

**MINERALS AND ENERGY RESEARCH INSTITUTE OF W.A.**

**POLICIES ON FUNDING, AND  
ADMINISTRATION OF RESEARCH GRANTS**

- A. Project Assessment and Funding
- B. Proprietary Equipment
- C. Confidentiality of Information
- D. Intellectual Property
- E. Research Budgeting

## **A. PROJECT ASSESSMENT AND FUNDING**

1. Project assessment will consider the technical merit and innovativeness of the proposed research study. The problem and the status of the technology should be discussed and the objectives clearly defined. The program should explain how each objective will be achieved within the budget and time frame proposed.

Budget estimates will be examined according to the criteria covered in Policy Statement E, and should be supported by explanatory information included with the application.

2. Because of the limited availability of Government funding, MERIWA's policy is to maximise the number of projects funded by seeking a high proportion of industry sponsorship. Project applicants should encourage industry participation at an early stage in the research formulation process, to enable projects to be more focussed to the industry's needs, and to ascertain their interest in supporting the study.

Preference will be given to projects with more than one or two sponsors. In many respects, a large number of sponsors is desirable although more costly to coordinate. For projects where a single company or joint venture wishes to retain sole sponsorship for commercial reasons, funding will generally be determined on the low side or below the indicative range. Such sponsors are expected to contribute a larger proportion of the cost since they will be the sole beneficiaries of the results.

For technically endorsed research projects, MERIWA will contribute funding of between 30% and 35% of the total project cash required. In certain circumstances, the contribution may be determined above or below this indicative range depending on the assessed merit of the study, its relevance to MERIWA's objectives and the availability of sponsorship. To maximise the number of projects undertaken, project grants will, normally, be less than \$150,000 for a 3 year Project.

3. Projects which do not achieve an adequate level of sponsorship will not be supported. However, the scope of the study may be changed and tailored to the funds available, in which case the proposal must be re examined and re endorsed by Minerals Research Advisory Committee (MRAC).
4. Projects assessed to be predominantly development may be funded, but generally on the lower side or below the guideline range. Projects which are assessed as consulting rather than research will not be supported.
5. Applications received from locally operating companies for research on operations or the ores of an offshore venture will be considered by MERIWA, providing that there is a clearly defined benefit accruing to WA, and that local sponsorship is obtained.

Projects being undertaken at local institutions but with sponsorship from overseas as well as locally operating companies will be accepted if judged to comply with MERIWA's normal guidelines.

Other Government funding is not regarded as sponsorship. The proportion of MERIWA funding will be based on industry sponsorship only.

**B. PROPRIETARY EQUIPMENT PURCHASED FROM PROJECT FUNDS**

1. In the Agreement with the Grantee, MERIWA undertakes to grant Government and sponsorship funds to the Grantee to perform an approved research project. The project might require the purchase of items of proprietary equipment, as specified in the application, and by way of the Agreement, MERIWA empowers the Grantee to purchase and utilise this equipment and receive benefits from its use. The equipment therefore becomes an Asset of the Grantee, as defined by the Australian Accounting Research Foundation and accepted by Treasury.
2. The Grantee is responsible for the proper care, utilisation and maintenance of this equipment and for its security and insurance cover, throughout the duration of the study.
3. MERIWA shall not claim ownership of the equipment, nor claim the option that the equipment may be required for utilisation on other future projects. It would however encourage this in the interest of achieving maximum benefit from research grants.
4. Where an item of equipment is purchased especially for a project, and will become redundant upon completion of the project and will not continue to be used for minerals research, then a residual value, or estimated resale value of the equipment, shall be allowed for in the initial project budget, and a net cost only included.<sup>1</sup> The responsibility for the future use or disposal of the equipment will remain with the Grantee.

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<sup>1</sup> For example, a motor vehicle is purchased for a project (as was done on M135)

Initial purchase price say	\$20,000
Less estimated resale value	8,000
Net cost allowed in the project budget	<u>\$12,000</u>

Since the Grantee owns the vehicle, it is up to him to arrange resale.

## C. CONFIDENTIALITY OF INFORMATION

1. MRAC members and MERIWA staff have obligations in regard to the confidentiality of any data or information contained in proposals, as specified by the applicant. These secrecy provisions are included in Section 35 of the Minerals and Energy Research Act.

If the confidentiality clause on the final page of each application is marked by the applicant requesting restricted circulation, or in respect to a referee, then such a request must be referred to the Sub-Committee and MRAC, and appropriate measures taken after consultation with the applicant or referee. Notwithstanding any such request, if any member or deputy member considers that there could be a perceived conflict of interest by his or her involvement in the assessment of an application, such conflict must be disclosed to the Committee, who shall decide whether that member takes any further part in the assessment process.

2. The final report, including all data and conclusions resulting from a research project funded by MERIWA shall be published. However, publication may be deferred at the request of a sponsor for one year, providing there are justifiable reasons for such a request. Publication deferral for more than one year must be justified and permission granted by the Board.
3. Conflict of interest may arise between sponsors who do not wish to disclose the intellectual property, students who wish to publish their theses, or researchers who wish to publish for recognition of their work.

Such conflicts of interest shall be resolved by negotiation between the parties, e.g. by agreeing to withdraw sensitive information from the published version. Types of information can include -

- (i) Confidential data supplied by the sponsor for use by the research team.
  - (ii) Formulations or processing details of commercially marketed products.
  - (iii) Software developed as part of the project which is considered to have commercial value.
  - (iv) Where a project continues into a second phase study with new sponsors contributing to the second phase, and who are perceived to be benefiting from phase 1 without having contributed to its cost. This difficulty can be overcome by charging a premium on the normal sponsorship.
4. MERIWA's policy as expressed above assumes a degree of flexibility, because of the relative interests of each party in the intellectual property, the specific type of information to be withheld, and the particular circumstances of each case. However, experience shows that conflicts can generally be resolved by round table discussion and negotiation.

## D. **INTELLECTUAL PROPERTY**

1. Provisional patents on any patentable products or processes developed from a MERIWA funded research project may be taken out by the Grantee or Applicant at their expense, after consultation with MERIWA and the sponsors.
2. As a general principle, MERIWA will not take out provisional patents or patents in its own name or jointly with others, nor will it be involved in the financing of patent applications. However, MERIWA acknowledges that there may be circumstances under which it is necessary and desirable to invest in a patent to safeguard the intellectual property resulting from a research project. As allowed for in its Act, MERIWA may then invest in a patent.
3. To promote the development and commercial exploitation of any new product or process within the State, MERIWA will encourage the Grantee and Applicant to enter into a commercial arrangement with a prospective Western Australian manufacturer or commercial organisation, with regard to the patenting and future commercial development, manufacture, and exploitation of the new product or process.
4. As MERIWA has intellectual property rights, it may negotiate to receive a royalty or lump sum in return for waiving its intellectual property rights, as part of any such commercial agreement. The magnitude of the royalty and duration of its payment would be negotiated on a case by case basis, according to the particular circumstances. MERIWA may decide to exercise this right, for example, if the intellectual property is sold to an overseas company for commercial exploitation offshore with little benefit accruing to WA.
5. Other types of Intellectual Property, including such items as software, a data bank, etc., may be offered for sale by the Applicant or the Grantee, after consultation with MERIWA and the sponsors, and with their approval. The price and conditions of sale shall be agreed after consultation between the parties concerned.

## E. MERIWA POLICY FOR ASSESSING RESEARCH BUDGETS AND FUNDING PROJECTS

### 1. MERIWA criteria for assessing project budgets

1.1 The salary costs of research assistants or students, whose salaries are dependent entirely on the project, will be accepted, including the appropriate on-costs. (Normally 14% - 16%).

1.2 The salaries of senior research investigators whose input is substantial and/or who have special expertise and experience relevant to the project, will be assessed using the salary rates adopted by the ARC. The current rates are as follows:

Level A	Research Associate (APDRF)	\$47,455	-	\$51,055
Level B	Senior Research Associate	\$53,722	-	\$63,797
Level C	“ “ “	\$65,810	-	\$75,885
Level D	Associate Professor	\$79,242	-	\$87,300

The on-costs will be at the current % rate allocated by universities for these classifications. (Currently 28.4%).

1.3 The salaries of project supervisors will generally not be accepted by MERIWA in project budgets unless their time input to the project is substantial, and the cost claimed is the substitute cost for lecturing time.

If a project supervisor's salary is accepted because of his/her specialised and substantial input, then it will be limited to that of a Senior Research Fellow.

1.4 For projects originating from Industry, where payment of the researcher is largely dependent on the project funding, salary costs will be treated in the same way as above. Commercial charge-out rates which include establishment overheads will not be funded per se.

1.5 Reasonable administrative overheads, and charges for the use of facilities (including rent) and equipment, library services etc, are accepted as an infrastructure charge. For the Universities, this is normally 15% of budget. For CSIRO it may be considerably higher but with a ceiling of 30%. Charges for testwork, maintenance of equipment, consumables or library charges etc., which are directly attributable to the project are accepted.

1.6 Reasonable travel expenses for site visits associated with the project are accepted, but overseas or interstate travel to conferences etc., will not in general be funded by the MERIWA grant.

### 2. Project budgets not based on MERIWA's assessment criteria

2.1 MERIWA may support research projects in which the budget falls outside MERIWA's assessment criteria providing industry is prepared to sponsor the study under those conditions. MERIWA's role will be to provide financial support only to the extent allowed in its policy, and if required, to coordinate the study.

2.2 Since the project is supported, MERIWA has a responsibility to ensure that the budget is reasonably and fairly structured.

### 3. Maximum level of grant

Whereas MERIWA's aim is to fund projects with multiple sponsors up to a level of **35% of their cash value as determined by MERIWA's policy**, it is necessary to set an upper limit

to specific project funding to ensure its limited resources are accessible to as many projects as possible.

The Board will from time to time review the upper level of grant available for projects, taking into consideration prevailing circumstances, not least of which are the level of Government funding and the number of applications received and/or pending.

**The current upper limit is set at \$80,000 per project but the Board reserves the right to increase this to recognize the special needs and/or qualities of any specific project.**

For projects with a single sponsor, MERIWA will only provide a maximum of up to 10% of the cash value as determined by MERIWA's policy.

The value of the upper limit and the proportion of funding may be varied from time to time according to circumstances. Researchers will be advised on receipt of applications and via the bi-annual MERIWA "Research News".

#### 4. **Funding of projects in which MERIWA is not the broker**

MERIWA's core business is to fund minerals and energy research projects that benefit Western Australian research and industry and in which MERIWA has the prime coordinating and administrative role - it is, in effect, the broker for Western Australian based and supported research and development projects.

It is also in the interests of the State for MERIWA to support/sponsor research proposals put forward by consortium groups e.g. AMIRA, CSIRO and Industry Consortia (viz Industry Groups at Universities and CSIRO) in which MERIWA is not the broker, provided that:

- they have major industry sponsorship;
- the MERIWA support maximises the research done in the State and hence benefits the State;
- MERIWA can publish the reports and facilitate technology transfer;
- guarantees can be given by the consortia that MERIWA funds are used 100% on research and acceptable administration costs.

However, support can only be provided to projects in which MERIWA is not the broker when MERIWA funds are sufficient to fund both core business projects and those proposed by consortia.

When the Board, in considering all circumstances applicable at the time, decides that funds are restricted, MERIWA will revert to its core business and support only those projects over which it has total administrative and coordinating control.

The policy of initiating assessment of research proposals in order of receipt will continue. However, when the Board determines that funding is restricted, only those projects related to core business will be referred to the Minerals Research Advisory Committee for assessment of technical merit. When the Board decides that sufficient funding is again available those projects held in abeyance and still seeking MERIWA funding will be reviewed. They will be deemed to have been received at this later date and will be processed in the usual way.