say that in your opening statement as well, to reinforce that for the record.

There's a comment you made in *The Globe and Mail* that I think really highlights a value that this committee could acquire from the work that you're doing. It also reflects on my background as the managing director of a Canadian division of a multinational. Data in Europe is a lot stronger for business than data in North America has been, especially in Canada.

Your comments mentioned the effect of globalization on Canada and better capturing the activity of Canadian companies overseas and that of foreign companies operating within Canada. In terms of the data that's going on in business overseas and the data on behalf of multinationals operating here, how do you intend to work into the data of the businesses around the world and within Canada?

Mr. Anil Arora: Obviously, we work very closely with the bank, with our colleagues in ISED, and with a number of others—Global Affairs, and so on—to understand where those data gaps are. I think we have a very robust relationship with those entities to identify where, in our context in Canada, we think we can have more information. My comments in *The Globe and Mail* are informed by some of the existing conversations that have been had and some of the work that's going on.

At the very macro level, we're obviously post-2008, the financial crisis, so whether it's G20 and some of the work by IMF, it's about how to ensure that we have more robust statistics to find out where exactly we're at risk and what the global situation is with regard to our investments, such as our pensions and so on. How are investments from other countries into Canada, in various institutions, spread? What is the nature of that? If we have global currency fluctuations, for example, what is the level of risk that we subject ourselves to with our future pensions, and so on?

There are a number of aspects that look at where we have that kind of investment. Even with just housing and foreign ownership, and so on, which I spoke at some length about as well, I think it's important for us to have a good sense of where we're at risk. For most Canadians, the investment in their house is a very significant investment, so even at the householder level, shifts there can have some very significant impacts.

In terms of businesses themselves, I think we need to look at the businesses that operate in the global supply chain. What is that value added? Are we actually calculating GDP in the right manner? There are all those data gaps, and we have a number of projects to try to fill those gaps.

Mr. Lloyd Longfield: These are exciting times, interesting times.

Mr. Anil Arora: Indeed they are.

Mr. Lloyd Longfield: Thank you for that.

I'm sharing my time with Mr. Sheehan, but I'm also very interested in the housing aspect. The not-for-profit sector really needs to know the nature of homelessness and the nature of affordable housing, and the work that you'll be doing in the housing area will also help many more Canadians, so thank you for that.

I'll let Mr. Sheehan carry on.

Mr. Terry Sheehan (Sault Ste. Marie, Lib.): Thank you very much, Lloyd.

Again, thank you for your presentation. Congratulations on your new position.

During yesterday's fall economic statement, Minister Morneau announced some amendments that will be made to the Statistics Act.

One of them that I'd like you to comment on, to reinforce the independence of StatsCan, is the appointment of the chief statistician to a fixed five-year renewable term based on merit.

How will this change benefit the person in this role?

Mr. Anil Arora: I think there are a number of issues that essentially lead to where the government's position is and some of the changes in the legislation. You rightly pointed out that one of the four key elements there is to ensure that the independence of Statistics Canada, and obviously the head of the agency, remains and is not, as with other deputy ministers, subject to serving at pleasure.

It's not unlimited, of course. The chief statistician, moving forward, would have to also equally be accountable for the decisions he or she makes and have to make those transparently. When a questionnaire is prescribed or an agreement is made to share data, and so on, those would also become equally....

The decisions that are made by the chief statistician would become equally transparent and it would be for cause that a chief statistician could be dismissed. It's on good behaviour, essentially. It's not an unconditional five years. There are some conditions there. That would make the agency and the work it does, represented by its head, more independent and in law.

•(1655)

Mr. Terry Sheehan: Very good.

You have held a number of positions within government in various capacities. Describe how your past working history will help you in your new role in working with stakeholders, and in particular, perhaps make a comment about Canada's indigenous people. In Sault Ste. Marie, my riding, we have two major first nations, as do many other ridings.

Mr. Anil Arora: Thank you very much for that question.

The Chair: You have 30 seconds to answer.

Mr. Anil Arora: It's a big question, so I'm not sure I can do it justice in 30 seconds.

I've had a lot of experience in the private sector and in different levels of government. I've done a lot of work in the international sphere, and obviously in a policy and regulatory role in the last two departments, so I understand how policy functions. I understand the importance of data in that policy function. I think I can bring some of that experience to Statistics Canada, while maintaining that fine line and not going over to the policy side, because that's not what Statistics Canada does.

The Chair: Thank you very much.

Mr. Nuttall, you have five minutes.

Mr. Alexander Nuttall: Thank you.

First of all, congratulations on the appointment. I haven't been able to say so personally.

Earlier you said that your conversation with the minister in advance of the appointment was with regard to StatsCan. At any point during that conversation was there talk about Shared Services?

Mr. Anil Arora: This is prior to my coming on. I'm trying to recall; it was a very short conversation.

I think he mentioned that obviously I would be facing a number of challenges. It was very clear at that point that Wayne Smith's departure had raised the issue about the infrastructure capacity. He also reiterated his priorities in the mandate commitment. I think essentially he talked about the independence and that Shared Services would be one of the challenges I'd have to look after. Also, he was committed to ensuring that the census results would be made public. Essentially, it was along those lines.

Mr. Alexander Nuttall: There was talk about Shared Services.

Since then, have you received any mandate to implement the move with Shared Services? You've negotiated an agreement, so have you at any point received any instruction to implement it?

Mr. Anil Arora: I don't need instructions to continue the business of—

Mr. Alexander Nuttall: I hope you don't need instruction. That's true. I'm asking if you did receive any instructions.

Mr. Anil Arora: As I said at the front end, there's been no discussion other than saying this is going to be a challenge, and I'll be able to deal with it. I remain confident that I can deal with this in a collaborative way. As I said, I'm already making some progress on that front.

Mr. Alexander Nuttall: IT centralization projects were considered in the U.K. and Australia, but the stats offices were exempted. Have you looked at either of those two jurisdictions, as to the rationale of why they went in that direction?

•(1700)

Mr. Anil Arora: No, I have not.

Mr. Alexander Nuttall: Do you feel if you wanted to have completely independent support services, you could?

Mr. Anil Arora: I suppose, but that's a theoretical question as far as I'm concerned—

Mr. Alexander Nuttall: Could you decide to break today and say, "To maintain the independence of my organization, I want my own databases and I want my own systems and programs, or I'm gone.?"

Mr. Anil Arora: Let me—

Mr. Alexander Nuttall: That's a yes-or-no answer.

Mr. Anil Arora: No, in fact, if I may, I think it's important to give you the perspective. Statistics Canada—

Mr. Alexander Nuttall: Mr. Arora, I understand perspective. This is to me an independent organization. My question is very simple. If you wanted to go in a different direction in relation to Shared Services, can you, yes or no, without having any issues brought up to you by those whom you eventually report to, the minister and this committee?

Mr. Anil Arora: I would have to have a very convincing rationale to do that, because I believe there are some risks in going in a certain way that need to be weighed against ensuring that an enterprise system gives you the benefits that are there. That's why I'm being very clear here that if I wanted to make a particular decision, I would have to make sure that I'd looked at the consequences of that particular decision.

Statistics Canada has never worked in a completely isolated way, whether it's getting our questionnaires in or out through Canada Post or whether it's using third-party vendors for software or hardware. We've always worked in an interdependent way. I think we need to be very careful about making unilateral decisions of that nature, because we would miss out on all the advantages of the kinds of enterprise infrastructure that's required.

An example is cybersecurity. If there are investments at the Government of Canada level, I would want to make sure that we're part of those investments so that we get the value for the money, that we're getting the kind of security and the kind of protection that we have and that our systems are interoperable with our federal colleagues with whom we work.

The Chair: I'm so sorry, but I have to cut you guys off. That's time.

Mr. Alexander Nuttall: Mr. Chair, with all due respect, I've tried to ask our witness to be direct, if you will, and you, as the chair, chair the meeting, and when I've asked that, you can step in and decide, but to have somebody eat up all the time when there are questions that need to be asked is kind of ridiculous.

The Chair: You're asking me if he ate up all the time? It sounded to me like he answered the question. Is there a better answer to the question that you can give?

Mr. Alexander Nuttall: It was a yes-or-no question.

The Chair: It sounds like he doesn't want to give you a yes-or-no answer.

We're going to move on to Mr. Arya.

Mr. Chandra Arya: Thank you, Mr. Chair.

Mr. Arora, I want to continue on what my colleague Mr. Sheehan talked about, the government's plan to introduce amendments to the Statistics Act.

The minister mentioned that the amendments will replace the National Statistics Council with a newly created Canadian statistics advisory council to reinforce independence, relevance, and transparency in the national statistical system. What is your comment on that?

Mr. Anil Arora: We have to look at how we go about doing that, and a lot of the details have to be worked out first and foremost, so it's not something that happens tomorrow.

I think the National Statistics Council plays a very important role. We have close to 40 very eminent members on that council who have given very solid advice to the chief statistician for a long time on a whole host of issues.

I think it has served its purpose well, and I think that it's time to step back a little bit and look at the framework of committees that we

currently have. We have numerous committees that deal with statistical methods and we have committees that deal with various subject matter areas and so on. In today's context—and I think it's the context that has evolved—there is a greater demand, and internationally as well. What we're doing in Canada, by the way, is not unique. A lot of other countries have also tried to codify this independence in law, so I think Canada is kind of coming in line with that. In fact, OECD and the United Nations have procedures and methods on this, so we're coming in line with that.

I think it's time to look at the Statistics Council and the kind of overall advice that we get. In this independence, we have better checks and balances that will now be enshrined in law for the chief statistician, the minister, and the government of the day to make sure that the independence of Statistics Canada and the trust that Canadians place in it is maintained over time. I think what the signal in the update says very clearly is that the National Statistics Council can play a role in terms of ensuring that the balance between the chief statistician and the minister is maintained through a report on a regular basis to all Canadians. We'll see how that evolves.

I want to make sure of the evolution of the context. It's not that the council in itself is in any way irrelevant or that their advice is no longer necessary. I think we have to figure out a way, within our framework today, to make that advice even richer and more focused.

● (1705)

Mr. Chandra Arya: In your experience in moving from Statistics Canada to NRCan and then to Health Canada, have you appreciated how the users perceive the quality of the data they receive from Stats Canada? Are you thinking of changing, growing, or modifying the output in any way?

Mr. Anil Arora: Thank you for that question.

Very much so. Sometimes, as they say, you have to leave the house to understand how good you have it, and also where it is you need to do some renovations, perhaps.

In both those positions it was very clear to me that we had some significant data gaps. It wasn't just that we don't have enough information, but in many cases it's defining what's relevant in today's context. There's the whole clean-tech sector, for example, that has a definitional issue: where does it end and where does it start? What is an innovation that goes toward clean tech? How do we capture that? How do we sustain that over time?

In fact, even when I was at Natural Resources Canada, I started to work with my colleagues at Statistics Canada on how we could improve statistics in the resource sector. It's getting that experience so that when you're moving a policy file or you're dealing with industry and you know there are gaps in what they're telling you, you can actually move things forward. That's not to say these are easy things.

On definitions, we obviously want to try not to be isolated in those definitions, because we live in a global world. Our industries compete globally, so those definitions, if you want to be able to compare with other countries, take time. It's about how we work with our colleagues internationally, how we take leadership roles in those organizations to move forward with things that are in our best interest.

It's the same thing on the health file. In the last couple of years I've been looking at things such as how we reduce sugar or salt and how we market that to kids, which are commitments of the government. Again, there are some real gaps in information about the interrelationships in the factors that contribute to obesity or mental health issues in kids.

There is a real gap. For kids under 12 years old, we really don't have much data, so once again it means working with Statistics Canada to fill those gaps. That takes money, and there are burden issues, so we have to be very cognizant of these things. They're not easy answers. We have to work to look at innovative approaches. In many cases the data are required much more quickly than would be required in a traditional survey, so we have to look at even more innovative ways to do those things, whether that is microsimulation or administrative data. In some ways it's a combination of survey data and administrative data.

Those are all giving me good incentives and imperatives to make some of the changes going forward at Statistics Canada.

The Chair: Thank you.

We're going to move to Mr. Dreeshen. You have five minutes.

Mr. Earl Dreeshen (Red Deer—Mountain View, CPC): Thank you. I'll try to give the last minute to Mr. Nuttall to complete his discussion.

First of all, I'd like to congratulate you on your appointment.

I too am from U of A, my alma mater in computing science as well as mathematics, but perhaps at a time earlier than you. I also had the opportunity to be with the Minister of Science when we went to the OECD Blue Sky III conference in Belgium. Of course, Blue Sky II happened here in Ottawa in 2006, where we were taking a look at data management and trying to find out the types of things that are happening in the world.

You mentioned in the discussion that your data in Europe seems to be better than it is in Canada, so my first question is, what other methods are being used for data collection in the other OECD countries that you feel you may be able to incorporate?

• (1710)

Mr. Anil Arora: Just for the record, I didn't say they have better data than we have. I think that was a preamble to a question that was asked of me.

I think they have strengths and they have an environment where they've obviously evolved their system. Given their context, going way back, information was collected in registers and the populations of many of those countries were quite happy to have governments collect and keep it. People were quite happy to update the government on life transitions, and so on. There's a whole context there.

Mr. Earl Dreeshen: Right, so there hasn't been much difference. Certainly we saw both business and government showing their wares while they were there, and it was quite impressive, but hopefully we are on track.

The other thing is that you were there from 1997 to 2010. Perhaps you could comment on the anomaly of 20,000 Canadians declaring themselves to be followers of the religion of Jedi, the guardians of peace and justice, in the 2001 census release. When we look at that, and as someone who has looked at statistics and different analyses, you need to have some way to sift through some of that.

When we talked about a 98% response rate, and the question was.... I'm sure we got all this perfect data from there. I haven't been to one of those churches yet, but it's something that a person could comment on quickly.

Mr. Anil Arora: I didn't want to be flippant with your first question. There are clearly lessons to be learned from other jurisdictions the world over. We are very much connected with our colleagues. In fact, I hosted the Conference of European Statisticians a couple of weeks back, and I've had interactions with those fora before.

Absolutely, we look at lessons learned. They look at us and what we're doing, and we look at the work they're doing. Whether it's in microsimulation, small area estimation, or looking at administrative data stores and how we tease out and get information from those, I think that's the advantage of working in this kind of global statistical field. There's a lot of innovation even there that we work on collectively. That's the first point.

Even just trading in value, for example, is a concept that is important to us. We're leading some of those efforts internationally.

Mr. Earl Dreeshen: If you could get to Jedi, then I'll get back to...

Mr. Anil Arora: Look, the census is a self-enumerating vehicle. In many questions, there is a space where people can write in a response, because we can't think of every possibility that's out there. Yes, from time to time you will see that you do get that kind of thing. It's rare, very rare, but it does happen, and in that case you're right that it did happen. We recognized it and we talked about it.

Mr. Earl Dreeshen: I'll give the rest of my time to Mr. Nuttall. Thank you.

The Chair: You have about 45 seconds.

Mr. Alexander Nuttall: Thank you.

Quickly, I think there are two issues I wanted to highlight. Number one, could you confirm if it is your position that if you wanted to have an exemption from Shared Services, you could do that?

Mr. Anil Arora: There is nothing in the Statistics Act that says I can or cannot do it. It is a matter of policy, and it has to make sense.

As I have said before, if I had the rationale that made it absolutely clear that this was the only way that I could do business and I could sustain that model, then the answer is yes.

Mr. Alexander Nuttall: Previously there was a report that outlined a number of items, and this is from one of the news agencies regarding reliability, effectiveness, affordability, etc. It got redacted to the point that all that was left was “Heightened Program Risks at Statistics Canada”.

How would you feel if one of the reports that you were putting forward was redacted to the point where there was really nothing left? Does that qualify as independence for you, or is that something that you would take back to the government and say, “I am not comfortable with this”?

• (1715)

Mr. Anil Arora: I'm not sure I understand the question. The Government of Canada has very clear rules on access to information and what can or cannot be redacted. For anything that is not made available, there should be a good rationale.

Obviously my going-in position is that unless we're going to be contravening a particular act or violating somebody's privacy in a way that is currently specified in the legislation, I want to make sure that I'm helpful and I'm providing information that makes sense to Canadians. That's what the intent of that legislation is.

If I were offside of that legislation, I'd want to make sure that I corrected it, but with the intent that always we want to be helpful. That's what we do day in and day out: disseminate usable information that people can consume to make decisions. I would want to make sure that I retain that approach.

Mr. Alexander Nuttall: Thank you.

The Chair: We're going to move to Mr. Baylis. You have five minutes.

Mr. Frank Baylis: Mr. Chair, I'll be sharing my time with Mr. Jowhari.

[*Translation*]

I have another question about the information in the census.

The information is used by MPs and the government to develop new programs to solve existing problems. One of the problems encountered in rural regions of our country is the significant lack of high-speed Internet access.

Can this element be included in a census? Even though people talk to us about it, we don't really have clear information on the subject, and we don't know what the needs are in this area. Is it something you could consider?

Mr. Anil Arora: I'm not sure that the census is the best tool to meet this need.

Mr. Frank Baylis: Do you have any other tools in mind?

Mr. Anil Arora: We conducted a study a few years ago, the Internet Use Survey. If I'm not mistaken, 83% of the people had Internet access, and 97% of those people had high-speed Internet access.

Yes, we have tools to measure the gaps. The numbers I referred to didn't include rural regions.

Mr. Frank Baylis: I have read statistics indicating that a fairly high number of people have Internet access. However, in reality, we've heard that this isn't the case in the regions. Many witnesses have told us that the government must get involved in the matter.

First, can we have access to the survey? Second, can you start thinking of other ways to conduct the study again?

Mr. Anil Arora: Yes, but we need to work with our colleagues from Innovation, Science and Economic Development Canada, since that type of study is expensive. When we have needs that are a bit more specific, we need a fairly large sample size, which is costly.

As I said earlier, we also need to find other methods. We could use administrative data, for example, to give us a better idea. However, there are other methods to consider.

Mr. Frank Baylis: Thank you, Mr. Arora.

I'll now give the floor to Mr. Jowhari.

[*English*]

Mr. Majid Jowhari: Thank you.

Mr. Arora, I'd like to personally thank you for highlighting mental health as an area that we are seriously lacking data on.

I would like to ask the following question: how can we, as a committee or as members of Parliament, work with you in any capacity to facilitate the collection and analysis of that data that we greatly need, especially in the areas of mental health and its impact on the workforce and on the GDP?

Thank you.

• (1720)

Mr. Anil Arora: First, thank you. It is an issue dear to me, and obviously it is an important issue for our country today.

Many people suffer. We don't understand the characteristics of it, how to even measure or define it fully, or what the trends are. Anecdotally, I think we see that it's having an impact, obviously, in so many ways. There are social as well as economic impacts.

As I said earlier, there are a number of surveys on the health side through administrative records, because a lot of our health survey data come through administrative records from provinces and territories. I think one way we could use help is in ensuring... Maybe it's a more general request. A lot of the data come from other jurisdictions. Sometimes there are concerns over the timeliness and the definitions. We have different methods by which those data are collected. Statistics Canada tries to play a leadership role in ensuring, even in those jurisdictional kinds of issues, that there are common definitions. Having access to that information in a timely way for Statistics Canada sometimes can be a challenge, so I think that can help very much.

The second thing is that whenever you're trying to get at subpopulations and trying to study very precise phenomena, even the set of questions up front to try to get at the target population can take a bit of time and be burdensome. Once again, I think that encouraging people through the media and other intermediaries to participate in those surveys can also be very helpful.

Those are two concrete ways.

The Chair: Thank you very much.

We're going to go to Mr. Masse. You have the last two minutes.

Mr. Brian Masse: Thank you, Mr. Speaker.

Do you have the completed short form survey rate, the rate for all that have been completed?

Mr. Anil Arora: I would have to get that for you.

Mr. Brian Masse: Okay, if you could do that, I would like that. I would also like the completed long form survey rate. Third, I'd like the completed usable rate per question, the data that you could actually use per question.

I'd be interested in those rates. I think the committee would too, because the response rate methodology that's being proposed is a public relations issue that I think is quite unfortunate, for a number of different reasons. At any rate, I would like those, if possible. It gives a more scientific approach to it.

Second, do you have any disagreements with the privatization of the census, and do you support keeping a publicly operated census?

Mr. Anil Arora: On the first one, I'll certainly get you the response rates on the short form and the long form, and the basis of that calculation—

Mr. Brian Masse: And the rate response in each individual question....

Mr. Anil Arora: The individual question is a subject of the next year, essentially, meaning by the end of 2017. As the releases come out, we'll get a better sense, because there is edit and imputation, and there is all sorts of work that needs to be done to actually arrive at some of those. That will be part and parcel of the data releases when we put out the metadata and some of the quality concerns around it. I think that will come, but it will be later, as those other subject matter releases are made.

To your question about privatization of the census, that's a very interesting question. To my knowledge, no other country has even entertained the thought of a third party, other than the government, collecting such sensitive information from its citizens, either through administrative records or through a questionnaire.

I would have to say that as we've just discussed, the quality of information you require requires a mandatory instrument to collect it.

How do you even get a third party to impose a mandatory compliance on a population?

Mr. Brian Masse: The Paul Martin government did actually outsource the census to Lockheed Martin.

Mr. Anil Arora: I was actually a census manager back in 2006, when we contracted out the provision of hardware and software to the private sector in a very open, transparent competitive process, and I can assure you that the census was done by Statistics Canada employees and that nobody other than Statistics Canada employees ever came in contact with the responses.

• (1725)

Mr. Brian Masse: That's because of a campaign to keep that information in Canada, because part of the contract included information gathering in the United States, which was then subject to the Patriot Act.

Also, further money on the contract amendment took place because of that weakness in the original RFP out there.

Mr. Anil Arora: The contracts were, first, divided into two phases, and in fact the first phase was a test phase.

In the second phase, there was always the intent to exercise the kind of changes that we needed, for various reasons, and it was very clear in that phase that no contractor would ever come in contact with confidential response data.

As you recall, at that point, we had Denis Desautels, the former Auditor General of Canada, put out a public report and a statement, which confirmed that all the systems in fact had all the provisions to ensure the confidentiality—

Mr. Brian Masse: That's because the contract had to be amended and the data had to remain in Canada, because the previous contract originally allowed it to go to Minnesota, I believe, or outside of Canada, for data accumulation. It was a private American firm that actually had the Lockheed Martin contract for data assimilation.

Mr. Anil Arora: The data centres had to be in Canada, and they were owned, operated, and run by government employees. The data was never going to leave Canada, and it was never going to be at any other facility than Statistics Canada's facility, which is exactly what the original—

Mr. Brian Masse: The original proposal had that—

The Chair: Gentlemen, your two minutes are now up to five minutes, Mr. Masse.

Thank you, Mr. Arora, for an enlightening afternoon.

Thank you all very much. That will be a wrap.

The meeting is adjourned.

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