

# Research Levies

# What is a research levy?

- Applied to Cat 2 and Cat 3 Income (Contract Research and Consultancies).
- Covers indirect costs for Western and MARCS such as overheads, levies, infrastructure costs, administrative costs or fees.
- Needs to be taken into account when preparing a budget for a Cat 2 or 3 scheme.
- Cat 2 and 3 budgets (and applications) differ greatly from Cat 1 (ARC) schemes that we are used to.

# Research Levy is 35%

Three components:

1. University overheads (15%)\*
2. School/Institute overheads (15%)
3. Research Division Commercial Development Fund overheads (5%)

\* Waived for projects of \$100,000 or less (excluding GST) per annum

\*\* For projects with registered charities, all overheads are waived and total overheads are 0%

The amount of indirect costs is **confidential** and should not to be disclosed externally



# Distribution of Research Levy in MARCS

- MARCS Institute levy is 15%.
  - 40% will be retained by MARCS to cover overheads.
  - 60% will be available to the researcher(s) to invest in research activities that are not covered by external research income.

**Not so fast!**



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\*An application needs to be submitted to MARCS Director for expenditure of this levy.

# Example 1: \$90,000 Project

<b>Research Income:</b>	<b>\$90,000</b>
<b>15% allocated to the Institute</b>	<b>\$13,500</b>
Within the Institute this 15% is distributed:	
60% - to the Researcher	\$8,100
40% - to MARCS	\$5,400
<b>5% allocated to Research Services</b>	<b>\$4,500</b>
<b>80% allocated to the Research Project</b>	<b>\$72,000</b>



# Example 2: \$150,000 Project

<b>Research Income:</b>	<b>\$150,000</b>
<b>15% allocated to the Institute</b>	<b>\$22,500</b>
Within the Institute this 15% is distributed:	
60% - to the Researcher	\$13,500
40% - to MARCS	\$9,000
<b>5% allocated to Research Services</b>	<b>\$7,500</b>
<b>15% allocated to the University</b>	<b>\$22,500</b>
<b>65% allocated to the Research Project</b>	<b>\$97,500</b>

# Take home message

1. The purpose of the levy is to benefit researchers
2. Get budget input early
3. Budget for funds to come to Western if joining a team led by another university
4. For Cat 2-3 funding **avoid listing your time as in-kind** (there are other things we could show as in-kind)
5. Think big → bigger budgets = more retained funds