

EXTERNAL RESEARCH AND CONSULTING CONTRACTS POLICY

Category	Research
Policy Owner	Deputy Vice-Chancellor Research
Last review	June 2024
Next review	June 2029
Approved by	Vice Chancellor
Effective date	23 July 2025

1. PURPOSE

- To facilitate research and consulting arrangements with external parties.
- To ensure that contracts for external research and consulting activities are handled in a manner that protects the University from legal, financial, and other operational risks.
- To ensure that the costing, pricing and management of research and consulting contracts, and the distribution of income from such arrangements, are carried out in a fair and consistent way.
- To comply with the principles agreed between Universities and the Government on the pricing of research activities funded under Vote Business, Science and Innovation.¹
- To facilitate accurate recording and reporting of External Research Income.

2. POLICY

- All externally contracted research and consulting arrangements must be undertaken in accordance with this policy, with the exception of donations for non-specified research purposes, which are managed through the AUT Foundation.
- Only individuals with an employment relationship or formal academic appointment with the University² may lead a research funding proposal on behalf of the University.
- Only individuals with an employment relationship with the University may lead a research contract on behalf of the University.
- The University reserves the right to refuse research contracts that are incompatible with its vision, mission, values, statutory obligations, or strategic objectives, or that present an unacceptable level of risk for the University. Where there is disagreement about whether a contract should be refused on one of these grounds, the Deputy Vice-Chancellor (Research) (“DVCR”) will make the decision in consultation with the Research Committee of Academic Board and may escalate the decision to Academic Board and/or the Vice-Chancellor as appropriate.
- This policy should be read in conjunction with Te Aronui (The University’s Te Tiriti o Waitangi framework) and the External Research and Consulting Contract Procedures.

Authorisation and administration of externally funded research proposals and contracts

- University staff may not make any offers, proposals or applications in respect of externally funded research activity unless authorised to do so by their line manager (typically Head of Department or School) and the DVCR (or delegate).
- By authorising an external research funding offer, proposal or contract, the line manager is providing assurance that the staff member who will be doing the research will have sufficient, time, resources, support, and expertise to undertake the proposed project. It is the responsibility of the line manager to monitor the workload of staff members and, if required, to arrange for sufficient workload reappportionment to enable the staff member to meet the University’s research contract obligations. This must be done in accordance with the Principles of Workload Reappportionment for Externally-Funded Research and Consulting.
- Any research project funded by an external party must be agreed in writing and authorised by the DVCR. The University is the legal entity which acts as the contracting party to research funding

¹ NZVSS, Recommended Method for Calculation of Indirect Research Cost Rates, 2003

² For example, Adjunct Professor or Associate Adjunct Professor – see Professorial Appointments Policy.

contracts. The Vice-Chancellor, Assistant Vice-Chancellor Finance and Infrastructure, and DVCR have delegated authority to sign research contracts.³

- Te Kāhui Poipoi Rangahau |AUT Research Office (TKPR) is responsible for administering contracts for externally funded research activity and for keeping accurate records of the University's research contract activity⁴. All external research funding applications, contracts, and related partnership agreements (as well as any formal communication on these matters) must be directed to TKPR in accordance with the External Research and Consulting Contract Procedures. Any disagreement about whether a project falls within the definition of research will be resolved by the relevant Associate Dean, Research who will refer to the current PBRF User Guide - ERI inclusions and exclusions.⁵
- Where a contract is a mix of research and consulting⁶, the administration arrangements and apportionment of the research and consulting elements for the purposes of reporting External Research Income (ERI) must be agreed with the DVCR.

Principle of full cost recovery and distribution of research income received

- The University is committed to the principle of full cost recovery for externally funded research - this approach was agreed between New Zealand Government funding research agencies and Universities in 2003. The methodology that must be followed for the costing and pricing of externally funded research projects is set out in the External Research and Consulting Contract Procedures. Any variation from the principle of full cost recovery requires exception approvals as set out in the procedures.
- Funds received in relation to a research contract must be applied to the purposes for which they were obtained. Funding for staff time and expenses will be distributed to the relevant Faculty. Overheads will be apportioned 50/25/25 with 50% going to the Central University, 25% to the Faculty and any remaining percentage after all costs of research have been met to be made available to a nominated Research Programme Account or Accounts (RPA) to be used in accordance with Faculty policy/processes.

Authorisation and administration of non-funded research contracts

- The provisions relating to authorisation and administration of externally funded research contracts apply to non-funded research arrangements which commit the University to legal obligations. Requirements for approval of non-funded arrangements are set out in the External Research Funding and Consulting Procedures.

Authorisation of consulting⁷ contracts

- The University encourages its staff to share their knowledge and skills with the community through consulting to industry, government, not-for profit and other organisations.
- This policy recognises two categories of consulting – AUT Consulting and Private Consulting.
 - AUT Consulting is consulting carried out under the auspices of the University or AUT Ventures Ltd, or using their name, brands or intellectual property. Staff may undertake AUT Consulting, provided they receive the approval of their line manager (typically Head of Department or School) as set out in this policy.
 - Private Consulting is consulting carried out by a staff member in a private capacity outside of their normal paid hours of employment and without using University resources. Approval of Private Consulting is covered by the Outside Activities and Supplementary Earnings Procedures.
- Before approving any request to undertake AUT Consulting, the line manager must consider the following:
 - (1) That the proposed consulting work is appropriate and relevant to the staff member's area/s of expertise.
 - (2) That the proposed consulting work does not conflict with the University's activities, intellectual property rights, interests or contractual obligations.
 - (3) That the proposed consulting work does not compromise the staff member's ability to meet the academic or professional obligations of their employment at the University.
- Election to take personal income from AUT Consulting must be explicitly approved by the relevant line

³ Schedule 2, Council Delegations Policy

⁴ In exceptional cases, with the agreement of the DVCR, research contracts may be managed through AUT Ventures provided the income is reported to AUT for ERI audit purposes.

⁵ Performance-Based Research Fund (PBRF) User Manual Version 5.0: March 2022, p.30

⁶ See Definitions section.

⁷ See Definitions section.

manager (typically Head of Department or School).

- It is the responsibility of the line manager to monitor the workload of staff members. Workload reapportionment to enable a staff member to meet consulting contract obligations will be considered only where the salary component of the staff member's time included in the contract fee is retained by the University. Workload reapportionment must be agreed in accordance with the Principles of Workload Reapportionment for Externally-funded Research and Consulting.
- Students must not independently undertake AUT Consulting but may assist with consulting work at the request of an academic staff member and under the staff member's supervision. Student involvement with AUT Consulting must be with their voluntary agreement and they must be fairly remunerated for their contributions to the consulting work following the relevant hourly paid pay scales for University casual/hourly-paid employees.

Administration of consulting contracts

I. AUT Consulting

- Staff undertaking AUT Consulting:
 - must have the approval of their line manager (see "Authorisation of consulting contracts" above) and must manage the contractual arrangements through AUT Ventures Ltd;
 - must comply with all relevant AUT policies and requirements (e.g. health and safety);
 - will be covered by AUT's insurances in the normal way.
- AUT Ventures Ltd will review the contract and assess the risks to the University (including, legal or reputational risks and the proposed use of the University's intellectual property). AUT Ventures Ltd may decline to enter into the contract if the risks identified with the contract are deemed unacceptable.
- Where AUT Consulting is undertaken during normal paid hours of employment and/or makes significant use of University resources, AUT Ventures will deduct the following costs from the consulting fee:
 - A management fee of up to 15% of the total revenue derived from the consulting activity.
 - Salary costs equivalent to the normal working time the staff member spends undertaking the consulting work. Salary costs will be distributed to the relevant Faculty.
 - All other costs associated with the consulting work. Costs will be distributed to the unit that incurred them.
 - An overhead charge consistent with the use of University resources associated with the consulting activity. Fifty percent of the overhead will be distributed to the relevant Faculty and fifty percent to the Centre.
 - The residual balance (after AUT Ventures' management fee and all contract deductions as outlined above) may be directed to a nominated Research Programme Account (RPA) to be managed in accordance with University policy.
- AUT recognises that some staff may wish to undertake consulting in their personal time, with the option to take personal income, but have the administrative support and insurance coverage provided by the University ("AUT Consulting in Personal Time"). The University permits AUT Consulting in Personal Time subject to the conditions outlined below.
 - Consulting work must be carried out by the staff member outside of their normal paid hours of employment and without compromising their employment duties at the University.
 - There must be minimal use of University resources (e.g. use of a University laptop).
- For AUT Consulting in Personal Time, AUT Ventures will deduct the following costs from the consulting fee:
 - A management fee of up to 15% of the total revenue derived from the consulting activity.
 - Direct expenses associated with the consulting work (excluding salaries and overheads). Expenses will be distributed to the unit that incurred them.
- Staff undertaking AUT Consulting in Personal Time may elect to:
 - (1) direct any residual balance (after AUT Ventures' management fee and contract expenses have been deducted) to a nominated Research Programme Account (RPA) to be managed in accordance with University/Faculty policy; OR
 - (2) receive the residual balance (after AUT Ventures' management fee and all contract expenses have been deducted) as personal income. Such payment will be made to the staff member as a taxable emolument.
- The processes for pricing, invoicing and disbursement of income from consulting contracts are explained in the External Research and Consulting Contract Procedures, Part 4.

II. Private Consulting

- Private Consulting is subject to the Outside Activities and Supplementary Earnings Procedures and the Conflicts of Interest Policy. Neither the University nor AUT Ventures Ltd are involved in this type of consulting work, and the consultant must find, negotiate, perform and invoice this work in their own time as a private individual (or entity). Approval of Private Consulting is covered by the Outside Activities and Supplementary Earnings Procedures.
- Staff carrying out Private Consulting are not covered by University or AUT Ventures Ltd insurance policies.
- Staff entering into a Private Consulting contract should include a disclaimer (see External Research Contracts and Consulting Procedures Part 4) which makes clear that the work is being undertaken in a private capacity and that the University accepts no responsibility or liability for it.

Conflicts of interest

- It is particularly important that any actual or perceived conflicts of interest are managed effectively to ensure that the integrity and reliability of the conduct and outcomes of externally funded research or consulting work are maintained. Staff involved in externally funded research and consulting activities must identify and declare conflicts of interest that arise during the project and manage them in accordance with the University's Conflict of Interest Policy.

Recording of external research income

- The Tertiary Education Commission allocates funding to the University based on research income received by the University and its wholly owned subsidiaries in the previous three years. This is known as the ERI component of PBRF.
- Regardless of the contracting party, AUT Ventures and the University will record External Research Income for the purposes of reporting to the Tertiary Education Commission.

3. DEFINITIONS

AUT Consulting:

Is consulting carried out under the auspices of the University or AUT Ventures Ltd, or using their name, brands or intellectual property.

AUT Ventures

Means AUT Ventures Ltd, a wholly owned subsidiary of Auckland University of Technology.

Consulting:

Is an activity involving the application or manipulation of existing knowledge to provide expert advice to an external client. The answer to the question may be known or able to be deduced, calculated or otherwise determined from the current state of knowledge. It excludes any activity that falls within the definition of research. Delivery of short course teaching and contract or executive education activities within New Zealand or overseas is not treated as consulting but as Revenue Generating Activity.

External research income (ERI):

Is research income received by the University and our wholly owned subsidiaries from external sources, as reported to the Tertiary Education Commission on an annual basis. The rules for recognising research income are set out in the Performance-Based Research Fund (PBRF) User Manual.

Private Consulting

Is consulting carried out by a staff member in a private capacity outside of their normal paid hours of employment and without using University resources.

Research:

Is the current TEC Performance Based Research Fund (PBRF) definition of research for the relevant ERI audit period at the time of contracting.⁸ The definition is reproduced here is current at the time of writing:

“For the purposes of the PBRF, research is defined as a process of investigation or inquiry leading to new, recovered, or reinterpreted knowledge or understanding which is effectively shared and capable of rigorous assessment by the appropriate experts.

⁸ This definition of research took effect from 1 January 2024. It is included in the PBRF funding conditions published in 2023 and will be added to the Performance-Based Research Fund (PBRF) User Manual. The previous definition of research applies to ERI earned before 1 January 2024.

In Aotearoa New Zealand our distinctive research cultures and environments draw on diverse ontological, epistemological, and methodological traditions of critical inquiry, experimentation, and knowledge-creation. This definition of research includes Māori ways of knowing, being, and conducting rangahau such as kaupapa Māori and mātauranga Māori; diverse Pacific ways of knowing, being, and conducting research; and work that embodies new insights of direct relevance to the specific needs of iwi, hapū, marae, communities, government, scholarship and teaching, industry, and commerce, which may be developed through collaborative and practice-led processes involving stakeholders from those constituencies.

Research can be an individual or collective process and may be embodied in the form of artistic works, performances, designs, policies, or processes that lead to novel or substantially improved insights.

For further clarification, research includes:

- Activity that leads to scholarly books, journal articles, and other nationally and internationally published outputs and presentations that offer new, recovered, or reinterpreted knowledge;
- Activity that leads to contributions to the intellectual underpinning of different ontologies and epistemologies, subjects, and disciplines (for example, dictionaries, scholarly editions, teaching materials that embody original research, or teaching practices or activities that produce original research);
- Applications of existing knowledge to produce new or substantially improved materials, devices, products, designs, policies, granted patents, or creative outputs;
- Re-centring and revitalisation of knowledge (for example, the study of raranga, whakapapa narratives, waiata composition, navigational knowledge, translation studies, historical or literary archival studies, or ecological research); and
- The synthesis and analysis of previous research to the extent that the insights generated are new.

It does not include:

- routine testing and data collection lacking analysis, interpretation and/or evaluation;
- preparation for teaching that does not embody original research (for example, collation of existing research and research outputs into handbooks or textbooks where this does not embody new insights); or
- the legal and administrative aspects of intellectual property protection and commercialisation activities.”

Research Programme Account (RPA):

Means an internal account set up to receive re- investment disbursements from research project accounts or consultancies, and to be used for University research purposes.

Revenue generating activities

Means commercial activities that sit outside normal University teaching and research activities and may include short courses which do not consume EFTs and/or DQ funding, credit bearing courses designed specifically for the international student market, workshops, conferences, or commercial activities such as catering and events management.

University resources:

Means any resource owned, leased, or employed by the University, including but not limited to:

- University funds.
- Express or implied association with the University or AUT Ventures’ name or brands, including use of letterhead, phones, or business cards.
- Premises, laboratories, and clinics.
- Equipment, networks, computer hardware and software.
- The University or AUT Ventures’ insurances and other related employment protections.
- Staff or student time (excluding time covered by AUT Ventures’ fees).
- Library resources.
- Pre-existing intellectual property rights vested in the University.
- Professional services such as financial, human resources and IT support.

University staff:

Means individuals with an employment relationship or formal academic appointment with the University or with AUT Ventures. “Staff” has a corresponding meaning.

4. SCOPE

- This Policy applies to all University staff and students who engage in, submit, negotiate, authorise or administer external research funding and consulting proposals and contracts.

5. LEGISLATION AND COMPLIANCE

- The University shall comply with all applicable New Zealand laws, legislation and regulations. See also the Register of Key Legislation.
- There is no specific legislation directing this policy.

6. RELATED PROCEDURES/DOCUMENTS

AUT Code of Conduct for Research 2019
Contracts Policy

Conflict of Interests Policy
External Research and Consulting Contracts Procedures Parts 1-4
Financial Accounting Policy
Gifts, Koha, and Donations Policy
Intellectual Property Rights Policy
Records Management Policy and Procedures
Revenue Generating Activity (RGA) and Carry-Forward Policy
Outside Activities and Supplementary Earnings Procedures
Principles of Workload Reapportionment for Externally-funded Research and Consulting

Policies and procedures can be found on [Tuia](#).

7. DOCUMENT MANAGEMENT AND CONTROL

Policy Owner: Deputy Vice-Chancellor Research

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