


CR 2025/48 - Paralympics Australia - medal payments

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Status: **legally binding**

Class Ruling

Paralympics Australia – medal payments

❗ 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.

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What this Ruling is about

1. This Ruling sets out the income tax consequences for athletes in receipt of Paris 2024 Paralympic Games (Games) medal payments (Government Medal Payments), medal payments from Australia Post (Australia Post Medal Payments) and stamps from Australia Post (Australia Post Stamps).
2. Collectively, the Government Medal Payments, Australia Post Medal Payments and Australia Post Stamps will be referred to as the 'Awards'.
3. Details of this scheme are set out in paragraphs 11 to 34 of this Ruling.
4. All legislative references in this Ruling are to the *Income Tax Assessment Act 1997*, unless otherwise indicated.

Who this Ruling applies to

5. This Ruling applies to you if you are in receipt of any of the Awards provided by Paralympics Australia (PA) for medals you won at the Games.
6. This Ruling will not apply to individuals who receive any of the Awards provided by PA and who are carrying on a business as a professional sportsperson.

When this Ruling applies

7. This Ruling applies from 1 July 2024 to 30 June 2028.

Status: **legally binding**

Ruling

8. The Awards provided under the Scheme are not considered income according to ordinary concepts or statutory income for the purpose of sections 6-5 and 6-10.
9. The Awards are not considered payments from which amounts must be withheld under Division 12 of the *Taxation Administration Act 1953* (TAA).
10. No deduction can be claimed under section 8-1 for an expense incurred to the extent to which the expense relates to the receipt of any of the Awards.

Scheme

11. 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.

Paralympics Australia

12. PA is Australia's peak sporting organisation for athletes with physical, vision and intellectual impairments. PA's purpose is to advance the Paralympic movement and para-sport in Australia and be a catalyst for a more inclusive society.
13. PA works with national sporting organisation partners to help identify potential Paralympians and assist athletes to prepare for competition by providing funding for and access to coaching, equipment, medical support and travel in the lead up to the Summer and Winter Paralympic Games.
14. During 2024, PA assisted a team of athletes to compete at the Games (held 28 August 2024 to 8 September 2024).
15. Athletes qualified for and entered these games under the assumption that there would be no payments made by PA for medals won during the Games.
16. On 27 August 2024, one day prior to the Games, the Australian Government announced that additional funding would be provided to PA to ensure medal winners (Games medallists) would receive payments that are consistent with payments made by the Australian Olympic Committee (AOC) to Paris 2024 Olympic Games medallists.

Australian Government grant

17. The funding support has been provided by the Australian Government to PA in the form of a one-off grant to facilitate payments. The Australian Government specified that the funding given is for the purpose of providing medal rewards for the Games only.
18. Using amounts provided by the Australian Government grant (the Grant), PA will provide Government Medal Payments to Games medallists. The proceeds of the Grant will not be used for any other purpose or any other event.
19. Government Medal Payments made to Games medallists are structured to ensure payments received by them are consistent with payments made by the AOC to Paris 2024 Olympic Games medallists.
20. However, there is no requirement for Paralympians to be undertaking training in the year following the medal-winning event (which is in contrast to the AOC medal incentive program).

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21. Games medallists are not eligible to be paid for multiple medal-winning performances from the Grant. They will be entitled to one Grant reward based on their best medal performance in each of the Games.

22. Members of Games medallist teams will be considered for the same Government Medal Payments as individual Games medallists.

23. Games medallists who receive the Government Medal Payments are not employees of PA and do not have a duty or obligation to provide any services to PA. In addition, PA does not regard the payment as reward for services.

24. There are no ongoing requirements or conditions imposed on Games medallists who receive a Government Medal Payment under the Grant in respect to present or future obligations and there is no requirement for them to enter into an agreement with PA to receive the payment.

25. The Government Medal Payments are made in the following amounts for the Games:

Table 1: Medal type and payment

Medal (best medal where there is more than one)	Medal Payment
Gold	\$20,000
Silver	\$15,000
Bronze	\$10,000

26. There is no promise that the Government Medal Payments will apply for future Paralympic Games.

Australia Post Corporation Payments

27. Australia Post Corporation (Australia Post) is a statutory corporation formed under the *Australian Postal Corporation Act 1989*.

28. Australia Post, motivated by an intention to support paralympic gold medal winners at the Games, produced stamps depicting gold medal-winning athletes, described as a product licenced under the *Copyright Act 1968*.

29. Australia Post has partnered with PA and released a set of 'Gold Medal Winners Stamps' and contributed funds and stamps to PA, who used Australia Post funds and stamps to make payments to gold medal winners at the Games.

30. The Copyright Licence Agreement governs the sub-licensing of PA's logos and the gold medallist's image to Australia Post. Under the Copyright Licence Agreement made between PA and Australia Post, payments and stamp awards would be made to Paralympic gold medallists.

31. The awards made for the Games are:

Table 2: Award type and reward

Award Type	Award
Gold Medal	\$20,000 (min)
Stamps depicting medallist	50 Sheets of 5

Status: **legally binding**

32. The Australia Post Medal Payments and Australia Post Stamps are being awarded to Paralympic gold medal winners at the Games only. This award arrangement does not apply for Paralympic Games beyond these particular Games.

33. Paralympic gold medal winners from the Games have:

- no obligation to acknowledge or publicise the payment
- no duty or obligation to provide services to PA or Australia Post
- no obligation to accept the payment.

34. The payment is not regarded as funding as a reward for services.

Commissioner of Taxation

16 July 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.*

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Payment is not included in assessable income

35. A payment or other benefit received by a taxpayer is included in assessable income if it is:

- income according to ordinary concepts (ordinary income), or
- income by operation of the provisions of the tax law (statutory income).

Ordinary income

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

37. Subsection 6-5(2) provides that if you are an Australian resident, your assessable income includes the ordinary income you derive directly or indirectly from all sources, whether in or out of Australia, during the income year.

38. Ordinary income generally includes 3 categories, being income from:

- personal services (such as employment income)
- carrying on a business, and
- property such as rent.

39. Relevant factors in determining whether the receipt of an amount is ordinary income include:

- periodicity – whether it is received periodically or regularly¹
- whether the payment is from any employment, business or rendering of services²

¹ *Commissioner of Taxation (Cth) v Dixon* [1952] HCA 65.

² *The Commission of Taxation of the Commonwealth of Australia v Harris, G.O.* [1980] FCA 74 and *Hayes v Commissioner of Taxation (Cth)* [1956] HCA 21.

Status: **not legally binding**

- character of a receipt or character of the payment in the hands of the recipient³, and
- motives of the person making the payment.⁴

40. In considering periodicity, the Awards are made as soon as practicable following the medal-winning performance. Games medallists who win more than one medal in any year, unless eligible for the Australia Post Medal Payments, will receive only one Government Medal Payment in respect of their best result from each eligible category. The Awards are not expected, as athletes must win a medal to obtain them. There is currently no indication that any funding will be provided beyond the Games. As such, the Awards are not made periodically or regularly.

41. In considering whether the payments are from any employment, business or rendering of services, the athletes who become eligible for the Awards are not employed by PA. They are not required to enter into any agreement with PA to render personal services or for any business purposes.

42. There are no ongoing requirements imposed on Games medallists receiving the Awards and those who receive them do not have a duty or obligation to provide any services to PA. The Awards are not regarded by PA as payment or a reward for past or future services provided. As such, the Awards are not considered to be 'reward for services' provided.

43. In the circumstances, the conditions on the athletes do not justify an employer – employee or any business relationship between PA and Games medallists who receive the Awards.

44. In considering the character of the Awards in the hands of the recipients, the Awards are unexpected and were not depended upon by the recipient. Awards do not have the character of salary and wages, fees for services rendered or a receipt from a business transaction.

45. In considering the motives of PA in making the Awards, the purpose is to ensure equality in payments between Games medallists and those who competed at the Paris 2024 Olympic Games. PA is making the Awards as it has received funding from the Australian Government and Australia Post for this purpose.

46. Paralympic athletes enter into a 'Paris 2024 Paralympic Games Athlete Team Membership Deed' that provides that they allow their image to be captured for promotional purposes. These images have been used for production of stamps by Australia Post as part of the sponsorship arrangement.

47. Neither the Australian Government nor PA derives any direct benefit from making the Awards. The payments of the Awards are intended to be a reward by PA to Games medallists for winning medals. There are no conditions attached to the Awards. The Australia Post Medal Payments and Australia Post Stamps that are provided by PA are not payments for the use of the Games medallist's fame.

48. Therefore, the Awards are not considered income according to ordinary concepts and are not assessable in the hands of the recipient paralympic athletes.

³ *Commissioner of Taxation v Blake* [1984] 2 Qd R 303; *Scott v Federal Commissioner of Taxation* [1966] HCA 48 and *GP International Pipecoaters Pty Ltd v Commissioner of Taxation (Cth)* [1990] HCA 25.

⁴ *Hayes v Commissioner of Taxation (Cth)* [1956] HCA 21.

Status: **not legally binding**

Occasional voluntary payments

49. Paragraph 55 of Taxation Ruling TR 1999/17 *Income tax: sportspeople – receipts and other benefits obtained from involvement in sport* explains that there may be situations where an ‘occasional’ voluntary payment is received by a sportsperson. Whether the receipt of an occasional voluntary payment is assessable income needs to be determined on a case-by-case basis.

50. Paragraph 56 of TR 1999/17, sets out 3 key factors to consider when determining whether an occasional voluntary payment is assessable:

- how and why the payment was made
- whether the payment is common with the recipient’s occupation, and
- whether the payment is solicited.

51. Paragraph 60 of TR 1999/17 states:

It is considered that an ‘occasional’ voluntary payment received in respect of sporting activities is assessable income if the recipient is an employee, is engaged in the provision of services, or carries on a business in respect of those sporting activities. Such payments are assessable even though they are in respect of past or future employment, the past or future provision of services, or a past business.

52. It is considered the Awards are not assessable as an occasional voluntary payment as:

- they are one-off awards to reward Games medallists for winning medals
- they were unexpected and not solicited by Games medallists
- there is no obligation on Games medallists to provide any services to PA or enter any agreement with PA, and
- there is no form of employment or business relationship between PA and Games medallists.

Statutory income

53. Subsection 6-10(1) provides that your assessable income also includes some amounts that are not ordinary income.

54. Subsection 6-10(2) provides that amounts that are not ordinary income but are included in your assessable income by provisions about assessable income are called statutory income.

55. Section 10-5 provides a list of provisions about assessable income. That list includes a reference to section 15-2 which is about allowances and other things provided in respect of employment or services.

56. Subsection 15-2(1) provides that your assessable income includes the value to you of all allowances, gratuities, compensation, benefits, bonuses and premiums provided to you in respect of, or for or in relation directly or indirectly to, any employment of or services rendered by you.

57. The Awards made by PA to Games medallists are not assessable income to the recipient under subsection 15-2(1) because there is no employer - employee relationship between Games medallists and PA. There is also no agreement between the parties that requires Games medallists to provide services to PA.

Status: **not legally binding**

58. As there is no employment relationship between PA and Games medallists, and no requirement for them to provide services to PA, the Awards should not be included in the assessable income of recipients under section 15-2.

Pay as you go withholding

59. Division 12 of Schedule 1 to the TAA refers to payments from which amounts must be withheld which includes payments for work and services – see, for example, the withholding requirements in sections 12-35 and 12-55 of the TAA.

60. Games medallists receiving the Awards are not employed by PA and are not required to be employed by PA to receive the payment. As such, the payments cannot be considered a payment of a salary to an employee.

61. Furthermore, Games medallists receiving the Awards are not required to provide any services to PA and are not required to meet ongoing conditions with respect to qualifying or training for the Awards. As such, the Awards are not considered to be payments covered by a voluntary agreement.

62. As a result, the Awards are not considered payments from which amounts must be withheld under Division 12 of the TAA. PA is not required to withhold on the Awards made to Games medallists as they do not have any other associated pay as you go withholding obligations.

General deductions

63. Subsection 8-1(1) allows a deduction for any loss or outgoing to the extent that it is incurred in gaining or producing assessable income or it is necessarily incurred in carrying on a business for the purpose of gaining or producing assessable income, subject to the exclusions set out in subsection 8-1(2).

64. Expenses incurred by Games medallists in connection with their participation at the Games are not allowable deductions against the Awards. The expenses are not incurred in gaining or producing assessable income because the Awards are not assessable income in the hands of Games medallists.

Status: **not legally binding**

References

Previous Ruling:

CR 2022/13

Related rulings and determinations:

TR 1999/17

Legislative references:

- ITAA 1997 6-5
- ITAA 1997 6-5(1)
- ITAA 1997 6-5(2)
- ITAA 1997 6-10
- ITAA 1997 6-10(1)
- ITAA 1997 6-10(2)
- ITAA 1997 8-1
- ITAA 1997 8-1(1)
- ITAA 1997 8-1(2)
- ITAA 1997 10-5
- ITAA 1997 15-2
- ITAA 1997 15-2(1)
- TAA 1953 Sch 1 Div 12
- TAA 1953 Sch 1 12-35
- TAA 1953 Sch 1 12-55
- Australian Postal Corporation Act 1989

- Copyright Act 1968

Cases references:

- Commissioner of Taxation v Blake [1984] 2 Qd R 303; 75 FLR 315; 15 ATR 1006; 84 ATC 4661
- Commissioner of Taxation (Cth) v Dixon [1952] HCA 65; 86 CLR 540; [1953] ALR 17; 10 ATD 82; 26 ALJ 505
- GP International Pipecoaters Pty Ltd v Commissioner of Taxation (Cth) [1990] HCA 25; 170 CLR 124; 90 ATC 4413; 21 ATR 1; 64 ALJR 392
- Hayes v Commissioner of Taxation (Cth) [1956] HCA 21; 96 CLR 47; 11 ATD 68; 30 ALJ 96
- Scott v Federal Commissioner of Taxation [1966] HCA 48; 117 CLR 514; 40 ALJR 205; [1967] ALR 561; 14 ATD 286
- The Commission of Taxation of the Commonwealth of Australia v Harris, G.O. [1980] FCA 74; 43 FLR 36; 80 ATC 4238; 10 ATR 869; 30 ALR 10

ATO references

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