

# Project and Consultancy Procedure

## Section 1 - Purpose

(1) This procedure sets out the requirements for the identification, negotiation, proposal, approval and completion of project or consultancy work ('the work', 'work') delivered under the auspices of the University of Newcastle (University), including how any surplus funds generated from the work may be allocated.

## Section 2 - Scope

(2) This procedure applies to all project and consultancy work (excluding research services) provided to third parties with a projected gross revenue of less than \$1,000,000 over the life of the activity.

(3) This procedure does not apply to work that:

- a. constitutes commercial activities subject to any other Procedure as detailed in the [Commercial Activities Policy](#);
- b. is project or consultancy work funded via research income; or
- c. is approved under the [Outside Work Policy](#).

(4) This document is a supporting document to the [Commercial Activities Policy](#) and should be read in conjunction with that document.

## Section 3 - Audience

(5) This document should be read and understood by:

- a. staff wishing to undertake work under the auspices of the University;
- b. TUNRA Connect staff responsible under the Project Services Agreement between the University and TUNRA;
- c. supervisory staff wishing to support their staff seeking to undertake the work on behalf of the University;
- d. Financial Services and Human Resource Services staff; and
- e. Delegates authorised to approve commercial activities that are subject to this Procedure.

## Section 4 - Definitions

(6) The terms used in this Procedure have the same meanings as the corresponding terms in the [Commercial Activities Policy](#) (Policy).

(7) In the context of this document the following definitions apply:

Defined Term	Meaning
Activity Owner	The staff member of the University who is responsible for the delivery of the work in accordance with any relevant contract terms and University policy and/or procedure. A conjoint or honorary staff member of the University cannot be an Activity Owner.

Defined Term	Meaning
Direct Costs	Means all non-salary costs including but not limited to costs of procurement required to deliver the work, temporary staff costs, and internal recharges. Direct costs cannot be discounted.
Internal recharges	When a University business unit provides goods or services for the relevant work and charges the Activity Owner's business unit for these goods or services.
Sponsor	The University staff member who endorses a proposal for the work with a forecast gross revenue of >\$100,000 (GST exclusive) over its lifetime prior to its approval by a Delegate. The Sponsor should be the Head of the Business Unit in which the Activity Owner works – for example, Head of School, Director or equivalent.
On costs	Means those costs directly attributable to salary and wages including superannuation, payroll tax, workers compensation and leave accruals.
Significant change	Means any change to the work that involves: a. a material change to the relevant contract or agreement; or b. greater than 10% of change in value of the contract or agreement; or c. an increase in the assessed risk rating that was determined at the time of the proposal development.
Third Party	An external party to the University who engages with the University for the purposes of obtaining project, consultancy or other professional services.
Year	Means the University budget year being the 12-month period from 1 January to 31 December.

## Section 5 - Procedure

(8) The Activity Owner should first use the [Commercial Activity Decision Tree Checklist](#) to confirm that the work is subject to this Procedure.

### Part A - Consideration of the opportunity

(9) All opportunities for work with a forecast gross revenue of >\$100,000 (GST exclusive) over its lifetime must be endorsed by the relevant Sponsor before proceeding to a proposal and prior to any contractual commitment being made to an external party.

(10) Subject to clause 9, staff are not permitted to pursue opportunities in their capacity as a staff member of the University where the opportunity is not endorsed by the Sponsor to proceed to a proposal or is not approved by a Delegate. Staff seeking to undertake the work in their own capacity as private consultancy must comply with the [Outside Work Policy](#).

### Part B - Proposal Development

(11) Advice on preparing and assessing proposals can be sought from TUNRA Connect prior to progressing the proposal for approval. TUNRA Connect will assist with scoping, industry engagement, structuring, costing, seeking legal advice, risk assessment, budget considerations, and other considerations when developing the proposal.

(12) Where TUNRA Connect are engaged by a staff member to facilitate a micro-credential that meets the definition of a commercial activity, the micro-credential must first be developed and approved in accordance with the [Micro-Credentials Policy](#) and [Schedule](#) before the proposal for the commercial activity is developed. This is to ensure the appropriate level of academic governance is applied. TUNRA Connect will not facilitate this process. Once the micro-credential is approved and TUNRA Connect are provided with evidence of this approval, TUNRA Connect will apply this Procedure to facilitate the commercial activity, noting that separate approval will still be required to approve the commercial activity.

(13) The following documents must be used to prepare the proposal:

- a. for projects with a forecast gross revenue of less than \$100,000 (GST exclusive) over its lifetime:
  - i. TUNRA Proposal.
- b. for projects with a forecast gross revenue of greater than \$100,000 (GST exclusive) over its lifetime:
  - i. [Project Consultancy Commercial Activity Proposal Template](#);
  - ii. [Commercial Activity Risk Assessment](#).

(14) TUNRA Connect will assist the business unit/s in ensuring the proposal documents are prepared to a satisfactory standard.

(15) The University requires a "Conflict of Interest" declaration to be submitted by the Activity Owner, the Sponsor (where relevant) and any other University staff who will be assisting in the delivery of the work, even if the declaration is that there is no conflict of interest. These declarations must be documented within the proposal. (Please see [Commercial Activity Conflict of Interest Declaration form](#)).

(16) Where conflicts of interest are declared or identified TUNRA Connect will not proceed with the proposal until such time as the conflict of interest is managed in accordance with the [Disclosure of Interest Policy](#) and [Procedure](#).

(17) Staff must nominate within the proposal document if they intend to take their entitled share of any forecast surplus as remuneration in accordance with this Procedure.

(18) For work with a forecast gross revenue of >\$100,000 over its lifetime, the completed proposal documents must be endorsed by the Sponsor before proceeding to consideration for approval by the Delegate.

(19) Where the proposal document indicates the work is outside the University's risk appetite, the proposal must be considered for approval by the Vice-Chancellor.

## Part C - Pricing and Waivers

### Cost Provisions

(20) The Proposal must demonstrate that the forecasted gross revenue received will cover, as a minimum, all of the following costs, unless the Delegate approves that a positive financial return will not be gained:

- a. Labour (Academic staff)- hours worked by University continuing and fixed term academic staff, applying at least their actual salary rate, plus oncosts;
- b. Labour (Professional staff, excluding temporary staff) - hours worked by University continuing and fixed term professional staff, applying at least their actual salary rate, plus oncosts;
- c. Direct costs - all direct non-salary, internal recharges, costs for equipment and their maintenance, and temporary staff costs to do the work required to deliver the contract;
- d. Intellectual property - royalties payable, where applicable, under the University [Intellectual Property Policy](#); and
- e. Indirect costs - a contribution to University support services reflected as a percentage of the costs in a) to c) as per the [Indirect Cost Recovery Procedure](#) and [Schedule - Indirect Cost Recovery Rates and Distribution](#).

### Cost Waivers

(21) The University may undertake work from time to time where that work may not produce a positive financial return, but may provide other qualitative benefits to the University. When such benefits are identified upfront the following cost waivers may be sought prior to any approval of the commercial activity, or negotiation or contract finalisation with the third party:

- a. Labour Cost Waiver;

b. Indirect Cost Waiver.

(22) Where waivers of any type are applied, the staff member(s) performing the work will no longer be eligible for distribution of any surplus in accordance with this Procedure.

### **Labour Cost Waiver**

(23) A waiver of labour costs may be approved by the relevant Delegate authorised to approve the proposal for the commercial activity. The Sponsor (if relevant) and Delegate should consider the sustainability of workload and performance of the Activity Owner and other staff if no backfill or overtime requirement is identified. The work cannot be substituted for teaching workload without full labour cost recovery.

(24) The Sponsor (where relevant) or Head of School or equivalent is responsible for determining the workload applied to the work and must do so in consultation with the relevant staff member(s).

### **Indirect Costs Waiver**

(25) All applications to waive or reduce the indirect cost rate must be endorsed by the College Pro Vice-Chancellor and approved by a Delegate who has authority to waive indirect costs in accordance with the [Delegations Register](#). In providing this approval the Delegate will consider the broader qualitative benefits to the University as well as the financial impact, and any contractual arrangements with TUNRA.

## **Part D - Approval of the Work**

(26) The completed proposal including attachments must be submitted to the appropriate Delegate (see [Delegations Register](#)) and the work must not be further negotiated with the third party or commence until such time as approval by the appropriate Delegate is confirmed in writing.

(27) A Delegate is restricted from approving any work where they will be engaged in the delivery of the work. In these circumstances, an alternate Delegate with authority to approve a commercial activity must be identified.

(28) In accordance with the [Delegations of Authority Framework](#), the Delegate is required to undertake due diligence before binding the University in any agreement. The Delegate will consider the following as a minimum:

- a. alignment with the functions described in the [University of Newcastle Act 1989](#) (S6(3)a) and the University's [strategic plan](#);
- b. availability and sustainability of the funding source;
- c. the identifiable benefit to the University being based on sound business case evaluation, risk and return considerations;
- d. feasibility and cost of implementing any associated operational changes required to conduct the activity;
- e. appropriate risk ratings and mitigation measures, including but not limited to insurance arrangements;
- f. compliance with all relevant University policies and procedures, including but not limited to this Procedure and the [Commercial Activities Policy](#);
- g. compliance with applicable laws and regulations;
- h. declared conflicts of interest and the approval of conflict of interest management plans in accordance with the [Disclosure of Interest Policy](#) and its [associated Procedure](#);
- i. ability to meet any ongoing obligations of the arrangement;
- j. need for and capacity of internal or external subject matter expertise including but not limited to legal, finance, research infrastructure, academic quality, and governance;
- k. the accuracy and completeness of the proposal and pricing; and
- l. support of the Sponsor, where required by this Procedure.

(29) In approving the work the Delegate is:

- a. accepting the risk of any financial loss and confirming any projected loss is within the University's financial risk appetite. Where the financial risk is outside of the Delegate's approval authority, the matter must be escalated to the next appropriate Delegate; and
- b. accepting that the relevant College or Division may bear any cost overruns on delivery or any failure to pay by the third party from their operating funds if these cost overruns should occur. The subsequent recovery of funds from any existing or future work of the academic staff member is then a matter for the approving Delegate to resolve.

(30) Where the work is approved by the Vice-Chancellor in accordance with Clause 19, the Vice-Chancellor must report the matter to Council in the next upcoming Council meeting.

(31) Where losses are approved to be incurred, the deficit must be met from either the relevant staff member(s) Staff Support Account, the relevant College(s) or the relevant School(s). The source must be identified at the time the deficit position is approved. See also Part C – Cost Waivers.

## **Part E - Contract Negotiation**

(32) TUNRA Connect will provide review, management, and support throughout the contract lifecycle, including interpretation of contract terms, conditions and implications and ensuring successful execution by the third party and the University, according to agreed terms.

(33) The Activity Owner must engage TUNRA Connect to undertake contract management activities after notification is received that a proposal has been approved. This includes liaising with the University Legal and Compliance unit, oversight of contract execution, contract implementation (including achievement of milestones), and ensuring the forecast financial returns are generated in accordance with the contract pricing.

(34) The contract must be approved and executed by an authorised University Delegate.

(35) In accordance with the [Government Information \(Public Access\) Act 2009](#), any contract that is or is likely to have a value of \$150,000 or more (including GST) must be included in the University's [Contract Register](#). TUNRA Connect are responsible for liaising with Strategic Procurement to ensure the Contract Register is updated as required.

## **Part F - Work Delivery**

### **Reporting**

(36) Throughout the period of delivery of work, the following reporting requirements must be met:

- a. upon request, the Activity Owner, in consultation with TUNRA Connect must provide monthly reports to the Delegate where the approved proposal is forecast to achieve a loss. This report should also be provided to the relevant College or Division Executive Group;
- b. where the approved proposal includes cost waivers, a monthly report should be provided to the relevant College or Division Executive Group to ensure appropriate oversight of the quantity and cost of the portfolio of non-profitable work.

### **Contract Variations and Significant Changes**

(37) For work with a forecast gross revenue of >\$100,000 (GST exclusive) over its lifetime a [Commercial Activity Report](#) (Parts A & B Significant Changes) must be completed for all significant changes to the original proposal. The report must be submitted to the relevant Delegate (i.e. who has authority to approve a commercial activity) for

reconsideration of the original approval.

(38) For work with a forecast gross revenue of <\$100,000 (GST exclusive) over its lifetime TUNRA Connect will liaise with the relevant Delegate regarding any significant changes to seek their approval.

(39) Significant changes to the work require communication and approval of changes in accordance with the costing, approval, and negotiation steps outlined in this Procedure. All significant contract variations must be approved in accordance with the University's delegations of authority.

(40) Any variations reducing the amount of a contract must be referred to TUNRA Connect before being accepted to ensure expenditure already incurred will be sufficiently covered and full costing across the life of the contract is maintained.

(41) At the time a variation is executed the updated information must be provided to TUNRA Connect.

## **Invoicing and Revenue Distribution**

(42) TUNRA Connect will invoice all work completed and manage project costs.

(43) Revenue will be distributed in accordance with:

- a. this Procedure;
- b. the [Indirect Cost Recovery Procedure](#); and
- c. the Project Services Agreement between TUNRA and the University of Newcastle, where relevant.

## **Completion of Work**

(44) TUNRA Connect will communicate the completion of work to the Sponsor and Financial Services once the work is completed, all payments are received, and all invoices are paid by the third party; and will identify if a surplus has been derived from the work.

(45) A surplus is calculated by the following formula, where:

$$\text{Revenue} - (\text{labour} + \text{direct costs} + \text{indirect costs} + \text{intellectual property commitments}) = \text{contract surplus}$$

## **Records Management**

(46) All contracts and any associated documentation, including proposals and approvals must be maintained by the Activity Owner's business unit in accordance with the University's [Records Governance Policy](#).

## **Part G - Allocation of Surplus**

(47) Where a surplus is derived from the work, the Activity Owner may be entitled to the surplus in accordance with this Procedure.

(48) An Activity Owner may elect for:

- a. a surplus to be distributed to a Staff Support Account or School Strategic Fund Pool in accordance with the Support Account Procedure; or
- b. surplus funds to be taken as remuneration through the University payroll system, inclusive of applicable costs as outlined below. The following conditions will apply:
  - i. the proposal must indicate the Activity Owner intends to take the surplus as remuneration;

- ii. the work is completed and all invoices are paid by the third party;
- iii. direct salary costs, other direct costs and the cost recovery rate, as per the [Indirect Cost Recovery Rates and Distribution Schedule](#), has been applied;
- iv. no other account, including any G Number, held by the staff member is in deficit or on the aged debt report;
- v. the minimum gross payment will be \$5,000;
- vi. a maximum of two payments will be permitted per annum;
- vii. from the gross amount the following deductions will be applied:
  - payroll tax and workers compensation on-costs will apply at the prevailing rate;
  - pay as you go withholding (PAYGW) tax;
  - superannuation where required under the relevant legislation;
  - other payroll deductions required under any relevant legislation;
- viii. requests for payment should be made with approval from the Head of School and/or College Pro Vice-Chancellor if the activity owner is a Head of School.

## Section 6 - Roles and Responsibilities

(49) Activity Owners are responsible for:

- a. determining if any opportunity for work is subject to this Procedure;
- b. complying with all relevant University policies and procedures;
- c. providing a conflict of interest declaration for each opportunity;
- d. engaging and collaborating with TUNRA Connect to prepare the proposal, engage with the third party, and finalise the work; and
- e. management of resources to complete the activity.

(50) In accordance with the Project Services Agreement between the University and TUNRA, TUNRA Connect are responsible for:

- a. ensuring ongoing compliance with the [Commercial Activities Policy](#) for all services provided to the University in accordance with the Project Services Agreement and this Procedure; and in doing, consulting with Governance and Assurance Services as required;
- b. contract scoping and proposal development in consultation with the relevant University staff;
- c. provision of industry engagement advice to the University;
- d. supporting the University with pricing guidance and review;
- e. facilitating legal review of contract arrangements for the work in consultation with the Legal and Compliance Unit;
- f. facilitating and ensuring insurance coverage for the work in consultation with the Risk Unit;
- g. providing oversight of budget planning and risk management and ensuring compliance with the University's policies and procedures;
- h. contract negotiation, execution, and management support;
- i. invoicing of work completed, milestone tracking, and providing regular progress reports as necessary and in accordance with this Procedure; and
- j. distribution of funds.

(51) Sponsors are responsible for:

- a. considering opportunities for work in consultation with the Activity Owner and providing endorsement of the work where required by this Procedure and appropriate;
- b. reviewing the finalised proposal documents and providing endorsement of these documents for consideration by the relevant Delegate;
- c. providing a conflict of interest declaration for all endorsed work; and
- d. endorsing requests for labour cost waivers;

(52) Financial Services are responsible for:

- a. working in collaboration with TUNRA Connect in relation to the work;
- b. establishing associated cost collectors.
- c. allocating surpluses in accordance with this Procedure.

(53) Delegates are responsible for:

- a. considering proposals for work, cost waivers, and any future variations and providing their decision from this consideration in a timely manner; and
- b. exercising delegated authority in accordance with the [Delegation of Authority Framework](#).

## Section 7 - Appendices

(54) [Project and Consultancy Flow Chart](#)

(55) [Commercial Activity Project Consultancy Proposal Template](#)

(56) [Commercial Activity Risk Assessment](#)

(57) [Commercial Activity Conflict of Interest Declaration](#)

(58) [Commercial Activity Report](#) (Significant Changes)

(59) [Commercial Activity Compliance Management Plan](#)

(60) Pricing Tool (TUNRA Connect)

## Status and Details

<b>Status</b>	Current
<b>Effective Date</b>	28th May 2025
<b>Review Date</b>	6th March 2028
<b>Approval Authority</b>	Chief Financial Officer
<b>Approval Date</b>	27th May 2025
<b>Expiry Date</b>	Not Applicable
<b>Responsible Executive</b>	Paul McCubbin Chief Financial Officer
<b>Enquiries Contact</b>	Paul McCubbin Chief Financial Officer <hr/> Financial Services

## Glossary Terms and Definitions

**"University"** - The University of Newcastle, a body corporate established under sections 4 and 5 of the University of Newcastle Act 1989.

**"Risk"** - Effect of uncertainty on objectives. Note: An effect is a deviation from the expected, whether it is positive and/or negative.

**"Risk management"** - The co-ordination of activities to optimise the management of potential opportunities and reduce the consequence or impact of adverse effects or events.

**"Risk appetite"** - An organisation's approach to assess and eventually pursue, retain, take or turn away from risk.

**"Risk assessment"** - The overall process of risk identification, risk analysis, and risk evaluation.

**"Commercial activities"** - As defined in the University of Newcastle Act 1989.

**"Intellectual property"** - Intellectual property (IP), as defined by the World Intellectual Property Organisation, refers to creations of the mind: inventions; literary and artistic works; and symbols, names and images used in commerce. Intellectual property is divided into two categories: Industrial property includes patents for inventions, trademarks, industrial designs and geographical indications; and Copyright covers literary works (such as novels, poems and plays), films, music, artistic works (e.g. drawings, paintings, photographs and sculptures) and architectural design. Rights related to copyright include those of performing artists in their performances, producers of phonograms in their recordings, and broadcasters in their radio and television programs.

**"Research"** - As defined in the Australian Code for the Responsible Conduct of Research, or any replacing Code or document.

**"School"** - An organisational unit forming part of a College or Division, responsible for offering a particular course.

**"Staff"** - Means a person who was at the relevant time employed by the University and includes professional and academic staff of the University, by contract or ongoing, as well as conjoint staff but does not include visitors to the University.

**"College"** - An organisational unit established within the University by the Council.

**"Delegate"** - (noun) refers to a person occupying a position that has been granted or sub-delegated a delegation of authority, or a committee or body that has been granted or sub-delegated a delegation of authority.