



Australian Government
Inspector-General of Taxation
Taxation Ombudsman

ATO letters and written communications

Introduction

The Australian Taxation Office's (ATO) Charter states:

We aim to provide you with reliable, accessible and useful informationto help you understand your rights and meet your obligations.

We will ... provide timely, accurate and easy-to-understand information.

The ATO sends hundreds of millions of communications to Australians each year. While many of these are routine, simple reminders or notifications, the ATO must also engage with taxpayers to inform them about their tax and superannuation obligations and actions they must take to comply with those obligations. More complex interactions are generally undertaken by way of letters from the ATO to taxpayers.

The IGTO framework of good tax administration includes “clear and effective communication” as a core principle. We believe that effective written communications create certainty, minimise confusion and are most likely to generate the intended responses from the recipient. Effective written communications support understanding in the reader and must be written in an accessible style and language that the average taxpayer can understand.

Conversely, ineffective written communications may cause confusion, non-compliance, mistakes or additional calls to the ATO, which creates unnecessary costs for the ATO to manage. Due to the nature of their content and the power imbalance between tax office and taxpayer, written communications from the ATO can create fear (unintentionally) and drive disengagement – the exact opposite of the intended response. Poor communications can also diminish confidence in the ATO and the tax system as a whole.

We have received feedback from taxpayers and practitioners that some of ATO's standard letters to taxpayers are not written clearly or in an easy-to-understand language that enables taxpayers to understand their obligations or what action is required of them.

Literacy can be a barrier to access to government services and information for many Australians. The Australian Government Style Manual notes that about 44% of Australian adults read at literacy level 1 or 2 (i.e. a low level). The manual suggests that writing to an Australian year 7 level makes content usable for most people. Government communications, such as the ATO's letters, must also recognise Australia's diversity, including in abilities, cultures, and languages and therefore straightforward language should be used to aid understanding. This is in addition to the availability of translated communications, which is outside the scope of this review.

Approach

Our review will examine concerns raised through our complaint investigation service and engagements with stakeholders to identify opportunities for the ATO to improve its written communication to taxpayers.

We will review a small sample of recent compliance program and bulk communications to determine whether the ATO is meeting its Charter commitments to provide timely, easy-to-understand and accessible information. This will include examining the quality of the sampled letters, the ATO's processes for producing these letters and how it captures and uses feedback to improve its written communications.

Terms of reference

The questions we will seek to answer through our review are:

1. whether the ATO's letters are accessible, easy to read and easy to understand from the perspective of the average taxpayer.
2. whether the ATO has appropriate processes for:
 - a. drafting, designing, user testing, and signing off of letters for accuracy, readability and accessibility;
 - b. measuring the effectiveness of the communication in these letters to generate the intended community responses; and
 - c. receiving feedback about these letters.
3. how the ATO uses data and feedback received to:
 - a. address any confusion or uncertainty arising from the content of its letters; and
 - b. improve the design, layout and content of its letters.

While our review will examine a small, targeted sample of batch communications, the findings of our review may assist the ATO to improve its written communications more generally.

Our review will not consider other forms of written communications such as custom or bespoke letters or emails to taxpayers, ATO web guidance, public and private rulings or ATO law administration practice statements.

As part of considering the ATO process for designing its batch communication letters, we will examine how the ATO determines the relevant recipient and postal address for these letters, following feedback suggesting some letters never reach their intended recipient. However, this review will not consider the effectiveness of the channel of communication / mode of delivery (i.e. paper versus electronic means) of ATO letters and written communications. This topic may be investigated as a separate stand-alone review, subject to further consultation with stakeholders as part of the refresh of our workplan in May 2025.

Expected delivery of final report

The final report is expected to be delivered in June 2025.

Proposed means of consultation

We will engage with the community and key stakeholders throughout the review in a number of ways including:

- public promotion of the review and call for contributions and input from taxpayers
- directly engaging with key government bodies, community organisations, academics, plain English and communications experts, and professional bodies
- seeking input from key stakeholders ahead of finalising our report and recommendations.

Call for input and contribution

We welcome contributions, input and feedback from stakeholders – including professional and industry bodies, tax practitioners and taxpayers in relation to ATO written communications and potential improvements that may be implemented for the benefit of all.

Specific examples or redacted copies of ATO letters of concern would be very welcome.

The closing date for any contribution or input is **3 April 2025** either in writing or via discussions. If additional time is required, please let us know.

How to provide input or contributions

Input and contributions may be made by:

Online form	https://igt.gov.au/current-investigation-reports/review-of-ato-letters-and-written-communications/
Email	consultations@igt.gov.au
Phone	(02) 8239 2133
Post	Inspector-General of Taxation and Taxation Ombudsman GPO Box 551 Sydney NSW 2001

Confidentiality

Your input and contributions will be treated confidentially. This means we will not reveal your identity, or the information contained in your submission to any other person or organisation, including the ATO.

Section 37 of the *Inspector-General of Taxation Act 2003* safeguards the confidentiality and secrecy of such information provided to the IGTO – for example, the IGTO cannot disclose the information as a result of a Freedom of Information (FOI) request, or as a result of a court order generally. Furthermore, if such information is the subject of client legal privilege (also referred to as a legal professional privilege), disclosing that information to the IGTO will not result in a waiver of that privilege.

Professional bodies and others (e.g. advisers) who wish to have their contribution to the IGTO formally acknowledged should accordingly expressly waive confidentiality for these purposes.