



Australian Government

Australian Research Council

Strategic Examination of Research and Development (SERD)

ARC's response to the *Foundational Research* – Issues Paper

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Strategic Examination of Research and Development

ARC Submission

Introduction

The Australian Research Council (ARC) welcomes the opportunity to provide a further submission to the Australian Government Strategic Examination of Research and Development.

This submission makes 2 recommendations for consideration by the SERD Panel relating to the issues paper [Foundational research: creating knowledge](#). We look forward to working further with the Panel as it considers these issues.

Recommendations:

1. Encourage greater investment in early-stage discovery research through the proposed investment framework to guarantee a robust and future-focused RD&I environment.
2. That the SERD panel consider recommending a national approach to Research Infrastructure funding and administration.

Early-stage research:

The ARC welcomes recognition of the value played by discovery research in the research, development and innovation ecosystem, with over 90% of respondents to the SERD Survey agreeing or strongly agreeing that ‘maintaining investment in foundational R&D is critical to the overall health of the R&D system’. We strongly support the SERD’s recommendation to ‘protect and strengthen’ investigator-led foundational research (in the SERD paper *Foundational research: Creating knowledge*). The costs of research have increased significantly since 2001 and are expected to continue rising over the coming years. The cost of the average individual project in the National Competitive Grants Program (NCGP) has grown by 64% over the last ten years.¹ Consideration should be given to whether linking the growth rate of ARC funding to GDP will be enough to maintain Australia’s sovereign capabilities in basic and applied research, including the underpinning expertise required for future translation and innovation, or whether additional investment will be required.

We agree that early-stage discovery research should cover a broad base of topics, including but not limited to national focus areas or priorities. Currently, even without deliberate targeting, more than 80% of ARC-funded research aligns with the National Science and Research Priorities. This is unsurprising given there is natural alignment between issues that researchers see as important and issues that Government and other stakeholders see as priorities for the nation.

To build on this strength, a recommendation from the Policy Review of the NCGP includes a priorities-based scheme, *Prioritise*, to ensure that our early-stage research funding strikes the right balance between investigator-led and government-directed research. This *Prioritise* scheme is designed to allow rapid investment at any time (not limited to a regular grant cycle). As such it is directly aligned with the recommendation in *Foundational research: Creating knowledge*. to create the capacity for Ministers to direct immediate investment towards emerging opportunities and challenges.

¹ Research costs have increased significantly over recent decades, driven by a combination of factors. Modern research is more complex, often requiring advanced technologies, specialised infrastructure, and larger, interdisciplinary teams, all of which add to overall costs. While average ARC funding per project does not fully capture the true cost of research, as it excludes contributions from collaborating organisations, it highlights the rapidly growing need for adequate research funding.

Research infrastructure:

The ARC strongly supports a national approach to research infrastructure funding as outlined in the SERD paper *Foundational research: creating knowledge*, although we would recommend that the approach encompass research infrastructure at all scales – including but not limited to NCRIS. While funding for research infrastructure was not identified as core for the ARC during the Policy Review of the NCGP, the Board agreed to continue supporting the creation of, and access to, medium-sized collaborative research infrastructure until a whole of government approach is agreed. This means that there will continue to be a funding gap between ARC-funded projects and NCRIS projects. Research infrastructure that sits in the \$2.5-4M funding range is not suited to either program. There is also no robust solution to the ongoing costs (e.g. staffing and maintenance) of existing government-funded infrastructure.

This is an unsustainable situation that requires consideration at a whole of government level.