

**The Senate**  
**Select Committee into the Scrutiny of Government Budget Measures**  
**ANSWERS TO QUESTIONS TAKEN ON NOTICE**  
Hobart Public Hearing  
8 March 2016

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**AGENCY/DEPARTMENT:** CSIRO

**TOPIC:** Staff numbers

**REFERENCE:** Question Taken on Notice (Hansard, 8 March 2015, page 41)

**QUESTION 1:**

**Ms Bennett:** The three locations are the locations where the two programs predominantly reside. That is 140 staff. As we indicated, we believe that up to 70 of that 140 will ultimately be impacted on. I just wanted to be sure that that was clear.

**Senator SINGH:** How many HR staff are in the Oceans and Atmosphere division?

**Dr Wonhas:** I would have to take that question on notice.

**ANSWER**

CSIRO provides HR support to its business units through a shared services model where a centrally managed team is deployed across the organisation. Currently four HR staff are deployed to the Oceans and Atmosphere business unit. Regardless of staff movements CSIRO will work to ensure this level of support is maintained.



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**AGENCY/DEPARTMENT:** CSIRO

**TOPIC:** Advice to the Board

**REFERENCE:** Question Taken on Notice (Hansard, 8 March 2015, page 47)

**QUESTION 2:**

**Ms Bennett:** There was an informal one in December and then on 2 February the board were notified with what was essentially a written distribution of information. There was not a meeting.

**Senator CAROL BROWN:** So there was not a meeting?

**Ms Bennett:** There was not a meeting, but it was a formal distribution to the board, so it stands as properly constituted.

**Senator CAROL BROWN:** So, essentially, it was emailed to board members—

**Ms Bennett:** And—I am trying to find the right word—a response followed up so that it was assured that they had read it, and the response was received by the board office.

**Senator CAROL BROWN:** So they had to vote? How does it work?

**Ms Bennett:** I do not believe there was a vote. There were asked to comment and provide feedback, if I remember the wording correctly. I could take that on notice to confirm.

**ANSWER**

The Chief Executive is responsible to the Board for the overall development of strategy, management and performance of CSIRO. The Chief Executive manages the Organisation in accordance with the strategy, plans and policies approved by the Board to achieve the Organisation's objectives.

Under the Board Directions to the Chief Executive (available at <http://www.csiro.au/en/About/Leadership-governance/Minister-and-Board/Directions-to-CEO>), the Chief Executive is required to consult with the Board on certain matters, including the structure of business units and submit more detailed strategies and investment proposals, preferably at the concept stage, to support delivery of the Corporate Plan.

The method of consultation is not specified. The Chief Executive works through the Chairman to determine the method of communication and an appropriate time to respond. The normal timeframe is three working days or less in the case of an urgent matter.

In this instance, preliminary investment directions were shared with the Board at their formal Board meeting on 8 December 2015; and the Board were provided with further information by email on 2 February 2016 seeking support to announce the investment directions to staff. Board support was provided before the staff communication was made on 4 February 2016.



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**AGENCY/DEPARTMENT:** CSIRO

**TOPIC:** Board Process

**REFERENCE:** Question Taken on Notice (Hansard, 8 March 2015, page 47)

**QUESTION 3:**

**Senator CAROL BROWN:** How long does that process last? You have sent the email out to ask for comment or feedback—

**Ms Bennett:** For feedback and comment, yes.

**Senator CAROL BROWN:** Do they have an hour, two hours or 10 days?

**Ms Bennett:** Again, I would have to take on notice the various specifics of that email from the board secretariat to the board. But it is always done with sufficient time.

**ANSWER**

Refer to answer to question 2.



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**AGENCY/DEPARTMENT:** CSIRO

**TOPIC:** Board Feedback

**REFERENCE:** Question Taken on Notice (Hansard, 8 March 2015, page 47)

**QUESTION 4:**

**Ms Bennett:** As I have indicated, it certainly was confirming the decision and the actions that were going to be taken. But, as I have indicated, there had been a discussion in December, so the board was fully aware of the directions we were going and the chief executive and the chairman—

**Senator CAROL BROWN:** You said that that was actually an informal discussion on 8 December.

**Ms Bennett:** That was within the bounds of the board meeting. That discussion in December was within the formal board meeting. What I said was that at the stage the process was at, it was not a decision but an update direction setting on where we were going.

**Senator CAROL BROWN:** So there was no need for a decision by the board?

**Ms Bennett:** The chairman and the chief executive came together and discussed it through January, and that is correct. The board was then provided an update with the decision and asked to give feedback.

**Senator CAROL BROWN:** Can you take on notice, first of all, how long they were given to provide their comments or feedback, if feedback or comments were made and by how many. How many board members are there?

**ANSWER**

On 2nd February the Board consisted of seven part-time members plus the Chief Executive and of the seven part-time members explicit confirmation of support was received from five.

Refer to the answer to question 2 regarding time Board members were given to respond.





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**AGENCY/DEPARTMENT:** CSIRO

**TOPIC:** Board members

**REFERENCE:** Question Taken on Notice (Hansard, 8 March 2015, page 47-48)

**QUESTION 5:**

**Senator CAROL BROWN:** So those three of the seven are quite new to the board?

**Ms Bennett:** They are new members to the board, indeed.

**Senator CAROL BROWN:** And the other four?

**Ms Bennett:** There is Shirley In't Veld, Hutch Ranck, Peter Riddles and Dr Eileen Doyle. Again, I will just have to check Dr Doyle's precise timing. I know she finished in February. I will just have to double-check. I believe she was still a formal board member at the time that this resolution went out, but I would have to take that on notice. And, of course, Dr Marshall is a board member.

**ANSWER**

On 2nd February 2016 the part time members of the Board where:

1. Mr David Thodey
2. Mr Hutch Ranck
3. Dr Eileen Doyle
4. Ms Shirley In't Veld
5. Prof Edwina Cornish
6. Dr Peter Riddles
7. Mr Brian Watson



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**AGENCY/DEPARTMENT:** CSIRO

**TOPIC:** Use of private email

**REFERENCE:** Question Taken on Notice (Hansard, 8 March 2015, page 49)

**QUESTION 6:**

**CHAIR:** Is it common for executives to use private email to communicate?

**Ms Bennett:** No.

**CHAIR:** It is not common? Part of the problem here, Dr Wonhas, is that the Senate has an order for the production of documents relating especially to the 27 January executive meeting and what transpired. Clearly, if private emails have been used, it is going to be very difficult for us to access information. Of course, it is our job to scrutinise these kinds of things to make sure due process is followed. It is very concerning that there is no transparency around this if private emails have been used.

**Dr Wonhas:** I appreciate your role. As I said before, I have provided all of the private emails in relation to this matter into our corporate systems, so I can assure you that information has not disappeared—it is available.

**Senator CAROL BROWN:** How was that carried out?

**CHAIR:** And who else has done that?

**Dr Wonhas:** All of the members of my team have done that.

**Senator SINGH:** Could you also provide on notice the policy of the use of private and CSIRO emails as part of the operations?

**ANSWER**

The policy is attached.



## MyCSIRO Intranet

Please note, printed versions of this policy may be out of date and should not be relied on for current policy information. The only current, authoritative version can be found on the CSIRO intranet at [<http://my.csiro.au/Policy-Portal/Procedures/Use-of-Email.aspx>]

## Use and Management of Email Procedure

**Mandatory requirements for use and management of email in CSIRO.**

### About

#### Intent

CSIRO uses email extensively for both internal and external communication. The mandatory requirements for use and management of email are outlined in this procedure.

#### Application

The Use and Management of Email Procedure applies to all staff members and CSIRO affiliates.

#### General Requirements

Email created or received on CSIRO systems will generally relate to research, commercial or administrative matters undertaken as part of CSIRO's business activities. Limited personal use of email is permitted in accordance with the [CSIRO Information Security Procedure](#).

All staff members and CSIRO affiliates are to comply with the requirements outlined in this procedure and ensure that email communication is conducted in accordance with relevant legislation and internal CSIRO policy/procedures.

#### Supporting Information

##### CSIRO Email System

The CSIRO Email System is a fit for purpose communication platform and is not designed for long term file storage which should be managed using appropriate systems such as TRIM, SharePoint and network file shares.

In order to provide a stable and effective Email System it is necessary to have limitations on the resources each individual staff member can consume – specifically there are limitations on message sizes and total mailbox size (see [Email quotas](#)). The sizes have been implemented in consultation with Microsoft and are at the maximum recommended settings. These CSIRO Email System settings provide larger quotas than the majority of corporate systems in both government and private sectors based on global Microsoft data.

Without limitations, the Email System will expand at a rate beyond which the system is designed to operate with the real risk of data corruption or loss.

As in all organisations, individual users are responsible for deleting content that is no longer required and for archiving content that falls within the categories outlined in the CSIRO [Recordkeeping Procedure](#).

IM&T provides access to email on Windows, Mac and Linux platforms via its Base Operating Environment. The most complete experience is provided on the Windows platform. Access may be available via other methods, for details see [IM&T - Email & Calendar](#).

The practice of forwarding email that is destined for other email systems to the CSIRO email system is not supported by CSIRO. CSIRO staff who use this method do so at their own risk and accept that emails may be lost or delayed, or they may receive additional spam or malicious emails.

The CSIRO email system is backed-up for disaster recovery purposes according to current IM&T standard operating instructions.

The CSIRO email system is designed to be available 24x7. Scheduled maintenance may occur once a month for patching and other updates. The email system may be down for unscheduled maintenance without advance warning or notice at any time, the IM&T Service Desk will communicate these outages to CSIRO staff.

The CSIRO email system will automatically block or rate limit incoming emails which are addressed to non-existent CSIRO email addresses.

The CSIRO email system is protected by an anti-spam and anti-virus email blocking procedures which provide coverage against the majority of spam and malicious code emails.

Training in the use of Outlook is available from the [IM&T Learning Hub \[SharePoint site\]](#).

## Email accounts

Email accounts are created for each staff member and CSIRO affiliate using data derived from SAP. CSIRO uses a standard email address format: *preferredname.surname@csiro.au* or an alternative *firstname.lastname* specifically approved by CSIRO Human Resources (HR). A staff member may only have up to 2 @csiro.au email addresses - based on their preferred and alternative names. The primary address will be used for outgoing email.

The CSIRO email system supports use of an apostrophe in email addresses; some external email systems do not support this character. It is the responsibility of HR and the individual staff member to decide on the use of this character in their email address.

Email generated outside the CSIRO network with the @csiro.au or csiro.au domain will be automatically tagged as "external email" to alert others to the fact that the email has been derived from outside the CSIRO network and is potentially malicious.

If email users are unable to check their email for some reason (eg on leave), they should:

- Use the Out of Office tools in Outlook to automatically reply to emails originating within CSIRO, advising that you are absent and giving additional information as necessary.
- Arrange for another person in CSIRO to check email in your absence by auto-forwarding messages to the nominated person or by delegating your account. See below regarding [Privacy](#) when sending and receiving emails.
- Suspend membership of mailing lists, as Out of Office messages will be sent to the list.

CSIRO email is operated within an unclassified information security environment as outlined in the [CSIRO Information Security Procedure](#). Classified information should not be transmitted through the email system.

When a staff member or CSIRO affiliate is recorded as Ceased in the SAP system, their email account is immediately disabled so that:

- Email messages cannot be sent from that account.
- Email sent to the account from outside CSIRO is rejected and an automated 'email undeliverable' message is sent in reply.
- At six months from the cessation date, the account is removed from the email system and the mailbox is archived.

CSIRO may monitor email in certain circumstances as set out in the [CSIRO Information Security Procedure](#) (refer Section 8).

The use of private email systems should not be used for official CSIRO business.

## Email quotas

Individual email message size limits are standardised at 30 MB across all email systems including Outlook web access.

A maximum of 5 gigabytes of email storage can be stored in CSIRO email accounts. All email users should undertake regular maintenance and clean up of their mail folders.

## Status of email

Email is a legitimate means of communication (relevant legislation includes the [Evidence Act \(1995\) \[external link\]](#) and the [Electronic Transactions Act \(1999\) \[external link\]](#). Email should be regarded in the same way as conventional, non-electronic forms of correspondence and must conform to the following:

- Relevant legislation including but not limited to the [Archives Act \(1983\) \[external link\]](#), the [Crimes Act \(1914\) \[external link\]](#), the [Privacy Act \(1988\) \[external link\]](#), the [Freedom of Information Act \(1982\) \[external link\]](#) and the [Commonwealth Protective Security Policy Framework \[external link\]](#).
- [CSIRO Code of Conduct](#)
- [CSIRO Recordkeeping Procedure](#)
- [CSIRO Information Security Procedure](#)
- [Policy on Public Comment by CSIRO Staff](#)
- [CSIRO Commercial Operational Policies](#)

Emails must be treated as official CSIRO records when they establish evidence of a decision or outcome for which CSIRO may be held accountable - refer [CSIRO Recordkeeping Procedure](#) for guidance on managing official CSIRO records.

Emails that do not meet the definition of official CSIRO records do not need to be captured into the recordkeeping system and may be deleted as required. Once deleted by an email user, access to deleted emails is available via Outlook for up to 21 days via Recovered Items. After 21 days, deleted emails are generally not recoverable. Any requests for recovery of email after 21 days are to be assessed on their merits by the Chief Information Officer.

## Access to email accounts

CSIRO email accounts may be specific to a user or set up as a group mailbox. Multiple users may be given access to a group mailbox. Generally CSIRO email users will have access to their own email accounts.

It should not be assumed that an email has necessarily been sent or received by the actual account holder. In appropriate circumstances, other email users may also be delegated access to email accounts of individual Staff members or CSIRO Affiliates, potentially providing access to read, send and delete emails without the user's involvement.

Email users may delegate access to their email account to other CSIRO staff using Outlook where this is justified for business reasons (for example where another user routinely manages that user's inbox and appointments). Email users should carefully consider if this is appropriate and the level of delegation to grant. Email users should be aware when they delegate other users to access their email account that the person may have access to all of their email (including read, send, delete permissions as applicable) until such time as the delegation is removed. The email account holder remains primarily responsible for ensuring that their account is used appropriately and for reporting any misuse.

Staff sending email from a delegated account must use the option to send 'on behalf of' where the account is authorised to a staff member and is not used as a group mailbox. It is a breach of the CSIRO Information Security Procedure for a Staff member or CSIRO Affiliate to impersonate another email account holder when sending emails, including to external parties. Any

emails not sent using the 'on behalf of' function must be specifically authorised by the relevant account holder.

Having multiple mailboxes configured in Outlook can significantly reduce performance. Delegated mailboxes may not be fully functional or even accessible via Outlook for Web Access or other accessible but non-supported access methods (such as IMAP or EWS). For full delegated functionality, the email user should use Outlook.

Access to other staff email accounts or mailboxes (ceased or active) without the staff member's permission is not provided in normal business circumstances. In certain exceptional circumstances, requests for access to accounts may be justified and any such requests need to be made through the business unit leader and directed to the Chief Information Officer for consideration.

## Privacy and appropriate use of email

Email is primarily intended for business purposes with email users having the scope to undertake limited personal email in accordance with the [CSIRO Information Security Procedure](#). The use of emails for private purposes must occur within the framework of the [CSIRO Code of Conduct](#) and in accordance with related legislation such as the [Privacy Act \(1988\) \[external link\]](#) and the Privacy Commissioner's Guidelines on [Workplace Email, Web Browsing and Privacy \[external link\]](#).

The appropriate use of CSIRO email accounts is covered by the [CSIRO Information Security Procedure](#) (refer section 8).

Normal business communication etiquette also applies when sending email. All email users should ensure that their communication will be sent to the intended recipient and the content is appropriate for internal or external recipients. All email users should recognise that other CSIRO and non CSIRO personnel may obtain access to emails and the specific addressee is not necessarily the only person with access to their email account.

All email users should be familiar with the [Working with email in CSIRO](#) communication protocols.

## Email security

Email security is managed within the overall CSIRO information security context (refer [CSIRO Information Security Procedure](#)). There are significant harmful risks associated with email including:

- Malicious code (malware) intended to compromise computers through viruses.
- Trojans and email worms designed to corrupt the normal operation of the system, gather sensitive information such as passwords, enumerate corporate networks or self-replicate via email to infect other systems.
- Spam, unsolicited emails advertising services or products.
- Phishing and other fraudulent activities intended to obtain financial gain or sensitive information through deception.
- Chain emails, hoaxes and threats that can cause anxiety to the recipient.

While IM&T has implemented a layered defence against malicious and unwanted emails, some of these emails may reach users. Email users should always exercise caution when they have received suspicious or unsolicited emails and must not create and forward malicious emails themselves.

Email users who believe they have received nationally classified information, malware, spam, phishing or threats via email must report the incident to IM&T via the IM&T Service Desk. Spam may be reported using the instructions on the [IM&T - Email & Calendar](#).

## Actions Required

All staff and CSIRO affiliates must follow the Use and Management of Email Procedure.

## Definitions

Terms and abbreviations used in this procedure.

Staff member	A person appointed by CSIRO under section 32 of the <i>Science and Industry Research Act 1949</i> .
CSIRO affiliate	A person associated with CSIRO but who is not a Staff member, namely: <ul style="list-style-type: none"><li>• contractor;</li><li>• consultant;</li><li>• secondee;</li><li>• visiting scientist;</li><li>• honorary, post retirement or volunteer fellow; or</li><li>• student or trainee.</li></ul>

## Resources

This Procedure is to be read in conjunction with the following:

- [CSIRO Information Security Procedure](#)
- [Recordkeeping Procedure](#)
- [CSIRO Code of Conduct](#)
- [Policy on Public Comment by CSIRO Staff](#)
- [CSIRO Commercial Operational Policies](#)
- [Personnel Management Manual](#)

## References

- [IM&T](#)
- [IM&T Learning Hub - Outlook \[SharePoint site\]](#)
- [CSIRO Records Services](#)
- [Working with email in CSIRO](#) protocols
- [IT Security](#)
- [Commonwealth Protective Security Policy Framework \[external link\]](#)
- [Archives Act \(1983\) \[external link\]](#)
- [Crimes Act \(1914\) \[external link\]](#)
- [Evidence Act \(1995\) \[external link\]](#)
- [Electronic Transactions Act \(1999\) \[external link\]](#)
- [Freedom of Information Act \(1982\) \[external link\]](#)
- [Privacy Act \(1988\)](#)
- Privacy Commissioner's Guidelines on [Workplace Email, Web Browsing and Privacy \[external link\]](#)

## Further information

For further information please contact the [IM&T Service Desk](#).

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**AGENCY/DEPARTMENT:** CSIRO

**TOPIC:** Dr Lee's summary

**REFERENCE:** Question on Notice (Hansard, 8 March 2015, page 51)

**QUESTION 7:**

**Senator CAROL BROWN:** I did not get an answer to my question. Can we get a copy of Dr Lee's implications that he put together for you, or for the executive, on 100 positions going from Oceans and Atmosphere?

**Ms Bennett:** I will take it on notice. I believe Dr Wonhas did say that he would be able to bring back essentially the summary that Dr Lee presented to the executive team in that meeting in January.

**ANSWER**

Dr Lee had the attached presentation prepared by his team in readiness for the Executive Team meeting. Dr Lee did not provide any written papers to the meeting, but he participated in an extensive discussion with the Executive Team.

# O&A Deep Dive Analysis

Jeff McCulloch | Executive Manager, Finance  
25 January 2016

CORPORATE FINANCE  
[www.csiro.au](http://www.csiro.au)



# Staff Overview

- Target reduction in staff 100 FTEs
- Based on the interim iteration of data provided by O&A:
  - a headcount reduction of 115
  - an FTE reduction of 110 of which 100 have been identified
  - Of the 100 FTEs, 86 FTE's have planned deployments in 15/16 (~86% deployment rate vs non-impacted staff 69% deployment rate)
  - Of the 86 planned FTEs, 74 (86%) are planned within O&A and 12 (14%) to other BUs (NMF, Energy, L&W have the greatest impact)
  - The impacted 14 FTE non-deployed staff are assumed to be approp funded.

	headcount	FTEs	FTEs deployed	O&A	Manu	D61	Energy	Min	Ag	F&N	L&W	H&BioS	NMF	
Row Labels	Count of Ident	Sum of FTE	Sum of D- FY2016	Sum of D- R05	Sum of D- R01	Sum of D- R02	Sum of D- R03	Sum of D- R04	Sum of D- R06	Sum of D- R07	Sum of D- R08	Sum of D- R09	Sum of D- N02	
0 Identified Capability		105	99.6	85.8	74.2	-	0.2	2.9	0.1	1.5	-	2.3	-	4.6
Earth System Assessment		65	60.6	48.8	44.0	-	-	2.8	0.1	-	-	1.9	-	-
Engineering & Technology		9	9.0	8.3	3.8	-	-	-	-	-	-	-	-	4.6
Ocean & Climate Dynamics		31	30.0	28.6	26.4	-	0.2	0.1	-	1.5	-	0.4	-	-
1 Non-impacted Capabaility		318	288.0	197.9	167.0	1.2	1.3	3.0	-	0.5	2.1	4.7	0.3	17.7
0		4	4.0	-	-	-	-	-	-	-	-	-	-	-
Operations O&A		4	3.6	-	-	-	-	-	-	-	-	-	-	-
Science Strategy O&A		7	7.0	1.1	1.1	-	-	-	-	-	-	-	-	-
Coastal Development & Management		98	86.1	62.4	54.1	1.1	1.1	0.7	-	-	2.1	3.1	0.2	-
Earth System Assessment		16	15.6	9.8	9.4	-	-	0.4	-	-	-	-	-	-
Engineering & Technology		64	59.5	41.5	23.3	-	0.3	-	-	0.2	-	-	-	17.7
Marine Resources & Industries		85	75.1	48.9	44.8	0.0	-	1.9	-	0.4	-	1.6	0.2	-
Ocean & Climate Dynamics		40	37.0	34.2	34.2	-	-	-	-	-	-	-	-	-
Grand Total		423	387.6	283.7	241.2	1.2	1.5	5.9	0.1	2.1	2.1	7.0	0.3	22.3

# All project revenue potentially impacted

This table identifies \$m revenue at risk based on the deployment of identified staff to planned projects (secured revenue). The % columns classify identified staff as a % of total planned FTE's for the sum of projects in each BU. Deployment %'s >20% are considered at serious risk.

Row Labels	Total Sum of Rev. Plan 2016	Business As Usual		At Risk	
		Minor:0-5%	Material:5-20%	Major:20-50%	Majority:50-100%
AAHL	11.70	11.70	-	-	-
Agriculture	81.43	80.74	-	-	0.69
CASS	30.80	30.80	-	-	-
Data61	7.29	7.29	-	-	-
Energy	47.04	46.77	-	-	0.27
F&N	11.39	11.39	-	-	-
H&B	16.89	16.89	-	-	-
IM&T	7.88	7.88	-	-	-
L&W	29.67	29.54	0.13	-	-
Manufact	28.95	28.95	-	-	-
Min Res	21.39	21.18	0.22	-	-
Not assigned	8.75	8.75	-	-	-
NRCA BU	6.04	6.04	-	-	-
O&A	42.14	32.70	1.83	0.60	7.01
Coastal D&M	9.12	9.12	-	-	-
Earth Assess	5.27	0.72	0.19	0.18	4.18
Eng & Tech	5.58	5.23	0.22	-	0.12
Marine R&I	15.36	15.32	-	0.04	-
O&C Dynamics	6.82	2.31	1.42	0.38	2.71
Services	13.08	13.08	-	-	-
Grand Total	364.43	353.69	2.17	0.60	7.97

# Project Opex associated with impacted capability

This table identifies \$m opex project planned in projects where identified capability is deployed to. The % columns classify identified staff as a % of total planned FTE's for the sum of projects in each BU. Projects with deployment %'s >20% are considered at serious risk, therefore potential opex savings.

	Total Sum of OpTravelPlan	Business As Usual		At Risk	
Row Labels		Minor:0-5%	Material:5-20%	Major:20-50%	Majority:50-100%
AAHL	1.86	1.86	-	-	-
Agriculture	38.46	38.06	-	-	0.39
CASS	11.20	11.20	-	-	-
Data61	0.67	0.67	-	-	-
Energy	26.07	26.04	-	-	0.02
F&N	3.43	3.43	-	-	-
H&B	5.35	5.35	-	-	-
IM&T	2.20	2.20	-	-	-
L&W	9.92	9.90	0.02	-	-
Manufact	6.70	6.70	-	-	-
Min Res	7.07	7.01	0.06	-	-
Not assigned	3.41	3.41	-	-	-
NRCA BU	4.24	4.24	-	-	-
O&A	18.05	14.96	0.37	0.14	2.58
Coastal D&M	4.05	4.05	-	-	-
Earth Assess	2.15	0.44	0.03	0.01	1.66
Eng & Tech	2.55	2.37	0.08	-	0.10
Marine R&I	7.11	7.11	-	-	-
O&C Dynamics	2.19	0.99	0.25	0.12	0.82
Services	4.26	4.26	-	-	-
Grand Total	142.89	139.31	0.45	0.14	3.00

# Summary

- Based on the data provided by O&A:
  - a revised target FTE reduction of 110 (headcount reduction ~115)
  - Of the 110 FTEs, 100 FTEs have been identified and modelled. The remaining 10 FTEs are yet to be identified & the associated impacts assessed.
  - 45 FTEs are eligible for recruitment in growth areas
  - An investment reduction equivalent to 65 FTEs will occur from 16/17
  - The financial impacts of the 100 FTEs are as follows:

## Financial Impacts

### External Revenue

Projects with identified staff deployments exceeding 20% of total project planned FTEs has \$7.6m of revenue at risk in 15/16 (of which \$7m has deployments exceeding 50%). The estimated reduction in revenue is revised to \$5m as there will be growth revenue associated with 45 FTEs but this will take time to secure. \$5m is an indicative number that will be considered in more detail.

In addition Ag has \$0.7m and Energy \$0.3m of revenue at risk. Staff transfers maybe an option to consider.

### Salary Costs

The estimated salary cost saving (net reduction) of 65 FTEs @ avg \$135k p.a. = \$8.8m

The estimated redundancy cost of 110 FTEs @ avg \$100k each = \$11m (\$10m 15/16, \$1m 16/17)

### Opex

Projects with identified staff deployments exceeding 20% of total project planned FTEs has planned project opex in O&A of \$2.7m in 15/16. This is an initial estimate that requires refinement back to net 65 FTE reduction.

### Direct Approp:

A very rough approximation of direct approp attributable to the net reduction in FTEs is \$6.5m (Salary \$8.8m + Opex \$2.7m – Risked External Revenue \$5m)



# Key Risks

- O&A has a current staff level of ~400 FTEs. The proposed change is 110 FTE redundancies = 27.5%
- This level of upheaval is very significant and will be a major distraction to not just the directly impacted staff but also management and indirectly impacted staff. Business as Usual productivity levels will be significantly impacted for 12 – 18 months.
- There has been no provision made for “disrupted external revenue” during the transition phase of reducing staff by 110 and then recruiting 45 into growth areas
- Some long standing government clients will be impacted by this realignment. This will require some management given that we are electing to make these changes rather than forced by government funding changes.
- O&A is embarking on international growth which is traditionally expensive and has a long incubation period. The out year budgets require much deeper analysis than was possible in a week.
- This is a significant cultural change. Whilst clearly flagged in the 2020 Strategy, it will take time to transition staff and implement modified pricing strategies.



**The Senate**  
**Select Committee into the Scrutiny of Government Budget Measures**  
**ANSWERS TO QUESTIONS TAKEN ON NOTICE**  
Hobart Public Hearing  
8 March 2016

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**AGENCY/DEPARTMENT:** CSIRO

**TOPIC:** Reduction in numbers

**REFERENCE:** Question on Notice (Hansard, 8 March 2015, page 51)

**QUESTION 8:**

**Senator CAROL BROWN:** Okay. I have just one last quick question. Was the same process used in terms of the Land and Water division?

**Ms Bennett:** The broad process, yes.

**Senator CAROL BROWN:** So, there was an initial figure of staff numbers?

**Ms Bennett:** Correct.

**Senator CAROL BROWN:** Can you tell me what that was?

**Ms Bennett:** Land and Water proposed a reduction of 55 FTEs, I believe, in its original submission.

**Senator CAROL BROWN:** Would that figure go up, or down, or—

**Ms Bennett:** Where it has rested—and I would have to check—is at 100 reduction, but with about 55 recruitment, so a net of 50-ish. But I would have to take it on notice to confirm that.

**ANSWER**

The details of impacts are being worked through. Current planning is that CSIRO Land and Water business unit will see a staff reduction of approximately 100 FTE. Over the next two years the business unit will create up to 50 FTE new positions. This would mean a net reduction of 50 FTE.



**The Senate**  
**Select Committee into the Scrutiny of Government Budget Measures**  
**ANSWERS TO QUESTIONS TAKEN ON NOTICE**  
Hobart Public Hearing  
8 March 2016

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**AGENCY/DEPARTMENT:** CSIRO

**TOPIC:** Production of documents

**REFERENCE:** Question on Notice (Hansard, 8 March 2015, page 51)

**QUESTION 9:**

**CHAIR:** Perhaps I could just clarify for the record: our understanding was that Dr Wonhas has prepared documents to comply with an order for the production of documents and that they would be available by 17 March. Can you confirm whether you have actually prepared those documents, Dr Wonhas?

**Dr Wonhas:** I have certainly provided all of the relevant documents to our internal documenting unit.

**CHAIR:** And could you also, on notice, provide to the committee who it was that issued the directive to use private emails and whether Dr Marshall also had private emails that will be included in the order for the production of documents? You can take that on notice.

**Ms Bennett:** We will take it on notice.

**ANSWER**

No directive was ever issued to use private emails.  
Dr Marshall did not use his private email.



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6 April 2016

Ms Lyn Beverley  
Committee Secretary  
Senate Select Committee into the Scrutiny of Government Budget Measures  
Parliament House, CANBERRA

Dear Ms Beverley,

**Extension to QoN Answer from 8 March hearing**

I write to extend the answer to QON 9 from the 8 March 2016 Hobart Hearing of the Select Committee. Having become aware of the answer provided by Dr Peter Craig to a separate QoN that was asked on 11 March 2016, CSIRO has conducted further enquiries as to the issue of whether there was a 'directive' to use private emails.

In preparation for the "deep dive" discussions, the Ocean & Atmosphere business unit management team discussed how the information concerning any impacts to staff flowing from their strategic realignment proposal could be kept confidential. It was known that a number of these officers had granted a limited number of other CSIRO staff members access to their CSIRO email system, in order to conduct their normal work responsibilities. This situation creates the risk that confidential information could be accessed.

CSIRO now understands that a team planning meeting was held on 28 November 2015 which was conducted with some in-person attendance and via video link. Whilst no specific instruction to use private email was issued, in order to maintain confidentiality the team discussed the options of receiving papers by hard copy, USB stick, private email or, where the team member had not granted access to other staff members, the use of their CSIRO email system. Individual team members chose their preference to receive papers accordingly.

This approach was for the purpose of ensuring confidentiality and avoiding undue stress to other staff not involved in the preparatory work, given that the options being prepared were preliminary, had not been discussed by CSIRO senior management and no decisions had been made. However, the potential to cause significant concern to staff members was present.

CSIRO was not aware of the above facts at the time of submitting its original response to this Question on Notice on 17 March 2016. We apologise for any inconvenience caused.

Yours sincerely,

Hazel Bennett  
Chief Finance Officer  
Executive Director Finance and Services





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22 April 2016

Ms Lyn Beverley  
Committee Secretary  
Senate Select Committee into the Scrutiny of Government Budget Measures  
Parliament House, CANBERRA

Dear Ms Beverley,

**Further Extension to QoN Answer from 8 March hearing**

On 6 April I wrote to extend the answer to QON 9 from the 8 March 2016 Hobart Hearing of the Select Committee. I am now writing to further extend that answer.

At the last hearing we advised that, to the best of our knowledge, no specific instruction to use private email was issued. Rather, in order to maintain confidentiality the team discussed the options of receiving papers by hard copy, USB stick, private email or by their CSIRO email, where the team member had not granted other staff access to their CSIRO email account.

This week we have learned that a CSIRO Land and Water leadership team member requested a document be sent to another member of the leadership team via their private email. As previously advised, all leadership team members have been reminded of CSIRO's email use policy.

In light of recent events CSIRO has reviewed its email use and IT policies and identified some ambiguous language. These policies will be reviewed and revised accordingly.

CSIRO was not aware of the above facts at the time of submitting its original response to this Question on Notice on 17 March 2016 or our extended response on 6 April 2016. We apologise for any inconvenience caused.

Yours sincerely,

Hazel Bennett  
Chief Finance Officer  
Executive Director Finance and Services