

This month we look at several practical issues that could affect your tax and superannuation position. The ATO's expanded passenger movement data-matching program means international travel records could come under greater scrutiny, particularly where tax residency is unclear or circumstances have changed. We then turn to lost superannuation — with more than \$21 billion currently sitting unclaimed, a simple check could uncover money that belongs to you. Recent changes to the negative gearing reforms have also fixed some unintended outcomes affecting jointly owned properties and former main residences. Finally, we look at SMSF investment strategies and why regularly reviewing the strategy is about more than meeting a compliance requirement, particularly as members move from accumulation into retirement.

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01 | ATO DATA-MATCHING | TRAVEL RECORDS UNDER THE MICROSCOPE

Program: Gazetted 24 Aug 2026**Years:** 2026–27 to 2028–29**Action:** Check your travel records

If you spend time outside Australia for work, family or personal reasons, your travel history could become increasingly important when it comes to your Australian tax affairs. On 24 August 2026, the ATO gazetted its latest passenger movements data-matching program. Under the program, the Department of Home Affairs is expected to provide the ATO with travel information for around **115,000 individuals each year** from 2026–27 through to 2028–29.

The information may include an individual's name, date of birth, arrival and departure dates, passport details and citizenship or visa status. The ATO can then compare this information with its own records to identify potential issues with tax residency, registration, lodgement, reporting and payment obligations.

Why tax residency matters

Your Australian tax residency status can have a significant impact on how you are taxed. Australian residents are generally taxed on their worldwide income, while foreign residents are generally taxed only on their Australian-sourced income. Residency can also affect the tax-free threshold, Medicare levy obligations and CGT outcomes.

The ATO will now have access to passenger movement information from an independent government source. If the dates reported by a taxpayer do not appear to align with those records, this could prompt the ATO to seek further information.

Spending time overseas does not automatically make someone a foreign resident for tax purposes. Tax residency is determined by a range of factors including family circumstances, the strength of connections with Australia and someone's intentions and behaviour.

When could your travel history matter?

Part-year residency

If you became or ceased to be an Australian tax resident during the year, the dates you arrived in or departed Australia may form part of the evidence supporting your residency position and whether a part-year tax-free threshold applies.

Working overseas

If you regularly travel overseas for work, your travel history may help establish when you were working in Australia and when you were overseas — particularly relevant where your position involves foreign employment income or other overseas activities.

Selling an Australian property

If you have moved overseas and later sell an Australian property, your residency history can be relevant to the CGT treatment. Your tax residency status can significantly impact whether the main residence exemption applies on the sale of your home.

Practical steps to take now

- Keep a record of your arrival and departure dates for each trip, including the year in which the travel occurred.
- Retain useful supporting records such as flight itineraries, boarding passes and passport records where available.
- Let us know about significant periods spent overseas, particularly if you have moved overseas or are considering doing so.
- Before lodging your tax return, check that the dates used in any residency calculation or other relevant tax treatment are accurate.

■ For most taxpayers this program will have no direct impact — but if you regularly travel overseas, have moved countries, or

02 | SUPERANNUATION | \$21 BILLION IN LOST SUPER IS WAITING

Total unclaimed: \$21 billion

Avg account: \$41,000

Search via: myGov — free

More than **\$21 billion in lost and unclaimed superannuation** is currently sitting idle across Australia, according to the latest ATO figures. The average lost account holds around \$41,000. Last year alone the ATO reunited more than \$1.1 billion with members — real money that could be working harder for your retirement.

How super becomes "lost"

Super generally becomes lost when an account becomes inactive and the fund can no longer contact the member. Common triggers include changing jobs and leaving an old account behind, moving house or changing your phone number without telling the fund, or changing your name. When the fund cannot reach you, the account may be classified as lost and the balance eventually transferred to the ATO. The money does not disappear — it simply sits waiting to be reunited with its owner.

A five-minute health check

Finding lost super is straightforward and free. The quickest way is through ATO online services via myGov:

1. Log in to myGov and open the ATO section.
2. Select **Super**, then **Fund details**.
3. You will see any active accounts plus any lost or ATO-held super linked to your tax file number.

You can also use the ATO app or call the automated lost super search line on **13 28 65**.

Especially valuable if you are approaching retirement

For those at or approaching retirement age, finding lost super can be particularly meaningful. An extra \$20,000 or \$40,000 can make a noticeable difference to your available nest egg. Even smaller amounts compound further once consolidated into a single active account that continues to earn returns and attract future contributions.

One important warning before you consolidate: check the insurance cover attached to each account first. Death, total and permanent disability, or income-protection cover can sometimes end when a balance is rolled over. Losing that cover without realising it can leave a gap in your protection at the exact time you may need it most.

The simple upside

Every dollar sitting in a lost or low-balance account is potentially earning less than it could, or incurring unnecessary fees. Bringing money into one active account usually reduces fees, improves investment choice, and makes it easier to track your overall position. Given that more than \$21 billion is currently waiting to be claimed, the odds that some of it belongs to you are higher than many people expect.

03 | NEGATIVE GEARING REFORMS | "WIDOW TAX" FIXED

Legislation: Now passed

Affects: Joint owners & former homes

NG quarantine: From 1 Jul 2027

Federal Parliament has closed an unintended loophole in the recent negative gearing reforms that became widely known as the "widow tax". At the same time, the Government also fixed a technical issue that could have affected people who first use a main residence to generate rental income after Budget night on 12 May 2026.

What the problem was

As you may be aware, from **1 July 2027** losses generated from residential rental properties will be quarantined — meaning they can only be offset against income or capital gains from other residential rental properties. However, the changes generally won't apply to properties purchased before 12 May 2026.

A problem arose where an ownership interest in a property passes to someone due to the death of the original owner or a relationship breakdown occurring after 12 May 2026. Under the original rules, that transfer could be treated as a new acquisition — risking the loss of the protected negative gearing treatment.

Fix 1 — The "widow tax"

Case study — Sarah and David

Sarah and David bought a rental unit in 2019 as equal joint owners, negatively geared with annual rental losses of around \$8,000 offset against their other income each year.

Under the original May 2026 reforms, the property was protected as it was acquired before Budget night. However, if David died and the property transferred fully into Sarah's name, the additional 50% interest she inherited risked being treated as a new acquisition — and Sarah could have lost the ability to claim those losses against her other income.

With the updated rules in place, that outcome is avoided. Because the transfer occurs due to the death of a spouse, Sarah keeps the original protected treatment and can continue offsetting rental losses in the same way as before.

The new rules specifically protect people who acquire a residential property interest from a spouse because of death or relationship breakdown, and can also protect someone who inherits an additional ownership interest from a non-spouse co-owner.

Fix 2 — Former main residences

Case study — James

James bought his home in 2018 and has lived in it ever since. In 2027 he decides to move in with his partner and rent the property out for the first time.

Under the original drafting, first renting the property after 12 May 2026 risked resetting its acquisition date — treating it as a post-Budget night acquisition subject to the tighter negative gearing limits.

With the new rules, that reset is disregarded. Because James originally acquired the property before 7:30 pm on 12 May 2026, it keeps its original acquisition date and he can continue to offset any rental losses in the same way as if the property had always been an investment property acquired before Budget night.

What you should do now

- If you own a jointly held investment property acquired before 12 May 2026, the widow tax fix provides reassurance — but the rules are still complex and it is always best to have your position checked.
- If you own a main residence bought before 12 May 2026 and are considering renting it out, the new rule means the property should keep its original acquisition date for negative gearing purposes — but there could still be complex CGT implications.
- Keep clear records of the original purchase date and ownership history.

04 | SMSF TRUSTEES | REVIEWING YOUR FUND'S INVESTMENT STRATEGY

Required: At least annually

Critical: Pension phase liquidity

Document: Every decision made

Superannuation law requires trustees of SMSFs to formulate, regularly review and give effect to an investment strategy that has regard to the whole of the circumstances of the fund. While the law doesn't specify a timeframe, it is commonly accepted — and consistent with ATO guidance — that the review should occur **at least annually**.

Some trustees review at the start of a new financial year; others review it as part of reviewing the prior year's completed accounts. Neither is right or wrong — what matters is that you can show your auditor the review has taken place and that decisions have been documented, whether changes were made or the existing strategy was confirmed as appropriate.

When else should you review?

There may be other times when a review is appropriate, including:

- A significant market correction
- A member joining or leaving the fund
- A member starting a pension in the fund

What the strategy must address

When reviewing your fund's investment strategy, consideration must be given to:

- The risk of holding particular investments and their returns, with regard to the fund's objectives and expected cashflow requirements
- The composition of investments and the risk of inadequate diversification
- The liquidity of investments, with regard to expected cashflow requirements
- The ability to discharge existing and prospective liabilities
- Whether insurance cover for one or more members should be held by the fund

You must consider diversification — but that doesn't mean you are required to have a diversified strategy. Many funds hold just a property and a bank account. What matters is that you document what consideration you gave to diversification, why the lack of it is appropriate, and why you have chosen those particular assets.

The retirement phase changes everything

When members are all in the pre-retirement growth phase, expenses are usually more predictable and large cash reserves aren't typically needed. Once members reach the point where they are accessing benefits — whether through pensions or lump sums — cashflow, liquidity and a cash buffer become a much more important consideration.

It is not uncommon for trustees to contact us at year end having discovered they do not have the cash to meet even the minimum pension requirements for the year. While there may be several reasons for this, it raises serious questions about the appropriateness of the fund's current investment strategy.

■ ■ A fund holding one property and one bank account may have been a reasonable strategy in the growth phase — but does

This applies equally to any illiquid investment — including holdings in unlisted companies and trusts. Reviewing your fund's investment strategy and the needs of members should not be seen as just a tick-a-box exercise. You have worked hard to build your retirement wealth — having an appropriate strategy to support that is an important part of running a well-managed SMSF.

The information in this newsletter is general in nature and does not take into account your personal circumstances. Please contact Jewell Moore before acting on anything contained in this publication.