

[Chairman: Mr. Martin] [10 a.m.]

MR. CHAIRMAN: We have a quorum. The minutes of May 1 have been circulated.

MR. NELSON: I move we adopt them.

MR. CHAIRMAN: It's been moved to adopt. Any errors or omissions? All those in favour of adopting them?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Opposed? It's carried.

Before I bring in the Minister of Manpower, Mr. Rogers wants to go to his report and show you where it is, plus introduce the person with him today. So first I'll call Mr. Rogers.

MR. ROGERS: Thank you, Mr. Chairman. I'd like to introduce Mr. Don Salmon. He is assistant Auditor General, has been with the office for many years, and will be standing in for me next week, as we arranged, in going through the remainder of the Auditor General's report, and also making some comments on the Workers' Compensation Board, as I promised, and the progress that has taken place there.

With regard to the Department of Manpower, there is item 2.5.3 on page 49 of the report, and the details of the expenditure of that department are found in section 16 of the public accounts Volume II.

Thank you very much Mr. Chairman.

MR. CHAIRMAN: I now welcome Mr. Isley. We appreciate his taking time out to come to our public accounts. I'll open it up to you if you have any initial remarks, and after you're finished, we'll open it up for questions.

MR. ISLEY: Thank you, Mr. Chairman, and thank you to the committee for the invitation. I have no opening remarks. I'm here at your will and will attempt to respond to any questions you have.

MR. R. MOORE: Mr. Chairman, I'll go right to page 49, which the Auditor General identified. Mr. Minister, the Auditor General identified some accounting problems involving an understatement of department expenditure on the priority employment program. Given that

public accounts are important financial statements and it's crucial that they be accurate, can the minister explain how this error came to be made and can he outline the steps taken to ensure this won't happen again?

MR. ISLEY: As I understand it, Mr. Chairman, the confusion arose over the fact that the priority employment program cuts across two fiscal years and whether you report money as committed or as spent. It's my understanding that in discussions with the Auditor General and Treasury, we have now resolved the problem.

MR. R. MOORE: A supplementary, Mr. Chairman. On the other end of the scale, the Auditor General noted that there was an overstatement of department expenditures for manpower and training. In his estimation this occurred through a lack of communication between the financial management and the field operation sections of the department regarding course cancellations. Is there any mechanism in place to ensure that such information is routinely passed on through the system so we don't get these overstatements?

MR. ISLEY: I think that relates to the first question. You've approved a program for X number of dollars, be it under the community support element of the priority employment program or the private vocational school program. If you're not accounting on an as spent basis, then that is committed money. You're reporting that as a commitment but it's never spent, so you end up with the overstatement. I think we've got to do it on an as spent basis, not on an as approved basis.

To give you simple example: any one of the communities out there that participates in the priority employment program may get a project approved that requires, let's say, seven positions for a five-month period. They may start up with a full staff, one or two of those employees find a better paying job or a more permanent job, and there's a time lapse before you get back to the full staff. So while you've committed enough money to that community to carry seven employees for five months, when tally-up day comes, they've only carried five employees for five months. Do I make myself clear?

MR. R. MOORE: Mr. Chairman, that actually answers, maybe partially, maybe in total, my other supplementary. Public accounts show that there was \$3.5 million authorized for special employment programs and unexpended at the end of the '83-84 year. When we look at the unemployment situation during that period of time, is this the reason we had that much money there and it wasn't utilized by the public?

MR. ISLEY: Yes, the entire amount of that money was committed. That is the percentage that was not used due to slippage, keeping in mind that the latter part of the '82-83 budget year and the year we're looking at here, '83-84, was the first time we've been dealing with high unemployment levels. We were also going through a learning process, as was Treasury. The rules of the game at that time were that if you announced a \$20 million STEP program, once you had made \$20 million worth of commitments the program was finished. Through experience, we're starting to get a handle on what is the rough amount of slippage and, through negotiations with Treasury, overcommitting our funds. In other words, on a \$20 million program, working with the community support element of STEP or PEP, I suggest that we could very safely commit \$23 million worth of projects and still end up spending less than \$20 million.

MR. R. MOORE: One of these days you'll probably get caught with overcommitting and not have enough money in place under that type of program. Has it worked out the last year?

MR. ISLEY: Yes, keeping in mind that we're running a very broad spectrum of programs now. The possibility exists for transferring funds between various special manpower programs -- the ones that take off the best. So as long as we're careful, I think we can leave less on the table, do more for the unemployed individual, and not get in trouble with your committee.

MR. CHAIRMAN: The vice-chairman got four in, but he has to take over so I allowed it.

MR. SZWENDER: Mr. Chairman, I'm pleased to see the minister here. It's also refreshing to see a minister brave enough to come before this

committee by himself. Usually there's a staff of many to give some support to the minister. We know the minister is always in a very challenging position and is certainly doing his job remarkably well, which leads me to my first question, which is regarding the unemployment situation in a general way. We know it was difficult throughout the winter. In the latest reports we've witnessed a steady decline, slow but steady. Particularly in Edmonton, I believe there was a 2 percent drop in the unemployment percentage over the last time frame that was measured.

I wonder if the minister could expand on the determination of funding for the many special programs he has: youth retraining programs, manpower programs, various special employment programs. How is funding determined regarding the fluctuations in unemployment as they may vary throughout the year?

MR. ISLEY: Based upon Stats Canada surveys of the labour force, which aren't always as accurate as we would like to see them, we have attempted to identify those target groups which were being particularly hard hit by unemployment and, as much as possible, direct our funds in that direction. The reason we came out with the very significant Alberta youth employment program in the fall of 1984 was because of a 26 percent unemployment rate, as nearly as we could determine, in that 15- to 24-year-old category.

The basic rationale behind the priority employment program, which is the winter program, is to provide additional employment opportunities in the public sector during that down period, which we know is normal in the Alberta labour market, caused by climatic conditions.

The summer temporary employment, although not exclusively restricted to students, is brought on stream from May to September to create additional job opportunities for our postsecondary and high school students looking for part-time work in the market.

The two flagship programs, as I would call them, the Alberta training program and the Alberta wage subsidy program, which are running for a two-and-a-half-year period starting last November until April 1987, were brought about and directed at the private sector to create as many jobs as we could for the least

public cost, in an area where we know that only permanent jobs exist. We're continually assessing the situation out there and looking at whether or not we should be bringing forward new programs.

MR. SZWENDER: A supplementary to the minister, Mr. Chairman. I know that the youth programs mentioned specifically, STEP and PEP, have been extremely beneficial to my constituents. Many youths, particularly students, have benefitted immensely from those. That leads me to the second question in the sense that concerns have been brought to my attention that because of the wide variety and very generous programs, I guess, in comparison to other provinces, maybe we're making it too easy for employers to take on students. Also, some of these programs, like the wage subsidy program, make it very easy for employers to hire students rather than individuals who would be permanently in the work force, because they can pay the students less money, particularly if it were to do with construction. You could get the salary subsidized -- in any business, not just construction -- rather than take somebody out of the permanent work force. It's always easier to release these people, or you know the program or the funding will expire after six months or a year, and you're not tied to somebody permanently.

The concern is that because of the generosity of the minister's department and the government in making that funding so readily available, many students are replacing people who, after a period of unemployment, could find employment but are finding it more difficult because employers tend to go to the programs sponsored by the minister's department rather than rehiring, on a permanent or full-time basis, people who are in the work force and have been unemployed and should be re-entering it. I wonder if the minister could comment and give an assessment of that.

MR. ISLEY: That's a criticism which is very often leveled at us. It's not a criticism that I totally accept. I think the criticism is made because many people don't clearly understand the wide array of programs we have. The way things have evolved, the priority employment program in the wintertime, and the summer temporary employment program in the

summertime, with a couple of small exceptions in STEP, are not available to the private sector. They're strictly public-sector programs carried on by government departments, municipalities, nonprofit organizations, community associations, et cetera.

The programs directed to the private sector are the two flagship ones I mentioned earlier. The Alberta wage subsidy program, which is designed to encourage the employer, if you wish, to hire a little bit surplus to his needs to get that person back in the work force and give him a chance to prove himself, has no age restriction on it. We give no direction to the private-sector employer as to who he or she can hire. They can hire anyone under that program. The subsidy is a six-month period, which usually makes it a program that employers are not going to look at students to fill.

The Alberta training program, on the other hand, is designed to allow that private-sector employer to gain some financial assistance in providing on-the-job training to his staff, to upgrade them so that hopefully they move up in his operation and create openings behind them.

The one private-sector program that we have age restrictions on is the Alberta youth employment program, which has two elements, the first element being the youth internship program, which is designed to assist the graduate of a postsecondary institution, with at least a two-year degree, diploma, or certificate, to get that first job in the work force related to his field of training. That's a one-year subsidy and training program, and it's a fairly rich one, if I do say so. The other element, the youth work experience and training program, is directed at the high school graduate or the 18- to 24-year-old who has been out of high school for at least one year. Under that program we support the employer through a wage subsidy and possibly a training allowance for a six-month time period. If the employer makes the commitment to keep that young person without a subsidy for the second six-month period, we give them a \$3,000 bonus.

All the programs I've just outlined, other than the Alberta training one, are directed to the private sector. In review, that's the Alberta wage subsidy and the Alberta youth employment and training. The employer must show us he is hiring to a new position, not a replacement position. So the people who say, "Hey, the

employer is taking that program to replace me in the work place" are not correct in 99 percent of the cases. There may be a few that fall through the cracks, because I don't have a big police force up there. But I'd say that the response so far from the private sector has been very co-operative and, on the whole, very honest and above board.

MR. SZWENDER: Thank you.

MR. CHAIRMAN: Can we just follow along? You can always come back on any one of these -- I have you down -- because that way some members will get cut off, but feel free to come back.

MR. DROBOT: Mr. Minister, has the department considered developing a program which would assist farmers to train unemployed men as farm managers, farm labourers, et cetera -- a program similar to the abandoned federal green certificate program, for instance?

MR. ISLEY: First of all, for clarity, the green certificate program has not been abandoned. It is still in place. There is some question as to whether federal funding will continue in that program. Historically that program has been funded between Canada Employment and Immigration and Alberta Agriculture. I've had discussions with the Hon. Flora MacDonald on continuing their involvement in that program. In the short term we are prepared to pick up, through our Alberta training program, the lack of federal funding if it isn't reinstated, and have done so in some cases. I'm of the opinion, and I hope I will have some support from this committee, that that program should continue even if we have to fund it entirely provincially.

In addition to that, last May when we announced the Alberta wage subsidy program the agricultural community was the first big user. At one point in time, over a quarter of our positions were in the agricultural industry. I would say they are shifting to significantly increasing their use of the Alberta training program, and we may see some models develop there that we wish to continue later on. But that program is very flexible, where any farmer can develop any type of training program he feels he needs for his employees.

MR. DROBOT: A supplementary question. How

broadly is your hire-a-student program based? Also, is it applicable to agriculture?

MR ISLEY: The hire-a-student program, which we carry out jointly with the Alberta Chamber of Commerce and the federal government, is currently serving 78 communities scattered across the province and is certainly a contact point that the agricultural community can use to seek out employees.

MR. MUSGROVE: Mr. Chairman, I have a couple of supplementary questions on the job creation and training program. I noticed, and it's well understood, that this has shifted from the public sector to the private sector. What promoted that shift?

MR. ISLEY: In the winter of 1982-83, when we were beginning to experience the unusually high levels of unemployment for this province, under the priority employment program we experimented with the small business and farm support element, which basically today is the Alberta wage subsidy program except it was a six-month program. We watched that very closely and found that five months after we had quit subsidizing, 40 percent of the people hired under that program were still working for the same employer and 60 percent of the people working under that program were still working but had changed employers. Take the success of that experiment plus the realization that if you're creating jobs in the private sector it's costing you only half as much money; secondly, there is some chance, and that assessment indicated quite a good chance, of that job you subsidized turning into a permanent job. On the other hand, with our old public-sector programs, and we've run STEP and PEP in this province since 1972, the public purse pays the full shot, and the minute it quits paying the program stops. So a policy decision was made that more and more of our job creation and training money should go to the private sector in recognition of the fact that that's where the long-term jobs will be created and where we can best use this money to encourage the economic recovery that is going on in this province.

MR. MUSGROVE: That answers all of that. Another question is about the opportunity corporation program. What is the purpose of that program?

MR. ISLEY: The opportunity corps program, which is carried out in 14 communities in northern Alberta at this point in time, is mainly designed to assist people that have little or no work skills and possibly low educational levels -- there's no age restriction on it, but I would say most of them are 20 years of age and over -- build up the basic skills that are needed to transfer them into the work place. It runs in many of our remote communities and in many of our communities in northern Alberta where you'll find that type of population near them, and you'll find real job opportunities that you can eventually bridge them into.

You might consider it a simulated work experience program in that the trainee is paid a wage as they're going through the program. They go to real job sites, working for nonprofit organizations, working for municipalities, and do work projects. There's a life skills component which teaches them such basic things as time management, budget management, the importance of punctuality, and eventually, how to prepare a resume and how to handle themselves in a job interview.

I'd say that the success of the program has been quite good in those communities where there have been meaningful job opportunities to bridge them into. In a few of our remote northern communities it hasn't worked as a bridging, because it's really the only game in town and it tends to become the public works department of the community. But as a result of the success in the other communities we are currently expanding the program into four communities in central Alberta, and there is a demand starting to pick up that we should look at southern Alberta.

MR. MUSGROVE: Is there any connection between it and the employment counselling and relocation program?

MR. ISLEY: In many communities the employment counselling and relocation program is a program where we attempt to assist someone moving from a remote community into a small urban setting get established in a home, learn how to manage a budget, and get established in either training or employment. In many cases where you've got the opportunity corps working, and a prime example would probably be Slave Lake, and the employment counselling and relocation program working,

you'd probably take the person through the opportunity corps, lead them into a training program, provide the counselling and the housing support, and eventually into the work force, or with some people from the opportunity corps into the work force.

The employment counselling and relocation program basically serves people that are desirous of moving out of our remote communities into centres where there are job and training activities, and the program is designed to assist them in making that rather dramatic change in life style.

[Mr. R. Moore in the Chair]

MR. STROMBERG: Mr. Chairman, to the minister. We've had a number, not a large number, of constituents who have brought to my attention that on the wage subsidy, in making application and phoning your offices, there will be a delay of one month until the application is processed. Is this delay being caused by the regulations imposed by the Provincial Auditor or, in other words, the amount of red tape or the loops or the hoops you have to jump through because of the Auditor's report and recommendations?

MR. ISLEY: No. This delay is being caused by the fact that my staff still hasn't learned quickly enough from experience how to respond to the agricultural community under that program. We ran into a similar problem last year, which I could understand because it was our first year in it. I attempted to cut down that time by bringing on some additional workers and going into earlier phoning to potential employers, in some cases as early as 6 o'clock in the morning.

The Alberta wage subsidy program, which was, shall we say, rolling along with 300 to 350 applications per week during the winter, suddenly had 802 applications the week ending May 3. So it's a matter of our restructuring our administration to cut down that time.

MR. STROMBERG: My supplementary would be to the Provincial Auditor as watch dog of the public purse. Has it been brought to his attention by any departments that there is a delay in serving the public due to, let's say, red tape that perhaps they have to go through to satisfy your department?

MR. ROGERS: Mr. Chairman, I know of no red tape that our department is responsible for; far from it. We often give advice that results in streamlining. I am unable to respond properly to that question, because I know of no instance where we have been responsible for a delay but rather have tended to try to help departments speed up service to the public.

MR. STROMBERG: Very good.

MR. JONSON: Mr. Chairman, I guess it's a question similar to some previous ones that have been posed. I have heard some concern that the programs offered through Manpower during the past couple of years are not always being used to create additional jobs. In fact, as these programs continue from year to year, they are becoming part of the planning, say, of local governments and so on, whereas previously they would have been planning for and funding these things on their own.

The question is: what policies or what monitoring process does the Department of Manpower have to try to ensure that there is an additional effort being made in these programs to have jobs created?

MR. ISLEY: As I stated earlier and I will expand on it, in order for the private sector to qualify -- and really the ball game hasn't changed that much with the public sector, other than that we're encouraging them to create more temporary jobs, but most of the public sector jobs are the STEP and the PEP ones. Having said that, the policies under the wage subsidy programs and the youth employment and training with the private sector are that we are funding new positions, not new people. So if your company normally employs five individuals, we'll only support the sixth one, and we'll support that individual under the wage subsidy program up to six months, and under the youth employment, the way I explained earlier on.

In some cases, on a case-by-case basis, we will allow retention of an existing employee. But I would say that our retention positions in the last year, out of the 20,000 positions created under the Alberta wage subsidy, have run at about 5 percent, and that's where, on a case-by-case basis, an employer can build a case: unless we get some assistance, we're going to have to lay certain individuals off.

Under the youth employment program, it must be a new position and the employee must meet the guidelines.

I suppose the next part of the question is: how do we check it out? We check it out with spot monitoring and, in some cases, auditing, and to this point in time have found very little abuse of it. I would say that the only problem we ran into where we had to ask for funds back was people not understanding, when we first got into it, the guideline that you cannot hire a member of your immediate family.

MR. JONSON: A supplementary, Mr. Chairman. I think in the private sector it is working well. I should have clarified when I asked my question that I'm primarily concerned about what's being done or how things are going with the local governments, and whether the minister is confident over the past couple of years and, I suppose, the current year that there is an effort there to create additional jobs.

MR. ISLEY: The local governments, with few exceptions, are totally using the priority employment program in the wintertime, and the summer temporary employment in the summertime and, more recently, the Alberta environment employment support program. The new program I just mentioned has got to be for a new project which is going to not only employ people but improve the environment. In all of those cases we're getting things done that wouldn't have otherwise been done.

Historically, I think municipalities have looked toward STEP, in particular, for a lot of their short-term summer activities. The major expansion in STEP has been that we have opened the doors to the community associations and the nonprofit clubs. So I don't see any evidence that local government is using them any more significantly than they used to, taking local government out on its own. The total community is certainly using them a lot more than they used to.

MR. PAHL: My question has in part been answered, and it refers to the priority employment program. In the year that is under examination this might have been more of a factor, but I'd like to ask the question in context of what's happening now or what could be happening now perhaps in a general way. It involves, Mr. Chairman, the complaint that

predicted that the priority employment program and, in fact, other job creation programs that tend to encourage or are designed to encourage or put into the work force the less skilled individuals in new positions or expanded positions is taking away from the employment of people and the intent of the apprenticeship program and skilled tradesman. I wonder if the minister could comment on the erosion or the rate of erosion or the impact upon, if you will, skilled or semiskilled tradesmen by the priority employment program in the year under question and how that has been changed for clarification. I realize the priority employment program is now limited to government departments. I suspect that if the complaint was valid then, it may have some validity now, or am I misunderstanding?

MR. ISLEY: If the complaint were valid then, which I don't accept, it could still be valid but under a different program. The shift that had occurred is that we've separated the private-sector programs, and what was at one time the small business and farm support element of the priority employment program is now the Alberta wage subsidy program on an ongoing basis. The reason I suggest that the complaint is not valid is that, number one, the construction industry -- and this is where the complaint is primarily coming from -- has been a very low user of the Alberta wage subsidy program. Keep in mind that when I use the term "construction industry", I'm using the Stats Canada definition, which isn't only people involved in new construction, but it's construction workers involved in job activity. It could be your construction service sector.

The contractor that goes out and wins a tender is going to employ X number of people and do his project. He's not going to be creating additional jobs by our wage subsidy, so the policy is that we don't subsidize that type. I won't guarantee that there may not have been an odd one that fell through the crack, but the policy is that our funding doesn't go to support someone that has already won a tender.

I think we've got to recognize that the construction sector in this province was the sector that was the hardest hit. Back in the boom years we were carrying a construction sector of our work force that was in the neighbourhood of 12 percent. In other words, 12 out of every 100 workers worked in

construction. That was approximately twice the national average. There was no way of continuing to sustain that level of construction. If you check the records for the year we're talking about here and the year before, in Alberta we were still spending 20 cents out of every dollar spent in Canada on construction. We were still riding with a very high unemployment rate in that construction sector. The only bright spot I've seen is that in the last three months there has been no decline in employment opportunities in the construction sector. I tend to think we have bottomed out, but there is going to be a long climb back to where we were before. So we've got a group of people out there who are suggesting that maybe part of their work is being lost by these programs, but I don't accept it as a valid complaint.

MR. PAHL: A supplementary, Mr. Chairman. I don't think you mentioned what percentage of the labour force currently is in the construction sector. I wasn't sure whether you mentioned what the average or percentage uptake on wage subsidy programs was in the construction sector. My questions are: what is the nature of what I might call the structural problem in unemployment, and how have the programs shifted to accommodate that change?

MR. ISLEY: Program take-up under the wage subsidy program, which is the primary one to date used by the private sector -- the last figures I looked at indicate approximately 7 percent of the positions being created in the construction sector. The three sectors that are the leaders in creating the jobs are the retail trade sector, the service sector, and the agricultural sector. That's one of the reasons I don't think there's too much validity to the complaint. The construction labour force has downsized itself from probably 130,000 people two years ago to about 89,000 people today and is still riding with an unemployment rate in the neighbourhood of 26 percent. So we still have a significant surplus.

MR. PAHL: So for clarification, the reduction in the construction labour force from 130,000 to 89,000 still means that we're well over the national average in terms of people who want to be employed in the construction force?

MR. ISLEY: Not only who want to be but, in many cases, have the training to be employed there.

MR. PAHL: It's a structural problem. You don't have programs to create jobs in construction. There is a basic problem of oversupply? Is that what you're saying?

MR. ISLEY: There's a basic problem of oversupply when it's related to the investment decisions that must be made to create construction jobs. Keep in mind that for the last three years, the provincial capital budget has been in the neighbourhood of \$2.7 billion when you include the Heritage Savings Trust Fund and Crown corporations. That has supplied a substantial amount of work to that sector during the downturn. But even with that type of investment, the unemployment rate is still unusually high. I don't think the public has the money to create the construction jobs that these people are trained for to maintain the work force at that level. There's where the structural problem comes in, and it means, in my mind, people looking at changing occupations in the short term or being very mobile and aggressive at attaining jobs at the existing construction sites, which tend to be nonurban at this point in time.

MR. PAPROSKI: Mr. Chairman, to the Minister of Manpower. Your portfolio, sir, covers a tremendous number of unique and different areas in training and education, et cetera. I have one area of concern and some questions dealing with that component in your department dealing with English as a Second Language. I'd like some clarification, if I could get it from you, dealing with the role of your specific department in this program. I ask the question because there is another department as well, that being Advanced Education, that has a role in this area. I'm wondering if you could clarify what your department does specifically in the area of the English as a Second Language program.

MR. ISLEY: It is a rather confusing area that needs additional work, because we have two provincial government departments involved in the delivery of English as a Second Language and we have two federal government departments. Our major role under the Alberta

vocational training program is to establish and deliver the full-time English as a Second Language program to new Canadians and, in turn, bill that back to the federal government. The federal government determines how many seats they will purchase in a given year under the training plan to deliver ESL to new Canadians. Our department does the arranging, arranges for the delivery, front-ends the cost, and then our Treasury bills the federal Treasury.

MR. PAPROSKI: A supplementary, Mr. Chairman. How does your department determine how many funds go where? For example, if we could talk about the Edmonton region, the Edmonton public and Edmonton separate systems receive funding, I understand, from your department. How does your department determine how many funds should be going to these school jurisdictions? What kind of feedback do you get that there are 160 or 180 in this school jurisdiction and therefore there's a lump sum, or is it a per person, per student type of funding? How does that work?

MR. ISLEY: It's a per student or, if you wish, a per seat, to use the federal term, type of funding. The various institutions involved in the delivery of English as a Second Language are those that wish to become involved, come forward with their proposals, with their program. As a result, you don't necessarily have the same program delivered by all institutions.

The number of seats is, to a large extent, driven by Canada Employment and Immigration saying, "We are prepared to provide training for this many people under the full-time program during the current year." Then our staff with AVT works with the institutions that are involved with the delivery of it, to get that many delivered and does the advertising to get the people matched up with the institution. To this point in time, I would say the challenge has been more in responding to the demand than in being selective as to who was going to deliver it.

MR. PAPROSKI: A supplementary, if I could. I appreciate the clarification, and my concerns now come from your comments and from my understanding. When a school jurisdiction requests X number of dollars, and we are now

talking about autonomous bodies like the Edmonton public or separate school systems, what kind of control does your department have on those funds as to where they may be allocated? I'm speaking in a couple of areas. One, where that particular training will be placed; i.e., will it go in northeast Edmonton, central Edmonton, or west Edmonton? Also, what about the whole concept of the training of those individuals who are teaching those courses? Primarily, many of them are under the continuing education spectrum and not under the Alberta Teachers' Association. Could the minister's department say to a school jurisdiction that these individuals teaching these programs must have a particular level of education and/or, for example, "I'm sorry, you're offering this program in a location in Edmonton that is not conducive to many of these new Canadians going to this particular area, and we recommend that you have this facility downtown"? Does the minister have any control in that area?

MR. ISLEY: To the best of my knowledge, the locations are determined through consultation between federal government staff, Alberta Manpower staff, and the institution involved in the delivery of the program. The qualifications of the teacher and the curriculum are, to a large extent, in the hands of the institution developing them, subject of course to tacit approval of the two government staffs I've mentioned.

In my opinion, there is a whole area for better co-ordination and better curriculum development in that field. We got into it during the years when we were receiving a significant number of new Canadians, a higher number than any province in this country other than Ontario. It developed, as many new things do, on a more or less ad hoc basis. If you're suggesting we need better co-ordination, better controls, I would agree with you.

MR. PAPROSKI: Thank you, Mr. Minister. I think what I'm suggesting is that perhaps the checks and balances could not necessarily be improved but I'm just concerned that the checks and balances may not be there. I don't know whether your department has the prerogative to audit, as an example. I'm not talking about auditing in the strict sense of the Auditor General doing that function but to be able to

intervene and ascertain whether the funds that have been provided are adequately being spent, are adequately being put forward.

MR. ISLEY: To the best of my knowledge, we have the authority to audit those funds. I'm satisfied that the funding we're putting out to support English as a Second Language is indeed being spent on English as a Second Language. I'm not as satisfied that we're getting the same value from our dollar in the various locations, and it's in that area that I feel we need better co-ordination of the curriculum and maybe, in some cases, short-term training of the teachers. But I don't want to leave the impression that I feel the AVCs, the Alberta Vocational Centres, who are big in the delivery, or the public or separate school systems are taking ESL funding and doing something else with it. I'm quite confident that isn't occurring.

MR. HARLE: Mr. Minister, does your office provide a service to handicapped people seeking employment in the city of Edmonton?

MR. ISLEY: We have two programs designed for the handicapped. We have our special placement work experience program, which is a program through which we fund provincial government departments in order for them to hire handicapped people and give them a work experience component. Under our Alberta vocational training funds we have what's called the VRDP, vocational rehabilitation development program, which assists handicapped people with special needs in getting training for the workplace.

MR. HARLE: The reason I ask, Mr. Minister, is that I've had a handicapped person contact me who applied to or approached an office in the city. He is 30 or 40 years old. He was employed for many years in a bakery and suddenly lost his job, but was basically told, "You've got to find your own work." I think he had been referred to the office primarily for help in seeking employment. If it is only for persons seeking training, then I can see why he didn't get what he perhaps expected. I'm asking the question from that point of view. Is there any assistance to handicapped persons from the point of view of trying to seek employment rather than necessarily training? Is that the role these people perform?

MR. ISLEY: That would just about be it. In attempting to eliminate overlapping between provincial and federal government departments, because of the fact that CEIC, Canada Employment and Immigration Commission, has been in the job placement role right across the country for years, Alberta Manpower has stayed out of job placement except in unique circumstances. The hire-a-student program is job placement aimed at short-term jobs for students. We fund some job placement agencies. The two that come to mind immediately are the over 45, employment 45, et cetera, organizations in Edmonton, Calgary, and Lethbridge. Other than that, we're not in the placement game. We have the two thrusts, as I've mentioned, one being the special training program for the handicapped, the other being the work experience program that was deliberately designed to give them a taste of working on a job.

MR. HARLE: But that would not apply to an adult 30 or 40 years old?

MR. ISLEY: No, but if you want to give me some information on him later in person, there may be something we can do for him in the field of training which enhances his ability in finding a job. Through the Career Centre we will give assistance in job search techniques, interview, writing, et cetera. We'll assist people to help themselves, but we've pretty well stayed out of the placement game.

MR. ZIP: With regard to employment stimulation programs, Mr. Minister, how do your people really know that the job is one that would not have come about without subsidization by your department? This evaluation becomes difficult, I believe, if the economic state of that particular industry or business or the general business conditions are on the upswing, and these jobs that appear to your people as not being done would in fact have been done because of the upswing.

MR. ISLEY: There are, no doubt, some jobs out there that we subsidize that would have occurred anyway. But keep in mind that they are jobs in that shop or on that employer's payroll that were not there before. For example, if an employer is thinking of hiring one person but decides to hire two, his cost is

the same as hiring one. That's exactly what we're trying to encourage the private sector to do: hire a little surplus to your needs, give that unemployed or young person the chance to prove themselves on your worksite and, if you can't keep them afterwards, at least they can add another active job experience to their resume.

MR. ZIP: There's another question I'd like to ask, Mr. Chairman. You've quoted the statistic that the number of construction industry workers has declined from 130,000 to 80,000 workers with a 26 percent unemployment rate. What is prompting this greater lack of worker mobility that is keeping construction industry workers in the province and without jobs? Looking at the historical situation, there seemed to be greater worker mobility in the past. There seems to be less now. What are the reasons for that?

MR. ISLEY: I think a number of factors creep in here. During the good years we built up a construction labour force not only surplus to Alberta's needs but certainly surplus to western Canadian needs. Normally, when you look at the construction industry, you almost have to look at the supply in the western provinces, because they've always been quite mobile. I'd even go one step further and say we've built it up surplus to the needs of the country. So there aren't job opportunities elsewhere for them to flow to as quickly. Many of them have established themselves in the province, have homes and families and are trying to hold on until construction comes back at a higher level. I'm confident that we're seeing signs that it definitely will.

During the good years I think people probably tended to get a little spoiled and felt that that construction was going to be quite close to home. During our boom years we had all sorts of construction activity in our major cities and on the Syncrude site, and people could be much more selective than they could 15 years ago or than they can in today's labour market. So I think there's an attitudinal adjustment that has to occur as well.

MR. ZIP: I have one more question, if I may. What is the level of unwillingness of workers to work for less to gain employment? Some of own observations in Calgary are that there are

highly skilled fellows who have worked all winter on renovations and whatnot at \$15 an hour, and others at \$20 an hour haven't had any work. How much of that is there?

MR. ISLEY: I have no evidence that there is a significant number of people unwilling to work because of salary levels. The only thing that would make me change that statement is if I had employers coming forward saying, "We have jobs, but we can't hire people at X number of dollars per hour." If that starts to occur -- I would love it to occur, because I can run a bit of a job placement right through my own office with the number of phone calls I get from unemployed workers.

MR. SHRAKE: Mr. Chairman, I have two points I have questions on. One is regarding the cities, towns, and municipalities and our program of STEP for them. A lot of our cities, towns, municipal districts, and counties have cut their budgets. I'll use Calgary as an example. They've cut back on cutting their grass, watering the grass and trees, and chopped out a few of the recreation programs, the day camps, playground programs, and so on. I've even heard talk of our Minister of Social Services and Community Health maybe having to go in and fund some kind of program to get the kids off the streets. How many STEP positions could a city like Calgary go for? How much of a subsidy per hour are they entitled to?

MR. ISLEY: Under the municipal and community support element of STEP, through Alberta Manpower we pay \$3.80 per hour plus 10 percent to assist in covering overhead costs. The expectation is that the nonprofit society, the community association, and the municipality will top that off. There isn't a requirement to top it off. As a result you have wages out there being paid under STEP that vary from \$3 per hour to probably \$6.50 an hour. I'd say the mean comes down around \$5.50 or \$6, comparable to our provincial rates.

There is no specific, predesigned limit on the number of people a community can employ under STEP. All they have to do is come up with a project that meets the guidelines and gain their approval. Some of our larger cities are not significant users of STEP because of labour/management problems. If you're trying to encourage more jobs in your city, if you live

in one of the larger cities, I would direct my encouragement toward your community associations, recreation boards, and any of the nonprofit groups, because they don't run into the same problems accessing the program.

MR. SHRAKE: I notice that in Calgary the crazy buggers are letting some of the grass die and some of the trees are getting pretty decrepit looking. Is there no way they can utilize a little more of this STEP and get some of those kiddies off the street and watering the grass and stuff? Can they not apply that \$3.80 an hour toward getting a few hundred more employees out working in the parks and so on and get them off the streets, and cut their budgets enough so that they can hire them? That \$3.80 an hour does cut down on their overall expenses a bit. Is there some problem with the unions that they can't hire them, or why are they not doing this?

MR. ISLEY: Mr. Shrake, are we talking about Calgary city council?

MR. SHRAKE: Yes. Their parks and recreation department, I guess.

MR. ISLEY: I'd have to check Calgary's case in particular, but there have been some problems between labour and management on the number of STEP positions created in some of our municipalities. That may well be the case in Calgary, and they may not have submitted a significant number of applications. Are you aware of their being denied any STEP positions?

MR. SHRAKE: No, I'm not, but I'm a little curious why they're not jumping on board.

The other one I had a question on was the ESL programs. I guess Mount Royal College runs some English as a Second Language courses and Alberta Vocational Centre and the public and separate school boards also have some. They have a real good variety. Mind you, some of the programs are perhaps better than others. Mount Royal College has your best, the Cadillac class of English as a Second Language courses, but most of your new Canadians can't really go take them. They can't get into the ones for credit because they don't speak enough English to get past the entrance exams. The other noncredit courses they can't get into, or they've had some problems, because they can't

quite afford to go take them.

Have we got it geared around now so that if they take ESL, they don't get cut off unemployment insurance compensation, and if they've ended up on social assistance, they can take these 20 or 25 hours a week, almost full time, and not get cut off social assistance?

MR. ISLEY: To the best of my knowledge there should be no problem with social assistance and taking ESL full time. Many of the people that need the full-time ESL program are not drawing unemployment insurance because they have never worked, mainly because they didn't have the English skills to get the job. We're talking about new Canadians here.

With reference to your first comment, after visiting the Alberta Vocational Centre in Calgary I think you would get some argument from them for saying that Mount Royal was a Cadillac deliverer of service. I'll let you debate that with your constituents.

MR. SHRAKE: Has there been some co-ordination perhaps between your department and the Department of Advanced Education and Dave King's Department of Education -- a little bit of review in co-ordinating these funds? It appears that you're attempting to give good funding for the ESL courses and so is Advanced Education and Education. But as it's worked out in Calgary, I have to agree with the comment you just made. Alberta Vocational Centre has gone pretty heavily into the ESL courses. Have you looked at maybe pooling that money a little bit more and going maybe hard and heavy through Alberta Vocational Centre?

MR. ISLEY: We've currently got a review on of the entire ESL program. Just so I don't leave any misunderstanding, the seats we purchase on behalf of Canada through Alberta Manpower and front-end fund are primarily the full-time English as a Second Language courses designed to bring someone up to the point where they can function in the work force. The courses delivered through Advanced Ed., normally through continuing education, are the part-time ESL courses designed to try to get a person to function in daily life but not necessarily in the work place. The involvement of Alberta Education is the delivery of ESL to new Canadians in the K to 12 situation.

I would repeat that we are currently

reviewing the whole area of ESL, but I suggest that it would not be our intention to lump it all into one institution in a major city and have that as the only delivery mechanism. I'm convinced that the minute you get a monopoly, you start getting a bit of deterioration. If you've got some competition going between Mount Royal and your public and separate and AVC for funds, you've got the best of the world.

MR. SHRAKE: Mr. Chairman, I would like to make a final comment. From having looked and wandered around for a few months, I would highly recommend that you do consider diverting more funds to Alberta Vocational Centre because they are, under their new president Dr. Fred Speckeen, really geared and going after. They're going to provide a lot of ESL if they can get the funding, and I think it would sure solve a lot of problems.

MR. ISLEY: I'll share with the committee that I've been subject to the same lobby from Dr. Speckeen as you have, sir. I understand that while I was there, he was arranging for additional space off-campus to handle an expanded ESL program.

MR. SZWENDER: Mr. Chairman, my question follows on earlier questioning by Mr. Pahl regarding the surplus construction workers that are in the province. Although some of that surplus is being used, there still are, on a per capita basis in terms of the total work force, far more in Alberta than in other provinces. I was just wondering if the minister had any communication with institutions such as NAIT regarding their programs in terms of training and educating apprentices in the various trades, particularly in those areas where there are now existing surpluses, and whether they are reassessing those programs as turning out graduates that will have the same difficulty of being unemployed or will automatically need retraining because there just isn't any employment in the construction trades area right now.

MR. ISLEY: Keep in mind that the apprenticeship training system is an employment-driven training system. If you are not employed, you are not an apprentice. So you don't get a situation where you keep pumping people through the system, because it's

lockstep: technical training, work experience, technical training. If you run out of the work experience, you're allowed, under today's rules, to get one period of technical training ahead of your level, but that's it. So as a result, we have a significant decline in the number of apprentices in the institutions. In essence, we have surplus space at this point in time in those fields of training.

What we're currently looking at and discussing with the provincial advisory committees of the various trades and some of the union leadership, particularly their educational committees, is whether it is impossible during the downturn to cluster some of the inter-related trades -- for example, plumber, pipefitter, steamfitter, gasfitter, maybe power engineering technology -- and develop some short-term training and work simulation programs which could be delivered in some of our institutions to give that person a series of tickets in the cluster trades. I'm using a new term, I suppose, when I say "cluster trades". I'd get in trouble with many of the apprenticeship people for using it -- so that they're more versatile and ready for the work force when the jobs start coming back. I could see a similar type of clustering being done between our electrician, our electronic technician, our appliance service electrician, and our instrument mechanic. But we've got to have a fair amount of co-operation from the trades people themselves and the industry to put that program together. At the moment, it's just in the discussion stages.

MR. PAPROSKI: I'd like to give a little preamble. It's my understanding that within the boundaries of Canada and within Alberta, some three-quarters of all small businesses that now begin are under the auspices of those people who are under 30 years old. That tells me that a lot of young people are out there rolling up their sleeves and saying, "I have an idea and I want to go for it." I'd like to ask the minister if funds were expended in last year's fiscal budget for any entrepreneurship programs to assist that individual who has raised \$3,000 or \$4,000 and needs \$2,000 or \$3,000 more to get a particular idea off the ground. Were funds expended in any programs last year in this particular area?

Secondly, if I could, and I'll just leave it at this, is the minister contemplating any type of entrepreneurship programs such as those that

are in Ontario, Nova Scotia, and Manitoba, where there is some seed money to perhaps get a program off the ground?

MR. ISLEY: In the past year the only provincial funds I'm aware of that were spent on entrepreneurship through Alberta Manpower was the development of a film on entrepreneurship, which is used as a counselling device in our career centres to encourage people both young and old to look at entrepreneurship as an option. We also have, under small business development and tourism, a loan program which students can access for summer entrepreneurship that is probably not as broadly known as it should be. Under Challenge '85, the federal government has a program this summer aimed at students, I believe, with loans up to \$3,000. We're working with them on that in handling the training sessions and some of the co-ordination.

In response to your other question, we have been looking at a broader entrepreneurship program, aimed not just at students but a broader one. Depending upon the support of my colleagues, something may be forthcoming.

MR. PAPROSKI: Thank you. I'll look forward to those.

MRS. KOPER: Mr. Chairman, I have a comment and two questions. The comment relates to the ESL programs offered. I was very pleased to hear that the minister has initiated a comprehensive study of the offering of ESL courses. I'd like to make a little lobby or plea for the adult education student who is receiving funding under the ESL program and is unable to cross over into high school courses. This appears to be very difficult. The Calgary Board of Education is doing an outstanding job trying to get these programs going, so I was pleased to hear your comment regarding a study.

My first question relates to the year under study. I guess about \$22 million was spent in the priority employment program and roughly 4,200 job man-years were created because of this expenditure. In particular, I wonder what evidence has been collected, what evaluation has been done about the effectiveness of the program and the retention of people in their jobs out of the private vocational schools element? Does it really get people back into the work force and keep them there on a

permanent basis?

MR. ISLEY: I can only comment on the immediate placement level of people from the private vocational schools short-term program into job placement. That has been quite good. To my knowledge there has been no follow-up study done, let's say, six, eight, 12 months afterward. But I would make a general observation that private vocational schools seem to be much more conscious of the importance of training for a job and giving attention to preparing that person on how to go out and find a job and, in some cases, setting up contacts than our public institutions are, in my judgment. So I'm quite pleased with the success we've had with most of our private vocational schools.

MRS. KOPER: Thank you. Mr. Chairman, my second question relates to the programs. In '83-84 there appear to be nine programs, and they're targeted to specific populations. My question to the minister would be: has there been a breakdown of the administrative costs for each of these programs? You said previously that about 40 percent of the jobs were created in the private sector. With those two ideas in mind, is there any consideration of introducing a tax incentive to the private sector for the creation of jobs?

MR. ISLEY: First of all, I should clarify a percentage. My comment with 40 percent, I believe, was that when we studied the small business and farm support element of PEP, the priority employment program, during the winter of 1982-83, and did a follow-up study in September 1983, five months after we'd quit subsidizing, 40 percent of the positions we had subsidized the previous winter were still in place with the same employer. I'd have to do some checking as to what percentage of the money flowed to the private sector as opposed to the public.

In response to the tax credit idea, it's certainly an idea I'd like to see explored. I think it comes down to one's assessment as to whether people will respond more quickly if they see the dollar coming more quickly than if it's coming as a tax credit. Also, keep in mind that under our programs a new business that may be starting up and not in a tax position can access the program. Under the tax credit

system, you have to be in a tax position before you can take the credit. But it's an area I would certainly like to see us explore on an ongoing basis, good times and bad, probably targeted at our young people and assisting them in getting that first movement in. I'm not sure we could ever use it for replacing the types of things we may have to do in periods of high unemployment, but we may be able to use it to encourage either the employment or the training of a certain target group. That may be a better place to consider it, because in this province and this country I think we have to do a better job of convincing employers that they are beneficiaries of training and hence should be participants in paying for training.

MR. VICE-CHAIRMAN: We are just about running out of time, so I'll ask Mr. Gogo and Mr. Isley to be brief with their question and reply.

MR. GOGO: Thank you, Mr. Chairman. Minister, I note that you're Minister of Manpower. It seems that your preoccupation is attempting to get Albertans employed. We don't have a minister of youth, yet looking at your activities it seems that many of your activities centre on the youth in our province. I believe your department has said we have some 50,000 young people unemployed in this province out of a total of 150,000, and they're all under age 24. We also hear from the Minister of Education, I think, that for four out of every 10 Albertans, theirs has not yet been invented. So it seems to me that we're constantly attempting to rationalize a situation where we're not prepared to concede that unemployment in the magnitude of 10 to 15 percent is probably here for our lifetime.

My concern, and I think it's the concern of many Albertans, is our young people today, where they're going and what tools they have to get where they're going. I want to address the question very quickly in a minute of what Alberta has done or feels should be done with regard to training our young people. Twenty-five years ago we had a national program called the national soldier apprentice program, where many of these young dropouts and so on from our school system went into a national program and received various types of training — academic, trade training. Particularly important was the ability of learning to get along in life. I know we now have a federal

program called Katimavik. I hear there's a lot of criticism on it. It seems to me that it's just not structured.

I wonder, Minister, if you would think in terms of recommending either in Alberta or nationally, as a long-term solution to an ever-growing problem of our young people who have neither the formal training nor, in many cases, the academic ability, a program whereby our young people could get involved, similar to that program of 25 years ago. I strongly suspect that the majority of Albertans would endorse it -- not necessarily the 16- and 17-year-olds. But we seem to have an ever-increasing number of dropouts, particularly among various segments of our society. It seems to me that if we as a government are prepared to let the private sector create jobs, then we as a government should do what we can to see that these young people in terms of character building, in terms of maturing physically and mentally in their bodies -- we as a government could take some strong initiatives in that direction. In the eight seconds left, perhaps you could respond.

MR. ISLEY: You're putting me on a pretty tight time line, sir. There's been little discussion on that type of program. There was some brief mention of it a couple of years ago in the days of Lloyd Axworthy. So I wouldn't be prepared this morning to recommend or not recommend. I would say very quickly that one of the challenges we have is to convince people, not only young people, that retraining is going to become a way of life. I think the days are gone when you can train to be one thing and expect to be that all your life. I would detect, at this point in time, that young people are more receptive to that concept than our 40- to 50-year-olds are. I think they're the ones that have got themselves in the trap of thinking: I've got this trade and hence I'm entitled to work at it. I'm amazed when I run into people as old as I am that have never had the experience of looking for a job in their life. Yet they've always been employed in the good times.

So I think we've got to look at retraining. I agree with you that we have some problems at the front end in preparation. Maybe we should give a serious look at what you're suggesting.

MR. VICE-CHAIRMAN: Just before we adjourn, I'd like to draw the attention of the members here that next week, May 15, we'll be

continuing with the report of the Auditor General. In case you don't recollect, we left off on page 48, starting at the top of that page. We'll be continuing with his report at that time.

At this time, I'd like to thank the minister for coming. We've enjoyed having him here, and we appreciate his frank answers. There is a lot of interest in your area, Mr. Minister. You had 16 speakers. That's close to a record for us in Public Accounts. I'd also like to thank Mr. Rogers and Mr. Salmon for coming here and taking their time with us.

I'll accept that motion of adjournment by Mr. Nelson. All in favour?

HON. MEMBERS: Agreed.

[The committee adjourned at 11:31 a.m.]

