



# **NHMRC Direct Research Cost Guidelines**

Effective 1 January 2026

The NHMRC Funding Agreement and Grant Opportunity Guidelines specify that NHMRC grant Funds may only be spent on Salaries, Stipends and Other Research Costs for the Research Activity for which they are provided and in accordance with the specifications contained in grant Schedules as issued to and accepted by Administering Institutions.<sup>1</sup>

These DRC Guidelines (Guidelines) set out the general principles that researchers, Research Administration Officers and Finance Officers should use to guide the appropriate allocation of NHMRC funds for salaries and stipends and to determine whether expenses are DRCs for the NHMRC funded Research Activity. While it is not feasible to provide a definitive list of expenditure categories and items that may be considered DRCs, these Guidelines provide indicative examples of common expenditure types that may be incurred in the course of a Research Activity; and sets out some examples of expenses that are not to be allocated as DRCs and on which funds must not be spent.

When deciding if expenditure is a DRC or not, reference should be made first to the relevant Grant Opportunity Guidelines under which a Research Activity is funded, and then to these DRC Guidelines. In the event that there is any inconsistency between the two, the Grant Opportunity Guidelines take precedence. A cost that the Research Activity's Guidelines expressly states may not be paid for will not be a DRC. If clarification is required, please contact your Administering Institution's Research Administration Officer (RAO) in the first instance. If required, they may then contact [postaward.management@nhmrc.gov.au](mailto:postaward.management@nhmrc.gov.au).

These Guidelines replace all previous guidance material on DRCs. The Guidelines do not apply to the Independent Research Institutes Infrastructure Support Scheme (IRIIS) Grants or Equipment Grants.

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<sup>1</sup> Funds means the amount payable under the Funding Agreement by NHMRC for the Research Activities specified in the Schedules, being the Grants and any Co-Funding administered through the Medical Research Endowment Account (or other NHMRC funding account) for those Research Activities. These DRC Guidelines should be read in conjunction with the terms and conditions of the NHMRC Funding Agreement.

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# 1. DRC Principles

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NHMRC recognises that the specific aims and objectives of the Research Activity are a key factor in the decision to classify an expenditure item as a DRC. When considering whether funds provided by NHMRC for a Research Activity may be spent on a cost incurred for that Research Activity, Administering Institutions must ensure that the expense satisfies all of the following requirements.

- The cost must be integral to achieving the objectives and outcomes of the Research Activity as set out in the Application for Funding for that Research Activity, as approved by NHMRC.
- The cost must be directly related to the grant proposal as set out in the Application for Funding for that Research Activity, as approved by NHMRC.
- The cost must not be for facility, administrative or other indirect costs that would be provided by an institution in the normal course of undertaking and supporting health and medical research (for example, those costs often incurred for common or joint objectives, utilities and services, regulatory and research compliance and administration of research services).
- Grant funds must not be used to offset employment related on-costs that are provided under institution enterprise bargaining agreements over and above the limits permitted by NHMRC.
- All costs allocated to a Research Activity are expected to be managed and agreed to by the Chief Investigator A (CIA).

# 2. Salaries and salary on-costs

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## 2.1. Salary Support Packages

NHMRC Investigator Grant CIA Salary, NHMRC Fellowship CIA Salary and NHMRC Postgraduate Scholarship Stipends are provided as Salary Support Packages (SSP) at a fixed rate and may only be expended to support the salary and specified salary on-costs of the CIA, Fellow or Scholar.

Specified on-costs permitted to be expensed under SSPs are annual leave, sick leave, long service leave and superannuation entitlements that accrue in respect of research personnel for the period and at the FTE rate of their employment on a Research Activity. Other salary related on-costs that are not accrued entitlements and/or may be agreed under institutional enterprise bargaining agreements or other contractual arrangements including parental leave, sabbatical leave, severance and termination payments are expected to be borne by the Administering Institution and may not be allocated to a Research Activity.

NHMRC funds provided as Research Support Package (RSP) or Allowance in support of a Research Activity cannot be used to supplement the SSP or on-costs of the CIA or Scholar. Where there may be a gap between the SSP rate and the salary package offered to the CIA under the

employing institution's enterprise bargaining rate or other contractual arrangement, this must be covered by the employing institution.

In the event that an Investigator Grant CIA redirects a portion of their SSP funds to their RSP in accordance with allowable circumstances stated in the relevant Grant Opportunity Guidelines the redirected SSP funds become RSP funds and are to be managed and expensed as RSP from the date the redirection is approved.

In circumstances where a researcher accepts a salary from an alternative source, the SSP must be reduced or relinquished in accordance with the requirements of the relevant Grant Opportunity Guidelines. Unused SSP funds may not be reallocated to support the Direct Research Costs of the Research Activity.

NHMRC may apply annual indexation to SSPs or Scholarship Stipends.

## 2.2. Personnel Support Packages

Salary costs on Research Support grants are provided as Personnel Support Packages (PSP), except for Investigator Grant CIAs, which are provided as an SSP as described above.

The level of PSP applied for must align with the roles and responsibilities of the required position, not the expertise of the person appointed to the position. PSP category definitions and values are available on the NHMRC website. NHMRC may apply annual indexation to PSPs. In limited circumstances, such as engagement of staff on short-term contracts, salary costs may be budgeted as Direct Research Costs rather than as salaries/PSPs.

NHMRC recognises that during the term of the grant, there may be a gap between the budgeted NHMRC PSP rate and the actual salary package awarded to research personnel employed under an institutional enterprise bargaining agreement or other contractual arrangements. Where this occurs, other research funds awarded for Research Support Schemes (except for Investigator Grants and People Support Schemes<sup>2</sup>) may be used to cover gaps between the PSP rate applied for and salary expenses including specified on-costs.

Specified on-costs permitted to be expensed under PSPs are annual leave, sick leave, long service leave and superannuation entitlements that accrue in respect of research personnel for the period and at the FTE rate of their employment on a Research Activity. Other salary related on-costs that are not accrued entitlements and/or may be agreed under institutional enterprise bargaining agreements or other contractual arrangements including parental leave, sabbatical leave, severance and termination payments are expected to be borne by the Administering Institution and may not be allocated to a Research Activity.

Any such use of Funds must be subject to Section 7 of the NHMRC Funding Agreement, and by agreement between the Administering Institution and CIA.

In the event that a researcher who is supported by a PSP on a Research Activity is awarded a salary from an alternative source, unused PSP funds may be reallocated to support another

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<sup>2</sup> The Research Support Package component of an Investigator Grant cannot be used to supplement the salary of the Investigator Grant CIA but may be used for salary costs to employ research staff. Funds awarded through People Support schemes are to be spent exclusively for the purposes provided for in the relevant scheme's Grant Guidelines, with the exception of the NHMRCARC Dementia Research Development Fellowship scheme and the Boosting Dementia Research Leadership Fellowship Scheme. These schemes have a funding condition which allows Funds to be used flexibly in accordance with the provisions of a Research Support scheme, including to cover gaps in CIA salaries.

researcher or as DRC on that Research Activity. Unused funds from one Research Activity may not be reallocated to another Research Activity.

NHMRC may apply annual indexation to PSPs.

## **2.3. Excess salary**

Salary support for Specified Personnel (CIs and Fellows) must not exceed 100% across all grants held. Applicants should agree on the management of excess salary with the CIs/Fellows on all grants if there is potential for a Specified Person to be in receipt of excess salary. Applicants should explicitly explain in their application how excess salary will be managed. Should grants be funded that result in a CI being awarded/holding more than 100% salary support across multiple grants, the excess salary for the CI can be re-directed to other DRCs against the grant where the excess salary exists, in accordance with the DRC Principles. Alternatively, the CIA on the affected grant can advise NHMRC via their RAO, of those grant(s) that should have the salary component of their budgets reduced.

## **2.4. Funding for postgraduate students**

Students undertaking research based postgraduate degrees may be supported by PSPs on NHMRC research grants in line with the conditions of the Administering Institution. Responsibility for taxation and other issues associated with their classification as a postgraduate student are entirely between students and their institutions.

Students should seek professional advice from qualified taxation advisors to clarify their personal taxation responsibilities. The student must not be named as being in receipt of an NHMRC Postgraduate Scholarship, as this is a specific category of competitively awarded NHMRC grant funding. Refer to the relevant Research Activity Grant Opportunity Guidelines for any scheme-specific requirements pertaining to postgraduate research students.

# **3. Other Research Costs**

## **3.1. Biospecimen and data collections**

Costs associated with accessing biospecimen and data collections must be a direct requirement of the Research Activity, and they must be based upon published cost recovery schedules of biobanks or similar accredited data collection bodies (for example, pathology services and government data collection agencies).

Any proposal for prospective funding of a new biobank or data collection must specify why the samples cannot be sourced from an existing source. Any proposal to establish a new biospecimen or data collection should seek to use infrastructure or services provided by biobanks or similar accredited bodies. Comprehensive justification for not using one of these must be provided.

## 3.2. Integrated data assets and research data collection

Costs directly attributable to a Research Activity and associated with data linkage and/or access services from Accredited Data Service Providers such as the Australian Bureau of Statistics (ABS) and the Australian Institute of Health and Welfare (AIHW) may be considered DRCs.

The Person Level Integrated Data Asset (PLIDA), the National Health Data Hub and the Business Longitudinal Analysis Data Environment (BLADE) are Australia's integrated data assets available for social determinants of health and health industry research. Charges for data integration and data access services for ABS integrated data (PLIDA/BLADE) and AIHW integrated data (NHDH) can be found on the [ABS website](#) and the [AIHW website](#).

## 3.3. Computers, IT equipment and data processing

Except as allowed for Postgraduate Scholars, DRCs do not include personal computers and IT equipment, related peripherals or software needed for communicating, writing and undertaking simple analyses.

Only specialised computing requirements that are essential to meet the specific research needs of a Research Activity are considered DRCs. This may include:

- hardware or software that are an integral component of a piece of laboratory equipment or are of a nature essential for work in the research field. Examples include where computer is dedicated to data collection from a mass spectrometer or is required for High Performance Computing applications such as the manipulation of large datasets.
- charges associated with access to data, data processing or data analytics services.
- costs associated with provision of accessible IT software or services for use by study participants. This does not include provision of accessible software or services for individuals employed or contracted as members of the research team, which are the responsibility of the Administering Institution.

## 3.4. Conferences

Conference costs are not to be included in the application budget. When investigators apply for research funding, it is not possible to predict where and how knowledge translation and knowledge transfer of their work will occur (because the research is yet to be undertaken). Thus, the costs of conference attendance are not to be included as DRCs in grant application budgets. However, over the grant lifetime, Funds can be used to support conference attendance for the purpose of presenting the research outcomes, provided that the expenditure is in accordance with the DRC Principles. This may include costs related to travel (see also Section 3.14), production of posters or other presentation materials, organisational memberships required to enable conference attendance, or other fees directly related to conference attendance.

Costs incurred by an Administering Institution for the purposes of hosting conferences are considered administrative costs that would be provided by an institution in the normal course of undertaking and supporting health and medical research and are not DRCs.

### 3.5. Consumer and community engagement

Costs related to involving and engaging consumer and community representatives in the design, implementation, monitoring and evaluation of a Research Activity may be considered DRCs. This can include costs incurred for:

- recruitment, training and support for consumers and community representatives throughout the Research Activity
- remuneration for engagement in governance activities such as research advisory committees
- language translation to support involvement by non-English speaking consumers and communities
- dissemination and communication of research outcomes to participants, including via social and other media.

### 3.6. Clinical Trials and Cohort Studies

Costs associated with the conduct of clinical trials and cohort studies may only be supported by NHMRC funds where they are directly attributable to a Research Activity. Such costs may include:

- Human Research Ethics Committee (HREC) application fees, regulatory or licensing fees that are specifically incurred in relation to the approval of the funded Research Activity
- costs associated with convening and supporting Data Safety Management Boards (DSMB) and other relevant oversight mechanisms specific to a funded Research Activity
- costs incurred in relation to the recruitment and participation of participants including advertising, postage, telephone, videoconferencing or telehealth costs that fall outside of those supported by the Administering Institution in the normal course of supporting research
- costs incurred for participants while involved in the Research Activity such as travel reimbursements, refreshments or other disbursements, noting that all payments of any kind to participants must be approved by the responsible HREC or research board
- IT equipment, software or other tools provided to research participants for individual data collection or research engagement.

Costs associated with the conduct of clinical trials and cohort studies that are not directly attributable to a Research Activity are not DRCs and may not be paid from funds paid for a Research Activity. These include:

- insurance policy premiums, which are expected to be paid by the Administering Institution as part of the normal course of undertaking and supporting health and medical research
- salary, administrative or other costs incurred in the administration of research compliance and governance activities including Human Research Ethics Committees, Institutional Biosafety Committees or Data Safety Monitoring Boards.

### **3.7. Entertainment, meals, hospitality**

Except when incurred in support of participants as part of a clinical trial (see 3.6), or as part of travel for the purposes of a Research Activity in accordance with the relevant travel policies and procedures of the Administering Institution and NHMRC Grant Opportunity Guidelines (see 3.14), restaurant meals and other hospitality are not DRCs.

Alcohol cannot be included as a DRC except in the case that it is classified as an investigational product in the context of a clinical trial or cohort study.

### **3.8. Equipment**

NHMRC funds may only be allocated for equipment that is unique to the project and essential for the project. A written quotation must be received and held with the RAO of the Administering Institution to be available to NHMRC on request.

Ongoing service, maintenance and repair costs for equipment must be met by the Administering Institution and cannot be charged as DRC, except in the following circumstances:

- where service and maintenance costs are included as a component of the overall purchase contract
- where an existing item of equipment requires an on-off repair, upgrade or purchase of additional components to enable it to be usable for the specific purposes of the funded Research Activity.

Individual pieces of equipment costing more than \$80,000 cannot be allocated as DRCs, noting that cost splitting may not be used to purchase equipment that would otherwise fall above the maximum threshold.

### **3.9. Fringe Benefits Tax**

Fringe Benefits Tax (FBT) is specifically excluded as a DRC and NHMRC Funds are not to be used to pay for this expense.

### **3.10. Land, buildings and fixtures**

These items are not DRCs and must not be paid for with NHMRC Funds.

### **3.11. Postgraduate Scholarship Allowance (one-off Maintenance)**

Postgraduate Scholarship Allowance funds (previously called Maintenance funds) paid in support of an NHMRC Postgraduate Scholarship may be used for costs incurred in support of the Research Activity and in accordance with NHMRC Grant Opportunity Guidelines and DRC Principles, including for example:

- purchase of a computer or other IT equipment or specialised software for use by the scholar in the achievement of their PhD
- laboratory consumables and equipment
- software or personnel to support statistical, data or bioinformatic analyses directly related to the achievement of the PhD
- fees and charges for education and training directly related to the achievement of the PhD
- conference attendance, fieldwork and travel directly related to the collection of data, development of research skills or dissemination of research results related to the achievement of the PhD
- publication of the outcomes of the Research Activity.

### **3.12. Publications and open access costs**

Over the grant lifetime, NHMRC Funds can be used to support specified costs incurred for publications and open access, including Article Processing Charges (APCs).

Open access and APC expenses may only be allocated as DRCs where these charges cannot be covered by the Administering Institution under Open Access or other formal Agreements. Any expenses allocated to a grant as DRCs must be directly related to the Research Activity funded under the grant, and be charged in accordance with the DRC Principles, NHMRC Open Access Policy and the relevant Grant Opportunity Guidelines.

Other costs related to the dissemination and translation of the outcomes of the funded Research Activity including social media platforms, videos, podcasts, webcasts and other digital media may be charged as DRCs in accordance with DRC Principles and the relevant policies and procedures of Administering Institutions.

### **3.13. Stationery supplies, photocopying, postage, communications**

For stationery supplies, photocopying, postage and communications (telephone, telehealth, videoconferencing) expenses to be considered DRCs, their usage for a Research Activity must be significantly greater than the routine level for such items provided by Administering Institutions and must be used specifically for the research purposes of the funded Research Activity rather than to support administrative or clerical efforts.

### **3.14. Travel and relocation costs**

Travel costs are only DRCs if directly related to the approved research objectives of the Research Activity, such as field work, research collaborations, and skills development, training or use of facilities that are not available in Australia.

Costs incurred for travel may only be for Research Activity Specified Personnel or staff employed directly on the grant; funds cannot be used to support costs for spouses, support persons or support animals.

Overhead and administrative costs such as health or travel insurance, travel agency fees, Frequent Flyer or club memberships are not DRCs.

All travel, accommodation, meals and incidentals must be in accordance with the relevant travel policies and procedures of the Administering Institution and must be formally approved and documented by the relevant Faculty Research Committee (or equivalent) prior to the travel being undertaken.