

Centres and Institutes for Research and Research Training Policy (MPF1020)

SCOPE

Centres or Institutes involving the University (i) whose major purpose is not related to research or research training or (ii) which have their own Regulations are not covered by this policy.

1. Introduction

The University has established and participates in a large number of Centres which are central to the strategy of raising the teaching and research profile of the University.

Centres are a mechanism for meeting the emerging needs of multi-disciplinary requirements in new teaching and research areas. It is important therefore that establishment and reporting requirements capture and demonstrate the value that new Centres add to the University.

There are two broad categories of Centres for Research and Research Training in the University:

- (i) Institutional Centres which do not involve an external node and for which the University has sole responsibility. Institutional Centres will not be incorporated normally.^[1]

Since 2008, a refocus on research priorities has led to the establishment of a number of major interdisciplinary research entities involving several Faculties and which are referred to as *Institutes*. These are governed by Regulation 5.1.R7.

- (ii) Collaborative Centres/Institutes which involve external organisations and where one or more nodes of the Centres/Institutes are located outside the University. These entities have a separate Board of Management and may be subject to formal external review. For these Collaborative Centres/Institutes, whose major purpose is related to research, the terms *centre* and *institute* have the same intent and meaning. However, from 2009, the preference of the University is the term *centre*. The term *institute* can be used only with the recommendation of the Deputy Vice-Chancellor (Research) to the Vice-Chancellor and subsequent approval by the Vice-Chancellor. For unincorporated Centres/Institutes the responsibility for their operation is shared between the University and the other organisations. They are created normally through formal contractual agreements.

Incorporated Centres/Institutes for Research and Research Training will have a different governance model but are still subject to these Guidelines. Additional guidelines for University participation or support for Incorporated Centres/Institutes are available as Appendices A and B.

A listing of the University of Melbourne Centres and Institutes for Research and Research Training is available at <http://www.unimelb.edu.au/unisec/as-sab/pdf/centrestrain.pdf>.

^[1] Historically, some centres of this type have been called *institutes*; this is not now the preferred name.

2. Formation

2.1 Institutional Centres for Research and Research Training

All proposals for new Institutional Centres must be submitted to the Vice-Chancellor for approval with a recommendation from the Deputy Vice-Chancellor (Research) and the relevant Deans of Faculties.

Centres will be established and disestablished by the Vice-Chancellor (refer to Section 5.1.4 of Statute 5.1).

In the consideration of any proposal for the formation of an Institutional Centre, the Vice-Chancellor must be satisfied that:

- The Centre has the potential to be of demonstrable benefit to the University;
- The academic purposes and objectives for which the Centre is proposed cannot be achieved reasonably within an existing University organisational structure; and
- The Centre can demonstrate financial viability for the initial operational term of the Centre which would be at least three years normally.

A Centre must show evidence of support from the relevant Faculties and have confirmation of wide consultation across discipline areas. For reporting purposes, each Centre should be clearly aligned with one Faculty.

Additional funds for the purposes of the establishment or operation of the Centre will be obtained in general from external sources.

2.1.1 Process for the Establishment of Institutional Centres

The process for the establishment of an institutional centre must occur in two stages.

The first stage of the process requires the completion of a template (Appendix C) which requests some basic indicative information related to the proposed centre. This template will form the basis of discussions between the proponents of the centre and the Deputy Vice-Chancellor (Research).

Subsequent to an in-principle agreement by the Deputy Vice-Chancellor (Research) that the centre is a viable proposition, the second stage of the process involves the development of a more complete plan (Centre Business Plan) which must include:

- Summary of the Plan - including, mission statement, objectives against Faculty and University Strategic Plans, teaching and /or research outcomes;
- Justification of the establishment of the Centre - addressing how the formation of a Centre is necessary to achieve the objectives and why these cannot be achieved through an existing organisational structure;
- Organisation and management structure - including staffing arrangements, proposed Director and term of appointment, any Centre advisory committee composition and definition of arrangements for administrative support;
- Research and Research Training Strategies - including course development, research areas and scope of any consulting activities;
- Funding - proposed seed funding, projected budgets identifying sources of external funds to support Centre activities, plans for becoming financially self-sufficient and growth of the funding base over time;

- Reporting and review cycle - including auditing cash and in-kind contributions annually, reporting against performance and financial objectives and mechanisms to capture and report any Intellectual Property (IP) developed; and
- Sunset or renewal arrangements at the end of the secured funding cycle.

2.2 Collaborative Centres/Institutes

In general, there are two types of Collaborative Centres and Institutes for Research and Research Training which involve the University of Melbourne and external organisations:

(i) Centres and Institutes which result from successful applications to major funding schemes (for example, the Australian Research Council Centres of Excellence Scheme, the National Health and Medical Research Council Centres of Research Excellence Scheme and the Cooperative Research Centres Program).

In such cases, the approval from the Deputy Vice-Chancellor (Research) is obtained by virtue of the submission process for the application which must be prepared with support from the Deans of the relevant Faculties and in consultation with the Melbourne Research Office and (as appropriate) with Legal Services. A successful submission to the funding Scheme results in the opportunity to form the Centre or Institute. These centres will have complied already with the requirements of the funding bodies which are similar to those of section 2.1.1.

(ii) A number of external organisations and the University agree to establish an entity for research purposes.

These Centres and Institutes for Research and Research Training must comply with the requirements of Section 2.1.

For all types of Collaborative Centres and Institutes for Research and Research Training, the University will provide support as required by the conditions of the collaboration or funding scheme. A written agreement must be signed by authorised persons of the collaborating organisations and the University. The Melbourne Research Office must be consulted with regard to the collaborative agreement.

Deans of Faculties must notify the Vice-Chancellor of the establishment of these Centres or Institutes.

All such Centres and Institutes may also need to comply with aspects of Guideline 5 of the *University of Melbourne Guidelines Concerning Commercial Activities* (Commercial Activities Guidelines) which, for example, in paragraph 10(c) requires an assessment to be made of any significant University exposure to liability and a report from the Deputy Vice-Chancellor (Research) to Finance Committee consequent upon in-principle approval at the Deputy Vice-Chancellor (Research) level of entry into the joint undertaking.

Finance Committee through the Chief Financial Officer should then be in a position to determine if any of Guidelines 2 or 3 will apply to the undertaking, dealing with insurance backing for indemnities (Guideline 2) and a more formal monitoring process having regard to the scale and nature of the undertaking (Guideline 3).

Whilst Guideline 1 which sets out a list of assessments that should be taken into account at the outset of any such undertaking does not strictly apply, at least as prescribed by the Commercial Activities Guidelines, it nevertheless sets out a best practice list of measures that should be considered and which the Deputy Vice-Chancellor (Research) may wish to consider in the context of any application for in-

principle approval. (More information related to the Commercial Activities Guidelines including the compliance package is available at <http://www.unimelb.edu.au/unisec/cg/>.)

2.3 Budgets

It is expected that budgets for all Centres/Institutes will be prepared in consultation with the Executive Director (Research) and will include cost recovery for the provision of research infrastructure and services and the calculation of in-kind contributions associated with research activities. Advice on the valuation of IP should be sought from Melbourne Ventures Pty Ltd.

3. Reporting

Approved procedures must be established to enable adequate reporting on the activities of the various types of Centres and Institutes for Research and Research Training. (For unincorporated collaborative Centres/Institutes, refer also to the monitoring obligations which may apply as a consequence of paragraph 10(c) of Guideline 5 of the Commercial Activities Guidelines.)

The Heads of the Departments and Deans of the Faculties involved are to be kept informed on a regular basis about Centre/Institute activities by receiving the relevant management documentation including minutes of meetings, financial statements and annual reports.

Unless the Centre/Institute is subject to formal and regular external reviews, Centres/Institutes will be reviewed every five years (also refer to Section 7). This ensures that Centres/Institutes are within the University's continuous improvement and quality assurance cycles.

On an annual basis, each Centre/Institute must (in conjunction with the Heads of Departments) assess its performance against Centre/Institute objectives and budgets, including the reporting of any IP developed by the Centre/Institute within the previous twelve months. The outcomes of this assessment should be discussed with, and presented to, the relevant Heads of Departments and Deans of Faculties. Performance of Centres/Institutes will form part of the Faculty Strategy and Performance Review.

4. Responsibilities

4.1 Institutional Centres

Where a Centre involves only one Department, that Department must be designated as the unit responsible for the Centre and the staff therein. Where a Centre involves more than one Department, only one Department would be designated normally as the unit responsible. The Head of the Centre will be responsible for complying with the reporting requirements.

Each Centre must have an Advisory Committee comprising both University members and external members as deemed appropriate for the Centre's Mission. The Advisory Committee must meet at least twice a year.

4.2 Collaborative Centres/Institutes

When the Centre/Institute is unincorporated, only one Department will be designated usually as the unit responsible for the Centre/Institute.

Where the Head of the Centre/Institute is not a member of the University, a University staff member will be designated Head of the University node and will undertake the reporting responsibility (including ensuring compliance where applicable with the Commercial Activities Guidelines). This person will

provide the first point of contact for any matters pertaining to the activities of the University node of the Centre/Institute.

For Incorporated Centres/Institutes reporting will be in accordance with the obligations described in the contractual arrangements. A University staff member will be designated usually the point of contact for the Centre/Institute.

5. Staffing Issues

All University staff engaged to work in any Centre/Institute will be employed normally in a Faculty with which the Centre/Institute is involved. All such staff will assume the responsibilities consistent with membership of the relevant Departments or Faculties.

Any special conditions for staff seconded to Incorporated Centres/Institutes will be determined when the University enters into contractual arrangements with the incorporated body.

Subject to the provisions of Statute 5.1, a Head of an Institutional Centre will be appointed for a period of up to five years in the first instance, renewable for further periods of up to five years. Where appropriate, the terms and conditions of the Head's appointment should be confirmed at the time the Centre is proposed.

6. Audit Requirements

Funds available to Centres/Institutes are the overall responsibility of the Departments involved. The accounts of the Centres/Institutes are audited as part of the continuous auditing procedures which the University must undertake to fulfil its statutory obligations.

In some cases, there is a requirement for the University's in-kind contributions, resulting from the commitment of both human and other resources, to be ratified in the audit of the activities of the Centre/Institute. Each Centre/Institute must establish and maintain a record of all its resources and IP created. The latter must be reported in accordance with the University invention disclosure policy.

For some Centres/Institutes, there may be also a requirement for the accounts associated with the Centres/Institutes to be audited independently of the auditing operations of the University. In the first instance, audit arrangements should be made with the Internal Audit Office of the University.

7. Review

7.1 Externally Reviewed Centres/Institutes

For Collaborative Centres/Institutes and some types of Institutional Centres which are obliged to undergo an external review under a major funding scheme or other requirement, the Faculties responsible for the Centre/Institute will not conduct usually another review of the University contribution to the Centre/Institute. This decision is subject to both the satisfactory operation of the Centre/Institute and acceptable outcomes from the external review.

7.2 Institutional Centres

Each Institutional Centre must develop a Centre Business Plan along the lines outlined in Section 2.1.1. Each Centre should report annually on the outcomes achieved against the Plan objectives at the same time as the Strategy and Performance Reviews held in Faculties. Where the Centre is not subject to a formal external review as a condition of establishment, each Institutional Centre will be required to undergo at least five-yearly reviews. For these reviews, at least one member of

the review panel will be both external to the University and independent of the Centre. The Chair of the review panel will be (at least) independent of the Centre.

If a Centre is deemed not to be performing against its Centre Business Plan, a recommendation must be made by the Deans of the relevant Faculties to the Vice-Chancellor for consideration according to Section 8.

7.3 Review Documentatio

For Centres/Institutes described in sections 7.1 and 7.2, copies of the reports of reviews including the responses by the Faculties must be provided by the Deans of the Faculties responsible for the Centre/Institute (i) to the Vice-Chancellor for consideration and subsequent forwarding (by the Vice-Chancellor) to Senior Executive and (ii) for reporting through the Strategy and Performance Review process.

8. Disestablishment

Centres/Institutes will be disestablished by the Vice-Chancellor after receiving advice from the Deans of the Faculties.

In determining whether the continuation of a Centre/Institute for Research and Research Training within the University should be approved, the Vice-Chancellor will take into account the advice of the Deputy Vice-Chancellor (Research) and relevant Heads of Departments and Deans of Faculties as to whether:

- The purposes and objectives of the Centre/Institute have been met;
- The Centre/Institute is continuing to provide a unique and productive role in the University;
- The Centre/Institute continues to fit within the basic organisation structure of the University; and
- The Centre/Institute has a firm financial base.

Processes for disestablishment may well differ depending on whether an institutional or a collaborative centre is involved, with the former coming within section 5.1.4 of Statute 5.1, and the latter most likely needing to take into account the possible application of the Commercial Activities Guidelines (for example, paragraph 10(c) of Guideline 5) and the role of the Deputy Vice-Chancellor (Research) on behalf of the University in such matters (refer to the Commercial Activities Guidelines and compliance package).

9. Change of names, categories and review dates

Requests for changes to the names of Centres/Institutes, categories (institutional or collaborative) of Centres/Institutes and review dates must be submitted for approval to the Deputy Vice-Chancellor (Research) by the Deans of the Faculties for subsequent forwarding to Senior Executive by the Deputy Vice-Chancellor (Research). Any requests for changes of review dates to another calendar year will be subject to the endorsement of Senior Executive.

To the extent that any such matters involving collaborative centres may affect approvals previously obtained in compliance with the Commercial Activities Guidelines, such proposed changes will also need to address these same requirements.

10. Other changes

Other changes such as the change of status of a Centre/Institute or a change to the University of Melbourne composition of a Centre/Institute must be provided by the Deans of the Faculties for information to the Deputy Vice-Chancellor (Research) for subsequent forwarding to Senior Executive.

A change of status of a Centre/Institute may occur, for example, when a Centre/Institute formed originally with support from a major funding scheme has come to the end of the funding period but still exists with either (i) the same name usually with the approval of the funding scheme or (ii) the same name minus the component which identifies the funding scheme. However, should the end of a funding period for a Centre/Institute result in a different name or category type, the Centre/Institute is subject to Section 9.

11. Recorded Dates

The date of the establishment or disestablishment of a Centre/Institute for

- (i) Institutional Centres will be the date of the Council Meeting at which the Vice-Chancellor reports the establishment or disestablishment.
- (ii) Collaborative Centres/Institutes will be the date recorded in any relevant contractual agreements. Where such a date does not exist, the date of the Council Meeting at which the Vice-Chancellor reports the establishment or disestablishment will be used.

Office of the Deputy Vice-Chancellor (Research)

March 2011

Appendix A

The University of Melbourne Involvement in Incorporated Collaborative Centres and Institutes for Research and Research Training

Explanatory Notes and Guidelines

These Explanatory Notes and Guidelines should be read in conjunction with *The University of Melbourne Involvement in Incorporated Collaborative Centres and Institutes for Research and Research Training – Summary* (Appendix B).

Background

Funding agencies at all levels are imposing stringent requirements on the provision of funding for research or educational purposes. There is an increasing trend to incorporate centres. Funding agencies are insisting that the Management and Board of Centres/Institutes should be able to act independently and to be responsible for the direction of the Centre/Institute and its programs. It is not considered appropriate for Centres/Institutes to have Boards which represent the specific interests of participants which establish them.

The establishment and continuing growth of Incorporated Collaborative Centres/Institutes raise significant issues for Universities in particular. Some of these issues can be managed, although the costs of doing so are substantial and entail an ongoing commitment of University resources. The benefits derived from involvement in an Incorporated Collaborative Centre/Institute are more difficult to quantify and are perhaps more intangible in nature.

Determining when it is appropriate and beneficial to create or participate in an Incorporated Collaborative Centre/Institute is a fundamental threshold question for the University. It is necessary for some minimum criteria to be identified which need to be satisfied before the University agrees to commit cash and in-kind resources to a proposal to establish an Incorporated Collaborative Centre/Institute.

As a typical example, the former Commonwealth Department of Education, Science and Training (responsible at the time for the Cooperative Research Centres Program) issued guidelines for the 2005 Round of Cooperative Research Centres Program which included the following requirements:

- Centres must reflect collaboration between research institutions and industry and should have a strong commercialisation focus in addition to undertaking research and educational activities.
- Centres must be incorporated as either a company limited by shares or a company limited by guarantee with a board of directors who will act in the interests of the company.
- Applicants need to make matching commitments of cash and in-kind resources, historically in the order of 3:1 to the funds provided by the former Commonwealth Department of Education, Science and Training.

In considering whether or not to participate in the establishment of an Incorporated Collaborative Centre/Institute, a number of issues including the following must be resolved:

- Is the proposed Centre/Institute aligned with the University's strategic interests and direction, that is, will this Centre/Institute be of benefit to the University?
- What is the true financial cost, in terms of cash and in-kind contribution, of the proposed Centre/Institute?
- What is the opportunity cost of making available the required resources from the University to the Centre/Institute which is a separate legal entity and ultimately not accountable to the University?
- Should the University make available resources (cash and in-kind) in order to win the Centre/Institute which may then be used for research projects at other institutions? Should cash made available by the University be tied to undertake research projects at the University? Should a cash contribution be subject to a multiplier return?
- What are the academic benefits of being associated with an incorporated entity rather than an unincorporated entity?
- Should university employees be involved in positions of management or on boards of Incorporated Collaborative Centres/Institutes?
- Who should pay the costs for complex legal documentation required to establish and maintain an Incorporated Collaborative Centre/Institute?
- How can the University ensure that the proper governance of the Centre/Institute (including the reporting requirements of the Australian Securities and Investments Commission) is met?
- What, if any, are the reputational risks posed for the University?

- What steps need to be taken to comply with the *University of Melbourne Guidelines Concerning Commercial Activities* (Commercial Activities Guidelines), noting in particular paragraphs 10(b) and 11 of Guideline 5?

Financial

In earlier years, Centres/Institutes were mainly unincorporated joint ventures of a number of parties coming together and agreeing to pursue a program of activities, mainly research and educational. This meant that funding from the Commonwealth or State Government could flow directly back into research projects to be undertaken at the University. There was also reasonable certainty that the amount of allocated funds which was agreed at the beginning of the life of the Centre/Institute would flow to the University. This is no longer the case. It will be up to the Board and Management of the Incorporated Collaborative Centre/Institute to determine which activities or research projects should proceed and which should not proceed.

Therefore, unless the University *ties* its cash contribution to research activities to be carried out within the University's premises, it runs the risk of becoming a research funder rather than a research provider.

Tax

Subject to possible review in the light of the decision of the High Court in the *Word Investments case*, the Australian Taxation Office has made it clear previously that Incorporated Collaborative Centres/Institutes will not be able easily to obtain tax-exempt status. In the main, Incorporated Collaborative Centres/Institutes will be liable to pay income tax as well as all other taxes normally paid by enterprises carrying out commercial activities. This means that a substantial amount of the funds contributed by the funding body and the participants could have to be remitted in taxes to the Australian Taxation Office if the financial management of the Centre/Institute is not robust, or certain structural provisions designed to address the likely tax treatment are not present in the constitution of the Incorporated Collaborative Centres/Institutes.

Taxes such as the Goods and Services Tax also carry significant hidden administrative costs. Systems have to be established and personnel have to be employed to deal with these issues.

Legal

Participation in the formation or establishment of a company is subject to compliance with the Commercial Activities Guidelines, which are overseen by the Finance Committee and to certain reporting and other requirements, including under the University of Melbourne Act 2009 (refer to the Finance Committee terms of reference for its functions and applicable delegations accessible at <http://www.unimelb.edu.au/unisec/Srvol1/r2-001.html>).

An Incorporated Collaborative Centre/Institute is a separate legal entity to the University. This has significant legal implications. The Board of Directors of an Incorporated Collaborative Centre/Institute is required by law to give primary consideration to the interests of the company itself. The directors will not be in a position to represent the interests of a particular shareholder or member. The Board will be entitled and obliged to consider the activities of the company, and to determine from time to time whether certain activities should be discontinued or others included, whether costs should be cut back, whether additional funding should be sought. A Board may decide that it is necessary to raise funds or that the company should be positioned to be publicly listed. These types of activities carry risk and need to be considered in appropriate detail by properly qualified personnel.

Although the University may be a member or shareholder in an Incorporated Collaborative Centre/Institute and may have contributed considerable cash and in-kind resources to the

Centre/Institute, it will not be able to control the direction or activities of the company. At best, it can devote resources to try and ensure that the centre is managed as effectively as possible. Alternatively, and subject to the terms of any relevant agreement or constitution, it can, with notice, withdraw from the Centre/Institute having provided considerable costs for its establishment.

Therefore for reputational, legal and liability reasons, it may be more appropriate for the University not to be the member or shareholder in an Incorporated Collaborative Centre/Institute, but instead to have Melbourne Ventures Pty Ltd or some other similar subsidiary as the shareholder or member.

However, even this separation will not necessarily achieve the desired objective in all instances, and may not always render the provisions in the *University of Melbourne Act 2009* and the Commercial Activities Guidelines inapplicable.

The legal costs associated with establishing Incorporated Collaborative Centres/Institutes are high as structures are increasingly complex and involve substantial legal documentation such as Constitutions, shareholders agreements, project agreements and spin-out companies.

Therefore the University will need to devote resources to ensure its involvement in an Incorporated Collaborative Centre/Institute is compliant with University legislation and policies, protects the interests of the University and limits the University's potential liability. Even if funds from the funding body are used to prepare legal documentation, the University will need to allocate resources to negotiate its position, to prepare and review legal documents and to perform due diligences on Intellectual Property to be made available by the University, as well as verifying property acquired or commitments made or to be made by the Incorporated Collaborative Centre/Institute.

An Incorporated Collaborative Centre/Institute also has ongoing reporting requirements to the Australian Securities and Investments Commission and as a shareholder or member, even through a subsidiary, it is in the interests of the University to ensure that all appropriate governance requirements are met. Even if the University can and does rely on the *corporate veil* argument, (such that Melbourne Ventures Pty Ltd or some other subsidiary is a separate legal entity with limited liability), in regard to any potential legal liability, such protection may be limited as mentioned previously. Courts are increasingly likely to look behind the corporate veil. In any case, reliance on the corporate veil defence, even if appropriate, is unlikely to enhance the University's reputation should an Incorporated Collaborative Centre/Institute with which it is involved encounter financial or legal difficulties.

Governance

An Incorporated Collaborative Centre/Institute will also have ongoing reporting requirements to the Australian Securities and Investments Commission and it is in the interests of the University (as a significant shareholder or member) to ensure that all appropriate governance requirements are met. While these reporting requirements may not apparently amount to many thousands of dollars, they also involve hidden administrative costs and risks of non-compliance.

It is important that the people who become involved in the management of Incorporated Collaborative Centres/Institutes are properly skilled and trained. If University employees take up positions of management, then they should, in order to avoid conflicts of interest, stand down from their University employment or at least change their employment terms to reflect this new commitment. Similarly, as it is potentially conceivable that the interests of the University and the interests of the company may not be always aligned, non-executive directors should preferably not be University employees.

Appendix B

The University of Melbourne Involvement in Incorporated Collaborative Centres and Institutes for Research and Research Training

Summary

This Summary should be read in conjunction with *The University of Melbourne Involvement in Incorporated Collaborative Centres and Institutes for Research and Research Training – Explanatory Notes and Guidelines* (Appendix A).

A proposal for an Incorporated Collaborative Centre/Institute for Research and Research Training should meet the following minimum criteria:

- A proposal to establish or participate in an Incorporated Collaborative Centre/Institute must be approved by the Deans of the relevant Faculties and the Deputy Vice-Chancellor (Research) in the first instance. Final approval of the proposed Centre/Institute is subject to consideration and approval by Finance Committee on behalf of Council.
- Each proposal to Finance Committee (submitted through the Chief Financial Officer) must include a detailed costing, business plan and due diligence on intellectual property, conflicts of interest and other material commitments. Applicants must prepare proposals compliant with the *Policy on the Formation and Management of Centres and Institutes for Research and Research Training Involving the University of Melbourne* and the *University of Melbourne Guidelines Concerning Commercial Activities* (Commercial Activities Guidelines).
- As a general rule, given the costs involved, Centres/Institutes should not be incorporated unless the value of the proposed Centre/Institute is at least \$10 million (cash and in-kind) and has a minimum term of three years.
- Wherever practicable, the University's participation as a shareholder or member of an Incorporated Collaborative Centre/Institute will be principally through a wholly owned subsidiary such as Melbourne Ventures Pty Ltd, with the University accepting responsibility for the discharge of any research-related obligations through a research contract with the Incorporated Collaborative Centre/Institute. For the purposes of the Commercial Activities Guidelines, participation through such a subsidiary is the equivalent to direct participation by the University and compliance with these Guidelines still needs to be addressed on the same basis (Guideline 5 in particular).
- The Board of an Incorporated Collaborative Centre/Institute will have the authority to determine the research program and other activities. However, any contract research project (or part thereof) allocated to the University of Melbourne must be acceptable to the University and compliant with University policies on such matters as ethics, risk management and safety.
- University approval of projects to be conducted at the University will be subject to a realistic cost/benefit analysis on the resources, especially the level of cash being made available to the University for the project, by reference to the total University contribution and to the potential enhancement of the University's core teaching and research activities. The University would normally expect that for each dollar of cash it contributes, it would receive at least three dollars of additional cash from the Incorporated Collaborative Centre/Institute to undertake the project.
- Budgeting for Projects to be conducted at the University must include a 35% minimum (of new external cash) research services and facilities contribution towards the additional support costs incurred for new research.
- Any cash which is contributed by the University will be tied to projects executed at the University. Cash normally will not be transferable directly to an external body. The University will establish (through the Deputy Vice-Chancellor (Research)) a separate account at the University to which its contributed funds will be transferred until allocated, on the advice of the

Centre/Institute Board of Management, to approved projects at the University. The commitments and expenditure will be subject to financial audit. The funds will (if possible) remain under the ownership and control of the University and therefore not be unconditionally committed, until transferred on the request of the Centre/Institute Board of Management to the University approved project.

- If an employee of the University seeks to be a director of an Incorporated Collaborative Centre/Institute, he or she must have approval from the Finance Committee (through the Chief Financial Officer) and must have appropriate training on the responsibilities and obligations of directors. Any conflict of interest matters must be managed in accordance with University policies.
- If a current employee of the University intends to be the Chief Executive Officer or in a senior management position with an Incorporated Collaborative Centre/Institute, it is expected that he or she will have appropriate training on the responsibilities and obligations of Chief Executive Officers. He or she will need to either seek leave of absence without pay from the University or resign from his or her position because the Centre/Institute will be a separate legal entity.
- Use of University Intellectual Property by the Centre/Institute will be subject to negotiation and agreement with the Deputy Vice-Chancellor (Research) in consultation with Melbourne Ventures Pty Ltd and will reflect the interests of the University to sustain research programs in the longer term.

Appendix C

The University of Melbourne STAGE ONE OF the Process to establish an Institutional centre FOR research and research training

Background

The *Policy on the Formation and Management of Centres and Institutes for Research and Research Training Involving the University of Melbourne* requires that all proposals for new institutional centres for research and research training be submitted to the Vice-Chancellor for approval with a recommendation from the Deputy Vice-Chancellor (Research) and the relevant Deans.

The completed Template constitutes Stage One of the process. [Download](#) a copy of the template.

Stage Two of the process requires the submission of a complete Centre Business Plan as described in the policy (Section 2.1.1).

Submission of the Completed Template

The chief academic proponent and corresponding Heads and Deans are responsible for drafting the recommendation to establish a centre for research and research training for discussion with the Deputy Vice-Chancellor (Research). The final recommendation (contained in the complete Centre Business Plan) must be submitted to the Vice-Chancellor for approval. The completed Template would be normally no more than three A4 pages in length (noting that where appropriate, letters of support and a draft budget may be attached).

List of Centres and Institutes for Research and Research Training

Refer to the full list of centres and institutes at: <http://www.unimelb.edu.au/unisec/as-sab/pdf/centrestrain.pdf>