

## CSIRO

### Our history

The Council for Scientific and Industrial Research (CSIR) was established in 1926 with its primary research devoted towards agriculture. In the late 1930s this was extended to include industrial research.

In 1949, the CSIR was reconstituted as CSIRO – the Commonwealth Scientific and Industrial Research Organisation, and gradually expanded its activities so that its research was related to almost every field of primary, secondary and tertiary industry in Australia.

Today, CSIRO is a trusted source for creative ideas and practical technologies to deliver impact for the nation. It seeks to be a valuable partner with strong international relationships.

### Our purpose

CSIRO's purpose is defined through the functions it undertakes for the benefit of Australia, which are set down in the *Science and Industry Research Act (1949)*. They are:

- To carry out scientific research for any of the following purposes:
  - Assisting Australian industry;
  - furthering the interests of the Australian community;
  - Contributing to the achievement of Australian national objectives or the performance of the national and international responsibilities of the Commonwealth;
  - any other purpose determined by the Minister;
- To encourage or facilitate the application or utilisation of the results of such research.

### Background to the project

Since mid-2014, CSIRO has undertaken significant work to transform our business processes. The changes are targeted at delivering on our strategy more effectively through better support to our frontline science teams and improving the external customer experiences with CSIRO. The changes are simplifying and streamlining our processes to reduce the administrative burden, and improve staff well-being.

A segment of this work has updated our approach to making investment decisions at the enterprise level and down through Lines of Business and Business Units (BU), to Programs and specific Projects. While CSIRO has always had an Investment Decision Framework (IDF), the revised IDF, guided by six long-standing investment criteria, has sought to provide increased transparency and consistency of decisions made at the Executive level. Central to the IDF reforms has been to ensure our leaders are empowered to make informed and sensible decisions on the allocation of resources within their BU. A key outcome is to have traceability and alignment of CSIRO's investment decisions between the CSIRO overall strategy through to project decisions.

In September 2015, CSIRO commenced its annual planning and budgeting cycle applying the revised IDF. The BUs were asked to align their future activities with CSIRO's new Strategy 2020 – *Australia's Innovation Catalyst: July 2015*.

In October, BU leaders from its 10 market facing research Business Units shared with each other and the Executive Team presentations regarding the alignment of their activities with the Strategy. Following these presentations the CSIRO Executive Team had separate meetings with the leader and

management team of each BU to engage in a deeper discussion. This process, known as the Deep Dive process, asked BU leaders to discuss shifts in portfolio investment, growth opportunities, revenue pipeline and other related matters to inform ET investment decisions for FY2015/16 to FY2019/20 at the BU level, which could include adjustments in the allocation of appropriation between business units.

In December 2015, the CSIRO Executive Team met to review outcomes from the Deep Dive and determined a prioritisation for appropriation investment across the business units. The Executive Team determined areas of additional, stable and reduced investment, and some structural change. Following further discussion between the Executive Team and BU leaders, the Executive confirmed their proposal to shift investment across the Business Units. After following established governance processes, CSIRO's CEO Dr Marshall sent an all-staff email on 4 February signalling the intention to shift investment in some science portfolios. This communication with all-staff is an important first step to align with our Enterprise Agreement.

Since that date, the CSIRO Executive and senior management have followed the established practices of internal and external consultation, gaining additional information where relevant to enable confirmation of the science decisions and provide certainty to staff regarding the impacts of these decisions.

It is during this period that CSIRO has received criticism from some internal and external stakeholders which, to a large degree, has been played out through the media. CSIRO has also been required to attend three hearings of the Select Committee into the Scrutiny of Government Budget Measures. On 3rd May, the Committee issued its third interim report which included its review of the CSIRO 'deep dive' changes and proposed cuts, particularly in relation to climate science.

The impact of this scrutiny has been significant and wide-reaching – from diversion of focus and cumulative months of work by CSIRO to provide documentation and prepare for attendance at hearings, through to potentially negative impact on CSIRO's brand and a perceived breakdown in trust in the processes and management. These wider impacts have in turn compromised CSIRO's ability to progress the consultations with potentially impacted staff – creating an unwanted hiatus that has caused some distress.

Through these processes over the last three months, questions have been raised in the Senate, media and amongst some staff regarding the effectiveness of CSIRO's internal processes. CSIRO is an organisation committed to "continuous improvement" and this review of the investment decision-making and ancillary processes is being established with this intent. Indeed, Dr Marshall has already publicly acknowledged that with the benefit of hindsight, he would have chosen to do some things differently.

### **Purpose of the Review**

The purpose is to review the processes<sup>1</sup>, governance, capability and organisational culture (attitudes, beliefs, assumptions and behaviour) that contributed to the planning, management,

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<sup>1</sup> Including documentation of outputs and outcomes

delivery and communication of the 2015-16 Investment Decision Framework and ancillary processes (collectively the 'in-scope activities'<sup>2</sup>) undertaken by CSIRO from October 2015 to the present time.

The expected outcomes from this review are recommendations - specific actions and practical advice - that will improve the appropriateness, effectiveness and efficiency of these activities.

This is not a review of the validity of the decisions arising from the 2015-16 process. In this regard, there should be a focus on the application of existing organisational architectures, policy and processes, as opposed to examining the decision resulting from them in detail (although recommendations related to best practice improvements will be welcome).

Whilst the aim of this review is to provide CSIRO with recommended actions to improve the outcomes from key business processes, the Consultant is expected to also advise CSIRO of any concerns that are identified in relation to potential breach of CSIRO's key policies and procedures.

### **Scope of Work**

The required scope of work is to:

- Gain a comprehensive understanding of events from the commencement of the investment decision-making process in October 2015 to the current time, that form the basis of this Review;
  - 'in scope activities' include – planning; investment decision-making framework; risk and issues management; external and internal communication; change management; HR processes; Ministerial and parliamentary liaison; executive governance and enterprise agreement; and engagement with the Board.
- Assess the appropriateness, effectiveness and efficiency of the process, governance, capability and culture relating to the in-scope activities, in the context of CSIRO's existing practices and available resources (such as procedures, frameworks, staff etc);
- Undertake interviews (one-on-one and/or small group) with representative members of CSIRO's Executive and Board, senior managers and staff (from science and enterprise areas who have knowledge of the activities) to inform the assessment
- Bring knowledge of best practices, capability and cultural requirements that need to underpin the successful and sustained delivery of the in-scope activities;
- Informed by the above, facilitate sessions with relevant individuals and/or teams within CSIRO to share the Consultant's initial observations and findings, discuss the feasibility of applying new/revised practices and identify any obstacles to the successful implementation of the Consultant's proposed way forward;
- Prepare an Implementation plan to guide the adoption of recommended improvements.

### **Deliverables**

We expect the Consultant to provide a written report at the end of this review (or in series) covering:

- Recommended improvements to the appropriateness, effectiveness and efficiency of processes, governance, capability and culture relating to the in-scope activities;

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<sup>2</sup>In-scope activities include (but not limited to) – planning; investment decision-making framework; risk and issues management; external and internal communication; change management; HR processes; Ministerial and parliamentary liaison; executive governance; and engagement with the Board

- Actions, including options if relevant, to deliver the recommended improvements;
- An evaluation framework to track the implementation activities and assess the impact of recommended improvements;
- Action plan including responsibility, resourcing and timing.

### **Skills and Experience**

CSIRO will be looking for the Consultant to demonstrate their excellence in providing the following:

1. Strong expertise in governance and risk management, particularly within a Government environment.
2. A demonstrated track record in developing and applying complex resource prioritisation across a portfolio of multiple objectives operating on different time outcomes (ie. similarities to a science and innovation investment processes).
3. Expertise in government relations, communications and stakeholder engagement.
4. Facilitation and influencing skills supported by strong interpersonal and communication capabilities to engage key stakeholders.
5. Analytical and technical problem solving skills focusing on practical, simple and streamlined solutions.
6. Experiential knowledge and understanding of organisational behaviour as it relates to utility of the organisation culture, engaging with processes and systems, preferably in complex and specialist professional organisations, and an awareness of change management requirements.

### **Resources**

The Consultant is requested to provide an appropriate resource model to deliver the required scope of work and review outcomes.

The Consultant will report to the CSIRO CEO on the outcomes of this Review.

The Consultant will liaise and work closely with the CSIRO Chief Finance Officer as the Project Co-ordinator.

CSIRO executive and senior management most relevant to this review are based at numerous sites but principally Sydney and Canberra.

### **Content and Form of Response**

In responding to this Request for Quotation, the Consultant is asked to provide a document that is no more than 10 pages in length, in MS Word or PowerPoint format, including appendices covering each of the following matters:

1. Outline the approach and activities to address the scope of work outlined above
2. Provide an indicative project timeline assuming an elapsed duration of 8 weeks (indicatively 6 weeks to draft report stage and finalisation of report by the end of week 8);
3. Provide a fixed price assuming 8 weeks elapsed time;
4. Nominate resources (highlighting their relevant expertise and experience to undertake the required work), their role on the Review and indicative time commitment
5. Offer 2-3 references relating to relevant work.

CSIRO is seeking to confirm the appointment of the Consultant and commence this review in the week commencing 16 May 2016.