

**Senate Community Affairs Committee**  
**ANSWERS TO ESTIMATES QUESTIONS ON NOTICE**  
**FAMILIES, HOUSING, COMMUNITY SERVICES AND**  
**INDIGENOUS AFFAIRS PORTFOLIO**  
**2010-11 Additional Estimates Hearings**

**Outcome Number:** 7

**Question No:** 189

**Topic:** Promised consultations on the Community Development Employment Projects (CDEP) program reforms

**Hansard Page:** Written

**Senator Siewert** asked:

In March 2010 a package of 9 fine-tuning measures with regard to CDEP/JSA remote servicing was announced. One of the 9 fine-tuning measures outlined that any CDEP provider with an average utilisation of 70% or less will receive funding to minimum utilisation of 70%. I understand that the minimum funding will be reduced to 50% in April 2011 and it will end on 1<sup>st</sup> of July 2011, after which CDEP providers will be funded on actual numbers.

- a. Can you clarify the minimum funding and transition arrangements?
- b. Is there any consideration of extending the minimum funding of providers?

**Answer:**

Funding is paid to providers based upon the negotiated Average Agreed Places (AAP) and consists of four funding streams, Service Fees, Work Readiness funds/Community Development Project funds (WR/CD), Wage funds and Development and Support funds.

The 70 per cent funding referenced in the 9 fine-tuning measures applies to WR/CD funds only. The aim of the measure in making the minimum payment at 70 per cent utilisation was a transitional measure to assist providers in adjusting their business strategies and increase utilisation during the period that the operational adjustments would come into effect.

The rate will reduce from 70 per cent to 50 per cent from April to June 2011 and then cease on 1 July 2011. The minimum WR/CD funding paid to providers post 1 July 2011 will be based on actual utilisation.

There is no consideration of extending the minimum funding of providers.