Australian Government
Australian Taxation Office

Deputy Commissioner of Taxation

Ruth Owen
Inspector-General of Taxation and Taxation Ombudsman GPO
Box 551
Sydney NSW 2001

Dear Ms Owen,

Re: Own Initiative Investigation into Tax Identity Fraud

Thank you for the opportunity to provide a response to the recommendations from the Tax Identity Fraud: an Own Initiative Investigation, which was published on 30 April 2024.

The ATO welcomed the investigation given the priority we place on addressing identity fraud in Australia's tax, superannuation and registry systems. The investigation provided a timely and constructive review of the ATO's management and response to this issue.

Since the report was issued, we have been working closely with Government on the establishment of the ATO's Counter Fraud Program, a key component of which is enhancing fraud victim remediation. Under this measure, we aim to improve victim support to keep pace with the changed fraud landscape and client and government expectations. This will be achieved by enabling tailored support services for impacted taxpayers, returning their accounts to their true position, and ensuring they have strong protections in place.

We have also expanded our digital capability to help taxpayers reengage with the ATO more easily. The ATO launched the Online Access Strength (OAS) project in November 2023. OAS makes it harder for fraudsters to gain unauthorised access, with taxpayers able to lock in an OAS at 'strong' (IP3) or 'standard' (IP2) with their myID so that subsequent access to ATO online services requires the same level of identity strength.

The ATO continues to work closely with government agencies, financial institutions, tax professionals, and others to counter fraud.

The ATO agrees with the majority of recommendations and will continue to implement changes that address the recommendations and further protect the tax system from bad actors engaging in identity fraud and improving the experience of impacted taxpayers.

Yours sincerely

John Ford
Deputy Commissioner of Taxation

14 February 2025