Memorandum

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Dr Campbell Thomson
Secretary, Research Committee

QPSX INCOME

In 1996, Telstra bought the University’s share holding in QPSX for $4.5 million. Finance Committee at its meeting on 5 December 1996 transferred this capital gain plus some accumulated dividend and royalty payments to the Capital Reserve and allocated the income:

- 50% to the Faculty of Engineering and Mathematical Sciences for allocation in accordance with the Royalties Agreement; and

- 50% for distribution by the Research Committee.

No expenditure has yet been made from the latter funds which currently amount to $138,731 with approximately a further $150,000 becoming available in December. Nor has Research Committee ever considered how the funding might be used. At the time of the original decision by Finance Committee it was anticipated that the expenditure of the QPSX income might take account of its origins and be used to further the possibility of future income returns from similar commercialisations.

With the exception of QPSX and a couple of royalty agreements, the University has a rather poor record in commercialisation of its research outcomes and the associated intellectual property. While the dissemination of research findings takes many forms, it is arguable that a university with a research record such as we have should be generating more financial return than we do at the moment. In this context it is significant Dearing’s recent characterisation of a “top 50 university” included “it will see research as an important and growing basis for generating income through contracts, patents and through helping researchers to engage in the commercial development of their work. It will be wholly professional in this aspect of its work.” The emphasis is mine because I believe that this is critical but it must be recognised that the provision of quality professional advice will be costly.

I would like to propose to Research Committee that, in the spirit of the original QPSX agreement, furthering commercialisation would indeed be a very appropriate use of the QPSX income. Specifically I would like to propose that Research Committee authorise the Pro Vice-Chancellor to access the QPSX income under the following conditions:

- These grants are to be made to further the commercialisation of the research and not for R&D.

- A significant return to the University’s discretionary income must be expected.

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• Any proposed grant is subject to independent external evaluation and advice of its commercial significance and viability including the expected return to the University. The funding of this advice must not come from the QPSX fund and should come, at least in part, from the area involved.

• Grants are infrequent but significant, at least $1(00,000) and more likely of the order of $200,000 or more. Consequently, only one grant every second year or so is likely to be made.

• The Intellectual Property Committee approves the grant with at least one external member of that Committee being present.

I would report any such allocations to Research Committee but because of considerations of commercial sensitivity I do not believe that it is feasible or appropriate to bring full details of any proposal to Research Committee for its formal approval. IPC seems the more appropriate committee to have oversight of this type of expenditure.

Professor Michael N Barber
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