

University Charging for Use of Infrastructure

a) **Infrastructure:**

The university recoups the cost of resources used in research projects. While the University may not have to deploy additional resources in all areas of infrastructure, as a consequence of undertaking new research projects, most infrastructure costs are affected, albeit indirectly. Thus, existing equipment and facilities used will wear faster, power and water supplies are used, additional pressure on computer resources and audio-visual services will necessitate earlier upgrading and replacement, etc. Costs include:

- power, heat, water, air-conditioning;
- office and laboratory space;
- buildings and grounds maintenance, cleaning services;
- security;
- telephone, fax services, postage and freight;
- library services;
- computer services;
- audio-visual services;
- use of existing equipment, workshops;
- laboratory facilities;
- office support;
- insurance, etc.

b) **Overheads:**

Unless otherwise precluded by a particular granting agency/sponsor's guidelines, allowance should be made in all budgets for University overheads (Note: there is a clear distinction between on-costs and overheads (infrastructure component)).

Thus, wherever possible, researchers should add on a minimum infrastructure component of 15-25% to the entire budget submitted (although capital items can be an exception to this rule). A higher percentage - up to full cost recovery - may be used where it is known or believed that the sponsor may accept such a figure. Where an application is successful, assuming the figure of 25% was used in the application, the overhead/infrastructure component is normally divided as follows:

5% to the Central Administration;

5% to the Research Office;

5% to the Department(s)/Centre(s) involved; and

10% to the Principle Researcher(s) (placed in a Special Account)

With Grants/Commissioned Research/Consultancies, the shares accruing to Divisions and Researchers are negotiable between those parties. However, where an overhead/infrastructure component is demonstrably precluded by a granting agency/sponsor, the shares going to the Departments/Researchers may be waived. **Note that the component going to the University (a total of 10%) is compulsory.**

It is a University Policy (established by University Council) that budgets for all research funding administered by the University be checked by the Financial Services Section. It is one of the responsibilities of the Finance Officers to advise researchers of the compliance of their proposed budgets with University Policy.

Where the compulsory 10% component is not included in a budget, unless the applicant(s) can demonstrate (in written advice from the prospective granting agency/sponsor) that the overhead/infrastructure component is specifically precluded, the Financial Services Section will add the component to the budget. If, for any reason, the application is not submitted via the Research Office (and, by implication the Financial Services Section), the 10% component will be applied retrospectively.

That is, **where the 10% component is not allowed for, it will be deducted from the funds received in any case.** It is therefore in the Researchers' interests to include it in their budgets. (The University acknowledges that most Commonwealth Agencies (ARC, NHMRC, DPI, etc) do not allow overhead/ infrastructure components. However, some do - it is therefore advisable for researchers to check with the Research Office and /or the agency concerned before formulating a budget).

Where researchers do not follow proper procedure in complying with University Policy on submission of proposals, and where their applications have failed to meet University requirements in other respects, the University may chose not to accept the grant/funding in question. That is, **the Deputy Vice-Chancellor (Research) will not sign acceptance agreements for grants, contracts or consultancies that do not comply with University Policy.** Under these circumstances, the funding will be treated as a private consultancy, with all the implications that go with that classification (such as absence of professional indemnity, cost recovery measures by the University for facilities/equipment used, etc.)

For further details of the current University Costing Policy on infrastructure components of research funding application budgets, see:

<http://www.ro.mq.edu.au/fund/infra.htm>

With Commissioned Research and Consultancies, researchers may find the overheads represent 55-150% of the "cost" of the project (depending on the type of work involved, eg. if laboratory-based, where workshops and other professional assistance are involved, or where there is very substantial use of University infrastructure). Where the University has a direct interest in the project, it may be necessary for researchers to prepare a secondary 'budget' showing institutional contribution to the project, either as a justification for cost recovery or as an indication of institutional support (reference should be made to AVCC recommendations in "Costing and Charging for Research").