Research Costing and Pricing Procedure

Policy code:	RS2125
Policy owner:	Director, Research and Innovation
Approval authority:	Pro Vice-Chancellor (Research and Innovation)
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1. Objectives

1.1. The objectives of this procedure are to:

a. set out principles concerning the costing and pricing of externally funded research in order to support the financial sustainability and research aspirations of the University;

b. ensure transparency and accountability in the management of research costing and pricing;

c. support an approach to research pricing that recognises value to all parties; and

d. take into account the principles of **Competitive Neutrality**.

2. Scope

This procedure applies to all externally-funded research projects undertaken at the University including research and non-research consultancies and evaluations (but excluding approved outside work arrangements or University Consultancies as referred to in the Staff Consultancy Procedure).

3. Authority

This procedure is made under the Research and Research Training Policy and supports compliance with the *Australian Competition and Consumer Act 2010* (Cth) in regards to Competitive Neutrality.

4. Procedure

Funding Agreements

All external research funding, including consultancies and funding offered by Philanthropic organisations**,** must be governed by an agreement, signed by the Pro Vice-Chancellor (Research and Innovation) or delegate, detailing:

a. the funding to be provided;
b. the terms and conditions of funding including financial and progress reporting milestones; and
c. the rights and responsibilities of the parties (including a consideration of the ownership and use rights of intellectual property, including Indigenous Cultural Intellectual Property (ICIP).

Costing a Research Project

When costing a project, the direct costs and indirect costs of the project, and applicable infrastructure support charges, must be fully calculated using the FUA costing and pricing tool and documented in the project budget.

This form must not be shared with external bodies including the funding agency. The funder will only see the final Price of the project.

Pricing a Research Project

The University is committed to developing a sustainable research capability by recovering direct and infrastructure costs incurred in the course of undertaking externally funded research and consultancies.

The pricing of external research agreements and consultancies must, at a minimum:

a. Cover the full direct cost of research including the costs of all University staff and student time in the research project (unless this is explicitly prohibited or limited by the funding conditions);
b. Unless prohibited or restricted by the funder, recover the **Infrastructure Costs** of the Project by applying a **Multiplier to the Direct costs** equal to or higher than;
    i. **1.45 (or add 45% to the direct cost)** for research grants and contracts; and
    ii. **1.9 (or add 90% to the direct cost)** for consultancies (whether research or not).

Note: the HDR living stipend/scholarship component of a project is usually exempt from Infrastructure recovery. Recovery on other direct project costs still applies.

Unless exempt due to the funding rules (e.g. ARC schemes where the CI time cannot be recovered), all projects must fully recover the salary and oncosts for any time commitment made by any Federation employee or student (e.g. HDR) working on the project. In cases where the funding rules of a scheme allow only limited cost recovery, applicants must request cost recovery to the maximum allowable.

The infrastructure amounts listed above outline the minimum requirement and does not operate as an upper limit on pricing. It does not prohibit the setting of higher prices, especially for Consultancy activity if warranted in the context of the market value of the expertise being provided.

5. Research Grants, Research Contracts, and Consultancies

Research Grants: A research grant is funding provided to support a defined program or project of research and development, usually through a competitive process run by government, philanthropic organisations, industry bodies or other funding agencies. A research grant usually involves genuine research and development activity that generates new knowledge, insight, methods, data, creative works or applications. It may produce academic, policy, practice or industry-oriented outputs, depending on the field and funding scheme. Research grants commonly support salaries, stipends, equipment, infrastructure access, operating costs, travel and other direct project costs. Institutional contributions (e.g. staff time commitment) or co-investment (e.g. in the case of CRCs) is often expected.

Research Contracts: A research contract is an agreement under which the University undertakes research and development activity for, or with, an external party under negotiated terms and conditions. Unlike a grant, a research contract is usually tied to a specific statement of work, agreed deliverables, milestones, timelines, reporting requirements and contractual obligations. Research contracts may arise from direct approaches, tender processes, collaborative negotiations or targeted calls.

Many research contracts involve applied research or experimental development in partnership with industry, government or community organisations. Intellectual property, confidentiality, publication review and use rights must be explicitly addressed in the agreement, because these matters vary significantly between contracts. The key distinction is that a research contract still involves research and development, even when the topic, scope or outputs are more tightly specified by the funder. If the activity is primarily the provision of expert advice, routine analysis, testing, evaluation, implementation support or another fee-for-service activity that does not generate new knowledge, it should generally be classified as consultancy rather than research contract activity.

Consultancy: Consultancy is the provision of expert advice, specialist services, analysis, evaluation, review, design, training or other professional input on a fee-for-service basis. It is normally commissioned to address a known problem, answer a defined question, or provide a specific deliverable for a client. Most consultancy does not constitute research because it applies existing knowledge, expertise, methods or techniques to a client's specific circumstances without undertaking genuine research and development.

Some projects, **evaluations** for example, may sit close to the boundary between consultancy and research. For example, a project may begin as consultancy but contain a research component or include work packages that are clearly research and others that are not.

Consultancy can be an important way for the University to make its expertise available to regional communities, industry, government and other partners. It can strengthen relationships, support engagement and create pathways to future research opportunities. However, consultancy should not be described as research unless the activity genuinely meets the criteria for research and development. In general, consultancy income is not treated as HERDC-reportable research and does not contribute to research block grant performance in the way eligible research income and HDR completions do.

Note: Consultancies undertaken as outside work arrangements are covered by the Staff Consultancy Procedure.

6. Distribution of Infrastructure Recovery

Recovered infrastructure will be distributed post-award by the CFO with 1/2 to the infrastructure recovery account of the Pro Vice-Chancellor (Research and Innovation) and 1/2 to the Research Centre or Institute (depending on the submission pathway).

For Consultancy projects, after all direct costs including salary and oncosts have been accounted for, the distributed 1/2 recovery and any margin above the minimum 90% will be distributed by agreement with the Centre Director or Executive Dean as appropriate. This would include any agreement for Consultancy recovery, including the margin above 90%, to be distributed into an individual staff member's consultancy account.

NOTE: Funds in Consultancy accounts cannot be accessed without an expenditure plan. Unspent funds will not be rolled over by the CFO.

Worked examples

The following indicative examples show how infrastructure recovery are applied to different project types:

Example	Direct cost	Pricing multiplier	Price	Recovery / margin	PVC (R&I) 1/2	Centre / Institute Ã½ + Margin	Nominal RSP Return
Research contract	$100,000	1.45	$145,000	$45,000	$22,500	$22,500	$29,000*
Consultancy (minimum)	$100,000	1.9	$190,000	$90,000	$45,000	$45,000	$0
Research grant (no recovery)	$100,000	0	$100,000	$0	$0	$0	$20,000
Consultancy (above minimum)	$100,000	2.0	$200,000	$90,000 + $10,000 margin	$45,000	$55,000	$0

- Research Support Program (RSP) is Research Infrastructure Block Grant (RIBG) funding that delivers approximately 20c per $ of research income.

Note: For consultancy projects the Centre/Institute 1/2 (plus margin if applicable) will be distributed on the direction and approval of the Centre Director or Executive Dean.

7. Procedural principles

Approvals

Prior to applying for external research funding, Research Centre staff must seek approval for the commitment of resources, including their time, from their Centre Director. Institute employed staff must seek approval from the Deputy Dean in consultation with their Head of Discipline and Associate Dean Research. If a project is led by an Institute employed researcher but is to be hosted by a Research Centre, then they must also obtain approval from the Centre Director. The approval ensures that the project is academically and financially viable for the budget unit, is broadly aligned with the Research Strategy, and is in line with the agreed development goals outlined in the staff member’s three-year research plan.

All externally-funded research project proposals must be approved (including approval of the budget) by the Pro Vice-Chancellor (Research and Innovation), or delegate, before being submitted to the funding body.

The Pro Vice-Chancellor (Research and Innovation) is responsible for approving any changes or updates to the Infrastructure cost recovery multipliers.

Compliance

The costing and pricing of externally-funded research projects and consultancies in compliance with this Procedure and all other relevant University policies and procedures is the responsibility of the first named/lead Federation University Investigator.

Infrastructure will be recovered by the CFO at the above rates even if the lead researcher has not costed the project correctly.

Deputy Deans, Associate Deans Research and Research Centre Directors are responsible for ensuring compliance with this procedure within their organisational units.

8. Roles and responsibilies

Role/Decision/Action	Responsibility
• Budget, cost and price externally funded research projects in accordance with this procedure. • Seek appropriate internal approval for their project proposal including the Budget.	Research staff and students (where applicable). HDR students must seek approval from their Primary Supervisor.
• Review and approve research proposals including Pricing in accordance with this procedure.	Centre Directors or Deputy Deans depending on submission pathway. University: PVC (R&I) or Delegate.
• Recover Infrastructure from awarded projects and distribute as per the procedure.	CFO
• Review and approve changes to the minimum Cost Recovery Multipliers. • Review and report on performance and compliance with this procedure.	PVC (Research and Innovation) and Director Research and Innovation.
• Provide relevant forms and processes to support research Costing and Pricing and budget sign-off in accordance with this procedure. • Provide training to Academic staff to support research costing and pricing in accordance with this procedure.	Research and Innovation and CFO

9. Definitions

Term	Definition
Competitive Neutrality	**Competitive Neutrality** requires the University to ensure that the Price it charges for research is not unreasonably low and is not being subsidised

	by the use of public assets. Competitive Neutrality means that state-owned and private businesses compete on a level playing field.
Direct Costs	**Direct Costs** are amounts that can be directly attributed to the delivery of a project (e.g. consumables, travel, or salary and salary-related costs).
External Research Funding	**External Research Funding** means income from outside the University, and may include competitive research grants, contract research and consultancies.
Infrastructure Recovery Multiplier	**Infrastructure Recovery Multiplier** means the multiplier applied to the direct research costs of a project in order to cover the full costs of the project. This does NOT apply to projects where the funding rules explicitly exclude these costs or to the HDR stipend/scholarship component of a project.
Infrastructure Costs	**Infrastructure Costs** (also known as Indirect costs or uplift), relate to costs such as building and laboratory space, research administration staff salaries, telecommunications and IT infrastructure, and library services.
Minimum Infrastructure Cost Recovery Multiplier	**Minimum Infrastructure Cost Recovery Multiplier** means the multiplier that must be applied to the fully costed direct research costs of a project in order to be compliant with this Procedure.
Price (or Pricing)	**Price (or Pricing)** means how much the client is charged for the research project. It will differ from the direct cost if Infrastructure recovery is applied.
Salary and salary-related costs	**Salary and salary-related costs** means base salary and all on-costs, including superannuation, workers compensation, payroll tax, leave loadings etc.

10. Responsibility

- The Pro Vice-Chancellor (Research and Innovation) (as the Approval Authority) is responsible for monitoring the implementation, outcomes and scheduled review of this procedure.
- The Director, Research and Innovation (as the Document Owner) is responsible for maintaining the content of this procedure as delegated by the Approval Authority.

11. Review

This procedure is to be reviewed by 1 July 2028.

12. Version history

Version	**Authorised by**	**Approval Date**	**Effective Date**	**Sections modified**
1	PVC (R&I)	2026	2026	New procedure.

Glossary