

GOVERNMENT RESPONSE TO THE STANDING COMMITTEE ON HUMAN RESOURCES, SKILLS AND SOCIAL DEVELOPMENT, AND THE STATUS OF PERSONS WITH DISABILITIES: IMPLICATIONS OF ARTIFICIAL INTELLIGENCE TECHNOLOGIES FOR THE CANADIAN LABOUR FORCE

On June 2, 2023, the Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities adopted a motion, pursuant to Standing Order 108(2), that the committee undertake a study on the implications of artificial intelligence technologies for the Canadian labour force. The study, titled *Implications of Artificial Intelligence Technologies for the Canadian Labour Force*, was tabled on May 7, 2024, with a request pursuant to Standing Order 109, that the Government table a comprehensive response to the 8 recommendations outlined in the report.

This response is the result of collaboration among federal departments and agencies, including Canada Revenue Agency (CRA); Employment and Social Development Canada (ESDC); Innovation, Science and Economic Development Canada (ISED); Department of Justice Canada (JUS); Statistics Canada (StatsCan); Shared Services Canada (SSC); and Treasury Board of Canada Secretariat (TBS).

Recommendation #1: That Employment and Social Development Canada, with Justice Canada, undertake a review of federal labour legislation to assess its capacity to protect diverse workers' rights in the context of current and future implementation of artificial intelligence technologies.

Government Response:

The Government of Canada supports this recommendation and is committed to protecting diverse workers' rights. As artificial intelligence (AI) and other technologies become more widespread, the Government understands that more clarity is needed around its impacts on the rights of diverse workers.

Federal legislation exists to provide protection for these workers' rights, including the *Employment Equity Act*, the *Pay Equity Act* and the *Canada Labour Code*. The Government intends to look into these statutes to assess their relevance for protecting diverse workers' rights in the context of current and future implementation of AI technologies.

AI in the workplace could affect safety issues and other worker protections. The Government of Canada is already aware that workplace surveillance through productivity tracking devices is raising issues regarding privacy rights and labour market inequities. Some workplaces have agreements that protect workers from surveillance, impacting their privacy rights. However, there is a notable gap across Canada, with Ontario being the only jurisdiction that has employee monitoring legislation. The Government will review federal labour legislation to assess existing capacity to protect diverse workers' rights within its jurisdiction.

In addition, the Treasury Board of Canada Secretariat (TBS), in collaboration with other federal departments, is currently developing an AI Strategy for the Federal Public Service that will align with and accelerate responsible AI adoption by the Government to enhance productivity, increase capacity for science and research and deliver simpler and faster digital services for Canadians and businesses.

Recommendation #2: That Employment and Social Development Canada develop a framework, in collaboration with provinces and territories and labour representatives, to support the ethical adoption of artificial intelligence technologies in workplaces.

Government Response:

The Government of Canada supports this recommendation in principle as development of this framework does not lie within the Government's current planned policy initiatives. However, the Government is committed to continuing to collaborate with provinces and territories and labour representatives to encourage the ethical and responsible adoption of AI technologies across Canada, which may include exploring the potential for developing a framework to guide these efforts.

The Government has been working for the last several years to develop a suite of legal and policy supports for Canadian institutions and businesses to help them with AI adoption. These initiatives are intended to promote the use of AI in an ethical and responsible manner. These initiatives include:

- *Artificial Intelligence and Data Act*: In 2022, the Government introduced the *Artificial Intelligence and Data Act* (AIDA) as part of Bill C-27 (the *Digital Charter Implementation Act*), to ensure the responsible design, development and use of AI systems in Canada's private sector, with a focus on systems with the greatest impact on health, safety and human rights (high-impact systems). In November 2023, the Government proposed amendments to AIDA that would provide an

- initial list of high-impact systems, including those used in employment screening. Bill C-27 also introduces the Consumer Privacy Protection Act and the Personal Information and Data Protection Tribunal Act which aim to modernize the private sector privacy law so that the law is suited to the digital age. The proposed Acts would ensure robust privacy protections for Canadians backed by meaningful enforcement in the face of challenges and privacy risks posed by artificial intelligence and other emerging technologies.
- Voluntary Code of Conduct on the Responsible Development and Management of Advanced Generative AI Systems: The Government also launched a Voluntary Code of Conduct for Advanced Generative AI Systems in September 2023, which identifies measures that organizations are encouraged to apply to their operations when they are developing and managing general-purpose generative AI systems. The Voluntary Code of Conduct would be a critical bridge between now and when the proposed AIDA would come into force.
- Pan-Canadian Artificial Intelligence Strategy (PCAIS): Launched in 2017, the pan-Canadian AI Strategy was the first in the world. Budget 2021 provided up to \$443.8 million over ten years, starting in 2021-22, to support the PCAIS. Through this investment in the Strategy, the Government has committed \$125 million to retain and attract top academic talent, and to increase the number of post-graduate trainees and researchers studying artificial intelligence and deep learning. Its goals include enhancing collaboration between Canada's main centres of AI expertise and keeping top AI talent in Canada. The Strategy positions Canada as a world-leading destination for companies seeking to invest in AI and innovation as it facilitates the connection between Canadian knowledge and talent and businesses looking to deploy AI systems. As part of this Strategy, the Government partnered with the Standards Council of Canada to advance the development and adoption of standards related to AI technologies. The Government is providing \$8.6 million in funding over five years, from 2021-2022 to 2025-2026, to support this specific initiative.
- AI Safety Institute of Canada: The Government is providing \$50 million over five years starting in 2024-2025 for the creation of a Canadian AI Safety Institute (CAISI). CAISI is focused on advancing knowledge and understanding of the technical and socio-technical aspects of safety for developing and deploying advanced AI systems, as well as mitigation measures for safety risks.

- Advisory Council on Artificial Intelligence: Established in 2019, the Advisory Council on Artificial Intelligence advises the Government of Canada on building Canada's strengths and global leadership on AI, identifying opportunities to create economic growth that benefits all Canadians, and ensuring that AI advancements reflect Canadian values. The Advisory Council is a central reference point to draw on leading AI experts from Canadian industry, civil society, academia, and government.

- Ethical Adoption of AI in Federal Institutions: The Government has taken the lead and introduced proactive measures to regulate AI and support the ethical adoption of AI technologies in federal institutions. These measures include the *Directive on Automated Decision-Making*, which mandates federal institutions to assess the potential impact of automated decision systems and mitigate risks to human rights before their deployment. Additionally, the *Guide on the use of generative artificial intelligence* (published in 2024) provides guidance to federal institutions on their use of generative AI tools and shares best practices along with the risks and benefits of using those tools.
 - TBS, in collaboration with ESDC and other federal government departments, is currently developing an AI Strategy for the Public Service that will align with and accelerate responsible AI adoption by the government to enhance productivity, increase capacity for science and research, and deliver simpler and faster digital services for Canadians and businesses. These measures seek to ensure that AI is deployed ethically and responsibly within workplaces in federal institutions and set the standard for workplaces across Canada.
 - In line with this approach, ESDC is prioritizing the ethical and responsible adoption of AI solutions internally. More specifically, ESDC is prioritizing the adoption of AI to enhance service delivery, and it will focus on delivering AI initiatives that drive measurable business value and enhance citizen service. An AI Adoption Strategy is currently being developed by ESDC, key components of which include the establishment of robust governance frameworks, guidelines, evaluations of operational readiness and change management plans. ESDC is putting in place guardrails to ensure privacy and security, to address bias to breakdown gender stereotypes and discrimination, to uphold ethical standards, and to ultimately foster public trust.
 - ESDC is also in the process of establishing an AI Oversight Board for fall 2024 to ensure all AI solutions undergo rigorous review for compliance with legislative requirements, adherence to the highest ethical standards, and compatibility with an evolving and sustainable IT infrastructure. The

Board will provide strategic advice and governance on AI policies, ensuring clear accountability and effective monitoring throughout the lifecycle of AI solutions. It will play a crucial role in managing risks related to fairness, bias, privacy, and security, employing safeguards at all stages to mitigate potential issues. Additionally, the Board will collaborate with other governance committees to address horizontal AI initiatives, fostering alignment with ESDC's corporate commitments in diversity, equity, reconciliation, and inclusion. This initiative aims to mitigate several risks including the exclusion of, or perpetuation of entrenched biases regarding specific groups; privacy and security breaches; erroneous advice or decision making; copyright infringement; liability concerns; and other risks associated with AI adoption.

Recommendation #3: That Employment and Social Development Canada invest in skills training to increase the adaptability of the Canadian workforce to the use of artificial intelligence technologies.

Government Response:

The Government of Canada supports this recommendation in principle, as AI continues to be an emerging field and, as such, the scope and amount of future AI funding remains to be determined. Nevertheless, ESDC is already supporting workforce development related to AI through its diverse suite of skills and employment programming and initiatives. In roughly the last three years, ESDC has invested approximately \$111 million to support workforce development related to AI, including but not limited to training activities, labour market information, standards and tools.

To secure Canada's AI advantage, Budget 2024 announced a monumental increase in targeted AI support of \$2.4 billion, which includes \$50 million over four years, starting in 2025-2026, to support workers who may be impacted by AI, such as creative industries. This support will be delivered through ESDC's Sectoral Workforce Solutions Program's (SWSP), which will provide new skills training for workers in potentially disrupted sectors and communities. Some of this work is already occurring. For example, a number of the SWSP projects address emerging AI and automation technologies across industrial sectors, preparing workers for the jobs of the future. In addition, between 2018-2019 and 2020-2021, the Student Work Placement Program supported 500 opportunities in the AI field through targeted funding. ESDC has a key role to play in bridging the AI skills gap and equipping the workforce with the diverse skills needed for the expanding AI landscape.

The SWSP helps key sectors of the economy implement solutions to address their current and emerging workforce needs. The SWSP is a contribution program that funds sectoral projects that support workers and employers through a wide range of activities such as training and reskilling workers, helping employers retain and attract a skilled and diverse workforce and other creative solutions to help sectors address labour market needs. ESDC is working to advance this new initiative, which will be a key lever of the overall response to this recommendation.

ESDC also has programs that can be deployed quickly to assist displaced workers. These include rapid response efforts in the event of mass lay-offs, lay-off prevention through the Work-Sharing program; assistance to displaced workers through Employment Insurance income support benefits; and training and re-employment transition supports offered through Labour Market Agreements with the provinces and territories (i.e., job counselling, skills assessments, job search assistance, and training). In the face of this next transition to work facilitated by AI, ESDC will ensure that workers have the support they need to build new skills, secure their income in the event of a job loss, and rejoin the labour force.

Recommendation #4: That the Office of the Privacy Commissioner undertake a review of how artificial intelligence is impacting the privacy of Canadian workers and create proper regulations to ensure the protection of Canadians from artificial intelligence and that those regulations can be and are properly enforced. Also, to consider how this will interact with provinces and territories.

Government Response:

The Government supports this recommendation in principle, acknowledging that the recommendation is directed towards the Office of the Privacy Commissioner (OPC), an independent Agent of Parliament, and that the OPC has provided its own response to the Committee.

It is important to note that, while the OPC has the authority to enforce the provisions of federal privacy legislation, it does not have legislative or regulatory authority. The policy, legislative and regulation-making authorities for private sector policy lie with the Minister of Innovation, Science, and Industry (ISI). As the substance of the recommendation falls under the mandate of the Minister of ISI, it is important to highlight the Government's efforts to protect Canadians' privacy in the face of evolving technologies, including artificial intelligence. The Government is committed to ensuring that the legislative frameworks for privacy and AI are suited for the digital age. That is why, since 2018, it

has undertaken extensive consultations on digital transformation, including how innovation impacts the future of work and Canadians' privacy when it comes to their data.

Based on those past consultations and ongoing engagement with stakeholders, the Government introduced Bill C-27, the *Digital Charter Implementation Act, 2022*. If enacted, Bill C-27 would modernize the framework for the protection of personal information in the private sector established in 2000 by the Personal Information and Electronic Documents Act (PIPEDA) and introduce new rules for the development and deployment of artificial intelligence (AI). The Bill introduces three proposed acts: the *Consumer Privacy Protection Act* (CPPA) (Part 1 of the Bill, the *Personal Information and Data Protection Tribunal Act* (PIDPTA) (Part 2 of the Bill), and the *Artificial Intelligence and Data Act* (AIDA) (Part 3 of the Bill).

In response to Canadians' concerns and expectations pertaining to privacy in the digital age, the CPPA would modernize Canada's federal framework for privacy practices in the private sector to create new personal information rights for Canadians and support responsible innovation. As a technology-neutral framework, like PIPEDA, the CPPA would apply to all commercial activities, including those that involve emerging technologies like AI. To further strengthen privacy protections, the CPPA would enhance individuals' control over their personal information through updated rules to ensure that they can provide meaningful consent for the handling of their personal information. It should be noted that if the CPPA is enacted, the OPC would maintain its authority to investigate privacy complaints and enforce its provisions, much as it currently does under PIPEDA. In addition, the CPPA would require transparency of organizations' use of automated decision-making systems, including those using artificial intelligence, and require that, upon request, individuals receive an explanation of the decision made using such a system, where the decision can have a significant impact on them. Moreover, like PIPEDA, the CPPA would protect federally regulated employees, and therefore, its stronger protections would enhance workplace privacy in federal works, undertakings, and businesses.

The CPPA would also enhance the enforcement powers of the OPC, the agent responsible for ensuring that the commercial activities of private sector and federally regulated organizations comply with the legislation. Currently the Privacy Commissioner oversees the existing law as an ombudsperson and can only issue non-binding recommendations at the end of an investigation. By contrast, the CPPA would provide the Privacy Commissioner with broad order-making powers, which would empower the Commissioner to order an organization to stop activities not in compliance with the Act, or to make changes that would bring it into compliance.

If enacted, AIDA would create requirements for the design, development and use of high-impact and general-purpose AI systems in Canada's private sector. The Act would regulate systems used to make determinations about employment, such as recruitment, hiring, firing, and promotion, as a class of 'high impact' AI. This will ensure that AI systems used for these purposes are thoroughly tested, fair, transparent, and subject to appropriate human oversight. AIDA would protect workers belonging to historically marginalized groups by requiring businesses to assess and mitigate the risk of biased output from these systems before putting them on the market as well as by requiring ongoing monitoring and risk mitigation while the system is in operation. If passed, AIDA would be Canada's first law designed to address the risk of systemic bias in AI systems.

In addition to the efforts led by the Minister of ISI, the Government's *Directive on Automated Decision-Making* contains strong linkages between the deployment of automated systems and privacy protections in the federal public sector context. These linkages require institutions to ensure that privacy protection is included when deploying automation that impacts individuals, whether they are government employees or members of the public.

Recommendation #5: That Innovation, Science and Economic Development Canada deliver dedicated funding to support small businesses and nonprofit organizations in all regions of the country, including rural Canada, in adopting artificial intelligence technologies in an ethical manner, that supports Canadian productivity, has clear objectives, is transparent and accountable, and has clear measurement of results.

Government Response:

Digital and emerging technologies such as AI are key parts of the Government's plan to help support Canada's long-term global competitiveness and growth. The Government supports this recommendation in principle. ISED currently provides funding to small- and medium-sized enterprises (SMEs) and not-for-profit organizations (NFPs) to advance AI adoption; however, this is not the sole purpose of those funds, and the funding provided has both direct and indirect impacts on AI adoption by SMEs and NFPs.

The Government will continue to foster a positive environment for the research and development of new technologies in Canada, and to facilitate the application of those technologies by industry. The Government further understands the powerful potential of AI to increase Canada's economic productivity by increasing efficiency, supporting innovation and growth, providing Canadian businesses with a competitive advantage

and creating important economic and employment impacts throughout the economy. At the same time, the equitable distribution of access to AI technologies across the spectrum of Canadian businesses and organizations, and therefore access to the benefits of AI for business intelligence, is important, and something the Government is working towards.

As part of this work, federal departments leverage a number of innovation programs to ensure that SMEs and NFPs across the country, including in rural Canada, have access to the resources they need to take advantage of the opportunities presented by the AI market and spur the momentum for AI adoption across industrial sectors. This includes but is not limited to the National Research Council of Canada Industrial Research Assistance Program, the Global Innovation Clusters (GIC) initiative and the Regional Economic Growth through Innovation Program.

While some of these programs are directly focused on AI, such as the GIC Scale AI initiative in Montreal, Quebec, many of the programs consider and encourage the use of emerging technologies such as AI as part of funding decisions and pathfinding, given that these technologies are fast becoming an important part of Canada's prosperity and security in the future economy.

In addition to making AI targeted investments in Canadian firms across the country, ISED works with its partners in Canada's private and public sectors to provide the necessary conditions to support business growth, helping transform innovative ideas into market ready solutions for the global marketplace.

To build upon this momentum, Budget 2024 announced up to \$2.4 billion over five years starting in 2024-25 to help secure Canada's AI advantage, including measures for providing greater access to affordable and secure AI compute capacity and infrastructure, accelerating responsible and safe AI adoption and deployment and supporting workers transitioning to the future digital economy. Public consultations on a new Compute Access Fund and Sovereign Compute Strategy have been held, and a 'What we Heard' report and implementation plans are expected in Fall 2024.

In support of this work, the Government is working to improve service delivery across the country, with the aim of providing modern services to Canadians and businesses, and the implementation of new AI technologies is an important part of this effort. For example, the Canada Revenue Agency (CRA) has a role in the identification of small business tax practitioners and non-profit organizations and helps them to access tax credits and benefits administered through the tax system. CRA is pursuing numerous

opportunities for integrating AI into this work to both smooth and speed up these processes, delivering more effective and efficient services to Canadians in support of their business aspirations.

Recommendation #6: That the Canadian government seek ways it can pragmatically increase efficiency, productivity and reduce red tape in their operations and workplace by utilizing artificial intelligence.

Government Response:

The Government of Canada supports this recommendation. As the range of use cases for AI within government expands, the Government is actively exploring where and how it can deploy AI responsibly to improve the business of government through efficiencies, increased productivity, and automation of repetitive tasks.

The Government has recently established a Citizens' Services ministerial portfolio, providing the minister with a mandate to lead initiatives to improve government services through digitalization, modernization, enhanced security and increased efficiency and efficacy. This includes identifying potential service delivery challenges and developing mitigation plans, especially for services that have already faced significant backlogs. Other examples of the Government's efforts to responsibly adopt AI for increasing efficiency, productivity and reducing red tape include:

AI Strategy for the Government of Canada

The Office of the Chief Information Officer of Canada is currently working with departments on a government-wide strategy to advance the adoption of AI across the public service, to be published in March 2025. The Strategy will cover use of AI by the Government of Canada for internal operations and the delivery of services and will focus on enhancing AI's impact on performance, service quality, and data utilization. It will include measures for governance, procurement, capacity building, and identifying AI adoption opportunities across government sectors such as service delivery, science and research, and workforce development.

Areas of focus for the Strategy that would support this recommendation include:

- Prioritizing uses that will raise service quality and accessibility, improve working conditions, reduce operating costs, and accelerate scientific discovery.
- Augmenting public service capabilities through human-AI teaming, by deploying human intelligence and AI where they are most effective.

- Increasing horizontal collaboration, development of common solutions, and the sharing of knowledge, good practices, data, and code to advance the collective work of the Government of Canada without duplication of effort.

The Strategy will be accompanied by an implementation plan which will incorporate key outcomes, outputs, and performance indicators for the Strategy lifespan.

Directive on Digital Talent

In 2023, the Government of Canada issued a Directive on Digital Talent to support a strong and diverse workforce to deliver digital services. The Directive prioritizes enabling employee development, training, and upskilling, including encouraging employee participation in enterprise-wide coordinated training and upskilling opportunities. The Government of Canada recognizes that all government bodies, organizations, and businesses need to foster a culture of understanding effective and responsible use of AI and advanced analytics, including generative AI. This includes providing individual work aids, as well as training to interact with models, training for managers, and re-enforcement of responsible management and use of data and tools across enterprises. The Government has developed learning resources to help employees better understand when they should and should not use AI solutions.

AI for Pay and HR Modernization (TBS)

Within the Treasury Board Secretariat, the Office of the Chief Human Resources Officer (OCHRO) is working with Public Services and Procurement Canada (PSPC) on modernization of the Government of Canada's pay and HR systems, which includes the use of AI technology to improve the efficiency of pay and HR administration.

AI and Intelligent Automation for Efficiency and Productivity (SSC)

Shared Services Canada (SSC) is currently exploring, developing, and evaluating many artificial intelligence (AI)/intelligent automation (IA) technologies and use cases to enhance efficiency, productivity, and reduce routine tasks, freeing up public servants to focus on more complex and strategic work to better serve Canadians.

Some examples:

- Network Security: Use AI-powered initiatives that aim to reduce the amount of manual work done by security assessors, saving time and resources while making Government of Canada networks more secure.

- Improving services to Canadians: Use robotic process automation (RPA) and large language models (LLM) to create efficiencies in access to information and privacy request processing. RPA provides faster and better services to requesters while giving employees a better work experience.

SSC is developing AI frameworks to ensure the ethical and effective deployment of AI technologies. These frameworks ensure that AI implementations are transparent, accountable, and aligned with Canadian values and regulations. This includes contributing to the development of guidelines for data usage, privacy protection, and bias mitigation in AI systems.

SSC is also establishing government-wide vehicles for the procurement of RPA technologies and professional services. This will help departments access this expertise.

AI and Machine Learning Solutions (ESDC)

The following AI and machine learning (ML) enabled solutions are either in development or implementation at ESDC:

- Record of Employment Comments: This AI model automates the review of free-text comments on Records of Employment, eliminating the need for agent review of over 27,000 items per month. This allows agents to focus on more complex cases and getting benefits into the hands of Canadians faster.
- Optical Character Recognition: ESDC is advancing commercial and in-house development of optical character recognition (OCR) tools for enterprise-wide application in delivering high-quality, cost-effective services to Canadians. While program and service delivery are increasingly digital, large volumes of paper forms will continue to be processed by the department in a digitally enabled, multichannel service delivery network to ensure access to benefits and services by all Canadians. Through OCR, the handwritten content of documents received on paper can be understood, captured, and integrated into electronic processes.
- Returned T4 processing: A machine learning model was developed and trained to review client account notes and determine if further action was required on returned (undeliverable) T4s. This solution helped reduce workloads.
- Employment Insurance (EI) Benefit Recalculations Triage (pre-emergency response benefit backlog): ESDC developed an ML model to predict the outcome

of EI benefit recalculations. In June 2023, ESDC was able to use this model to close approximately 45,000 recalculation work items for which there was a high level of confidence of no monetary impact for the client were closed without the need for agent intervention. The resulting efficiency gains allowed for resources to be refocused on service delivery and the processing of EI applications.

- Personal virtual assistants, such as Microsoft 365 and other copilots will expedite employee response time to service requests, improving interactions overall (internal processes). Microsoft will be embedding generative AI capabilities into applications that employees can leverage to make their day-to-day work more efficient.

CRA's Artificial Intelligence (AI) Strategy

The objective of the Canada Revenue Agency's (CRA) AI Strategy is to support the Agency in becoming a more efficient and effective tax administration with our targeted use of AI. Since 2019, the Agency has been prioritizing the enablement of AI, evident by over 300 AI projects being investigated and, in some cases, deployed into aspects of the Agency's work.

Internal operations have been made more efficient and/or effective using AI through such techniques as:

- automating manual tasks;
- improving research capabilities in fields such as risk assessment, compliance, and fraud detection;
- introducing forecasting techniques to assist with budgeting time and resources;
- introducing anomaly detection in large datasets; and,
- leveraging generative AI to assist with a variety of tasks such as content generation and brainstorming.

Additionally, the CRA is exploring how AI can have a role in simplifying the taxpayer experience in navigating the tax systems, improving the efficiency and effectiveness of services to taxpayers. For instance, the Agency is looking into reducing tax knowledge barriers by incorporating AI technologies into non-confidential taxpayer inquiries to improve the collection of and response to service feedback.

CRA will continue to work on increasing the productivity, efficiency, and efficacy of its services and will continue developing new ways to use AI to manage taxation, benefits, compliance and related programs.

Recommendation #7: That Innovation, Science and Economic Development Canada ensure that the membership of the Advisory Council on Artificial Intelligence encompasses a wide diversity of perspectives, such as labour, academia and/or civil society, and the private sector; that the Advisory Council be asked to undertake work to examine mechanisms to protect workers and to identify existing data and research gaps; and that the department report back to the committee on these matters within one year.

Government Response:

The Government of Canada supports this recommendation in principle.

The current mandate of the Advisory Council on Artificial Intelligence (the Advisory Council) is to build on Canada's strengths in AI, to identify new opportunities in the AI sector and to make recommendations to the Minister of Innovation, Science and Economic Development and the Government of Canada more broadly including but not limited to:

- a. How to ensure Canadians benefit from the growth of the AI sector.
- b. How to harness AI to create more jobs for Canadians, to attract and retain world-leading AI talent, to ensure more Canadians have the skills and training they need for jobs in the AI sector; and to use Canada's leadership in AI research and development to create economic growth that benefits all Canadians.

The Government of Canada is committed to ensuring that the Advisory Council's membership reflects Canada's diversity and is well positioned to advise the Government on the range of important issues raised by the development of AI technologies. The Advisory Council will continue to be an important source of advice and input as the Government analyzes the impacts of AI on the labour market and associated issues.

Recommendation #8: That Statistics Canada develop a methodology to monitor labour market impacts of artificial intelligence technologies over time, including by collecting data on job separations by reason for job separation and industry type and by tracking unemployment risk by occupation.

Government Response:

The Government of Canada supports this recommendation in principle, as the data collection approach described in the Recommendation would not necessarily produce the outcomes the Committee is seeking. The Government agrees that it is important to monitor the labour market impacts of artificial intelligence (AI) technologies and their implications for Canadian workers, though labour market research cannot typically determine causal relationships between changes in production process - such as the adoption of AI - and changes in employment. Despite this, identifying correlations over time can be feasible.

Statistics Canada regularly collects rich sets of occupation-level information on the Canadian Labour market, including the Labour Force Survey (LFS), the Job Vacancy and Wage Survey (JVWS) and the Census of Population. In addition, the Canadian Survey on Business Conditions collects information on a broad range of topics. In the April-May 2024 survey, this included questions regarding the current scope of AI adoption and the ways it is used by businesses. These data sources can be used to monitor changes in the occupational distribution of employment over time, particularly when they are integrated with each other. Evaluating these data sources together can demonstrate the decline of some occupations and the emergence of others. In addition, regular updates to the National Occupational Classification (NOC) system create opportunities to identify changes in the importance of tasks within occupations.