



Australian Government
Australian Research Council

National Competitive Grants Program Policy Review Final Report



Contents

Chair's foreword	3
1 Summary of actions	5
2 Findings and plan for action	7
2.1 Context	7
2.2 Purpose and impact of ARC research grants	7
2.3 Program structure and design	12
2.4 Building Australia's research workforce	14
2.5 Advancing support for Indigenous researchers and research	15
2.6 Alignment with other government research funding programs	16
2.7 National priorities for research	17
3 The new NCGP	19
3.1 Scheme details	22
4 Enabling reforms	25
4.1 Administrative streamlining	25
4.2 Evaluation	25
4.3 Assessment	26
4.4 Strategy and connections across government	26
5 What comes next	28
Appendix A: Modelling	30
Methodology	31

Chair's foreword

On behalf of the Australian Research Council (ARC) Board, it is my pleasure to present the findings and recommendations of this review of the National Competitive Grants Program (NCGP).

As research landscapes in Australia and across the globe evolve at an unprecedented speed, the ARC has an opportunity to reimagine the role of the NCGP in driving the early-stage research that boosts the economic growth and productivity of Australia. Although the NCGP represents only 7% of the Australian Government's total research and development (R&D) spend, it has an outsized impact on Australian universities and researchers – funding groundbreaking discoveries, linking researchers with partners between and beyond universities, and creating lasting impact. But – as we have discovered – the NCGP needs revitalisation to fulfil its mission more effectively.

As Chair of the ARC Board, driving this momentum has been an incredible privilege. In February 2025, I was fortunate enough to open our second consultation at the Universities Australia Solutions Summit. The rich conversations we had with universities, researchers, government, and research end-users (including industry and community organisations) have inspired a bold, forward-looking strategy to elevate Australia's flagship early-stage research funding program.

We identified 11 actions to refocus the NCGP on supporting the very best and most creative research. These changes are vital to ensure that the NCGP continues to support Australia's productivity ambitions and improve the lives of Australians over the next 20 years.

The new NCGP will fund a higher number of projects through fewer, simpler schemes. Our goal is to allow more excellent researchers to devote their time to pursuing a wider variety of ideas – not to burdensome administration.

It will uplift the next generation of research talent, helping to bridge the gulf between PhD and establishment as a fully-fledged researcher. While this means making some sacrifices – no longer funding salaries for mid-career and senior researchers – this decision is necessary to revitalise the Australian knowledge workforce and create the expertise we need not just in universities but across the economy.

The new NCGP will significantly strengthen support for Indigenous researchers across all fields of study. It will also improve the way the ARC funds research involving Indigenous knowledges, providing greater recognition and support for the communities and organisations who partner in the research we fund.

It will expand opportunities for universities to partner with industry, community and government organisations, driving the knowledge exchange that powers productivity and innovation. Some researchers will pursue careers in universities, while others will bring their creative skills to the broader economy.

These changes will support the Australian Government's current and future research priorities, building our capacity to respond to national and global challenges.

Bold changes are necessary for the ARC to meet the moment, and I am confident that the ARC programs can contribute to a R&D landscape that supports excellent Australian-led research for the benefit of all Australians in the decades to come. I extend the ARC Board's sincere gratitude to all those who generously shared their expertise to make this report possible.

Professor Peter Shergold AC

Chair of the ARC Board

Australian Research Council

1

Summary of actions



1 Summary of actions

Focus area	Recommended actions
Purpose and impact of ARC research grants	Realign the NCGP with its core mission – funding the best early-stage research.
Program structure and design	Adopt a new, simpler and more flexible structure for the NCGP, including enabling early-stage research across all schemes.
	Reform NCGP assessment processes to align with the new schemes and the ARC's legislative requirements.
	Build a strengthened evaluation capability into the NCGP to ensure regular review of each scheme's performance.
Building Australia's research workforce	Increase support for early-career researchers (ECRs), including a dedicated scheme, additional salary options and career development opportunities.
	Increase access to project funding to enable broader participation of researchers to undertake excellent research.
	Review ARC workforce policies to embed equity, opportunity and integrity in new NCGP schemes.
Advancing support for Indigenous researchers and research	Increase support for Indigenous researchers, including a dedicated scheme, career development opportunities and 2 dedicated awards.
	Provide additional funding to support improved engagement with Indigenous communities and organisations in all schemes.
Alignment with other government research funding programs	Work across government to improve the visibility and connection of research funding opportunities across the sector.
	Ensure that the ARC's distinctive role is fully integrated into a nationally coordinated framework, in line with any decisions of government on the Ambitious Australia report.
National priorities for research	Establish a dedicated scheme for research addressing national priorities, with a flexible mechanism to enable rapid responses to emerging governmental, societal and international needs.

2

Findings and plan for action



2. Findings and plan for action

2.1 Context

The NCGP represents 7% of the Australian Government's total R&D spend and is an important driver of Australian university research. NCGP funding makes up more than a third of the Australian Government's competitive research income received by universities¹ and is a significant contributor to the calculation of Research Block Grant allocations.² Since its inception, research funded through the NCGP has generated an estimated \$3.32 for every dollar invested.³

Since 2022, the ARC has undergone substantial change. The Minister for Education, the Hon Jason Clare MP, directed the ARC to conduct a policy review of the NCGP in 2022. In 2023, *Trusting Australia's Ability: Review of the Australian Research Council Act 2001 (ARC Review)* delivered the first comprehensive review of the ARC since its establishment, resulting in significant amendments to the Australian Research Council Act 2001 (ARC Act). The amended ARC Act took effect on 1 July 2024 and introduced new governance, accountability and funding arrangements for the ARC, including establishing an independent Board.

Prior to the release of the ARC Review, the ARC had already begun a review of the National Competitive Grants Program (NCGP) and held consultations with the sector on revisions of the NCGP in 2024 and 2025.

The terms of reference for the NCGP Review identified 6 key areas for review:

- the purpose and impact of ARC research grants
- program structure and design
- a strong and diverse research sector
- advancing support for Indigenous research and researchers
- alignment with other government research funding programs and
- national priorities for research.

In this report we outline our findings and plan for action to address these key areas.

The ARC and Department of Education thank universities, researchers and research partners beyond academia for their deep and valuable contributions to the review. National consultations were held in 2024⁴ and 2025,⁵ seeking input on the review areas and a proposed model for the new NCGP. Until the ARC Board commenced its role in mid-2024, the review was supported by a steering group comprising members with expertise from Australian universities, industry and government sectors. The ARC Indigenous Forum was also engaged to provide the ARC Board with vital insight on the proposed changes.

2.2 Purpose and impact of ARC research grants

The ARC has a unique and critical role in the Australian R&D ecosystem: funding the best and most creative early-stage research. This research grows knowledge and forms a basis for other R&D activities, including translation and commercialisation. Early-stage research is particularly important for economic growth and productivity. The benefits of basic research often last for long periods.⁶ While applied research can offer practical solutions enhancing industrial productivity and social innovation, the key is to ensure world-class research can be harnessed across the spectrum.

1 Department of Education, [Research and development income time series \[data set\]](#), education.gov.au, 2024, accessed 22 February 2025.

2 Department of Education, [Calculating research block grants \[data set\]](#), education.gov.au, 2025, accessed 22 February 2025.

3 ACIL Allen (2023), [Impact assessment of ARC-funded research: Final report](#), arc.gov.au, 24 April 2023, accessed 22 February 2025.

4 The first consultation in 2024 included a public discussion paper, which received 95 responses, and 42 in-person or virtual workshops with leaders from 35 universities, over 100 members of the ARC College of Experts, Aboriginal and Torres Strait Islander researchers and research leaders, and 20 major peak bodies including the Learned Academies.

5 The second consultation in 2025 included a public discussion paper outlining a proposed model for the new NCGP, which received 384 responses, and a series of webinars with 365 total attendees.

6 P Barrett, N-J Hansen, J-M Natal and D Noureldin, ['Why Basic Science Matters for Economic Growth: Public investment in basic research will pay for itself'](#), IMF Blog, 6 October 2021, accessed 31 July 2025.

Through the NCGP, the ARC is the largest government funder of early-stage research (excluding medical research and experimental development). From 2004 to 2024, the ARC received over 126,000 applications and funded more than 29,000 projects across 22 schemes, allocating a total of \$14.8 billion.

The NCGP has been an important driver of excellent research and fostering collaboration with research end-users. Research is a known important driver of productivity. The Productivity Commission has argued that the exchange of ideas across academia and industry may be more important for productivity growth than a focus on directly commercialising research.⁷ More than 20,000 ARC-funded projects have involved at least one collaborating organisation. Representing over 11,000 unique organisations in total, these collaborating organisations have been from the education, government, industry and not-for-profit sectors. The share of cash contributions from industry partners across all schemes has steadily increased from 36% (~\$31million) in 2015 to 66% (~\$65 million) in 2024. This demonstrates a growing maturity of industry engagement with ARC-funded organisations.

It is clear the NCGP has delivered significant value and impact over the past 20 years. However, over time, the purpose of NCGP has become diffuse and fragmented, with the ARC budget increasingly stretched over a range of schemes with narrow objectives (Figure 1) and increasing proportions of funds dedicated to fellowships (Figure 2).

⁷ Productivity Commission, *Advancing Prosperity: 5-year Productivity Inquiry report*, PC, Australian Government, 2023.

Figure 1: NCGP funding amount by funding start calendar year, 2004–2024

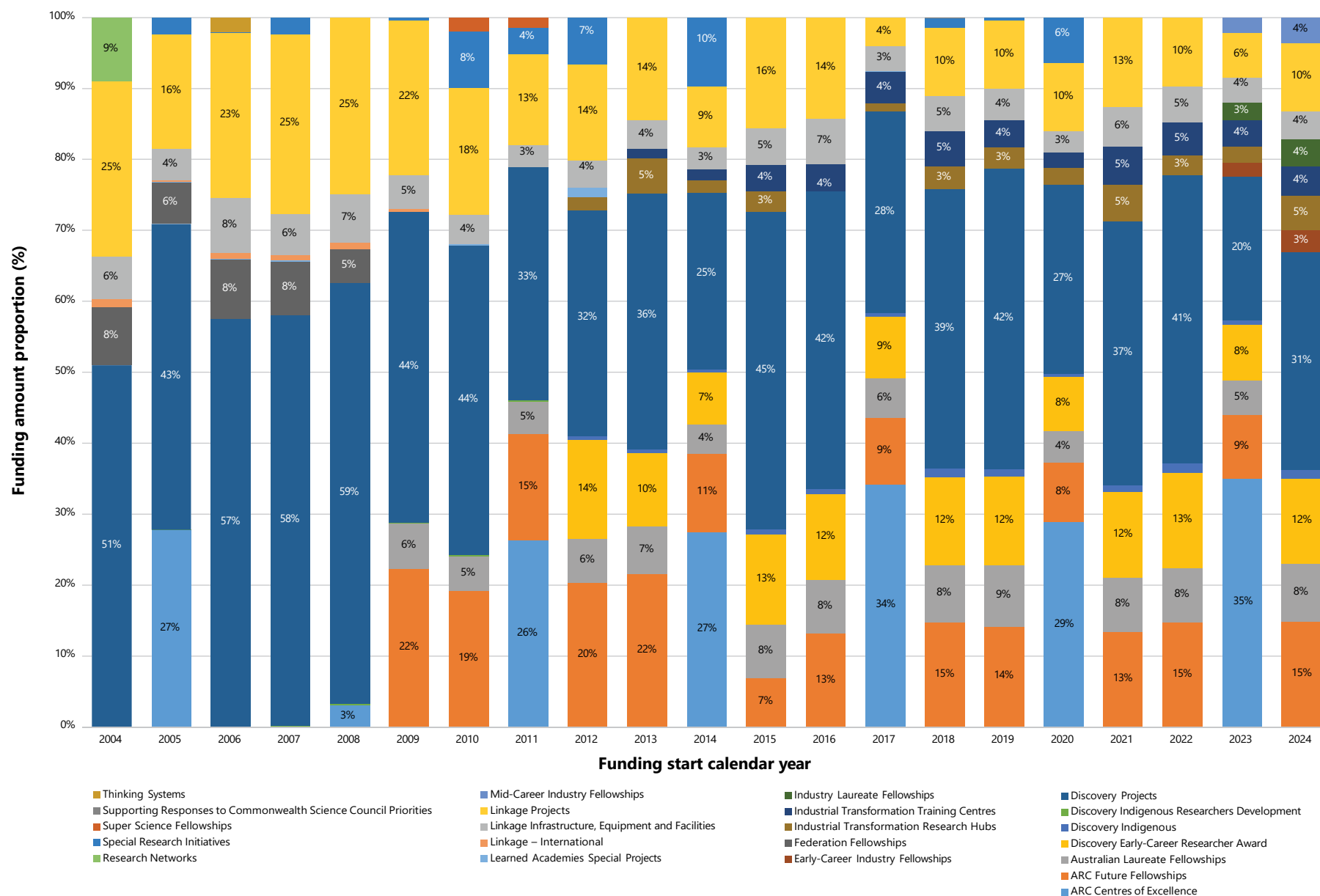
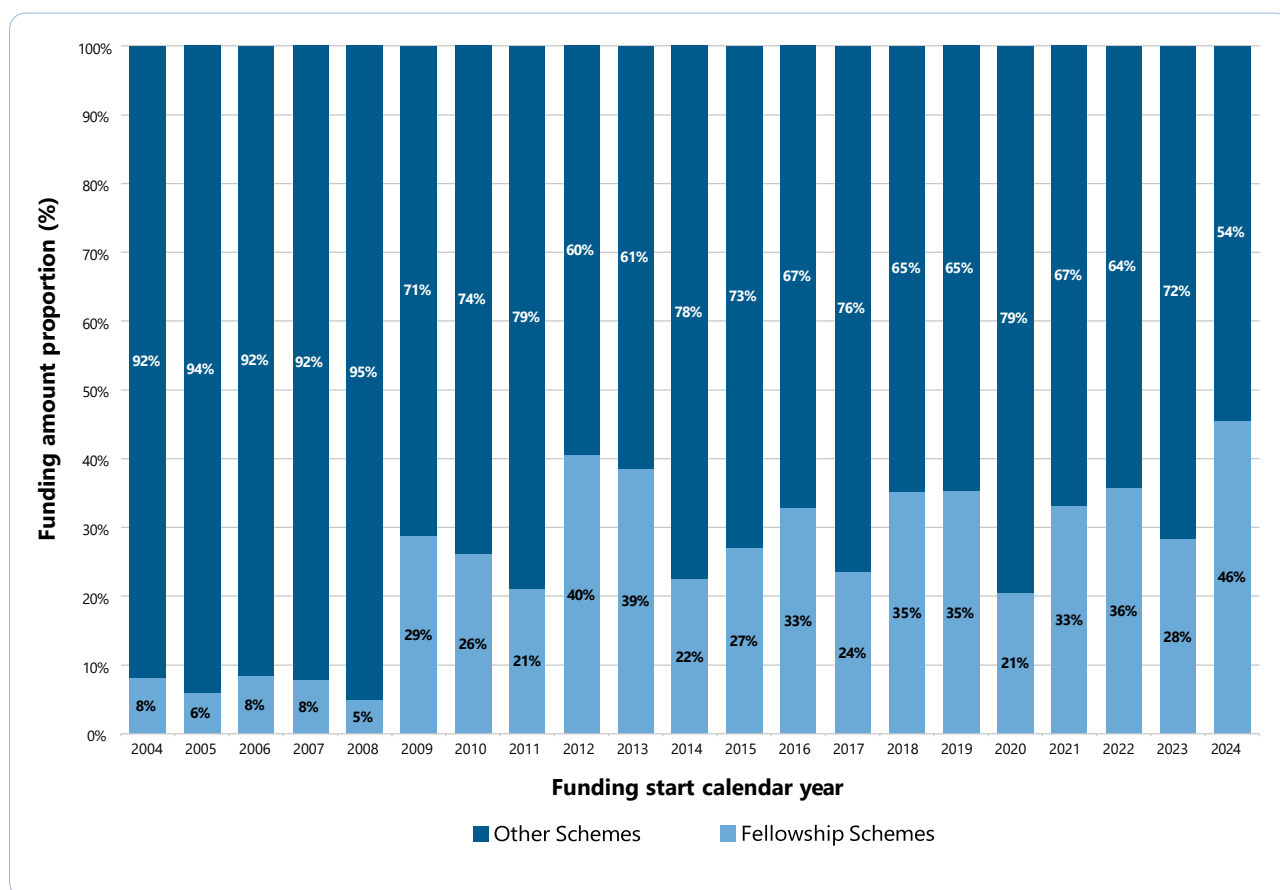


Figure 2: Breakdown of NCGP funding to fellowships vs other schemes by funding start calendar year, 2004–2024



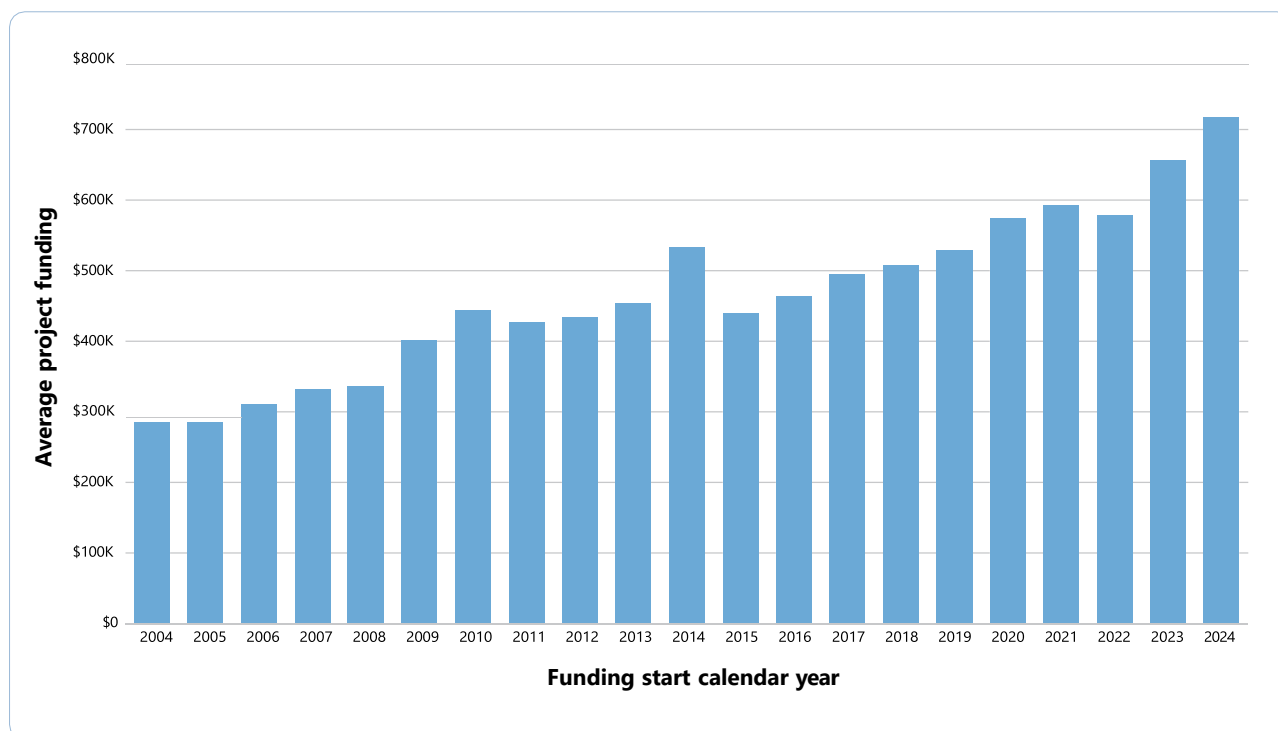
The cost of conducting research has also increased significantly. Average project funding from the NCGP grew from \$440,000 in 2015 to \$720,000 by 2024 (Figure 3), demonstrating consistent growth with a 63% cumulative increase over the decade-long period⁸ (during which time overall inflation was only 29%).⁹ Although universities have called for the NCGP to fund the full costs of research, the ARC’s consultation established that universities do not want this level of comprehensive funding to come at the cost of fewer projects funded. Funding the full cost of research without reducing project numbers is not feasible within the ARC’s current resource environment and needs to be considered in the broader context of university research funding.¹⁰

⁸ 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.

⁹ Reserve Bank of Australia, [Inflation Calculator](#), RBA website, n.d., accessed 31 July 2025.

¹⁰ Department of Education, *Australian Universities Accord Final Report*, Education, Australian Government, 2024.

Figure 3: Average project funding amount by funding start calendar year, 2004–2024



To maximise the impact of investment, the ARC will revitalise the NCGP to refocus on its core purpose: funding excellent research for the benefit of Australia. This means reducing support for some activities that the NCGP has traditionally funded, including individual fellowships for mid-career and senior researchers (discussed in Section 2.4) and research infrastructure. Recognising the critical role of research infrastructure in enabling high-quality research, the ARC will work across government to explore a sustainable solution for research infrastructure outside the NCGP. The ARC will continue funding research infrastructure until that long-term solution is developed.

Realigning the NCGP towards project funding will drive an uplift of research activity and broader participation across the sector. ARC modelling shows that a newly designed NCGP will be able to support up to 200 additional projects per year, with increased opportunities for researchers at all career stages to participate in projects.¹¹

This decision also reflects the importance of diversity and access to opportunities as prerequisites for a robust portfolio of projects. There is an increasing awareness in the international research funding community that excellence in research is not necessarily best served by concentrating funds on a small number of existing high performers. Concentrating funds on a small and homogeneous group of institutions, researchers and projects can exacerbate inequalities and stifle highly novel research.¹² There is empirical evidence that the concentration of resources can have diminishing returns, whereas dispersing funds more widely can lead to a greater variety of research, raise productivity and increase opportunities for groundbreaking ideas.¹³ The review is also an opportunity to strengthen the NCGP's role in promoting research with demonstrable impact within and beyond academia, enhancing collaboration across the research sector, and encouraging interdisciplinary approaches to research.

Actions:

- 1 Realign the NCGP with its core mission – funding the best early-stage research.

¹¹ This estimate is based on current research costs, noting that the ARC anticipates that research costs will continue to increase over the coming years.

¹² L Jong, T Franssen and S Pinfield, 'Transforming excellence? From 'matter of fact' to 'matter of concern' in research funding organizations', *SocArXiv*, 2022, doi.org/10.31235/osf.io/nduxf; L Jong, T Franssen and S Pinfield 'Excellence' in the research ecosystem: a literature review', *RoRI Working Paper Series*, No. 5, 2021, doi.org/10.6084/m9.figshare.16669834.

¹³ K Aagaard, A Kladakis and MW Nielsen, 'Concentration or dispersal of research funding?', *Quantitative Science Studies*, 2020, 1(1):117–149, doi.org/10.1162/qss.a.00002.

2 3 Program structure and design

Since 2002, the NCGP has grown from 6 schemes to 15, becoming increasingly complex and resulting in high administrative burden for universities, researchers and the ARC. Current NCGP-funded projects are homogenous in scale due to a highly competitive funding environment and low success rates in the current schemes, potentially narrowing university perceptions of the types of projects most likely to succeed.¹⁴ Furthermore, the split between the Discovery and Linkage programs has allowed a false dichotomy between types of research.

The ARC is excited to take this opportunity to build a new NCGP that is simpler, focused on the ARC's core purpose, and supportive of an inclusive and diverse portfolio of funded research. Outlined below are proposed changes to program structure, assessment and evaluation that will lay the foundation for the new NCGP, while allowing for flexibility in the future. These directions will be developed in more detail through further engagement with the sector.

2 3 1 Program structure

The ARC will adopt a simpler structure comprising fewer schemes. The new NCGP will encourage a diverse portfolio of projects ranging in scale from small exploratory projects to large-scale, multi-institutional investments.

The ARC will provide better support for collaboration by encouraging partnerships with international researchers and research end-users in every scheme. This is distinct from the current NCGP's Linkage and Discovery programs which are partly defined by their different collaboration requirements. The new approach will support the government's commitment to impactful collaborative research by providing more opportunities to form new partnerships and scale them up as they mature.

Collaborative projects provide opportunities for engagement and knowledge exchange between universities and businesses, which the Productivity Commission has found are essential boosters for the 98% of Australian businesses that do not currently innovate in a truly novel way.¹⁵ This has been the ARC's rationale for specific industry-targeted schemes in the past. By contrast, encouraging collaboration throughout all new schemes allows the ARC to offer 'industry-agnostic' opportunities (as recommended by the Productivity Commission) and expand the benefits of knowledge exchange to all non-university sectors, including business, government, community and arts organisations.

While there are already strong incentives for researchers to collaborate – including higher success rates,¹⁶ higher citations,¹⁷ and increased productivity and impact¹⁸ – there are significant administrative barriers to forming partnerships in the current NCGP. The new schemes will reduce these barriers, with a focus on reducing administrative burden for small and medium enterprises. This includes exploring ways to reduce administrative processes required from a partner organisation prior to a grant being awarded – such as collecting full partner information from successful applicants only in an establishment phase. Furthermore, an important element of assessment will be whether proposed collaboration is meaningful and beneficial to achieving the aims of the project or to help ECRs build networks and collaborative skills through team projects and the Lead and Mentor scheme.¹⁹

14 In 2023, 75% of awarded grants were 3 years in length, with only 5% lasting for 5 or more years.

15 Productivity Commission, *5-year Productivity Inquiry: Innovation for the 98%*, PC, Australian Government, 2023.

16 Projects with international collaborators are 11% more likely to win funding in the current Discovery Program.

17 J Adams, 'Collaborations: The rise of research networks', *Nature*, 2012, 490(7420):335-336, doi.org/10.1038/490335a.

18 M Perkmann, R Salandra, V Tartari, M McKelvey and A Hughes, 'Academic engagement: A review of the literature 2011–2019', *Research Policy*, 2021, 50(1), 104114, doi.org/10.1016/j.respol.2020.104114.

19 Internal ARC analysis confirms that researchers are more likely to collaborate as their careers progress, with senior and mid-career researchers showing the highest levels of collaboration. This highlights that professional networks and experience built over time play an important role in supporting collaborative research.

2 3 2 Assessment

The review identified significant demand for improved risk appetite, transparency and speed of NCGP assessment processes. Peer review is crucial to the success of the NCGP; however, it is imperative that the ARC works closely with universities to build assessor capability, streamline the peer review process and make greater use of international assessors with diverse expertise and backgrounds. The ARC will also consider supplementing academic expertise with advice from non-academic experts on research translation, societal impact and national interest. During consultation, the ARC heard that current NCGP assessment processes may be too conservative to achieve objectives of funding highly novel, higher-risk or exploratory research. This aligns with observations of other research grant assessment systems internationally.²⁰

Feedback responding to recent changes to NCGP assessment processes, including the introduction of the two-stage process in the Discovery Program, has demonstrated appetite from the sector to further improve assessment models. The ARC will work with the research sector to redesign the NCGP assessment processes to align with the objectives of each new scheme in the revitalised NCGP, along with value for money and risk, guided by the 9 key principles identified in the *Commonwealth Grants Rules and Principles 2024* (CGRPs).²¹ The ARC will also consider trialling innovations in research assessment (for example, those tested by the Research on Research Institute) as appropriate for each scheme. This may include digital tools such as artificial intelligence (AI), noting that the ARC will carefully consider issues of efficiency, accuracy, bias management, data security, integrity and scalability before integrating AI into NCGP processes.

2 3 3 Evaluation of the NCGP

The ARC will undertake robust and regular evaluation to ensure that the NCGP schemes are delivering on their intended purpose. Implementing the new NCGP provides an opportunity to improve analytical capabilities and evaluation processes through strengthening the ARC's data holdings, in alignment with Commonwealth privacy guidelines. The ARC will use international best practices and responsible research principles to inform transparent processes for data collection and analysis. This will enable better evaluation of the performance and effectiveness of the NCGP, and increase flexibility to respond to changing government and research sector priorities.

Actions:

- 2 Adopt a new, simpler, and more flexible structure for the NCGP, including enabling early-stage research across all schemes.
- 3 Reform NCGP assessment processes to align with the new schemes and the ARC's legislative requirements.
- 4 Build a strengthened evaluation capability into the NCGP to ensure regular review of each scheme's performance.

²⁰ L Jong, T Franssen and S Pinfield, 'Excellence' in the research ecosystem: a literature review.

²¹ The CGRPs outline 9 key principles: robust planning and design; collaboration and partnership; proportionality; an outcomes orientation; merit-based processes; achieving value with relevant money; consistency with grants guidelines and established processes; governance and accountability; and probity and transparency.

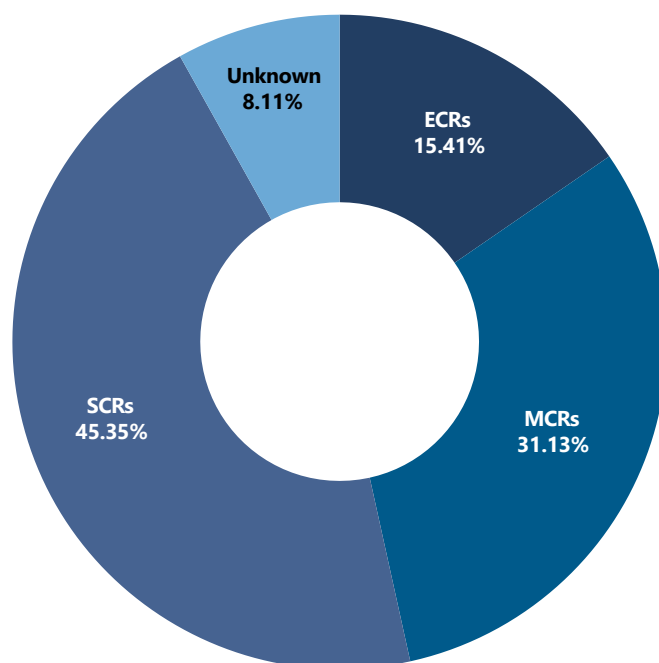
2.4 Building Australia's research workforce

The ARC supports researchers at all career stages to participate in the Australian research sector through the NCGP. Since 2001, the ARC has funded the research of over 24,000 researchers and their teams.²² With an ageing population of Australian academics,²³ and high demand for advanced research skills elsewhere in the economy, there is a critical need for the NCGP to help build the next generation of Australian researchers.²⁴

To do this, the ARC will prioritise support for ECRs as an investment in Australia's future research capacity – with flow-on benefits across all sectors. This commitment will embed structural changes to the NCGP that will improve ECR engagement and capability, while also helping to address some of the systemic challenges many ECRs face, including employment precarity and the limited recognition of their research contributions under current funding arrangements.

NCGP funding, including project funding, is currently awarded primarily to senior career researchers (SCRs). In 2023, approximately 45% of all funded investigators across all schemes were SCRs, while 31% were mid-career researchers (MCRs) and only 15% were ECRs (8% were unknown) (Figure 4).²⁵

Figure 4: Proportion of investigators by career stage (2023)



To help address this imbalance, salaries for named ECR Chief Investigators (CIs) will be eligible expenditure items within the budget of all project grants, improving recognition of their contribution and fostering leadership capabilities.

The Initiate scheme will provide 3-year fellowship opportunities for the full ECR cohort (0–5 years post PhD) to undertake excellent research and establish themselves as independent researchers.

²² The number of researchers includes only Chief Investigators, who are primarily responsible for driving the research. Partner Investigators involved in the projects are not counted.

²³ E Bexley, R James and S Arkoudis, *The Australian academic profession in transition: Addressing the challenge of reconceptualising academic work and regenerating the academic workforce*, report to the Australian Government Department of Education, University of Melbourne Centre for the Study of Higher Education, University of Melbourne, 2011.

²⁴ I Mewburn, H Suominen and W Grant, *Tracking trends in industry demand for Australia's advanced research workforce*, Australian National University and CSIRO, 2017, accessed 31 July 2025, doi.org/10.25911/5f4e23971a646.

²⁵ The ARC defines career stages as: ECRs are between 0–5 years post-PhD; mid-career researchers are between 6–15 years post-PhD, and senior researchers are 16+ years post-PhD. The ARC accounts for career interruptions when determining eligibility based on career stage.

To support this renewed focus on ECRs, the ARC will fund more project-based schemes, accessible by all researchers, and no longer fund dedicated salaried fellowships for senior and mid-career researchers. By prioritising research project funding, ARC modelling indicates that the new schemes can support project participation for up to 20% more researchers. Under the new NCGP, researchers with more established and stable careers will still have opportunities to access NCGP project funding and will gain recognition and prestige for their role in mentoring the next generation. This model will provide opportunities for higher degree research (HDR) students to complete their degrees within supportive environments enabled by ARC-funded research projects of sufficient length.

It is recognised that the removal of salary support for more established researchers will necessitate changes in universities' workforce planning, particularly for existing practices in which short term, non-ongoing roles are dependent on ARC funding. This change aligns with the Australian Government's policy focus on enabling stable and secure employment through successive amendments to the *Fair Work Act 2009*, in 2021, 2022 and 2024, discouraging reliance on casual and fixed-term positions.²⁶ The ARC will monitor the impact on the Australian research workforce continually over the coming years to ensure positive outcomes for researchers at all career stages.

Beyond opportunities across career stages, the ARC will maintain a strong focus on excellence, equity, opportunity and integrity to continue to support fair access to the new NCGP schemes. This will include consideration of eligibility requirements and policy measures designed to support underrepresented and vulnerable cohorts within the research workforce. Enhanced data and evaluation capabilities will be used to inform the ARC's understanding of systemic barriers and inform policies, program settings and strategies to support a strong and inclusive research workforce. During the next phase of detailed design and implementation, the ARC will work closely with universities and others to embed simpler and more direct ways to ensure equity and opportunity across all schemes.

Actions:

- 5 Increase support for early-career researchers (ECRs), including a dedicated scheme, additional salary options, and career development opportunities.
- 6 Increase access to project funding to enable broader participation of researchers to undertake excellent research.
- 7 Review ARC workforce policies to embed equity, opportunity and integrity in the new NCGP schemes.

2.5 Advancing support for Indigenous researchers and research

The ARC supports Indigenous researchers and research, in all qualifying disciplines in NCGP schemes. The ARC has identified opportunities for further improvement, noting that Indigenous researchers remain underrepresented in the university sector and the NCGP.

In the last 10 years, 3.8% of total funded projects have been for Indigenous-related research projects and funding has supported participation of 296 unique Indigenous researchers (1.2% of total researchers). However, Discovery Indigenous grants have been concentrated on 6 fields of research, indicating that there is an important role for the NCGP to play in supporting Indigenous researchers across all disciplines to develop and launch their careers. There are opportunities to strengthen research involving Indigenous peoples and knowledges across the full NCGP.

²⁶ Fair Work Amendment (Supporting Australia's Jobs and Economic Recovery) Bill, 2021; Fair Work Amendment (Secure Jobs, Better Pay) Act 2022; and Fair Work Legislation Amendment (Closing Loopholes No. 2) Act, 2024.

The new NCGP will provide more dedicated support to Indigenous Researchers helping to accelerate growth in Indigenous Research capability and capacity across all schemes. The ARC will significantly increase dedicated funding available to Indigenous researchers in any discipline, from 1% (under the Discovery Indigenous scheme) to 5% (under the new Indigenous Excellence scheme). Senior Indigenous researchers will be eligible for 2 dedicated awards in the new Lead and Mentor scheme, to work with teams of early-career Indigenous researchers.

The ARC will also provide additional funding for projects – in any scheme – that facilitate engagement with Indigenous communities and organisations. The ARC recognises that research on Indigenous topics is conducted by a wide variety of researchers, not just researchers who are Aboriginal and Torres Strait Islander peoples. This funding will be available in the earliest stages of the project to assist with meaningful engagement and reflect the investment of time and resources from Indigenous partners in the project.

Actions:

- 8 Increase support for Indigenous researchers, including a dedicated scheme, career development opportunities and 2 dedicated awards.
- 9 Provide additional funding to support improved engagement with Indigenous communities and organisations in all schemes.

2 6 Alignment with other government research funding programs

The Australian research funding landscape is fragmented. There are 151 science, research and innovation programs funded by 14 Federal Government portfolios without clear pathways for NCGP-funded research to complement or flow into other funding programs that fall beyond the scope of the ARC's legislated purpose.²⁹ While the ARC has identified greater alignment as a need for the university research sector, there are limitations on the ARC's capacity to address this issue on its own.

The new model for the NCGP will align with other government programs by better supporting the early-stage research that feeds the rest of the R&D ecosystem. All new schemes enable collaboration with research end-users at a range of scales, in order to support universities to grow relationships that could support future applications for other government programs such as the Cooperative Research Centres.

Developing direct mechanisms to progress research from one funding program to another requires a long term, whole-of-government effort with higher-level strategic oversight than is possible through this review. Findings and recommended actions of other processes, including the Ambitious Australia report, are also important considerations. With that in mind, the ARC will continue to consult widely with other agencies in the future to develop options to better connect and fund excellent research.

The ARC is keen to see its work integrated into any proposals for better national coordination, for example as proposed in the Ambitious Australia report. In the meantime, the ARC will work across government and the Australian R&D system to improve the visibility of funding opportunities across the broad research sector, including ways of showcasing NCGP-funded research for other funders, so that government and industry can more easily identify suitable academic partners for future work.

Actions:

- 10 Work across government to improve the visibility and connection of research funding opportunities across the sector.
- 11 Ensure that the ARC's distinctive role is fully integrated into a nationally coordinated framework, in line with any decisions of government on the Ambitious Australia report.

²⁹ Department of Industry Science and Resources, ['What do the 2024-25 SRI Budget Tables mean for Australian R&D and innovation'](#), DISR, 18 October 2024, accessed 10 July 2025.

2 7 National priorities for research

The NCGP is already well aligned with government priorities, with approximately 80% of funded research supporting identified national priorities. This is an important function of the NCGP, as elected governments must be able to set national priorities for publicly funded research and build sovereign capability in key areas.

The ARC will formally support national priority research through a new designated program, Prioritise, which will ensure that large-scale priority research remains under direct ministerial oversight in the new NCGP. Regular Prioritise grants will support large-scale projects addressing a priority of national or global significance, identified through a whole-of-government process (such as the National Science and Research Priorities or the National Reconstruction Fund priorities) or by the ARC Board. As a designated program, grants in this scheme will be approved by the Minister for Education, not the ARC Board.

The ARC will also maintain capacity to run ad hoc rounds of Prioritise (drawing from the funds allocated to the upcoming general round) either in response to Australian Government direction or an international collaboration opportunity. This will enable rapid response to emerging needs and establish a highly-demanded capacity for the NCGP to address multilateral or global research priorities through collaborations with international research funding bodies.

Actions:

- 12 Establish a dedicated scheme for research addressing national priorities, with a flexible mechanism to enable rapid responses to emerging governmental, societal and international needs.

3

The new NCGP



3 The new NCGP

This section outlines the high-level policy intent of the new schemes. The ARC will develop the full details of each scheme collaboratively with the sector, to ensure that the new grant guidelines, assessment, and administrative processes deliver on the ambitions and policy goals outlined through this review.

The NCGP will be reduced from 15 to 7 schemes, with a structure that will support capacity-building and research at various scales. New schemes will be flexible, with mechanisms for ongoing evaluation and improvement.

All 7 schemes will fund early-stage research across all disciplines, excluding experimental development and medical research. The portfolio of NCGP-funded research will be carefully monitored to ensure the ARC continues to perform its unique role as Australia's primary funder of basic research.

With fewer schemes, the new NCGP will reduce administrative burden for researchers, universities and partner organisations. The ARC will redesign administrative and assessment processes to be proportionate to the scale of each scheme, such that smaller schemes should have a faster turnaround for applicants. The ARC will continue to engage with the sector when developing scheme guidelines, including eligibility³⁰ and assessment criteria, during implementation.

All schemes will support collaborative research where appropriate for the project, and co-contribution requirements will be proportionate to the scale of the scheme. Smaller schemes will encourage new partnerships and make it easier to collaborate with small and medium enterprises (SMEs), community and non-profit organisations – for example, through low or minimal co-contribution requirements. In larger schemes, the ARC will maintain a strong focus on cash contributions, while maintaining concessions for certain types of organisations (such as non-for-profit organisations) to enable strong participation from humanities and social sciences (HASS) disciplines.

What will stay the same?

Current logistical and legal aspects of the NCGP will remain consistent with the ARC's legislative obligations, although the ARC will examine improvements to reduce administrative burdens, foster collaboration with industry and ensure effective governance (see Section 4.1). The new NCGP will retain most eligible expenditure items of the existing NCGP, such as teaching relief (for researchers who are not already drawing salary support from the ARC), HDR stipends and access to project-specific infrastructure. This will ensure consistency and security for the sector when planning future research proposals.

The NCGP plays a critical role in generating early-stage research that drives economic growth and productivity in the rest of the research ecosystem. The best way for the ARC to foster translation and commercialisation is by encouraging engagement between universities and other sectors, and identifying and strengthening pathways for NCGP-funded research to progress to other government and non-government research funders. End-user engagement and industry collaborations will continue to be encouraged and supported to build connections between researchers and translation opportunities.

30 The ARC's intent is that recipients of current or previous grants who have met limits on the number of grants that an individual can hold should not be eligible for schemes designed to fulfil a comparable purpose. Similarly, the ARC intends to retain limits on application attempts for the Initiate scheme and transfer previous attempts from the Discovery Early-Career Researcher Award (DECRA), potentially allowing one extra attempt to ensure that applicants previously unsuccessful in DECRA have another opportunity in the new NCGP. During implementation, the ARC will ensure that all new schemes include these criteria where applicable and consider whether attempt limits are appropriate for other schemes.

How will funds be allocated across schemes?

The indicative funding allocation reflects strategic priorities, sector feedback, and risk management considerations. Policy parameters include:

- higher capacity for project funding across all researcher cohorts
- strengthened support for ECRs and Indigenous researchers
- alignment with sector feedback to maintain funding for investigator-led early-stage research, through increased funding for Breakthrough
- lower funds allocated initially to novel or untested schemes (e.g. Explore) to minimise risk for the ARC and the sector.

This model reflects a starting point for detailed design and will be refined as the ARC works through implementation of new schemes with the sector. The ARC Board may also adjust allocations over time as schemes mature, and their impact becomes clearer.

Table 1: The New NCGP Schemes

People				Project			
	Initiate Fellowship	Indigenous Excellence	Lead and Mentor	Explore	Breakthrough	Collaborate	Prioritise
Program intent	Support ECRs	Support emerging Indigenous researchers across all disciplines	Projects from eminent researchers to mentor the next generation of researchers	Projects from researchers at any career stage exploring new theories, evidence or knowledge paradigms	Excellent research projects across all types and disciplines	Investigator-led research with strong collaboration and larger teams	National-scale research projects or programs responding to nationally significant priorities
Duration	Up to 3 years	Up to 5 years	Up to 5 years	Up to 3 years	Up to 5 years	Up to 5 years	Up to 7 years
Indicative funding range p/a	\$50k (Plus salary and on-costs)	\$50k to \$500k	Up to \$250k project funds + 2 postdocs + 2 HDRs	\$50k to \$400k	\$200k to \$600k	\$1m to \$2m	\$4m to \$6m
Indicative proportion of NCGP funding³¹	Year A	~16%	~5%	~5%	~50%	~19%	N/A
	Year B	~16%	~5%	~5%	~62%	N/A	~7%
Grants per round³²	~300	~50	~50	~150	~700	~60	~3
Eligibility details³³	ECRs 0–5 years post-PhD	Aboriginal and Torres Strait Islander researchers up to 15 years post-PhD	Individuals with strong research leadership record	All individuals and research teams	All individuals and research teams	Multi-institution teams of researchers, including at least one Partner Organisation	Multi-institution teams of researchers, including at least one Partner Organisation

³¹ Full details of yearly allocations and additional information on modelling is at Appendix A.

³² Figures are indicative.

³³ Eligibility details listed here represent the policy intent and will be developed in full through scheme guidelines.

3 1 Scheme details

3 1 1 Initiate Fellowships

The Initiate Fellowships (Initiate) will provide full salary (including on-costs) and project funding to support ECRs who have demonstrated capacity for high-quality research and emerging potential for research leadership. Initiate will have 2 tiers, with dedicated funding and specific assessment criteria, for applicants 0–2 years post-PhD and applicants 3–5 years post-PhD. The scheme will require universities to provide professional development opportunities to help ECRs build their employability, including adaptable skill sets aligned with the needs of an evolving society, economy, businesses and the research sector. Fellowships may include engagement activities such as placements with Australian or international universities, industry or other research end-users.

3 1 2 Indigenous Excellence

The Indigenous Excellence scheme will support the advancement of early-and mid-career Indigenous researchers. This scheme seeks to enhance research capacity in Australia by supporting Indigenous researchers to undertake research projects in any discipline. Only Indigenous researchers will be eligible for project funding in this scheme. However, Indigenous researchers can also apply to lead or contribute to projects in any of the other NCGP schemes.

3 1 3 Lead and Mentor

The Lead and Mentor scheme will support mid-career and senior researchers with an exceptional record of leadership and researcher development to create an enduring legacy through investigator-led research projects with a team of ECR mentees.

Lead and Mentor will include designated awards for key cohorts to support ambassadorial activities. These include the Kathleen Fitzpatrick and Georgina Sweet awards, which will continue to recognise outstanding women researchers. There will also be 2 new dedicated awards for outstanding Aboriginal and/or Torres Strait Islander researchers. The ARC will increase the additional funding available for these awards.

3 1 4 Explore

The Explore scheme will support exploratory research projects with the potential to be highly transformative, whether by creating fundamental knowledge or driving economic, commercial, environmental, social and/or cultural benefits for Australia. The scheme will expand research capacity in Australia by supporting excellent researchers and teams to take greater risks in pursuit of knowledge.

3 1 5 Breakthrough

The Breakthrough scheme is the centrepiece of the new NCGP. This scheme will support the broadest spectrum of excellent research that addresses a significant problem or gap in knowledge. Research projects funded by Breakthrough should demonstrably advance knowledge with academic, economic, commercial, environmental, social and/or cultural benefits for Australia.

3 1 6 Collaborate

The Collaborate scheme will foster the establishment and strengthening of research alliances across the research ecosystem, including Australian and international research institutions, industry and the broad range of research end-users. The scheme will fund multi-institutional programs of early-stage research to advance knowledge with academic, economic, commercial, environmental, social and/or cultural benefits for Australia. The large scale of this scheme will require significant cash contribution from collaborating organisations, with appropriate considerations taken for comparable in-kind contributions for not-for-profit and community partners. The Collaborate scheme will run every 2 years, alternating with the Prioritise scheme. Collaborate will be a designated research program.

3 1 6 1 Collaborate: Infrastructure, Equipment and Facilities (CIEF)

Collaborate: Infrastructure, Equipment and Facilities (CIEF) will be a sub-scheme of Collaborate, to support the creation of and access to medium-sized collaborative research infrastructure beyond the capacity of a single institution to fund.³⁴ Infrastructure must be available to multiple institutions and ARC-funded projects. CIEF will continue as a sub-scheme under Collaborate until a whole-of-government solution to research infrastructure funding is agreed.

3 1 7 Prioritise

Prioritise will support major and long-term collaborative research projects that directly respond to emerging opportunities and national priorities. The scheme will build research capacity in strategically important areas to improve Australia's global competitiveness and/or sovereign capabilities.

The Prioritise scheme will run every 2 years, alternating with the Collaborate scheme. However, the ARC will be able to run ad hoc rounds of Prioritise at the direction of government or as part of a collaboration between the ARC and international funders. Prioritise will be a designated research program.

³⁴ Research infrastructure, equipment and facilities will continue to be an eligible project budget expenditure in all NCGP schemes.

4

Enabling reforms



4 Enabling reforms

4.1 Administrative streamlining

It is imperative that the ARC, through universities, maintain high levels of accountability for the use of public funds for research. However, consultations revealed plenty of evidence that present arrangements involved excessive red tape. The new NCGP will reduce administrative burden wherever possible, while ensuring that the ARC can meet its legislative, reporting and evaluation requirements. Application, assessment and post-award processes will be made proportionate to each scheme and easier to navigate.

As part of the redesign, the ARC will work closely with research administrators to implement an establishment phase for all grants and raise the threshold required for a formal variation of a grant agreement (while maintaining due diligence obligations).

Introducing an establishment phase will allow the ARC to reduce the amount of information collected in grant applications and throughout the life cycle of each project. At present, the ARC collects all information relating to assessment, establishment and management of the grant at the point of application. Collecting establishment-related information from successful applicants will, reduce administrative burden for the sector and improve the accuracy of project data for the ARC.

With the ARC managing approximately 6,000 projects each year, the current need to seek formal variation for minor administrative changes consumes a significant amount of universities' time. Under the new NCGP, variation and grant management will be realigned to focus on appropriate and proportional risk management, with minor administrative changes able to be managed through notification or annual reporting rather than formal variation.

Other opportunities for streamlining will be explored through the detailed design and implementation of new schemes. This will include reconsideration of assessment models, introduction of minimum data cut-offs (similar to National Health and Medical Research Council), eligibility requirements, the national interest test, project limits, Research Opportunity and Performance Evidence (ROPE) assurance activities and other core administrative settings. In reimagining how ARC grants are administered, the ARC will partner with the sector to develop processes focused on providing the necessary information and assurance to maintain public confidence in NCGP. In short, there will be fewer rules and processes, which will direct focus to managing what matters.

4.2 Evaluation

Effective evaluation of the new NCGP schemes is essential to measure achievement of policy objectives, and to demonstrate the impact of the government's investment. NCGP evaluation will be informed by relevant legislation and guidance, including the ARC Act, the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), the CGRPs, and the *Commonwealth Evaluation Policy*.

The ARC will also tailor evaluation design, including outcome indicators, for each scheme and priority, ensuring alignment with overarching policy goals. The collection of evaluation data will be purpose-driven, support public accountability, and align with best practice and ethical frameworks, including the Australian Privacy Principles and the Indigenous Data Sovereignty Principles.

The NCGP evaluation will be informed by the Australian Centre for Evaluation Principles: fit for purpose; useful; robust, ethical and culturally appropriate; credible; and transparent where appropriate. In addition, the ARC will collect data for evaluations based on the following principles:

- The ARC will only collect data for an evaluation where it can show how that data will be used, with the overarching purpose of demonstrating public accountability for the use of public funds.
- All parties – including the ARC, researchers, universities, and partner organisations – should clearly understand their rights, responsibilities and accountabilities regarding data collection.
- Data collected for an evaluation should be interoperable and reusable by the ARC, so that it can be collected once and used for multiple purposes.
- For any evaluation involving First Nations people and communities, the ARC and all other parties will act in accordance with Indigenous Data Sovereignty Principles and take reasonable steps to protect Indigenous Culture and Intellectual Property Rights.

4 3 Assessment

Assessment of applications in the new NCGP will determine their alignment with the specific objectives of each scheme, while complying with the CGRPs. This will ensure that applications funded best meet scheme objectives and minimise administrative burden in proportion to the grant. In accordance with the ARC Act, peer review will be central to identifying research excellence. The ARC will also consider how best to assess other criteria, such as value for money, risk, and potential for societal impact beyond academia.

Peer review will be implemented in innovative ways that reflect models of international best practice and reduce time from applicant submission to notification of outcomes. The ARC will consider the appropriateness of novel assessment approaches including supplementary use of AI. The ARC will also reform the recruitment and training of its existing and future pool of assessors to ensure appropriate expertise and improve the quality and transparency of assessments.

4 4 Strategy and connections across government

Future NCGP investment will be underpinned by a 10-year Strategy set by the ARC Board. The Strategy will set out a vision for the future of Australian research, articulating core principles and high-level strategic goals that reflect national priorities and global ambition. Underpinned by clear, measurable objectives, the strategy will guide the implementation, priorities and monitoring of the NCGP.

The ARC plays a critical role in supporting early-stage research, setting the foundation the sector can build on to engage with other government funding opportunities. The ARC acknowledges the release of the Ambitious Australia report, and will continue to play an active role in these discussions on a strategic approach to supporting Australia's research sector. The new NCGP model is flexible and will allow the ARC to be responsive to any decisions resulting from these processes.

5

What comes next



5 What comes next

Pending government approval of this report, the ARC will implement the new NCGP model gradually, commencing in 2027. This will require an extended transition period where the current schemes will be sequentially discontinued, and the new schemes progressively introduced. The ARC will continue to manage all grants funded through current schemes alongside new schemes and will plan the transition to minimise any additional burden to the ARC and universities.

The ARC will communicate with the sector regarding the timing and the order of the new NCGP model implementation, including consultation to support stakeholders to engage with the new model. There will be further opportunities for sector consultation throughout the implementation period – for example, on grant guidelines and assessment design, noting that compliance with the PGPA Act, CGRPs, and the ARC Act is paramount.

The new model is adaptable. As the schemes are progressively implemented, they will be closely monitored to allow new scheme rounds to be modified to respond to any issues, ensuring schemes are delivering on policy intent.

Appendix A

Modelling



Appendix A: Modelling

The ARC modelled potential impacts of the new NCGP schemes using an indicative funding allocation, which represents the intended funding splits once the new schemes are full implemented (Table 2). Funding allocations will vary in alternating years (Figure 5). Additionally, approximately 4% of total funding will be reserved for:

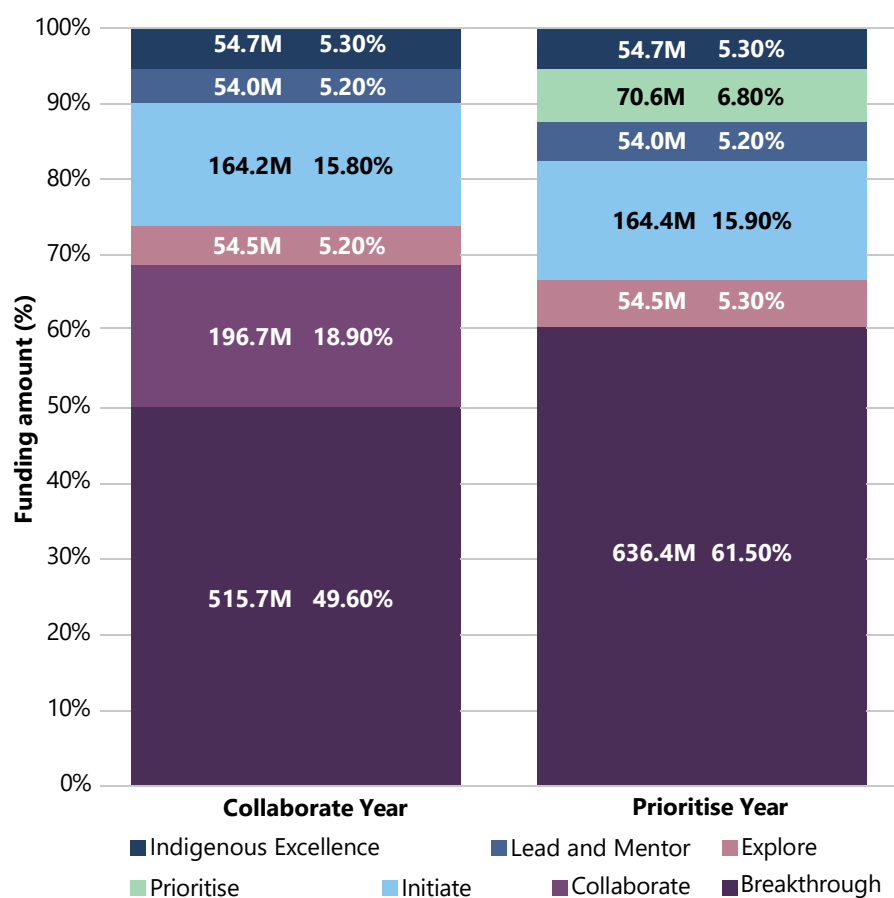
- supporting research infrastructure
- Indigenous community engagement and research capability building.

Table 2: Indicative funding allocation

Scheme	Funding allocation	Frequency
Breakthrough	40%	Every year
Collaborate	18%	Every 2 years*
Initiate Fellowships	15%	Every year
Explore	5%	Every year
Indigenous Excellence	5%	Every year
Lead and Mentor	5%	Every year
Prioritise	8%	Every 2 years*

* Note: The Prioritise and Collaborate schemes are delivered in alternating years (Year A and Year B respectively), while other schemes run annually with steady proportional allocations.

Figure 5: Funding allocations in alternating years



Methodology

To assess the potential impact of the new policy and funding model, the ARC developed a micro-simulation model using actual NCGP data at the individual project and researcher level. The ARC used this model to estimate the impact on project volume,³⁵ researcher participation,³⁶ and cohort outcomes³⁷ over the forward estimates period to 2029.

Built on actual NCGP administrative data, the model accurately reflects historical patterns in project size, research discipline, team composition, and funding levels. Simulations are run at the unit level, tracking researchers across multiple projects via unique identifiers to ensure that simulated projects have realistic staffing levels and avoid salary duplication. Forecasted impacts were based on indexed project funding (5% annually),³⁸ ECR salary growth (2% annually from a \$97,457 base in 2023),³⁹ and ARC's forward NCGP budget (\$1.04–\$1.14 billion by 2028–29).⁴⁰ Calendar-year funding was calculated using a 50/50 split across financial years to estimate project and researcher capacity under the new model.

The projected impacts of the new NCGP model are subject to considerable uncertainty. It is not possible for the ARC to assess the impact of behavioural responses to the new scheme design and assessment criteria prior to implementation. The model also cannot account for unpredictable impacts on the future cost of research, such as changes in technology, resource availability, inflation and emerging research priorities. These policy impacts reflect static scenarios and do not involve these potential behavioural shifts.

35 Project volume is estimated by dividing each scheme's allocated budget by the projected average cost per project. These costs are derived from actual projects with similar team structures, adjusted in line with the scheme's funding specifications and indexed assumptions.

36 The number of researchers involved in each project is based on a comprehensive count of all project participants. This includes all individuals contributing to the project in various roles, with a particular focus on Chief Investigators and Partner Investigators, as well as any other formally listed researchers or collaborators. Post-doctoral researchers supported by the projects were also included in the modelling but are not counted in the total impact figures because the current Research Management System (RMS) does not provide complete budgetary details for these roles. A researcher's career age is based on the PhD conferral date recorded in their RMS profile as specified below. It is calculated by subtracting the earliest PhD award year from the scheme submission date, with adjustments applied for eligible career interruptions as per ARC grant guidelines. The ARC defines career stage cohorts as follows: ECRs (0–5 years post-PhD), MCRs (6–15 years post-PhD), SCRs (16+ years post-PhD).

37 Indigenous researchers are identified via the voluntary RMS identifier, with participation aligned to observed data or policy targets.

38 This indexing rate reflects the historical growth trend observed over the long term and excludes the distortions caused by abnormal economic conditions, such as the skewed consumer price index and other inflationary pressures experienced during the COVID-19 period.

39 The annual salary for ECRs is assumed to be consistent with the current ARC arrangement of salaries and stipends. The ARC also covers 30% on-costs, which include superannuation, payroll tax and leave entitlements.

40 The total NCGP funding for the 2025–26 Budget forward estimates period is assumed to be consistent as specified in the ARC's Portfolio Budget Statements (PBS).