



## The CDDA Scheme

### What is the Scheme for Compensation for Detriment caused by Defective Administration?

The Scheme for Compensation for Detriment caused by Defective Administration (CDDA Scheme) is an administrative scheme which allows Australian Government agencies to pay compensation to a person or organisation that has suffered detriment as a result of the agency's defective administration. The intention is to restore a person to the position they would have been in had the agency's defective administration not occurred.

The relevant agency which is the subject of a CDDA Scheme claim is responsible for considering and making a decision on that claim.

There is no automatic right of review of decisions under the CDDA Scheme. If you are dissatisfied with a CDDA decision, you may request an internal review of the decision with the agency concerned.

Guidance on the CDDA scheme is provided for by the Department of Finance's [Resource Management Guide 409 Scheme for Compensation for Detriment caused by Defective Administration](#).

### Applying for compensation from the ATO

The Australian Taxation Office (ATO) has a website with information relevant to people who may wish to [apply for compensation from the ATO](#). The ATO's website contains a PDF application form as well as other useful information including how they assess claims, what can be claimed, what happens after a claim is lodged and the ATO's approach to the CDDA scheme.

Applications can be submitted by:

✉ [compensation.application@ato.gov.au](mailto:compensation.application@ato.gov.au)

📄 ATO General Counsel  
Australian Taxation Office  
GPO Box 4889  
Sydney NSW 2001

For more information from the ATO about applying for compensation, you can:

✉ [compensation.application@ato.gov.au](mailto:compensation.application@ato.gov.au)

☎ ATO's toll-free compensation help line on 1800 005 172

### External review of the ATO's decision

In addition to an internal review, you can request a review of the ATO's decision by the ATO's external review panel which consists of independent members of the legal community. The panel will provide a recommendation on the outcome of your decision to the ATO.

The ATO considers cases suitable for external review involve:

- complex factual issues
- long-standing or historical disputes, or
- disputes about claims of significant amounts.

### Further assistance with applying for compensation from the ATO for small businesses

The Australian Small Business and Family Enterprise Ombudsman (ASBFEO) provides a Small Business Compensation Assistance Service to help small businesses with the process of applying for compensation from the ATO under the CDDA Scheme. Further information is available on [ASBFEO's website](#).

ASBFEO can be contacted by:

✉ [info@asbfeo.gov.au](mailto:info@asbfeo.gov.au)

☎ 1300 650 460

### Applying for compensation from the TPB

The Tax Practitioners Board (TPB) has information on its website about [applying for compensation from the TPB](#) under the CDDA Scheme.

Applications or enquiries can be submitted by:

✉ [TPBLegalunit@tpb.gov.au](mailto:TPBLegalunit@tpb.gov.au)

📄 Compensation  
Tax Practitioners Board  
Legal Unit  
GPO Box 1200  
BRISBANE QLD 4001

### The role of the IGTO

The Inspector-General of Taxation and Taxation Ombudsman (IGTO) can investigate the ATO or TPB's CDDA Scheme decision or handling of the claim. The IGTO generally does so where there is a reasonable basis to suspect a crucial shortcoming in that decision or handling.

The IGTO can make proposals or recommendations to the ATO or TPB regarding a claim under the CDDA Scheme. However, the IGTO is not empowered to overturn or vary the ATO or TPB's decision.

The IGTO may exercise powers to report the findings and recommendation of its investigation to the accountable authority of the relevant entity, as well as to the Minister.

When lodging a dispute with the IGTO about the ATO or TPB's CDDA Scheme decision or handling of the claim, it is important to identify the shortcoming, explain why it is crucial to the decision and provide information and/or documents in support. For example:

- if you believe that the decision maker did not consider crucial facts or that they were mistaken about the facts that they did consider — you should identify those facts, provide records that corroborate these facts (if you have them) and explain why the decision would have been different if this shortcoming did not occur;
- if you believe that the process was unfair — you should identify what action(s) or inaction(s) caused this unfairness as well as explain what impact this has had and what would have happened if this shortcoming did not occur.