

<b>Policy Name</b>	<b>Guidelines for UNSW's Involvement in Government-funded Research Centres (Including CRCs)</b>
<b>File Number</b>	2004/2482
<b>Responsible Officer</b>	Deputy Vice-Chancellor (Research)
<b>Contact Officer</b>	Ms Bronwyn Greene Executive Officer (Research Policy) Office of the Deputy Vice-Chancellor (Research)  Email: <a href="mailto:b.greene@unsw.edu.au">b.greene@unsw.edu.au</a> Phone: x 52983
<b>Related Policies</b>	UNSW Centres Policy Intellectual Property Policy Academic Paid Outside Work Policy Code of Conduct for the Responsible Practice of Research UNSW Delegations of Authority Policy

### Overview

These Guidelines cover UNSW's involvement in Commonwealth and/or State Government externally-funded research Centres, particularly Cooperative Research Centres, as well as ARC/NHMRC Centres of Excellence. These Guidelines should be read in conjunction with UNSW Centres policy.

**Appendix A** covers, in detail, UNSW's expectations with respect to our involvement in Cooperative Research Centres.

Where the term "Centre" has been used broadly, it means all types of government-funded Centres referred to in this document.

### Introduction

Government-funded research Centres encourage research in areas not readily covered by individual Schools and faculties. Most Centres concentrate on multidisciplinary or interdisciplinary fields and bring together similar groups of academics across different Schools, Faculties, universities and industry. These Centres also provide a common and easily identifiable "brand" external to UNSW.

The key criterion for UNSW's involvement in any Centre is that it must add value to UNSW's collaborative and cross disciplinary research beyond that which would accrue from the normal Faculty/School activities.

### Defining Principles

The Deputy Vice-Chancellor (Research) has responsibility for UNSW's involvement in Commonwealth/State funded research Centres.

These externally-funded research Centres are primarily funded by the Commonwealth and typically involve UNSW sharing the control of research programs, postgraduate research training and resources with other institution/s or organisation/s. Unlike the internal governance structures of UNSW Centres, these Centres have separate statutory, governance, compliance and reporting requirements associated with them.

The governance of research Centres funded by the Government must be managed through formal contractual **Agreements**, which take into consideration overarching principles including Intellectual Property Rights, publication and the support of research students.

The Agreements must address the following (at a minimum):

- Structure of the collaboration;
- Measurement of contributions from each party (cash and in-kind);
- Administration of external funding;
- Governance, including the role and composition of the management board or committee;
- Definition of the overall Centre objectives;
- Determination of research, consulting and educational projects;
- Control of outputs;
- Human Resource issues including the status, selection and appointment of Director and other staff;
- Freedom to conduct teaching, research and consulting activities outside of the Centre in circumstances where there are overlapping interests;
- Ownership of Intellectual Property resulting from joint projects and control of its use in teaching, further research and commercialisation;
- Strategies for commercialisation and distribution of income;
- Arrangement for students, their supervision and their Intellectual Property; and
- Term of Agreement and arrangements for termination or wind-up of the Centre.

**Competitively-awarded** Government-funded Centres will automatically be assigned UNSW Centre status, in accordance with the *UNSW Centres Policy* and will be monitored by the Centres Secretariat in Research Strategy Office.

UNSW's involvement in Government-funded Centres which are **not competitively awarded** must be approved by the Deputy Vice-Chancellor (Research), after first seeking appropriate approvals from Heads of Schools and Deans. UNSW's involvement in non-competitively awarded research Centres will also be monitored by the Centres Secretariat in Research Strategy Office.

Two UNSW Centres covering the same discipline/resources/staff are not normally permitted. For example, if a Commonwealth/State funded Centre evolves from a UNSW Research Centre, the UNSW Research Centre will be disestablished, and the Commonwealth/State Funded Centre will be assigned UNSW Centre status.

### General Issues for Consideration

At any one time, UNSW would expect to be a partner in a number of Centres at various stages of development – from new, to mature, to re-birthed Centres. There are some obvious advantages and disadvantages for UNSW staff being involved in externally-funded research Centres:

#### *Reputation & Kudos*

Government-funded research Centres are viewed very positively by the higher education sector, funding agencies, and the general public, both locally and internationally. All indicators are that the Government will continue to invest in research Centres.

There is substantial kudos associated with successful outcomes, especially commercial outcomes associated with Cooperative Research Centres. Research Centres are also an identifiable mechanism for engaging the commercial, applied research arena. There may also be significant reputational risk associated with Centres. The fact that many government-funded research Centres have multiple partners builds a requirement for complex legal agreements. UNSW may not be the dominant or driving party, and sometimes is a minority player with little control of the management or research program of the Centre.

## *Administration & Management*

Government-funded research Centres require a significant management/administrative commitment – each Centre may require a formal Board representation, there may be committees and sub-committees of the Board, periodic reviews and quite detailed reporting requirements. The NSW State Government's recent legislation regarding University involvement in commercial activities means that it is difficult to devolve some responsibilities.

**If a Centre is incorporated**, it has independent legal existence and UNSW is a shareholder. The main advantage is that there is a clear body of law for governance and the Intellectual Property is clearly held by a single entity. The operational arrangements can be simpler and it is easier to deal with potential investors. The Board members have legal responsibility to the Centre (not necessarily to UNSW). All new Cooperative Research Centres are now incorporated.

**If a Centre is unincorporated**, the partners are bound together in a joint venture by binding agreements. The management of Intellectual Property is usually more complex because agreements usually need to be struck with multiple parties. The Board members generally represent the interests of their constituencies. All ARC Centres of Excellence are, for example, are unincorporated joint ventures.

## *Long-Term, Big Research Programs*

Government-funded research Centres typically provide a long-term, very significant commitment to research programs – CRCs provide support for up to seven years with the possibility of re-birth. These Centres usually bring in research support much larger than other sources of funding, eg ARC/NHMRC projects. There are very few other programs where long-term, large-scale research investment can be obtained. The funding is usually sufficiently large that “big” research teams can be assembled to tackle “big-picture” research questions. In addition these Centres have the potential to provide long-term commercial returns to the University and researchers.

Externally-funded Centres also have the capacity to boost the research critical mass of the Faculties involved by as much as 10-20%, through increased postdoctoral staff, research assistants, postgraduate students, equipment, and support for infrastructure. Assets which are acquired by the Centre as part of its research program typically stay with the University even beyond the term of the Centre.

Universities are not generally well prepared for long-term commitments. Centre agreements are binding for the term of the Centre, and there will be significant change during that period. The term of most Centres is generally beyond the time frame of most management structures (Head of School, Dean, researchers, and even Governments). Legislation, governance and University policies are also likely to change within the term of Centre - there is a real need to **be prepared for the dynamic, unstable, continuously changing environment** external to the Centre.

Large-scale research Centres need careful management – sometimes Centres grow larger than the remaining research programs in a School. This has the potential to cause internal friction (haves and have-nots).

The financial arrangements for multi-party Centres almost always deal through third parties and payments are often staged. The management of a large team of typically fixed-term staff within the University human resources framework can be difficult and there is the potential for significant industrial exposure. There may also be significant financial exposure that needs to be underwritten including severance payments, salary bills *etc.*

### *Additional Research Funding*

Government-funded research Centres generally require real, on-going commitment of resources from the University (personnel, space, labs, refurbishments). Some Centres require cash commitments from the University. The University's involvement in government-funded research Centres provides direct performance indicators to the University's competitive research income and contributes indirectly to the Research Block Grant funding received by the University through the Research Training Scheme (RTS) and the Institutional Grants Scheme (IGS).

Some research Centres, such as CRCs, provide considerable secondary research income to the University through contracts and consultancies in the short term and royalties in the longer term.

### *Research Direction & Staff Commitment*

Government-funded research Centres provide some prescriptive direction to research. Staff involved in these Centres (in most cases) give up some of their academic freedom to work on projects associated with a Centre.

Staff commitment to government-funded research Centres is real – a commitment to the work of a Centre leaves a void for other activities. There may be some overlap between University activities and Centre activities, but, for example, a 40% commitment from a staff member to a Centre means that there is 0.4 FTE of that staff member not available for regular University activities within a School and this must be made up elsewhere. **No staff member will commit more than 50% of his/her time to an externally-funded Centre unless they are explicitly appointed to work on Centre related programs.**

### *Research Students*

Government-funded research Centres are generally attractive to research students as they can provide scholarship support (often a source of support for students who are not eligible for other support), enhanced stipends, an opportunity for students to work on well-focused research programs as part of a high-flying team, and an opportunity to gain experience working with industry – including experience in meeting deadlines and milestones. Many Centres also provide a valuable working knowledge of issues surrounding IP protection and patenting to students.

Research student completions for postgraduate students involved in externally-funded Centres provide a very significant research performance indicator for UNSW.

### *Intellectual Property*

IP needs to be carefully managed. In some external Centres, involvement with the Centre may require staff to sign away some of their rights to IP to the Centre and staff need to be fully aware of the consequences. For IP associated with some Centres, staff may forego their rights under the UNSW Intellectual Property Policy and their equity in any invention may be diluted (or lost completely).

Postgraduate students, in particular require careful management. **Before they commence work on any project, postgraduate research students must be fully informed of the IP implications of their work and any restrictions that may apply to publication.**

## **General Approval Process**

In applying for any externally-funded Research Centre, there needs to be broad consultation with all present or intended stakeholders in the Centre. This means that there needs to be appropriate time for discussion and consultation. **The University will not enter into Centre agreements without time for appropriate consultation.**

### *Expression of Interest*

As soon as a researcher (or team of researchers) has an interest in submitting an application for an externally-funded Centre, they **MUST** contact the Manager of the Centres Secretariat, located in Research Strategy Office. Research Strategy Office will provide feedback to all researchers who have submitted an expression of interest.

### *Intent to Participate*

Any UNSW researchers wishing to participate in any competitively funded research Centre application being submitted through an institution other than UNSW MUST contact the Manager of the Centres Secretariat, located in Research Strategy Office as soon as their intention to participate is known.

### *Sign-off*

A proposal for any externally-funded research Centre must be completed using the application form specified by the funding agency and must initially be approved by the Dean of each Faculty with which it is associated, following consultation with relevant stakeholders, including Heads of Schools. The proposal, with evidence of approval(s), is then forwarded to the Manager of the Centres Secretariat for checking, obtaining the appropriate University sign-off and submission by the due date.

### **Address for Notices**

All correspondence relating to all Centres must be addressed to:

Manager, Centres Secretariat  
Research Strategy Office  
The University of New South Wales  
Sydney NSW 2052

Physical/Courier Address

Manager, Centres Secretariat  
Rupert Myers Building  
Fourth Floor, South Wing  
Gate 14 Barker Street  
Kensington

Phone: +61 2 9385 9736

Fax: +61 2 9385 6545

[l.schwartzkoff@unsw.edu.au](mailto:l.schwartzkoff@unsw.edu.au)

## APPENDIX A UNSW Involvement in New Cooperative Research Centres

The University of New South Wales is involved in a number of CRCs through which we have negotiated various agreements. This Appendix details UNSW's expectations relating to its involvement in all new CRCs. The nature of the agreements required to bind the participants to the Commonwealth and the Centre has changed significantly in recent rounds of the CRC program and it may be that UNSW will prefer to be a research contractor to the CRC Company (on a project by project basis) rather than enter into a Participant's Agreement as a core partner of a CRC.

### *A1 Application process – 10<sup>th</sup> Round*

The 10th Round of Cooperative Research Centre (CRC) proposals are due for submission to DEST early in 2006. UNSW recognizes the importance of CRCs and where the University is a core participant is willing to provide strong support.

#### Cash Contributions

UNSW is a research provider not a research funder. In line with other Go8 Universities, **UNSW will generally not contribute cash directly to new CRCs.**

The Deputy Vice-Chancellor (Research) will provide financial support to CRCs in which UNSW is a core partner but funding will be earmarked to support CRC activities at UNSW and for appointment of staff at UNSW. These staff members will have prime responsibility to foster the activities of the CRC, to engage with CRC programs and to increase the University's research and funding opportunities arising from the CRC.

#### In-Kind Contributions

The 10th Round CRC Guidelines specify how in-kind contributions should be calculated and these must be adhered to strictly. All in-kind contributions will be considered in light of the academic and research goals of the University. **At UNSW, no employee will commit more than 50% of their time to CRC activities unless they are explicitly appointed to work on CRC related programs.** It is expected that the more normal time commitment would be in the range of 20-30%.

#### Application Process & Sign-Off

As soon as a researcher (or team of researchers) has an interest in submitting an application for an externally-funded Centre, they **MUST** contact the Manager of the Centres Secretariat, located in Research Strategy Office.

It is essential that all UNSW staff named in CRC applications have agreed to their involvement and that their involvement has the support of the School/Unit and/or Faculty. The Centres Secretariat will require signatures from all these individuals so please plan ahead to ensure that you can comply with any internal deadline. The Centres Secretariat will keep the Deputy Vice-Chancellor (Research) informed of the progress of all applications.

### *A2 UNSW Position on Structure and Management of new CRCs*

Once a CRC has been funded, the negotiation of Centre Agreements should be a collaborative exercise with the aim of achieving an outcome that is beneficial to all parties involved in the CRC.

#### Structure of the Company

UNSW notes that all new CRCs must be incorporated and will work within that structure and constitution provided that they conform to the requirements of the University Act.

## Ownership of Intellectual Property

Intellectual property should be beneficially owned on behalf of the participants that create such intellectual property. Where appropriate, the company should have legal ownership so that it can carry out its functions and objectives, including commercialization. Beneficial ownership by participants, preferably on a project-by-project basis, is particularly important upon windup or if a participant withdraws from a CRC. Splitting ownership in this way potentially allows for ongoing access to the intellectual property which a party creates, and is particularly important to a research provider. It also enables an intellectual property register to be created by the CRC, which reflects ownership on a manageable project-by-project basis.

UNSW expects that if it makes available Background Intellectual Property ('BIP') to a CRC, it will be on a Project-specific basis. Use of BIP for research purposes will be on the basis of a non-exclusive, royalty-free licence but if commercialization is expected, then a commercial licence will need to be negotiated with the University for the of BIP. UNSW will examine warranties around BIP very closely but cannot necessarily provide blanket warranties on BIP except on a best endeavours basis.

Any profits returned to UNSW by agreement with a CRC must be consistent with the University's internal policies on IP and commercialization. CRCs must understand that researchers within the University are subject to the University's IP policy and must deal directly with the University, not with individual researchers on IP matters. Furthermore, NSW State legislation makes it difficult for the University to readily accept equity in a CRC or CRC-related venture as a mechanism for providing commercial return. UNSW's preference for any financial return from a CRC is as a direct transparent payment in cash.

## Research projects

The Board of an incorporated CRC will have the authority to determine the research program and other activities. However, any contract research project (or part thereof) allocated to UNSW must be acceptable to the University and must comply with University policies on ethics, risk management, safety etc. University approval of any projects to be conducted at the University will be subject to a realistic cost/benefit analysis on the resources and to the potential enhancement of the University's core teaching and research activities. All projects undertaken at UNSW must be supervised by UNSW staff.

## Contracting

**UNSW requires that all funds received from a CRC will be specified in a signed agreement that specifies our obligations and entitlements.** This agreement will typically be in a format contemplated by the parties when the Centre or Participants Agreement is established. Contracts must be addressed to the Manager, Centres Secretariat. UNSW employees do not have the delegated authority to accept contracts on behalf of UNSW.

## University Employees

If an employee of the University seeks to be a director of an incorporated CRC, they must have approval from the University and must have appropriate training on the responsibilities and obligations of directors. Any conflicts of interest 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 CRC, they must either seek leave of absence without pay from the University or resign from their position at UNSW.

Where any UNSW employee takes a fully paid position within a CRC, UNSW will require that person to take leave of absence (without pay) from UNSW for the period of the secondment. Any secondment to a CRC must be on a full time basis and there must be a minimum 6 month notice period for the termination of such an arrangement.

## Student Participation and Publication

Students are not employees of the University; therefore, it is essential that any Student Deeds of Intellectual Property assignments are executed prior to their commencement on CRC research projects. At UNSW, students own copyright in their thesis and these rights must be retained in CRC research projects. A student's right to prompt, unimpeded examination of their thesis also needs to be protected as well as the publication rights of academic staff. These objectives are often at odds with publication provisions in the CRC documentation.

## Contribution to Research Infrastructure, Research Services and Facilities Costs

At UNSW, the infrastructure underpinning all research programs must be appropriately acknowledged. The CRC funding received by the University is not eligible for Federal Government Research Infrastructure Block Grant (RIBG) funding. For National Competitive grants, RIBG support is currently at the level of about 30% of the grant funding received. CRCs must provide an equivalent level of infrastructure funding for all research undertaken at UNSW. This must come either as direct cash support (30%) with each CRC program or be explicitly contributed to the CRC by UNSW as an "in-kind" contribution to the CRC in exchange for equity in the CRC.

## Audit and Risk Management Issues

Under its Act and various NSW State regulations UNSW must satisfy itself as to the probity of involvement in ventures such as CRCs. In most CRCs, UNSW will not have direct participation in the Board or the operation of the CRC itself but still has a responsibility to ensure that probity and risk concerns are satisfied. UNSW reserves the right to request:

- a copy of any reports provided by the CRC to the Commonwealth
- a copy of any notice the CRC receives from the Commonwealth
- all minutes of the governing Board
- an audit or copy of audits commissioned by any participant in the CRC.

## A3 Address for Notices

All correspondence relating to Cooperative Research Centres must be addressed to:

Manager, Centres Secretariat  
Research Strategy Office  
The University of New South Wales  
Sydney NSW 2052

Physical/Courier Address

Manager, Centres Secretariat  
Rupert Myers Building  
Fourth Floor, South Wing  
Gate 14 Barker Street  
Kensington

Phone: +61 2 9385 9736

Fax: +61 2 9385 6545

[l.schwartzkoff@unsw.edu.au](mailto:l.schwartzkoff@unsw.edu.au)