

**Senate Finance and Public Administration Legislation Committee**  
**ANSWERS TO QUESTIONS ON NOTICE**  
**ADDITIONAL BUDGET ESTIMATES 2010-2011**

Finance and Deregulation Portfolio

**Department: Finance and Deregulation**

**Outcome/Program2/2.1**

**Topic: Claims under the *Scheme for Compensation for Detriment caused by Defective Administration* (CDDA Scheme)**

**Senator: Birmingham**

**Question reference number: F24**

**Type of question: Written, 22 February 2011**

**Date set by the committee for the return of answer: Friday, 15 April 2011**

**Number of pages: 2**

**Question:**

Under what circumstances can a claim be accepted under the *Scheme for Compensation for Detriment caused by Defective Administration* (CDDA Scheme)?

- a. Specifically, is it possible for a claim to be accepted when other forms of compensation are either available or announced as being under development?
- b. Does the capping of such other compensation affect whether a CDDA Scheme claim can be accepted?

**Answer:**

The Finance and Deregulation portfolio has policy responsibility for the CDDA Scheme and provides policy guidance to agencies through Finance Circular 2009/09 (*Discretionary Compensation and Waiver of Debt Mechanisms* – the Circular). A copy of the Circular is available at: <http://www.finance.gov.au/publications/finance-circulars/2009/09.html>

(a) While, generally, all claims will be accepted for consideration by the decision-maker, the CDDA scheme is a discretionary mechanism of last resort, and therefore there are circumstances where it will not generally apply:

- Where it is reasonable to conclude that the Commonwealth would be found liable if the matter were litigated; or
- Where it is reasonable to conclude that there is an administrative review mechanism that could provide a remedy for the defective administration; or
- Where a proposed payment would have the effect of supplementing payments set by other specific legislation, which caps the amount a beneficiary may receive as the only amount he or she may receive from the Australian Government, in circumstances where the legislation expresses the clear intention that particular payment levels cannot be exceeded in any circumstances.

- (b) There are no prescribed circumstances in which a CDDA claim cannot be accepted for consideration. However, the decision to make a payment is entirely at the discretion of the decision-maker.