



Assistant Treasurer

Dr Andrew Southcott MP
Chair
Joint Committee of Public Accounts and Audit
Suite R1.108
Parliament House
CANBERRA ACT 2600

Dear Dr Southcott *Andrew*

Joint Committee of Public Accounts and Audit Report No. 447

Please find attached an Executive Minute containing the Australian Taxation Office responses to recommendations 7 and 8 of the above report.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Josh Frydenberg', with a stylized flourish at the end.

JOSH FRYDENBERG



EXECUTIVE MINUTE

on

JOINT COMMITTEE OF PUBLIC ACCOUNTS AND AUDIT REPORT NO. 447

EPBC act, Cyber Security, Mail Screening, ABR and Helicopter Program: Review of Auditor-General reports Nos. 32-54 (2013-14)

Response to Recommendations

Recommendation No. 7

The Committee recommends that the Australian Taxation Office (ATO) work more closely with the Australian Securities and Investments Commission (ASIC), the Department of Industry and the Department of Treasury on the administration of the Australian Business Register (ABR), to make it easier for business to interact with government by:

- reducing entry points to government
- developing and implementing registration and reporting mechanisms that are efficient and convenient for business
- simplifying business access to information and services offered by government
- reviewing and updating the information technology supporting ABR

ATO response to recommendation No. 7: Agreed.

The recommendation is being addressed by a range of current initiatives, in particular Streamlining Business Registration, announced in the 2015 Budget as part of the Growing Jobs and Small Business package.

The Streamlining Business Registration initiative, announced in the 2015 Budget, includes the development of a single online portal (entry point) for business and company registrations, the use of a single business identification number for new businesses, and publication of Application Programming Interfaces (APIs). The initiative is being delivered by the ATO, ASIC, the Department of Industry and Science and the Treasury.

The single online portal for business registrations will include integrated customer support, search capability, and the capacity to make registration payments, saving time and costs in establishing a new business. It is anticipated that the portal will be accessible by May 2016.

From July 2016, businesses will be issued only with an Australian Business Number (ABN) as part of the standard business registration process. Business tax file numbers and Australian company numbers will no longer be issued to new businesses. Businesses will also be issued with a secure login and a business account, which will provide a 'one stop' shop for interacting with government and accessing government services across all three levels of government.

Other initiatives underway to simplify business registration and reporting include:

- Linking business.gov.au (maintained by the Department of Industry and Science) to the ABR under the 'tell us once' concept so as to automatically notify the ABR of business contact details amended via business.gov.au, and
- A trial involving the ABR and other government agencies, whereby agency staff will be able to access and update the ABR directly.
- Providing a digital end to end experience, by:
 - increasing the real time (electronic) ABN registration decisions to more than 90% of applications in 2016-17 (from 56 % two years ago); and
 - providing an electronic certificate of business registration to successful registrants instead of waiting for notification by paper correspondence

Recommendation No. 8

The Committee recommends that the seven agencies audited by the ANAO achieve full compliance with the top four mitigation strategies and related controls in the Information Security Manual as soon as possible. Further:

- each agency should produce a clear and detailed plan of necessary activities, including a definitive date of compliance.
- agencies that do not expect to achieve full compliance before August 2015 should notify the Committee – the Committee may then seek an explanation of why full compliance is not expected to be achieved, as well as the mitigation strategies the agency has put in place.

ATO response to recommendation No. 8: agreed.

The ATO has addressed all of the Information Security Manual top 4 security controls through compliance or risk mitigation strategies.

Our compliance and risk mitigation strategies include:

1. Application Whitelisting

Application Whitelisting for desktops has been implemented to cover the majority of the ATO's exposure in this area. Server whitelisting is implemented and will be refined following development of supporting policy.

2. Patching applications

3. Patching operating systems

The ATO has accepted the risk of non-compliance with the critical patch requirement due to concerns with implementing untested patches on ATO systems. Mitigations have been implemented and the residual risk of non-compliance accepted by the Accreditation Authority

4. Administer privileges

Privileged access is minimised.



Chris Jordan
Commissioner of Taxation