ROY SPAGNOLO & ASSOCIATES
Chartered Accountants

Monthly Update

Please read this update
and contact this office
if you have any queries

September 2026

Deductions for rental properties that double as holiday homes

The ATO has updated its guidance on rental property income and expenses from 1 July 2026, including for properties that are also used as holiday homes.

Where a property is a holiday home, it must be used (or held for use) **mainly to produce rental income** before the owner can claim any expenses relating to its ownership and use.

If this requirement is not met, expenses that are entirely non-deductible may include:

- interest expenses;
- council and water rates;
- body corporate fees; and
- repairs and maintenance.

Where the property is used mainly to produce rental income but there is some minor private use (e.g., a week or a few weekends in the off season when there are no bookings), ownership and use expenses must still be apportioned accurately to reflect the periods of private use.

ATO alert: $21 billion in lost super

The ATO is urging individuals to check whether they have lost or unclaimed super, with more than $21 billion waiting to be reunited with its owners.

Super can become lost when an account is inactive and the fund cannot contact the member, often following a change of job, address or phone number.

In some cases, the balance may be transferred to the ATO to hold until it can be reunited with the individual.

The ATO reports that last year, more than $1.1 billion was returned through consolidations and direct payments to eligible individuals.

Editor: You can check for lost or unclaimed super in various ways, including through ATO online services. Alternatively, please contact us for assistance.

ASIC launches new digital hub for small business directors

ASIC has launched the *Small Business Director Essentials hub*, a new digital resource bringing together practical guidance, learning modules and tools in one place.

"The new Small Business Director Essentials hub provides directors with a single place to access clear, practical, and targeted resources to help them understand and meet their obligations with ASIC as a director," ASIC Commissioner Kate O'Rourke said.

The hub includes guidance tailored to key stages of the director journey, including a roadmap to help directors navigate their obligations, from planning and setting up a company through to operating, restructuring or closing the business.

Directors can also access practical guidance for important situations, such as responding to financial difficulty, as well as free online learning modules that can be completed at any time.

ATO motor vehicle registries data-matching program

The ATO is acquiring motor vehicle registries data from state and territory authorities from the 2026 to the 2030 income years.

The information will be matched against ATO records to identify taxpayers who are not meeting their registration, lodgment, reporting, or payment obligations across a number of taxes (including GST, FBT, fuel tax credits and income tax).

The data will also be used to support ATO compliance activities through modelling, risk profiling and case selection.

The data collected may include identification details for purchasers, sellers and other relevant parties, together with transaction dates and types, sale prices, market values, vehicle garage addresses, intended use, vehicle specifications and registration details.

The ATO expects to collect data relating to approximately **2.5 million individuals** each financial year.

Tips for meeting the Payday Super timeframe

Under Payday Super, contributions must be received by an employee's super fund within seven business days after payday.

To keep on track, the ATO recommends that employers:

- use the new member verification request ('MVR') to verify that an employee's super fund details are valid and that the fund can accept a contribution before it is made;
- check with the relevant payroll provider or clearing house that the fund is responding to MVRs;
- monitor payments, as funds have three business days to allocate or reject a payment; and
- if a payment is rejected or returned, act quickly to correct any errors and resubmit to the correct fund.

For new employees, or where an employee changes their fund, employers generally have 20 business days to make the initial contribution.

Editor: The ATO has stated that employers who genuinely try to comply will not be the focus of its compliance action during the first year of Payday Super.

Payday Super and independent contractors

The ATO is reminding businesses that Payday Super changes **when** super contributions must be paid, not **who** is entitled to receive them.

Businesses generally need to pay super where they engage an independent contractor mainly for their labour, personal effort, skills or time.

This can apply even if the contractor:

- has an ABN;
- invoices the business for their work; or
- is described as a contractor in a written agreement.

Where an independent contractor is entitled to super, the contribution must be paid for each payday and reach their super fund within seven business days after payday.

It is not mandatory to report payments made to independent contractors through Single Touch Payroll ('STP'). However, if a business reports them voluntarily, it must meet the STP reporting requirements, including reporting qualifying earnings and super liability information.

$1,000 standard deduction for work expenses

The ATO has recently updated its *Employees guide for work expenses* to remind taxpayers that the new $1,000 standard deduction cannot be claimed for the 2026 income year.

From 1 July 2026 (i.e., in respect of the 2027 income year and later years), employees may choose either the standard deduction for work-related expenses of up to $1,000, or a deduction for the actual work-related expenses they incur.

Taxpayers should continue keeping records for deductible work expenses incurred from 1 July 2026. If, at the end of the 2027 income year, they choose to claim their actual expenses, they must have the required written evidence for those expenses.