

**Senate Standing Committee on Economics**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Additional Estimates 2013

14 February 2013

**QUESTION: AET 82**

**Topic: Tax Agent Portal**

**Hansard page: Written**

**Senator BUSHBY asked:**

82. In relation to a reported security breach of the Australian Taxation Office's Tax Agent Portal (Criminals breach Australian tax system, *The Age*, February 8 2013, online), can the ATO please answer the following:
- a. Did the security breach occur?
  - b. If so, when did the security breach occur and when did the ATO first notify tax agents of the breach?
  - c. How did the ATO notify tax agents of the breach?
  - d. What is the total number of tax agents affected by the security breach?
  - e. Will the ATO be taking any steps to upgrade its online security, and if so what will these measures include?

**Answer:**

- a. Yes. In relation to this reported security breach, the personal identity of a small number of tax agents was stolen. Their identity was then used to obtain unauthorised AUSkeys and access ATO Tax Agent online services. The security of the AUSkey credential hosted and adopted by the ATO has not been compromised.
- b. On 3 January 2013, the ATO became aware that attempts were being made to access ATO Tax Agent online services using identity theft. Detailed analysis was undertaken to identify the scale of the attempts and the tax agents affected. From 11 January 2013, once the ATO had confirmed the information, it contacted the initially identified agent and three further practices where AUSkeys had been fraudulently obtained.
- c. The ATO contacted the four practices by phone and followed up with personal visits. A broadcast message issued to all BAS and tax agents on 5 February 2013, providing information and practical measures on how to keep their practice information secure while online.
- d. A total of 15 tax agents were targeted with four practices seeing fraudulent use of AUSkeys. The risk to remaining agents was contained through mitigation processes and have not been affected.
- e. The AUSkey system has been designed and built in compliance with the Australian Government Information Management Office and Defence Signals Directorate policies and standards. The ATO actively monitors and responds to online threats in order to maintain protections over its systems. This includes the review of its online security on an ongoing basis to identify opportunities to improve ATO authentication processes.

As noted above, the security of the AUSkey credential hosted and adopted by the ATO has not been compromised. No authentication mechanism can be completely immune to identity theft, which often happens outside of the ATO environment. The ATO supports and encourages users to take precautions in managing their online presence and access to their business systems.