What’s the difference between contract research and consultancy managed by the UNSW Division of Research?

The threshold question is what constitutes research? It is in the University’s interest to maximise high quality research activity that can be reported in the government’s Higher Education Research Data Collection (HERDC).

Research as defined by HERDC:

The creation of new knowledge and/or the use of existing knowledge in a new and creative way so as to generate new concepts, methodologies and understandings. This could include synthesis and analysis of previous research to the extent that it leads to new and creative outcomes. This definition of research is consistent with a broad notion of research and experimental development (R&D) as comprising of creative work undertaken on a systematic basis in order to increase the stock of knowledge, including knowledge of humanity, culture and society, and the use of this stock of knowledge to devise new applications.

At UNSW what’s the difference between contract research and consultancy managed by the Division of Research?

- **Contract research:**
  - Is usually 100% research;
  - Projects may vary in duration; (up to many years)
  - Projects may vary in value; (up to $m’s)
  - Agreements are usually quite detailed.

- **Consultancy managed by the Division:**
  - Should have a research component but may not be 100% research
  - Will usually be for short duration (up to 6 months)
  - Will usually be for <50K value (average 30K)
  - May have a very short form agreement (2p) that is ‘user friendly’ from a partner perspective, however it deals with research and non-research components appropriately from a UNSW perspective

- **Consultancy that does not have a research or a University Paid Outside Work component may be managed by a School as a commercial activity, utilizing UNSW template agreements to minimize administrative overhead and remove the need for legal review**

If I’m a UNSW researcher, who do I contact in the Division to assist with:

- Determining whether my project is contract research or consultancy?
- Defining the research component of my project?
- Negotiating the contract for my project?
- **University Paid Outside Work**

Contact the Research Partnerships Unit in the Division of Research

If I’m from industry or an external organisation wanting to engage with the research expertise available at UNSW, who do I contact?

Contact the Research Partnerships Unit in the Division of Research
### Characteristics of funding for grants, contracts and consultancy:

<table>
<thead>
<tr>
<th></th>
<th>Grant funded</th>
<th>Contract research</th>
<th>Consultancy managed by the Division</th>
<th>Consultancy managed by School as commercial activity</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Type</strong></td>
<td>Curiosity driven (by researcher)</td>
<td>Curiosity driven by researcher and/or external partner or jointly; more directed than a grant. Usually 100% research.</td>
<td>Tenders/External client driven, generally uses existing knowledge and expertise, may have a research component though not usually 100% research</td>
<td>External client driven, no research component.</td>
</tr>
<tr>
<td><strong>Deliverables</strong></td>
<td>Broad scope, unknown outcomes – progress and final reports</td>
<td>Scope/scale will vary, precise outcomes unknown though there are expectations and typically milestones set at regular intervals (quarterly or half yearly)</td>
<td>Generally narrow in scope, time frame for deliverables well defined, usually short term duration, final report</td>
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</tr>
<tr>
<td><strong>Payment for work</strong></td>
<td>To University</td>
<td>To University</td>
<td>To University, which may then pass to individuals via UPOW</td>
<td>To University</td>
</tr>
<tr>
<td><strong>Amount &amp; Duration</strong></td>
<td>Variable; for competitive grants, average ~100K pa for 3 years</td>
<td>Variable in value and duration.</td>
<td>Usually &lt;50K, average ~30K in total. Usually &lt;6 months to complete</td>
<td>Variable in value and duration, usually &lt;50K average</td>
</tr>
<tr>
<td><strong>Pricing</strong></td>
<td>Direct costs only if Cat 1; otherwise direct and indirect costs</td>
<td>Aim for full cost recovery</td>
<td>Aim for full cost recovery</td>
<td>Aim for full cost recovery</td>
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<tr>
<td><strong>Agreement</strong></td>
<td>Typically set by the sponsor</td>
<td>UNSW template research agreement preferred</td>
<td>UNSW Consulting Terms (2p) that is ‘user friendly’, equally applicable to research and non-research, and ideal for projects &lt;50K and short duration.</td>
<td>UNSW Consulting Terms</td>
</tr>
<tr>
<td><strong>Intellectual property (IP) ownership</strong></td>
<td>University</td>
<td>University preferred, but may be joint.</td>
<td>As per UNSW Consulting Terms, the University owns IP though sometimes given nature of work the external client owns the deliverables – typically a report.</td>
<td>University or client</td>
</tr>
<tr>
<td><strong>Use of IP including exploitation</strong></td>
<td>University</td>
<td>Variable, at least a license for the university to use for internal research and teaching</td>
<td>Variable, at least a license for the university to use for internal research and teaching</td>
<td>University or client</td>
</tr>
<tr>
<td><strong>Publication rights</strong></td>
<td>Free to publish</td>
<td>Free to publish, may be a fixed time period of delay to enable IP protection</td>
<td>Template agreement reserves the right to publish, if not research then may not be an issue if no right to publish</td>
<td>Usually not applicable as no research component</td>
</tr>
<tr>
<td><strong>HERDC status</strong></td>
<td>Eligible</td>
<td>Eligible</td>
<td>Any research component is eligible</td>
<td>Ineligible as no research component</td>
</tr>
</tbody>
</table>
Grant funded | Contract research | Consultancy managed by the Division | Consultancy managed by School as commercial activity
---|---|---|---
**Definitely includes** Australian competitive grants; international grants | Industry and government funded research (other than grant funded), commissioned research, may arise from a tender/RFP, clinical trials, collaborative research funded by external partner | Environmental assessments, scoping and feasibility studies, reviews, professional and/or technical advice, technical advice and opinions, testing, surveys, govt panel work | Routine testing, training and development, reviews, hosting delegation etc

**The grey area:- contract research and consultancy**

Some universities treat these two categories as being mutually exclusive. This may provide clarity but it may result in some research activity and income being omitted from HERDC. It may also encourage behaviours that are not desirable from a risk management perspective.

External partners, especially industry, typically use ‘consultancy’ as a label for engaging expertise from a third party regardless of whether there is a research component or not. Partners typically want a piece of work delivered in a defined time period. It is up to UNSW to determine how best to do so and, as appropriate, define/influence the scope of work to include a research component.

UNSW is a research intensive university with the vision of increasing research quality as well as expanding research linkage and engagement with industry. The use of ‘consultancy’ presents an excellent opportunity to achieve both aims and to introduce external partners/clients to the capability and expertise of UNSW – PROVIDED we are mindful that this should always include ‘research’ and we are able to influence the scope of work accordingly. Given our expertise there should almost always be something new being done in everything we do (otherwise, why are we doing it?). Ideally, a partner relationship that commences with a consultancy moves on to contract research, Linkage etc.