



Status: **legally binding**

Class Ruling

CSIRO – studentship or internship stipends

❶ Relying on this Ruling

This publication (excluding appendix) is a public ruling for the purposes of the *Taxation Administration Act 1953*.

If this Ruling applies to you, and you correctly rely on it, we will apply the law to you in the way set out in this Ruling. That is, you will not pay any more tax or penalties or interest in respect of the matters covered by this Ruling.

Table of Contents	Paragraph
What this Ruling is about	1
Who this Ruling applies to	4
When this Ruling applies	5
Ruling	6
Scheme	8
Appendix – Explanation	46

What this Ruling is about

1. This Ruling sets out the tax consequences of receiving stipend payments from the Commonwealth Scientific and Industrial Research Organisation (CSIRO) under the following awards:

- CSIRO-sponsored postgraduate studentships
- CSIRO–university co-funded and Next Generation postgraduate studentships
- CSIRO industry PhD studentships, and
- CSIRO postgraduate internships.

2. Details of this scheme are set out in paragraphs 8 to 45 of this Ruling.

3. All legislative references in this Ruling are to the *Income Tax Assessment Act 1997* (ITAA 1997) unless otherwise indicated.

Note: by issuing this Ruling, the ATO is not endorsing the studentship or internship. Potential applicants must form their own view about the studentship and internship.

Who this Ruling applies to

4. This Ruling applies to full-time university students in receipt of a studentship or internship stipend as described in this Ruling.

Status: **legally binding**

When this Ruling applies

5. This Ruling applies from 1 July 2025 to 30 June 2030.

Ruling

6. The payments received by students from the CSIRO under the studentship and internship programs as described within this Ruling are considered ordinary income under subsection 6-5(1).

7. However, the payments received from the CSIRO under these programs will be exempt income under table item 2.1A of section 51-10, where received by full-time university students.

Scheme

8. The following description of the scheme is based on information provided by the applicant. If the scheme is not carried out as described, this Ruling cannot be relied upon.

9. Section 9 of the *Science and Industry Research Act 1949* lists the statutory functions of the CSIRO.

10. Under paragraphs 9(1)(d) and (e) of the *Science and Industry Research Act 1949*, these statutory functions include:

- (d) to train, and to assist in the training of, research workers in the field of science and to co-operate with tertiary-education institutions in relation to education in that field;
- (e) to establish and award fellowships and studentships for research, and to make grants in aid of research.

11. Relevantly, the CSIRO provides the following under its statutory functions:

- studentships that support postgraduate students to undertake impactful research in areas aligned with CSIRO strategy
- cooperation with tertiary education institutions to assist in the training of researchers in science and technology
- opportunities for students to develop skills and experience in collaborative research teams so they can work effectively within national, international and multi-stakeholder environments in the broader innovation system, and
- building research capability for Australia.

12. More specifically, the CSIRO offers postgraduate studentships and internships to Doctor of Philosophy (PhD), Masters, Graduate Certificate and Graduate Diploma students to undertake research in fields capable of being supported by the CSIRO.

13. The CSIRO currently funds 4 types of awards:

- CSIRO-sponsored postgraduate studentships
- CSIRO-university co-funded and Next Generation postgraduate studentships
- CSIRO Industry PhD (iPhD) studentships
- CSIRO postgraduate internships.

Status: **legally binding**

14. The CSIRO studentships and internships are intended to provide a meaningful learning and development opportunity for students but are not to be used to conduct the ordinary operations of the CSIRO or fill vacancies.

15. Students and interns must have a university supervisor and a CSIRO sponsor. The CSIRO will, in conjunction with the university supervisor, have a responsibility for:

- the oversight of, and participation in decisions about, the student's research program, where deemed appropriate
- periodic advice and support for the student's studies which include Next Generation Graduate Program coursework
- matters concerning the student's wellbeing, and
- coordination between the student, the university and CSIRO.

16. iPhD studentships also have an industry partner supervisor.

17. Students must apply to receive the studentships and internships funded or co-funded by the CSIRO and are awarded based on merit.

18. The CSIRO-sponsored postgraduate studentships, CSIRO-university co-funded and Next Generation postgraduate studentships, and iPhDs are publicly advertised. Top-up scholarships and CSIRO postgraduate internships are not publicly advertised, but students must have undergone some form of merit selection through their university.

19. Students participating in a studentship or internship program may be covered under the CSIRO workers compensation scheme for services performed during their program with CSIRO.

20. A student must enter a Postgraduate Student Agreement or a Next Generation Postgraduate Agreement (collectively, a Student Agreement) with the CSIRO and the university to receive payments under a studentship or internship program. The Student Agreement specifies the terms of engagement and states that it does not create an employee and employer relationship between any of the parties. It addresses intellectual property, publications and confidentiality, dispute resolution, and extension and termination of the studentship or internship.

21. The Next Generation Postgraduate Agreement also lists certain requirements for student who have completed the Next Generation Graduate Program (Program). The requirements are the student:

- will endeavour to remain in or seek employment in Australia
- will maintain contact with the CSIRO for up to 2 years for the purpose of reporting and evaluation of the Program
- give consent to the CSIRO to collect data on their career through external applications (for example, LinkedIn, ORCHID) to enable the CSIRO to report on the outcome of the Program
- give permission to the University to share with the CSIRO information on the student and their participation in the Program, including ongoing reporting from alumni networks for at least 2 years after completing the Program
- will endeavour to participate in questionnaires, interviews, surveys for the reporting and evaluation of the Program when requested by, or on behalf of the CSIRO.

Status: **legally binding**

22. Ownership of intellectual property developed under the research project (Project IP) is determined by the Student Agreement and the collaboration agreement (if applicable) which sets out terms of the project. Ownership can vary for each project depending on the nature of the project and nominated owners. Where there is no collaboration agreement for a project, either the CSIRO or the university will own Project IP as set out in the relevant Student Agreement.

23. Common conditions within a Student Agreement are:

- The CSIRO will pay a stipend and give the student access to premises, facilities and resources to undertake research on the project. The student must remain enrolled in the degree at the university for the term of the student agreement and comply with university rules.
- Students must comply with the CSIRO's code of conduct.
- Students will work on the project under the supervision of a university supervisor or a CSIRO-appointed supervisor and must comply with reasonable directions given by the supervisors regarding the project. At the end of the project, or when requested by the CSIRO or the university, the student must provide a report outlining the results of the project and any other work they did in relation to the project. At the reasonable request of the university supervisor, the CSIRO will provide an evaluation report on the student to the university for the purpose of assessing the student's academic progress.
- Project IP can be owned by the CSIRO, the university, the student or other partners to the project (or a combination of them) as set out in the Collaboration Agreement for the project (if any). The owner of the Project IP will give other parties to the Student Agreement a royalty-free licence to use the Project IP in limited circumstances. The student owns the copyright in their thesis and gives other parties to the Student Agreement a royalty-free licence to use the thesis in limited circumstances. The CSIRO owns all the intellectual property in the Next Generation Graduate Program including all material developed by or for the CSIRO that are used in the Next Generation Graduate Program coursework or otherwise used with the coursework. Intellectual property rights for student outputs from undertaking the coursework remain with each student.
- The parties must not disclose confidential information about any party collected for the project.
- The student can present their thesis for examination but must protect confidential information and Project IP. The CSIRO can embargo public access to the thesis for up to 12 months. The thesis must be reviewed by the supervisors prior to being given to an examiner, external referee or published.
- The CSIRO can restrict publication of the research to protect confidential information and CSIRO intellectual property.
- The student's thesis and any publications and presentations must acknowledge any contributions made by the supervisors, the CSIRO or university for work done on the thesis.
- The CSIRO can terminate the student agreement if the student breaches the terms of the agreement, or the student is no longer enrolled in the degree at the university.

Status: **legally binding**

- Studentship and internship holders in the Program can undertake part-time work, such as teaching, demonstrating or other activities; however, the payments from such activities are not exempt income.

CSIRO-sponsored postgraduate studentships

24. A CSIRO-sponsored postgraduate studentship is offered as a primary scholarship or as a top-up scholarship. It is offered to students working on a project relevant to the strategic direction and focus of the CSIRO, where the CSIRO has a role in defining the scope of the project. The studentship is offered for a period of up to 4 years for PhD students or up to 2 years for Masters students.

25. The stipend is set at the base rate in the Research Training Program (RTP) scheme. For the 2025 year, the stipend is \$33,511. A higher stipend rate may be paid or match comparable industry programs to attract a high-quality applicant. The 'top up' rate is \$10,000 per annum. Reasonable operating, travel and relocation expenses may also be paid. The stipend is paid fortnightly in arrears by CSIRO payroll or the university under an agreement between the CSIRO and the university.

26. A learning and development expense of \$5,000 and \$2,000 may be paid at the CSIRO's discretion to PhD and Masters students respectively.

27. Students must be enrolled in an Australian university and must be Australian citizens or permanent residents. International students with the appropriate visas can apply in fields in which there is a national skill shortage specified by the Australian Government.

28. Students who receive a primary scholarship (from their university or other organisations) are not eligible for the CSIRO primary scholarship but may receive a 'top up' scholarship.

29. If a student undertakes other work at the CSIRO, a clear distinction is made between work conducted under an employment relationship and the student research conducted under the studentship.

CSIRO-university co-funded and Next Generation studentships

30. A CSIRO-university co-funded and Next Generation Studentship is provided on a co-funded collaborative project between the CSIRO, the student's university and an industry partner. The terms of the CSIRO sponsored postgraduate studentship apply to this Program. A formal agreement must be in place between the CSIRO and the university to co-fund a primary or 'top up' stipends.

31. The Next Generation Program student must complete the Next Generation Graduate Program coursework to the satisfaction of the CSIRO within 18 months of commencement of their scholarship. The student must have a placement with an industry partner. The duration of the placement depends on the degree:

- 6 months for the PhD
- 3 months for the Masters of Philosophy
- 20 days for the Masters by Research or (Coursework or RTP Qualified Program), and
- 6 days for the Masters by Coursework and Honours.

Status: **legally binding**

32. The stipend rate is based on the base rate in the RTP of \$33,511 for 2025. The 'top up' rate is \$10,000 per annum. The stipends are paid fortnightly in arrears by CSIRO payroll or the university under an agreement between the CSIRO and the university.

33. The learning, development and operating expenses are co-funded by the university and the CSIRO.

34. Students must be enrolled in an Australian university and must be Australian citizens or permanent residents. Students who receive a primary scholarship (from their university or other organisations) are not eligible for the CSIRO's primary scholarship but may receive a 'top up' scholarship. Where there is a national skill shortage specified by the Australian Government, a studentship may be awarded to overseas students enrolled in a full-time course at an Australian university.

CSIRO Industry PhD studentships

35. An iPhD supports research–industry collaboration through a co-investment between the CSIRO, a university and an industry partner. All 3 parties must sign a Collaboration Agreement which identifies and defines a project, which is advertised for PhD students to apply, with selection being based on merit. The project must align with government and CSIRO priorities and address an industry-relevant issue while complying with university PhD requirements.

36. An iPhD is limited to Australian citizens, New Zealand citizens and Australian permanent residents only.

37. The CSIRO, university and industry partners must sign and execute a collaboration agreement for each project. This agreement highlights privacy, confidentiality, insurance, funding arrangements, project duration, intellectual property (IP) and other legal and operational aspects of the program. The collaboration agreement is reviewed regularly to make improvements in accordance with the purpose, requirements and obligations of the studentship. A collaboration agreement may vary the terms of a student agreement.

38. The studentship is offered for a period of 4 years, including a 3-month to 6-month internship with the industry partner.

39. The stipend for 2025 is offered as a package of:

- a CSIRO-funded base scholarship of \$35,020 (with 3% increases for future years)
- an industry-funded 'top up' of \$12,000 (with 3% increase in future years)
- access to project operating expenses of \$13,000, (with 3% increase in future years), and
- learning and development and reasonable operating expenses negotiated between the 3 parties.

40. The supervisory team consist of university, industry and CSIRO supervisors who jointly supervise the student. The university supervisor is responsible for monitoring and assessing the PhD student's progress in accordance with the university's PhD academic requirements.

Status: **legally binding**

CSIRO postgraduate internships

41. A CSIRO postgraduate internship enables the CSIRO to supervise a PhD, Masters, Graduate Diploma or Graduate Certificate student where they undertake a university-approved internship.

42. An international student may apply for a CSIRO postgraduate internship providing they have the approval of their overseas university.

43. The student works on a project that is strategically significant for the CSIRO without a requirement for productive outputs to the CSIRO. A stipend is offered for a period of up to 1 year with extensions rarely being made available.

44. A student with a primary scholarship from the university or other sources is not entitled to stipends and may be paid a living allowance (set equivalent to a pro rata base rate of RTP) if required to relocate to undertake the internship, where there is no funding from their university. Where a student receives a living allowance from other sources, the CSIRO will adjust the living allowance it pays to be equivalent to the pro rata base rate of RTP.

45. The stipend paid is the base rate of the RTP and may be increased to match other comparable industry programs to attract higher quality candidates. Other benefits include reasonable operating, travel and relocation expenses. Payment of the stipends is fortnightly in arrears by CSIRO payroll.

Commissioner of Taxation

17 December 2025

Status: **not legally binding**

Appendix – Explanation

❶ *This Explanation is provided as information to help you understand how the Commissioner's view has been reached. It does not form part of the binding public ruling.*

Table of Contents	Paragraph
Ordinary income	46
<i>Are the recipients full-time students at a school, college or university?</i>	52
<i>Are the payments made by way of a scholarship, bursary, educational allowance or educational assistance?</i>	54
<i>Do the exceptions in section 51-35 apply?</i>	59
Is the payment a Commonwealth education or training payment?	60
Is the payment made on the condition that the student enters into employment with, or a contract for labour with, the payer?	63
Is the amount provided principally for educational purposes?	68
Conclusions	71

Ordinary income

46. Subsection 6-5(1) provides that an amount is included in assessable income if it is income according to ordinary concepts (ordinary income).

47. Payments made by the CSIRO for studentships and internships are considered ordinary income due to the periodic nature of the payments that are expected and relied on by the recipient.

48. Subsection 6-20(1) provides that an amount of ordinary income is exempt income if it is made exempt from income tax by a provision of the ITAA 1997 or another Commonwealth law.

49. Section 51-1 exempts from income tax ordinary income and statutory income covered by tables in sections 51-5 to 51-30.

50. Table item 2.1A of section 51-10 provides an income tax exemption in relation to payments:

- to a full-time student at a school, college or university
- made by way of scholarship, bursary, educational allowance or educational assistance, and
- subject to the exceptions set out in section 51-35.

51. As the payments are ordinary income, it must be established whether or not they are exempt income under Division 51. This requires a consideration of these 3 conditions.

Are the recipients full-time students at a school, college or university?

52. The studentships and internships are awarded to PhD, Masters of Philosophy, Masters by Research and Masters by Research or (Coursework or RTP Qualified

Status: **not legally binding**

Program) and Masters by Coursework and Honours, Graduate Certificate and Graduate Diploma students.

53. Studentship holders are enrolled full-time in a PhD or Masters course and working on a project relevant to the strategic direction and focus of the CSIRO. Studentship holders are either Australian citizens or have permanent resident status. In the case of a national skills shortage, a studentship may be offered to an international student, who must hold the appropriate visas for the term of the studentship. Internship is offered to a PhD, Masters, Graduate Diploma or Graduate Certificate student where they undertake a university-approved internship and are supervised by a CSIRO supervisor.

Are the payments made by way of a scholarship, bursary, educational allowance or educational assistance?

54. The words ‘scholarship, bursary, educational allowance or educational assistance’ are not defined in the ITAA 1997.

55. Paragraphs 34 to 45 of Taxation Ruling TR 93/39 *Income tax: friendly society education funds* discuss the meaning of the words ‘scholarship, bursary or other educational allowance or educational assistance’ for the purposes of former subsection 23(z) of the *Income Tax Assessment Act 1936*. Paragraph 35 of TR 93/39 states that the words are no more than ‘a description of rewards for merit attained as a result of competition or selection on the basis of general criteria’.

56. In interpreting the meaning of the words ‘scholarship, bursary or educational allowance or educational assistance’, courts have determined that the relevant characteristics of a scholarship include the:

- selection of recipients is based on merit or some other rational criterion (*Re Leitch, deceased* [1965] VR 204), and
- education of the recipient is at least one purpose for which the scholarship is provided (*Federal Commissioner of Taxation v Hall* (1975) 6 ALR 457).

57. To obtain a studentship or internship, students are required to submit an application, which is judged against other applicants. Ordinarily, those applicants will not have had any previous association with the CSIRO. It is accepted that applicants for studentships and internships are subject to a competitive process and that the studentships and internships are awarded on merit.

58. The studentships and internships are provided to students to enable them to undertake research as part of their postgraduate degrees at an Australian university. There is an educational purpose behind the provision of the studentships and internships. The payments are therefore made by way of a scholarship, bursary, educational allowance or educational assistance.

Do the exceptions in section 51-35 apply?

59. Section 51-35 excludes the following payments from exemption:

- payments by the Commonwealth for education or training (paragraphs 51-35(a), (b) and (f))
- payments made on the condition that the student will (or will if required) become an employee of, or enter into a labour contract with, the payer (paragraphs 51-35(c) and (d)), or

Status: **not legally binding**

- payments made under a scholarship that is not provided principally for educational purposes (paragraph 51-35(e)).

Is the payment a Commonwealth education or training payment?

60. The payments are not of the kind described in paragraph 51-35(a), which are Commonwealth payments for assistance for secondary education or in connection with the education of isolated children.

61. The payments are not of the kind described in paragraph 51-35(b), which are Commonwealth education or training payments, as defined in section 52-145.

62. The studentship and internship payments are not of the kind described in paragraph 51-35(f), which are payments that are education entry payments under Part 2.13A of the *Social Security Act 1991*.

Is the payment made on the condition that the student enters into employment with, or a contract for labour with, the payer?

63. Paragraphs 51-35(c) and (d) exclude payments from income tax exemption if they represent:

- (c) a payment by an entity or authority on the condition that the student will (or will if required) become, or continue to be, an employee of the entity or authority;
- (d) a payment by an entity or authority on the condition that the student will (or will if required) enter into, or continue to be a party to, a contract with the entity or authority that is wholly or principally for the labour of the student

64. The payments do not contain conditions that require the recipients to perform specific work for the CSIRO, and do not provide any basis for the expectation that employment will be offered at some future date.

65. Coverage of recipients by the CSIRO for workers compensation while on CSIRO property is not considered sufficient to make them employees of that organisation. This coverage is simply a precaution by the CSIRO against the possibility of incurring an unfunded legal liability should a claimable incident occur to the recipient.

66. The requirement that recipients do a placement, which is mandatory or elective, for a minimum period of 60 days at the premises of an industry partner is not considered sufficient to make them employees of the industry partner, the CSIRO or the university.

67. Recipients will not be required to enter into any contracts with the CSIRO for their labour. Further, the rights to any Project IP produced during the term of the studentship or internship will generally remain with the recipients.

Is the amount provided principally for educational purposes?

68. The payments are only provided to full-time postgraduate students conducting research at a university-approved studentship or internship for the purposes of obtaining a PhD, Masters, Graduate Diploma or Graduate Certificate qualification.

69. The payments are made to recipients to undertake research studies in the field of science.

Status: **not legally binding**

70. The payments provide recipients the opportunities to gain experience or engage in research, learning and development. The payments made under the 4 programs are not excluded from income tax exemption by paragraph 51-35(e).

Conclusions

71. None of the exclusions in section 51-35 apply to the 4 programs.

Status: **not legally binding**

References

Related rulings and determinations:

TR 93/39

Legislative references:

- ITAA 1936 former 23(z)
- ITAA 1997 6-5(1)
- ITAA 1997 6-20(1)
- ITAA 1997 Div 51
- ITAA 1997 51-1
- ITAA 1997 51-5
- ITAA 1997 51-10
- ITAA 1997 51-30
- ITAA 1997 51-35
- ITAA 1997 51-35(a)
- ITAA 1997 51-35(b)
- ITAA 1997 51-35(c)
- ITAA 1997 51-35(d)
- ITAA 1997 51-35(e)
- ITAA 1997 51-35(f)

- ITAA 1997 52-145
- Science and Industry Research Act 1949 9
- Science and industry Research Act 1949 9(1)(d)
- Science and industry Research Act 1949 9(1)(e))
- Social Security Act 1991 Pt 2.13A

Cases relied on:

- Federal Commissioner of Taxation v Hall (1975) 6 ALR 457, 75 ATC 4156; 5 ATR 450
- Re Leitch, deceased 1965 VR 204

Other references:

CSIRO (2025) [Postgraduate studentships](#) [website]

ATO references

NO: 1-17T99T3E

ISSN: 2205-5517

BSL: IAI

ATOlaw topic: Income tax ~~ Assessable income ~~ Other types of income ~~ Scholarships
Income tax ~~ Exempt income ~~ Scholarships

© **AUSTRALIAN TAXATION OFFICE FOR THE COMMONWEALTH OF AUSTRALIA**

You are free to copy, adapt, modify, transmit and distribute this material as you wish (but not in any way that suggests the ATO or the Commonwealth endorses you or any of your services or products).