

Policy on
Commercial Research
Conducted by Academic Staff

Approved by Academic Board
19 May 2004

Information in this booklet is correct as at 19 May 2004. The University reserves the right to alter any information contained herein at any time without notice.

1. BACKGROUND

The University Strategic Plan states that

... the next most important phase of Australian Catholic University's growth will see it compete in terms of declining government assistance and increasing costs. The most powerful opportunities for development rest in the growth of non-government revenue. It is critically important that ACU embraces opportunities that draw it away from excessive dependency on government. (Section 8)

As part of its Mission, the University is committed to serving the local, national and international community with which it is in dialogue. As one aspect of this service, the University encourages its academic staff to engage in Commercial Research activities within their area of academic expertise for State and Commonwealth government agencies, business and church organisations, and any other appropriate commercial sponsor.

This Policy on Commercial Research Conducted by Academic Staff should be read in conjunction with the University's Policy on Paid Outside Work Conducted by Academic Staff, Pages 13.1-13.14. It does not in any way replace the Paid Outside Work Policy - it complements it.

Commercial Research activity may include:

- . conducting surveys or needs analyses for a client and evaluating the results of the data obtained,
- . research for specific projects that is tendered through government or other agencies,
- . contracted research-based evaluations or reviews of organisations or institutions.

Paid Outside Work may include:

- . paid professional activities in clinics, hospitals or private practice,
- . paid consultancy activities relating to professional development or other educational activities,
- . other paid professional activities not generally regarded as research activities.

Funds received from Commercial Research are counted towards both the Institutional Grants Scheme allocation (60%) and the Research Training Scheme (40%). The University thus gains additional benefits from every dollar of Commercial Research income. Paid Outside Work does not attract any additional Commonwealth funds for the University, and where possible research-type consultancies are best treated as Commercial Research.

2. DEFINITIONS

For the purposes of DETYA, research funding falls into two main categories:

- (i) research funding schemes listed on the Research Grants Register (previously known as the National Competitive Grants Index) (see Attachment 1) for which the Commonwealth Government provides infrastructure support, **and**
- (ii) commercially funded research for which the contractor pays the costs of infrastructure to carry out a specific research project.

2.1 Commercial Research

This policy relates to the latter category of funded research - *Commercial Research* - which includes research-related activities, fully funded by an outside party, which meet the requirements for inclusion in the research funding data provided to DETYA and to the Australian Bureau of Statistics to meet their financial reporting requirements.

2.2 Competitive Neutrality

Funding for Commercial Research should provide adequate resources to enable the research to be carried out either by the University or by any private provider. University infrastructure and resources should not be used to underwrite the cost of the research making it difficult for non-governmental private providers to compete fairly for the research contract. All Government agencies, including Universities, are obliged to follow the principles of competitive neutrality.

2.3 Infrastructure Costs

The University definition of infrastructure as used throughout this document includes: costs associated with the day to day running of the University, which may include equipment maintenance, provision of telephone, facsimile and email, financial services, professional indemnity insurance, computer support, etc.

3. PRINCIPLES FOR COMMERCIAL RESEARCH ACTIVITIES

- 3.1 Involvement in appropriate Commercial Research activities by academic staff results in important benefits to the University and the community. These include:
 - . enriching the skills and knowledge base of University staff;
 - . making specialist knowledge, skills and facilities available to the wider community;
 - . facilitating collaboration with industry and government departments, and

- . providing the University, its Faculties/Schools/Research Centres with financial and other resources.
- 3.2 All Commercial Research activities shall be consistent with the purposes of the University and should be such as to enhance the standing of the University and the academic and professional reputation of its staff.
 - 3.3 The provision of Commercial Research services shall conform with relevant professional standards.
 - 3.4 In addition to contributing to the development of good relations between the university and local and national communities, government, business and church-related organisations, involvement in Commercial Research will improve the quality of teaching and maintain professional and clinical skills.
 - 3.5 Engaging in Commercial Research assists the University to achieve its Mission and to attract professional postgraduates to the University, and appropriate funding from the Commonwealth Government.

4. CONDITIONS TO BE MET WHEN UNDERTAKING COMMERCIAL RESEARCH ACTIVITIES

- 4.1 With approval academic staff are encouraged to engage in Commercial Research activities. (Section 5 refers.)
- 4.2 Commercial Research shall be of a character or performed under conditions which will ensure the good name and reputation of the University and the staff member's independent academic and professional status.
- 4.3 All professional and consultancy services which are classed as Commercial Research shall be covered by a contract between the funding body and the University.
- 4.4 Every such contract shall protect the Intellectual Property Rights of the University and the staff member appropriately. Wherever possible, use of the results of the research in the staff member's teaching and postgraduate supervision should be ensured as well as publication of the results subject to the prior written approval of the funding organisation.
- 4.5 The Principal Researcher is regarded as being responsible for ensuring that the provision of the professional service meets the conditions of the contract.

5. APPROVAL AND REPORTING

- 5.1 Written approval of the Head of School (or Dean, where appropriate) shall be obtained prior to lodgment of a Commercial Research contract with Research Services. (The Head of School shall confirm that the School has the necessary infrastructure to meet the requirements of the proposed

research, and that the staff member is able to conduct the research in the light of teaching, supervision and other research responsibilities). (Attached proforma refers.)

5.2 All Commercial Research contracts shall be lodged through Research Services (normally five working days prior to the deadline with the funding organisation) to allow sufficient time for that office -

- . to confirm that the application complies with the funding provider's guidelines;
- . to ensure that no conflict of interest exists with the University's Mission;
- . to ensure that the approval of the Head of School (or Dean, where appropriate) has been obtained, and
- . to obtain the signature of the Pro-Vice-Chancellor (Research and International) which is required for all Commercial Research contracts.

6. BUDGET PREPARATION

6.1 Recovery of Budget Costs

6.1.1 Budget costs would normally include:

- . *Personnel*
 - daily professional fees (if appropriate), secondment of academic staff at full salary costs, including on-costs
 - salary costs for research assistance, including salary on-costs
- . *Equipment*
 - purchase of equipment which is to be used for project (for example, computers, and other scientific equipment, etc > \$1,000 per item)
- . *Consumables*
 - printing costs, paper costs, envelopes and stamps, chemicals, if appropriate
 - telephone costs (above normal usage, that is, telephone questionnaires)
 - minor equipment purchases (< \$1,000 per item)
 - storage, etc
- . *Travel for field work (and conference attendance, if appropriate)*
 - air and other fares
 - car hire, or charges for use of private vehicle
- . *Accommodation during field work (and conference attendance, if appropriate)*
 - board and lodging - actual costs **or**
 - per diem

- . *Cost of external auditor's report (if required by funding provider)*
- . *Infrastructure levy (% of gross income to University) and Faculty (See Section 6.2 for detail.) This levy would not normally be a line item in the budget submitted to funding providers. It would be included within other cost categories.*
- . *GST*
 - 10% of appropriate costs

6.1.2 All budgets for Commercial Research must be realistically costed and should conform to the principles of competitive neutrality. (See *Research Services Web Site* (www.acu.edu.au) for links to respective State and Commonwealth legislation.)

6.1.3 The University [through the Pro-Vice-Chancellor (Research and International)] may permit a tender application at a lower level so as to maintain its market place and competitive edge, or to maintain partner relationships.

6.2 Costs levied by the University and Faculty

6.2.1 All income generated by Commercial Research will incur a University and a Faculty overhead deduction to cover infrastructure costs and provide a small return for the University and the Faculty. (cf Section 2.2)

a) University 10% > \$10,000
 7.5% ≤ \$10,000 or for charitable (that is, not for profit) organisations

(a) Faculty 10% > \$10,000
 7.5% ≤ \$10,000 or for charitable (that is, not for profit) organisations

6.2.2 All Commercial Research funding shall attract a University infrastructure on-cost as outlined in 6.2.1(a) to cover costs associated with general administration (financial, personnel, information technology support, etc) and insurance costs including professional indemnity, and an official financial report (when required).

6.2.3 In addition to the deductions to be paid to the University, identified in 6.2.1(a), a further percentage of gross revenue for all Commercial Research, as outlined in 6.2.1(b), will go to the Faculty where the staff member works.

6.2.4 The Faculty will determine the distribution of these funds.

- 6.2.5 The Principal Researcher will normally be responsible for costs not identified in the contract. Faculties and Schools may invoice the Principal Researcher for such costs.
- 6.2.6 Costs associated with the provision of a report by an independent auditor (for example, KPMG) shall be recovered from the grant.
- 6.2.7 In cases where total monies or parts thereof are controlled by the funding provider (for example, air fares and accommodation), the overhead charges need only apply to the revenue amount received and administered by the University.
- 6.2.8 Any interest earnings on Commercial Research accounts will normally go to the University.

6.3 Payment of Funds to Staff

Payment of any net profit from Commercial Research shall be in accordance with the University's *Intellectual Property Policy*. (refer to Sections 3.7 and 3.8 of the *Intellectual Property Policy*, obtainable from the Research Services Section of the University Web Site www.acu.edu.au)

7. BUDGET CODES ASSIGNED PER PROJECT

- 7.1 The University is required to report all financial income to the Commonwealth Department of Education, Training and Youth Affairs (DETYA). It is also required to report all financial income and expenditure at the research project level to the Australian Bureau of Statistics.
- 7.2 An account code will be established, therefore, by Finance Services for the monitoring of, and reporting on, the acquittal for each fund source, following confirmation from Research Services on the need for, and the granting of, ethics approval for research which involves human participants, animals, recombinant DNA and / or ionizing radiation.

8. UNSPENT COMMERCIAL RESEARCH FUNDS

- 8.1 It is a normal expectation that all funds will be expended on the project. Subject to the terms of the contract, any unspent Commercial Research funds at the end of the project, however, may be used in a manner approved by the Pro Vice Chancellor (Research and International).
- 8.2 Unspent Commercial Research funds will be carried forward automatically during the 24 months following the completion of the project. At the end of this period, the funds will be returned to the University and the Faculty in equal proportion.
- 8.3 Unspent Commercial Research funds may not be transferred to individual Academic Staff or Academic Pursuits Accounts.

- 8.4 As the funds are the property of the University, any assets which are purchased from these funds remain the property of the University and must be accounted for as part of University assets. Hence, when a staff member, having purchased certain equipment from this account, moves to another University, the equipment will normally remain with the University. Subject to approval by the Pro-Vice-Chancellor (Research and International), arrangements may be made to transfer equipment to another University's Assets Register.
- 8.5 As the monies form part of the University funds, they are not transferable if a staff member ceases employment with the University. In such instances, the balance of funds will be distributed equally between the University and the Faculty.

ATTACHMENT

Australian Research Grants Register (previously known as the National Competitive Grants Index)

The Australian Research Grants Register is maintained by the Commonwealth Department of Education, Science and Training (DEST), a copy of which may be obtained from the DEST Web Site:

<http://www.dest.gov.au/highered/research/herdc.htm#acgr>