



Karen Payne
Inspector-General of Taxation and Taxation Ombudsman
GPO Box 551
Sydney NSW 2001

Dear Ms Payne,

Re: Own Initiative Investigation into Tax Identity Fraud

Thank you for the opportunity to comment on the Inspector-General of Taxation and Taxation Ombudsman (IGTO) draft interim report on *Tax Identity Fraud: an Own Initiative Investigation*, which was provided to us by email on 15 March 2024.

The ATO welcomes the investigation given the priority we place on addressing identity fraud in Australia's tax, super and registry system. The IGTO's investigation provides a timely and constructive review of the ATO's management and response to this issue. In particular, the ATO acknowledges additional consideration the IGTO has given to balancing the need for transparency and ATO accountability, with prudent handling of sensitive content that could be misused by potential fraud actors.

The ATO continues to work closely with government agencies, financial institutions, tax professionals, and others, in an interdependent fraud ecosystem to harness and improve fraud management efforts together. The recently created National Anti-Scam Centre demonstrates government commitment and recognition of the need for collective efforts in combatting fraud amongst a fast-changing threat environment.

While the draft report contains potential recommendations and identifies some areas for improvement, we are pleased that it aligns broadly with ATO-identified work in progress and does not appear to identify any significant systemic concerns around the ATO's systems, processes and risk management controls to prevent, detect and respond to tax identification fraud.

We agree in principle with the majority of the interim recommendations, noting some are matters for Government to consider, particularly in relation to law reform and investment.

We would like to acknowledge the IGTO's collaborative and professional approach to the review and look forward to receiving the report, and considering the finalised recommendations once the investigation is completed.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Jeremy Hirschhorn', written over a light blue circular stamp.

Jeremy Hirschhorn
Second Commissioner of Taxation

17 April 2024