The University of Western Australia

UNIVERSITY INFRASTRUCTURE POLICY

Implementation Guidelines

The University policy on the charging of infrastructure on research contracts and university consultancies can be found at http://www.uwa.edu.au/research/welcome/xvi/aop2.html. From July 2001 the administration of this policy is governed by the following guidelines:

1. These guidelines are designed to ensure administrative simplicity and greater transparency. The guidelines comply with the national competitive neutrality pricing policy and give greater consideration to the impact of activities on local areas. The costing model appropriately values existing skills and facilities of the University and there are incentives to raise additional external resources wherever possible.

2. The infrastructure recovered under the policy is allocated:
   - 68% to the department to project account 6359000.
   - 32% to central services as follows:
     - 35% to capital, which can be waived if the activity is housed in non-university accommodation or if approved rent payable to the University is explicitly included in the contract budget.
     - 35% to Academic Services, which includes the Library.
     - 30% to University Facilities, which includes the Animal Care Unit and the Centre for Microscopy and Microanalysis (CMM).

3. The method of calculating the infrastructure charge on research contracts and university consultancies depends on the amount of external funding being sought:

   (a) All university accounts coded as research or consultancy that receive less than $50,000 per annum will be charged a quarterly 13% infrastructure levy on funds received. The only exceptions will be:
       - Funds received from Australian Competitive Research Grants listed at http://www.uwa.edu.au/research/activities/noticeo.html
       - Funds for research scholarships, and
       - Bonuses and donations and grants in aid from charitable foundations provided that:
         - There is no claim on Intellectual Property (IP) rights by the funding body.
         - The total amount of funding received by a single department from such sources in any year does not exceed $200,000, in which case the department will be charged 4.8% (32% of 15%) on all such income. This will be debited against the departmental infrastructure project account 6359000 or on the research component of the Faculty Funding Model (FFM) in the following year.

   (b) For research contracts and university consultancies that are less than $500,000 in total but more than $50,000 per annum the standard infrastructure charge at full cost of 35% of income received should be applied. The exception is when the University is expected to benefit from the activity in other ways, when a MINIMUM rate of 15% can be applied but only if the following conditions hold true:
       - The University retains all Intellectual Property (IP) rights.
       - No restrictions are placed by the donor or funding agency on publication.
       - Activities can be accommodated within existing departmental space.
       - Only minimal demands are placed on academic support services such as Legal Services and Facilities Management.
       - Any use of the Animal Care Unit or the Centre for Microscopy and Microanalysis (both of which are funded by University Facilities) is charged at external user rates and should be budgeted at those rates.
(c) For research contracts and university consultancies that are greater than $500,000 in total, the salary multiplier method should be used to calculate infrastructure based on the imputed costs of professional staff time devoted to the project. This includes professional staff employed on the project and funded by the external agency.

The budget template found at http://www.answ.edu.au/research/policy/gpo/template.rtf should be used to fully cost projects using the salary multiplier method. This template is a version of the Australian Research Council (ARC) budget template used to facilitate the costings required for the new ARC programmes and has in the past been used to cost grants for the R & D Corporations.

The completed budget template must be approved by the Pro Vice-Chancellor (Research and Innovation) BEFORE any price is negotiated with the external funding body. The purpose of this approval is to determine the range of infrastructure charges that may be negotiated with the external partners. It is not always expected that the infrastructure identified by this method will be obtained as a cash payment. However, in negotiations on the full cost of the project there is often an opportunity to discuss other factors such as Intellectual Property (IP) ownership and returns from future commercialisation activity.

4. If a cost centre wishes to explore an alternative approach to the calculation and recovery of infrastructure on research contracts and university consultancies then this must be approved explicitly by the Pro Vice-Chancellor (Research and Innovation), the Executive Dean and the Head of Department. Any alternative must ensure that competitive neutrality is maintained and that there is an equitable sharing of the benefits. For example one approach would be to charge 11.2% (22% of 35%) infrastructure on all research and consultancy income other than Australian Competitive Research Grants, with no allocation of this infrastructure back to the department which has absorbed the additional costs.

5. When a project is fully costed either using the budget template model or 35% infrastructure charge:
   - Only research income will be counted as Group 1 income for the purposes of the Faculty Funding Model (FFM).
   - The project (and particularly the personnel funded by the project) will be entitled to:
     - Be housed by the University even if this requires renting accommodation at the University’s expense.
     - Have access to facilities such as the Animal Care Unit and CMM at internal user rates.
     - Have reasonable access to the support services such as Legal Services and the Office of Industry and Innovation (OII) without further charge. An exception will be made if Intellectual Property (IP) has been assigned to an external party. In this case Legal Services and OII may charge for services related to commercialisation activities in which the University will not share any resulting benefits or share it at a substantially reduced rate.

6. When a project is costed at the minimum infrastructure charge of 15%:
   - Only research income will be counted as Group II income for the purposes of the FFM.
   - Activities must be accommodated within existing departmental space. The Accommodation Committee may discount claims for accommodation that results from activities on which full infrastructure is not recovered.
   - Only minimum demands are placed on academic support services such as Legal Services and Facilities Management.
   - Any use of the Animal Care Unit or the Centre for Microscopy and Microanalysis (both of which are funded by University Facilities) is charged at external user rates and should be budgeted at those rates.
7. Research income other than an Australian Competitive Research Grant which has no infrastructure recovered from the budget (including exempt income) will be included in the DETYA financial return but will not be included as research income in the ITRM.