



As we approach year-end, now is the right time to step back and assess your position before 30 June. A short conversation with your advisor can help unlock opportunities, avoid surprises and ensure everything is in order.

Below are some key areas worth reviewing. If you have any questions, feel free to reach out to [Jodie Knowlton](#), Partner, BDO in Australia.

Understand your year-end position

Before getting into specific tax measures, it is critical to understand where your business is likely to land at 30 June.

For many nursery businesses, this often means working through a realistic view of trading results. From there, you can estimate your likely tax outcome and, just as importantly, plan for the cash flow impact of upcoming tax payments.

Once you have this baseline, there are a number of practical tax rules worth considering.

Timing of income and deductions

A number of core rules come down to timing, and small shifts can have a meaningful impact on your year-end outcome.

Income derivation

Confirm whether you are a cash or accruals taxpayer. Depending on your position, there may be an opportunity to defer income or bring it forward, particularly if you are managing losses.

Deductions

Expenses are generally deductible when they are incurred, not when they are paid. This means there needs to be a committed liability before year-end. Provisions and most accruals will not qualify, so it is important to be clear on what genuinely meets the test.

Prepayments

Can you pay deductible expenditure prior to 30 June 2026? Immediate deductions will arise for prepayments of salary, amounts payable under a court order or law, and amounts under \$1,000. Small and medium sized enterprises can generally deduct any prepaid expenditure when paid if the service period does not exceed 12 months. Other prepaid expenses are generally deductible over the service period.

This allows for a deduction of prepayments of costs such as interest, growing input costs (fuel, fertiliser, medium) expected to be used in the next 12 months. As always, the tax benefit should be weighed against the impact on cash flow and working capital.

Capital assets and disposals

Small business capital write-off

The small business instant capital asset write-off has a threshold of \$20,000 for qualifying assets. Qualifying assets must be acquired and either used or be installed ready for use by 30 June 2026.

Scrapping / disposing of assets

As part of year-end tax planning, businesses should review their fixed asset register to identify any assets that have been scrapped, sold, or are no longer in use.

Where an asset is disposed of or scrapped, a deduction may be available for any remaining written down value that has not yet been claimed for tax purposes. Ensuring these assets are correctly removed from the register before year-end can bring forward deductions and reduce taxable income.

Stock and consumables

Stock is a key area for nursery businesses and can materially affect taxable income.

Valuing closing stock

An accurate stocktake at 30 June is essential. It may also be an appropriate time to review how your business values its stock on hand.

In some cases, closing stock for tax purposes is based on management accounts that adopt the higher of cost or net realisable value. However, the ATO permits businesses to value closing stock using any of the following methods:

- Cost
- Replacement value
- Market selling value.

By selecting the method that results in the lowest valuation, a business may be able to reduce its taxable income and, consequently, its tax liability.

Where stock is obsolete or impaired, a write-down may also be available where there is clear evidence.

Consumables

Consumable items expected to be used within three months of year-end can generally be deducted in the year of purchase, rather than being included in closing stock.

Bad debts

A focused review of receivables can deliver a practical year-end benefit.

Where there is a genuine concern that a debt will not be collected, a deduction may be claimed in the current income year provided that:

- The amount was previously recognised as assessable income; and
- The debt is formally written off in your accounts before 30 June.

Timing matters here. If it is not written off before year-end, the deduction is deferred.

If you are registered for GST, you may also be able to recover the GST component through a business activity statements (BAS) adjustment, which can support cash flow.

Superannuation

Timing of deductions

Employer contributions are only deductible when they are paid by the employer by 30 June 2026.

June quarter considerations

Employer super guarantee charge (SGC) contributions must be received by the fund no later than the twenty eighth day after the end of the relevant quarter. For the 30 June 2026 quarter, the contribution must be received by 28 July 2026.

Caution should be exercised in relation to the timing of SGC contributions for the June 2026 quarter. With the introduction of 'Payday Super', any June quarter contributions paid after 1 July 2026 will result in up to 15 months' worth of employer contributions being received. This could have unintended consequences and result in employees exceeding concessional contribution caps for the year ending 30 June 2027. Where appropriate, consideration should be given to bringing forward the payment of June quarter contributions to ensure they are paid, and received before 30 June 2026.

Farm Management Deposits

For primary producers, Farm Management Deposits remain a useful tool to manage income volatility.

They allow deductions in stronger years, with withdrawals taxed in lower income periods. Eligibility and timing requirements still apply, so it is important to ensure these are met before year-end.

Trusts and company considerations

For businesses operating through trusts or companies, year-end is also about getting the fundamentals right.

For trusts, this includes:

- Reviewing the trust deed
- Ensuring distribution resolutions are completed by 30 June
- Reviewing any streaming opportunities
- Monitoring Section 100A risks around distributions.

For companies, this includes:

- Reviewing Division 7A loans
- Ensuring minimum repayments are made by 30 June
- Confirming any new loans are either repaid or documented under compliant agreements.
- These areas are compliance-driven, but missteps can be costly, so they are worth addressing early.

Additional planning considerations

You might also consider the following:

- Written agreements: Complying loan agreements must generally be in place before the lodgement day and should reflect the ATO's benchmark interest rates and maximum loan terms

- Record keeping: Maintain clear documentation of loan balances, repayments, and calculations of minimum yearly repayments
- Use of company funds: Payments, loans, debt forgiveness, and private use of company assets can all fall within Division 7A - these should be reviewed holistically
- Cash flow planning: Ensuring sufficient cash is available to meet minimum repayments before 30 June is critical to avoid unintended tax outcomes.

Looking ahead

Payday Super

From 1 July 2026, super will need to be paid in line with payroll rather than quarterly. This will bring forward cash flow requirements and increase compliance expectations.

What does this mean for employers?

- Cash flow pressures for superannuation become more immediate, requiring payment with payroll, rather than at the end of a quarter
- There will be tighter compliance around Single Touch Payroll (STP) reporting and payment of superannuation.

For more information please see: [Payday Super explained: What's changing and how to prepare](#)

Intercompany transactions

Recent case law continues to reinforce the need for clear, documented agreements supporting intercompany charges. Journal entries alone are not sufficient. To manage this risk, we recommend you:

- Identify transactions between different taxpayers in the group (we are not concerned with payments between members of the Australian tax consolidated group)
- Ensure those transactions are evidenced by documents that are in place before year-end
- Retain evidence of the services provided (not just invoices)
- Ensure payments are made in line with the agreements.

For your international arrangements, we can assist by identifying the key commercial terms and conditions to be included in these agreements and, where required, liaise with legal advisers to support the drafting and implementation process.

For more information on this case, refer to [our article](#).

Final thoughts

For most nursery businesses, year-end is not about complex structuring. It is about making informed decisions on timing, ensuring records are accurate, and making the most of straightforward opportunities that are often missed.

A short review now can make a material difference to both your tax outcome and your cash position in the year ahead.

This bulletin outlines key considerations to help manage your compulsory tax compliance and year-end tax liabilities. It is not intended to be comprehensive. Before acting on the information provided, you should consider your individual circumstances and speak with your adviser.

If you would like support in navigating year-end or identifying practical opportunities specific to your business, [BDO's agribusiness specialists](#) can work with you to ensure you are well positioned for the year ahead.

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