

**\*\*\*EMBARGOED UNTIL 9AM FRIDAY, 18 JULY 2025\*\*\***

# Tax letters not well understood

The Australian Taxation Office (ATO) must improve the clarity and tone of the letters it sends to taxpayers to avoid unnecessary confusion, stress or anxiety, a review by the Tax Ombudsman has found.

The Tax Ombudsman examined the ATO's process for designing and testing high-volume letters and examined a sample of some of the most complex letters as part of its review.

"I think we've all received a letter from the ATO at some point and wondered what on earth it was about. The ATO has a responsibility to engage with taxpayers in ways that make it easy to understand their obligations and any actions they need to take," said Ruth Owen, the Tax Ombudsman.

"The release of this review report is especially timely given we're at the start of Tax Time, when people are particularly focused on communications with the ATO."

The ATO sends more than 140 million letters and messages to Australians each year and invests considerable taxpayer funded resources into developing and distributing them. But the Ombudsman highlights that many people still find some of the ATO's letters confusing, too technical, and their tone can cause unnecessary stress and anxiety.

"The ATO's letters we reviewed varied in quality and clarity. The ATO focuses on what it wants to say, not what the taxpayer needs to know, without thinking about how the letter will be read or interpreted. The ATO assumes the reader has good technical tax knowledge, proficiency in English, and understands the terms they are using, which often is not the case," Ms Owen said.

The review also found that the ATO's letters lacked empathy for the reader in some circumstances.

"The ATO's clear and direct language can sometimes seem threatening and imply guilt or assign blame to the reader. When they say, 'you must act' or 'you didn't report correctly,' it can feel like they are accusing you of something rather than helping you get it right," Ms Owen said.

The review also found that letters could better support culturally and linguistically diverse audiences, First Nations people and people with disability.

"Letters from the ATO must be written in ways that allow every reader to understand them, whatever their origin, background, education or circumstances," Ms Owen said.

Finally, the review found letters were not always going to the intended recipient and the ATO could better work with taxpayers and tax agents to ensure letters were sent to the right address.

"The ATO can definitely do more work with agents and taxpayers to help people understand what information needs to go where, so that the right communication reaches the right person at the right time," Ms Owen said.

The Tax Ombudsman recommended a series of improvements to the ATO's letters:

- reviewing how letters are designed and drafted, involving people with the right skills and knowledge to write clearly for their intended readers,
- updating templates with standard information for diverse audiences,
- structured and consistent testing of letters with a variety of taxpayers and tax professionals, to ensure they are fit for purpose, including devising ways to gather and implement feedback, and
- ensuring taxpayers' and tax agents' communication preferences are applied to all letter templates.

To access the report and recommendations, visit our website:

[TaxOmbudsman.gov.au/reviews/completed-reviews/](https://taxombudsman.gov.au/reviews/completed-reviews/)

The full forward work plan of our reviews including reviews underway, future planned reviews and information on how to contribute, is available on our website

[TaxOmbudsman.gov.au/Reviews](https://taxombudsman.gov.au/Reviews)

**ENDS**

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