

10 things to know from our report

Letters from the ATO

1. The Australian Taxation Office (**ATO**) sends over 144 million letters and messages to Australians each year and invests considerable resources into drafting, designing and delivering them. Despite this, some taxpayers find the letters confusing or too technical, and their tone can feel too forceful or accusatory, causing anxiety and distress.
2. The ATO has a comprehensive framework to help make its letters clear, accurate and useful, but the results are mixed. Some parts of the framework, like user testing, are not used all the time, so the quality of letters is not consistent.
3. The ATO uses different teams to help draft letters. Some teams are experts in tax and law, while others specialise in communications. These skills are complementary, but not always used together effectively to produce letters which are both easy to read and technically correct.
4. The ATO's drafting of letters appears to focus on what the ATO wants to say, not what the taxpayer needs to know. They assume a level of knowledge, including a proficiency in English, and a familiarity with tax terminology that is not reflective of the average Australian.
5. Although letters from the ATO demonstrate some good communication practices, like clear structure and flow, they also appear to lack empathy in some circumstances. Their efforts to improve clarity and directness can sometimes seem threatening and imply guilt or assign blame to the reader. Saying "you must act" or "you didn't report correctly" seems to reflect the ATO's focus on driving compliance rather than making it easy for people to comply.



The ATO does not have a separate process for writing to people with diverse needs, such as First Nations taxpayers, people with disability or those from culturally and linguistically diverse backgrounds.



6. The ATO does not have a separate process for developing letters sent to people with diverse needs, such as First Nations taxpayers, people with disability or those from culturally and linguistically diverse backgrounds. Some letters include extra information for these groups, but this is not done consistently.
7. The ATO has a working group which reviews letters and provides feedback, but only from the perspective of tax professionals, so it does not reflect the views of everyday taxpayers. Not all letters are reviewed by the group. There is potential for the group to provide greater value to the ATO.
8. It can take several years for feedback about the quality of communications to be considered and for changes based on that feedback to be implemented. This can lead to very slow improvements.
9. The ATO needs better data to measure how clear its letters are. Only 41% of the ATO's letters have an effectiveness measure, so it is hard to know if a letter has had the intended effect. The ATO has call centre data and voice analytic tools which can analyse phone calls for signs of confusion, but these tools are not being used regularly to see which letters are leading to more calls.
10. The ATO usually sends letters based on communication preferences, but workarounds used by taxpayers or agents can cause letters to go to the wrong place or sometimes the ATO does not follow communication preferences due to legal reasons or due to system restrictions. The ATO can work with taxpayers and agents to make sure letters are sent to the right address.