
RECOVER OF 30% INFRASTRUCTURE SUPPORT ON CONTRACT RESEARCH

1. ISSUE

To remind staff of the requirement to include **Infrastructure Support** in contract research.

2. BACKGROUND

Under the UNSW Policy on Competitive Neutrality and Pricing (adopted by UNSW Council August 2005) all Contract Research must include an allowance for Infrastructure Support. This is a requirement of the Trade Practices Act but more importantly is an essential element of UNSW budgeting so that the University can recover indirect costs associated with Contract Research including:

- provision and maintenance of buildings and physical infrastructure
- basic telecommunications, university-wide information resources, library and technology
- insurance, security and legal services
- financial management services
- non-faculty administrative services

3. DISCUSSION

The UNSW policy is that, apart from the main support grant for the National Research Centres, the default position is that **all contract research programs undertaken at UNSW must include an allowance for Infrastructure Support**.

Infrastructure support recovered (minimum 30%) is equally split between the University and the Faculty to contribute to the infrastructure and overheads that are born centrally and within the Faculty to support the research activities.

The fate of the fraction that is returned to the Faculty is at the discretion of the Dean and most Deans will choose to invest this, directly or indirectly, in the Centres or Groups that undertook the contract research program. Whatever the Deans choose to do with the contribution of contract research to infrastructure, the process must be open and transparent and in some Faculties this will be a significant sum which should have a real impact.

UNSW will not subsidise or reduce contract research costs. The Faculty may choose to subsidise these research programs by returning its share of the recovered infrastructure support to the project. This means that the minimum 30% infrastructure support **MUST** be collected for all contract research. If the Faculty then chooses to return its 15% to the project, it can then be done in full knowledge that this is a Faculty contribution (or subsidy) for that project.

There are specific exemptions:

- Some contracts that count as Category 1 research income where the University receives direct Infrastructure Support from the Federal Government;
- some contracts to ADFA where provision of overheads has already been factored into the core funding which ADFA receives;
- the minimum overhead rate is 5% for grants which support equipment only;
- the minimum overhead rate is 10% for contract research grants (or that part of a grant) which is expended at another institution;
- there are some contract research grants for community benefit projects which are consistent with our Community Service Obligations - **there are very few grants that fit into this category** and the University consciously and transparently cross-subsidises any projects which are exempt under this category;
- we deal with large contracts (>\$500K) on a case by case basis.

4. RECOMMENDATION

That staff recognise that the 30% infrastructure support must be included in all contract research (unless specifically exempt).

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