



# Policy Statement on Experimental Development

*Exclusion of Experimental Development funding through the National Competitive Grants Program*

Policy Name:	Policy Statement on Experimental Development		
Policy Owner:	Research Evaluation and Policy Branch, Section		
Effective from:	23/08/2024	Version number:	1.0
Date for revision:	23/08/2025		

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# The Australian Research Council

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The Australian Research Council (ARC) is a Commonwealth entity within the Australian Government. The ARC is a vital component of Australia's innovation and research system. It plays an integral role in supporting the research sector to produce excellent and impactful research for Australia's economic, social, environmental and cultural benefit through the delivery of the NCGP. The NCGP funds excellent pure basic, strategic basic and applied research in all disciplines except medical research.

The ARC's broader remit includes the provision of high-quality research policy advice to the Australian Government, supporting research integrity and promoting ethical research, evaluating the excellence, impact and depth of Australian research and expanding Indigenous Australian knowledge systems. It also facilitates partnerships between researchers and industry, government, community organisations and the international community.

## Exclusion of Experimental Development funding through the National Competitive Grants Program

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The Australian Research Council Amendment (Review Response) Bill 2023 amended the [Australian Research Council Act 2001](#) to make changes to the ARC's purpose, oversight and funding arrangements. This included a revised Object of the ARC Act, with the aim of establishing a clearer statement of the ARC's purpose.

Part of this revised Object states that the ARC is established to:

- administer funding of excellent pure basic research, strategic basic research and applied research in all disciplines under the National Competitive Grants Program, **except experimental development; (emphasis added)** (Australian Research Council Act 2001, Section 3, clause e.) (Note that Research does not include medical research).

The ARC has for over 20 years supported research translation, including through its [Linkage Program](#). This program supports projects which initiate or develop long term national and international research partnerships and strategic research alliances between researchers and business, industry, community organisations and other publicly funded research agencies, to encourage the transfer of skills, knowledge and ideas, to acquire new knowledge and as a basis for securing commercial and other benefits of research.

The aims of Linkage and other ARC programs are unchanged; however, changes to ARC Grant Guidelines are necessary to ensure ARC funding is directed to pure basic, strategic basic, and applied research, and to prevent its use for experimental development activities.

### ***Pure basic research, strategic basic research, applied research and experimental development***

Definitions for the meaning of pure basic research, strategic basic research and applied research, using the 'Type of Activity' (ToA) classifications listed on the [Australian Bureau of Statistics \(ABS\) website](#), are:

- **'Pure basic research** is basic research carried out for the advancement of knowledge, without seeking long-term economic or social benefits or making any effort to apply the results to practical problems or to transfer the results to sectors responsible for their application.'

- **‘Strategic basic research** is experimental and theoretical work undertaken to acquire new knowledge directed into specified broad areas in the expectation of practical discoveries. It provides the broad base of knowledge necessary for the solution of recognised practical problems.’
- **‘Applied research** is original investigation undertaken in order to acquire new knowledge. It is, however, directed primarily towards a specific, practical aim or objective.’

**‘Experimental Development’** is defined as:

- ‘systematic work, drawing on knowledge gained from research and practical experience and producing additional knowledge, which is directed to producing new products or processes or to improving existing products or processes.’ (ABS 2020 definition)

## ***NCGP schemes opening after 1 July 2024***

To account for the amended legislation, the ARC has made changes to its Grant Guidelines for all new NCGP scheme rounds opening after 1 July 2024.

- The Grant Guidelines will now include a clause which includes ‘experimental development’ in the list of ineligible items under, ‘What grant funds cannot be used for’.
- A new clause is also included in the introductory material to these guidelines, noting this exclusion.

The ARC is committed to reducing, and/or not adding to, administrative burden, where this is possible. As such, the below streamlined procedures have been developed to ensure that ARC funding is not used for experimental development.

## ***What these changes mean for you***

### *For applicants*

Application forms for all NCGP schemes in the ARC’s Research Management System will include a new question in the Project Eligibility section.

Each scheme form asks the following question: *‘Will ARC funds awarded under this Scheme be used for activities classified as ‘experimental development’ according to the definition in the Grant Guidelines?’*

This is a **‘Yes’ or ‘No’ question** and is **mandatory** for all NCGP applications.

Applications that propose to use ARC funds for experimental development research activities cannot be recommended or approved for funding through the National Competitive Grant Program under the Australian Research Council Act 2001.

### *For administering organisations*

Administering organisations will be responsible for certifying that ARC funds will not be used for experimental development.

As such, the certification provided by the Deputy/Pro Vice-Chancellor (Research) or their delegate or equivalent in the Administering Organisation now also includes an additional clause stating that: *‘This application complies with the eligible research requirements set out in the ARC Experimental Development Policy, located on the ARC website’* (this Policy).

## ***Further information***

For general information to assist in preparing a grant proposal, please consult the *‘Instructions to Applicants’* documents for the scheme to which you wish to apply. These are available under “Grant Opportunity Documents” under the relevant opportunity on Grant Connect.

You may also wish to discuss your particular situation with your university’s research office staff. Research Office staff are welcome to contact the ARC with any further queries at [NCGP@arc.gov.au](mailto:NCGP@arc.gov.au).

# Contact details

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# Document control

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Number	Date Approved	Approved By	Brief Description
1.0	23/08/2024	Branch Manager, Research Evaluation and Policy	First published version