

Impact of the Government's Workplace Bargaining Policy and approach to Commonwealth public sector bargaining

Commonwealth Scientific and Industrial and Research Organisation (CSIRO)

CSIRO - Key information

Current Agreement	CSIRO Enterprise Agreement 2011-2014
Nominal Expiry Date	16 August 2014
Staffing	Approximately 5200 (headcount)
Bargaining claim lodged	December 2013
NERR issued	July 2014
NERR re-issued	5 October 2016 (this was the fourth NERR, there were problems with the first three and then the Uniline decision required a further re-issue)
1 st Bargaining meeting	21 July 2014
1 st full agreement tabled	December 2015
EA Ballot	Open 24 to 31 October 2016 (first ballot)
Fair Work Commission matters	Protected Action Ballot B2015/355: Commenced 12 March 2015 Successfully declared 13 April 2015 Action taken throughout 2015
Current status of bargaining	First ballot occurring 24 to 31 October 2016. CSIRO's offer was approved by the APSC, with the same stripped conditions and similar pay offer (6.5% in total over 3.25 years; 2% per annum average)

Comments against the terms of reference as relevant

(a) the failure of the Government to conclude workplace bargaining across the Australian Public Service almost three years after the process began - a process that has impacted on more than 150,000 staff nationally and 115 agencies during that time;

Key issues from this failed process

- The first opportunity to vote on an offer occurred 27 months after the nominal expiry of the current agreement
- Colleagues in the university and other research sectors are receiving better financial/ employment recognition of their efforts, making alternate employment more attractive than working at CSIRO for the only time in recent history.
- Over 40 formal bargaining meetings have been held, trying to 'negotiate' around the restrictiveness of the Government's bargaining policy. The nature of the policy means we can't even constructively negotiate to achieve modest objective of keeping working conditions and rights in the Enterprise Agreement.
- Staff are extremely frustrated by the inability to genuinely negotiate with their employer

- Every time a resolution to an issue is attempted through negotiations, CSIRO management claim that they must seek advice from the APSC on interpretation of the Government's bargaining policy. This is inefficient and makes a mockery of the claims that the responsibility for bargaining rests at the agency level.
- (d) *the impact on agency productivity and staff morale of the delay in resolving enterprise agreements across the Australian Public Service;*
- (e) *the effect of the implementation of the Government's Workplace Bargaining Policy on workplace relations in the Commonwealth public sector;*

The CSIRO has lost 1 in 5 jobs since 2013 and staff have experienced the worst example of organisational change this year, with nearly 300 jobs lost through a flawed restructure. CSIRO commissioned a review of the restructure by Ernst and Young, with damning findings. Furthermore the results of a recent all staff survey demonstrated the despair and lack of trust staff have in CSIRO's leadership and direction. The union produced two special analyses of the Ernst and Young report and the staff survey, which are attached to this submission.

The approach of the Government is tying up not only union bargaining representatives but also the time of senior CSIRO management and Human Resources just when the organisation is also going through some of its most challenging times. .

Despite everything that has occurred this year in CSIRO, the bargaining impasse still remains the Number One issue for staff. At staff meetings and webinars with senior management, on broader organisational topics and changes, more than three quarters of the feedback and questions to CSIRO's leadership focus on enterprise bargaining. Staff trust and hope for the future is at rock bottom because of it. This policy and this process has had a terrible effect on workplace relations in our organisation.

- (f) *the effect of the implementation of the Government's Workplace Bargaining Policy on the working conditions and industrial rights of Commonwealth public sector employees;*
- (g) *the extent to which the implementation of the Workplace Bargaining Policy impacts on employee access to workplace flexibility, and with particular regard to flexibility for employees with family or caring responsibilities;*
- (h) *whether the Workplace Bargaining Policy and changes or reductions in employees' working conditions and industrial rights, including access to enforceable domestic and family violence leave, are a factor in the protracted delay in resolving enterprise agreements;*

In the proposed enterprise agreement more than three-quarters of the current agreement clauses have been removed or stripped. The cuts proposed impact on the following areas:

- Job security: indefinite employment as the standard form of employment
- Job security: science-specific criteria that permit term contract employment
- Job security: right to review individual tenure status to seek become indefinite
- Job security: protections for part-time workers
- Job security: protections to prevent outsourcing
- Consultation: prior to a definite decision being implemented
- Consultation: on matters other than major change
- Consultation: that provides the genuine opportunity to influence the decision maker

- Redundancy: written information to explain why an individual is potentially redundant
- Redundancy: the two month retention period for staff who substitute for a voluntary redundancy
- Miscellaneous leave: right to not have this leave unreasonably refused, including during the annual shut down
- Performance management: right to have agreed objectives in the annual performance plan
- Performance management: right to review of annual performance assessment
- Performance management: rights to the procedure and representation in underperformance processes
- Science specific: merit promotion process
- Science specific: work classification standards in CSIRO
- Science specific: ability to retain moral rights to scientific work

These proposed cuts have had a significant delay on the bargaining process, particularly at a time of major change in an organisation when staff are especially concerned about consultative and representational rights, and matters impacting on their job security.

(i) the effect of an expanded role for the responsible Minister in the Government's Workplace Bargaining Policy

It is evident from our experience as a Bargaining Team that the current bargaining policy is a major problem in moving forward on this matter. The CSIRO is clearly unable to negotiate in the way that it wants, and there is an urgent need for the Minister or someone with the authority to do something about this.

Attachments

1. Ernst and Young report reveals serious flaws at CSIRO executive level
2. CSIRO staff survey SHOCKER

SPECIAL REPORT

Ernst and Young report reveals serious flaws at CSIRO executive level

CSIRO has spent hundreds of thousands of dollars for a consultant's report into the controversial restructure, exposing an extensive list of errors, shortcomings and miscalculations among the organisation's senior executives and management.

The review – commissioned by Chief Executive Larry Marshall after months of widespread criticism following CSIRO's plan to cut hundreds of research positions – was conducted by Ernst & Young at a cost of \$340,000; according to a Freedom of Information request received by Fairfax Media.

Narrow scope

Despite the expensive price tag, the review was relatively narrow in scope. Both the ultimate restructure decision and associated documents remained off-limits to the consultants; who were instead asked to focus on processes and "management of the response to the concerns that were raised both within and outside the organisation about aspects of that announcement."

Instead the Ernst & Young investigators relied on interviews with senior executives, a range of publically available documents and reports, a couple of staff focus groups and only 53 employee responses from the entire CSIRO workforce.

The report made 14 recommendations across a range of subject topics including governance, process, risk management, change management, external stakeholder engagement, culture and crisis management. In an email to CSIRO staff releasing the report, a chastened Dr Marshall accepted the results.

Uncomfortable reading

"While some of the findings of the report are uncomfortable to read, I accept them and the recommendations made, and commit to improve our processes to deliver better outcomes for our staff moving forward.

"The Executive and broader CSIRO Leadership Team will implement all of Ernst & Young's recommendations," Dr Marshall wrote.

However the litany of problems and shortcomings the Ernst & Young report attributes to the most senior levels of management is deeply concerning, especially given the Executive Team's aspiration to transform the nation's premier scientific research organisation into 'Australia's Innovation Catalyst.'

Blaming shifting to Business Units and staff?

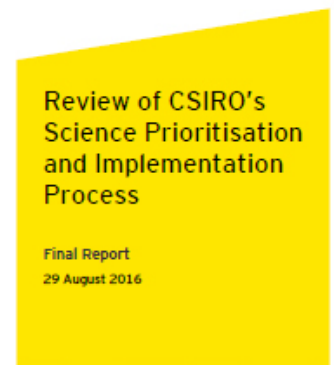
The list of failures levelled at the CSIRO Executive Team is embarrassingly extensive. Substandard governance arrangements, a lack of external stakeholder engagement, no formalised risk management procedures, poor planning, inadequate record keeping; the list goes on.

The report also reaches some controversial conclusions when it comes to leadership at the Business Unit level.

Despite admitting that "assessments by the (Business Unit leaders) about risks associated with Business Unit objectives and were not subsequently collated or considered by Executive Team as possible risks to CSIRO," the report also claims that some unit leaders "lacked clear understanding and messaging to explain the business drivers for change."

Useful resources

- [Ernst and Young review report](#)
- [CSIRO response to EY review](#)



Communication and consultation

In regard to staff consultation, the report states that “for the majority of staff, the first they heard of the preliminary decision by (the) Executive Team was either through... media reports... (or the) all staff email released on 4 February 2016.”

Dr Marshall’s lengthy and confusing email was found by Ernst and Young to “not translate into staff understanding the rationale for decisions and the drivers for change.”

The confusion seemed to spread. “Subsequent communications... to CSIRO staff from the Executive Team and Business Unit Leaders were reported to, at times; contain ambiguous language and messaging resulting in different perceptions of the changes.”

Noting that since the announcement, CSIRO had suffered high levels of “public scrutiny by the Parliament, media, and both domestic and international science communities,” the report’s authors suggest that historically the organisation requires “significant consultation in order to build buy in and consensus and “win decisions” among its workforce.”

In a back to the future moment, the reports suggests that senior leaders might consider issuing “guidance on strategic change” ahead of decisions “to provide the organisation with early signals regarding directions the Executive Team was intending to take.”

Culture War

Somewhat surprisingly - despite the obvious failures in communication to staff and consultation - the Ernst and Young report also focussed on the actions of some employees who felt compelled to speak out publically in criticism of the whole debacle.

Under the section titled culture, the report notes the “apparent disregard of the internal CSIRO code of conduct and public comments policy by some staff, further amplified the issues that emerged during the process... this significantly hampered CSIRO’s ability to engage internally.”

Senior CSIRO Executives – the main source of interviews for the report – appear aggrieved that some CSIRO staff made their views known in public.

“Many of those who were consulted or made submissions to this review expressed that the attempted manipulation of decisions and application of external pressure to decision makers’ via media is not considered appropriate; it is a misrepresentation of CSIRO values and culture as a whole.”

Not out of the woods

However the report admits that “as a large public organisation, it is reasonable and appropriate that the operational and leadership performance of CSIRO is publicly scrutinised and held to account.”

That scrutiny is set to continue. Both Labor and the Greens have maintained their call – suggested by the Staff Association - for an external, independent review into CSIRO’s senior management structure and processes.

The Executive Team will face Senate Estimates in Canberra in mid-October and the elements of the restructure process – including the use of private email to discuss job cuts – has been referred to the Commonwealth Auditor General for investigation.

The Staff Association is undertaking a full analysis of the implications of the Ernst and Young report for staff; including a formal, written response to all 14 recommendations.

Have your say

What do you think about the report? Are you worried about the criticism of staff speaking out? Send us your thoughts – in strictest confidence - to csstaff@cpsu.org.au or call (03) 8620 6348.

SPECIAL REPORT

CSIRO staff survey SHOCKER

The successful implementation of Strategy 2020 has suffered a serious blow with the results of an all staff survey displaying a picture of a divided organisation beset by low morale and a massive gulf between the views of the CSIRO Executive and the wider workforce.

The results come as senior management continue to push controversial plans to remove employee rights and protections from CSIRO staff, following deep cuts to jobs, research and science funding.



Set in the context of “a cultural change journey to support Strategy 2020,” the survey report – written by external consultants Willis Towers Watson – elicited an immediate apology from CSIRO Chief Executive Larry Marshall.

“Drawing on external norms to benchmark performance and effectively gauge sentiment and progress,” the survey used global and international measures for comparison. These include a Global Transitional Norm (GTN), an Australian National Norm (ANN) and a Global Research and Development Norm (GR&D). The survey also charts results against the previous all staff survey in 2012 and the smaller Pulse survey in 2014.

Coming off a low, low base

The 2014 Pulse survey – following the Coalition’s \$115 million funding cut that resulted in the loss of nearly 900 jobs – demonstrated a dramatic fall in both staff morale and confidence in senior CSIRO management. Those results underscored the size and gravity of the problem that then incoming Chief Executive Dr Larry Marshall faced before taking the reins in January 2015; a warning the Staff Association made publically at the time.

Eighteen months on and very little has changed. The vast majority of indicators are far worse than the last all staff survey in 2012. As far as any improvement on CSIRO’s *annus horribilis* of 2014, it’s a dead cat bounce for the new Chief Executive and his leadership team, with minimal, marginal movement at best. Best not to look at the national or global benchmark comparisons at all.

Perhaps most concerning for the ex-Silicon Valley entrepreneur, when it comes to “management of organisational change (or) how well are we bringing people along on the journey” to Strategy 2020; Dr Marshall and Executive team appear almost to be operating in an alternative reality when compared to the views of CSIRO staff.

Strategy 2020 takes a hammering

The much vaunted Strategy 2020 – troubled by an implementation process most recently savaged by an Ernst and Young report – faces a tough task of engaging the majority of staff. In no uncertain terms, Dr Marshall has a mountain to climb.

Useful resources

- [CSIRO Staff Survey results](#)
- [Summary](#)



**CSIRO STAFF
ASSOCIATION**

Figure 1: Breakdown by support for Strategy 2020

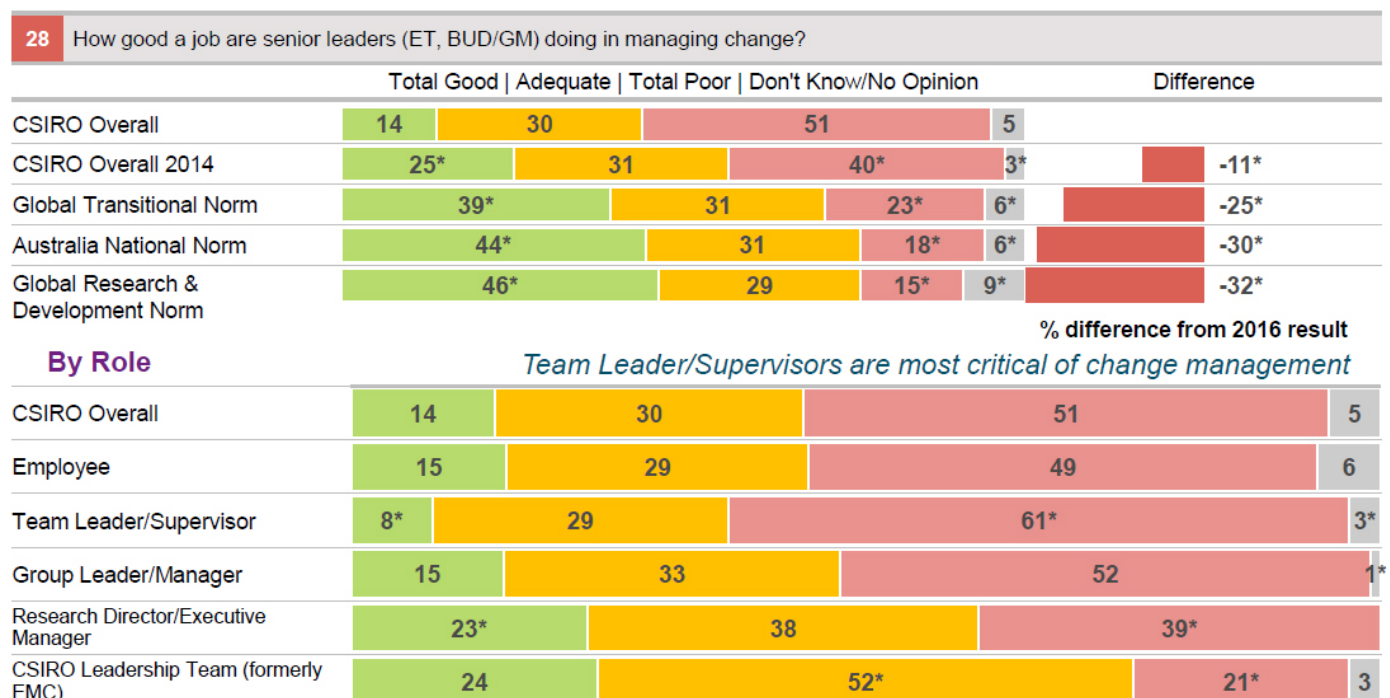
	CSIRO Overall	Agree	Tend to Agree	?	Tend to Disagree	Disagree
Sustainable Engagement	68	21*	11*	-7*	-16*	-34*
SE Engagement	73	22*	14*	-8*	-17*	-39*
SE Enabled	61	20*	8*	-5*	-15*	-31*
SE Energised	67	19*	9*	-6*	-14*	-28*
Retention	54	22*	8*	-5*	-18*	-34*
Strategic Direction	47	39*	22*	-24*	-25*	-32*
Communication	38	32*	11*	-12*	-21*	-31*
Change	35	32*	12*	-14*	-21*	-29*
Customer	91	5*	2	-2*	-2	-4*
Innovation	41	25*	10*	-11*	-16*	-25*
	Overall	Agree	Tend to Agree	?	Tend to Disagree	Disagree
Number of comments:		373	446	573	240	234

Only 37 percent of respondents thought CSIRO was capable of achieving the strategy. More than a third of staff felt the organisation was not capable reaching the goal and 28 per cent remained undecided.

Confidence in senior management crumbles

Overall confidence in senior CSIRO leaders may have reached its nadir, with only 14 per cent of staff reporting that senior management were doing a good job. Across the organisation 51 per cent thought senior leaders were performing poorly.

Figure 2: Managing change

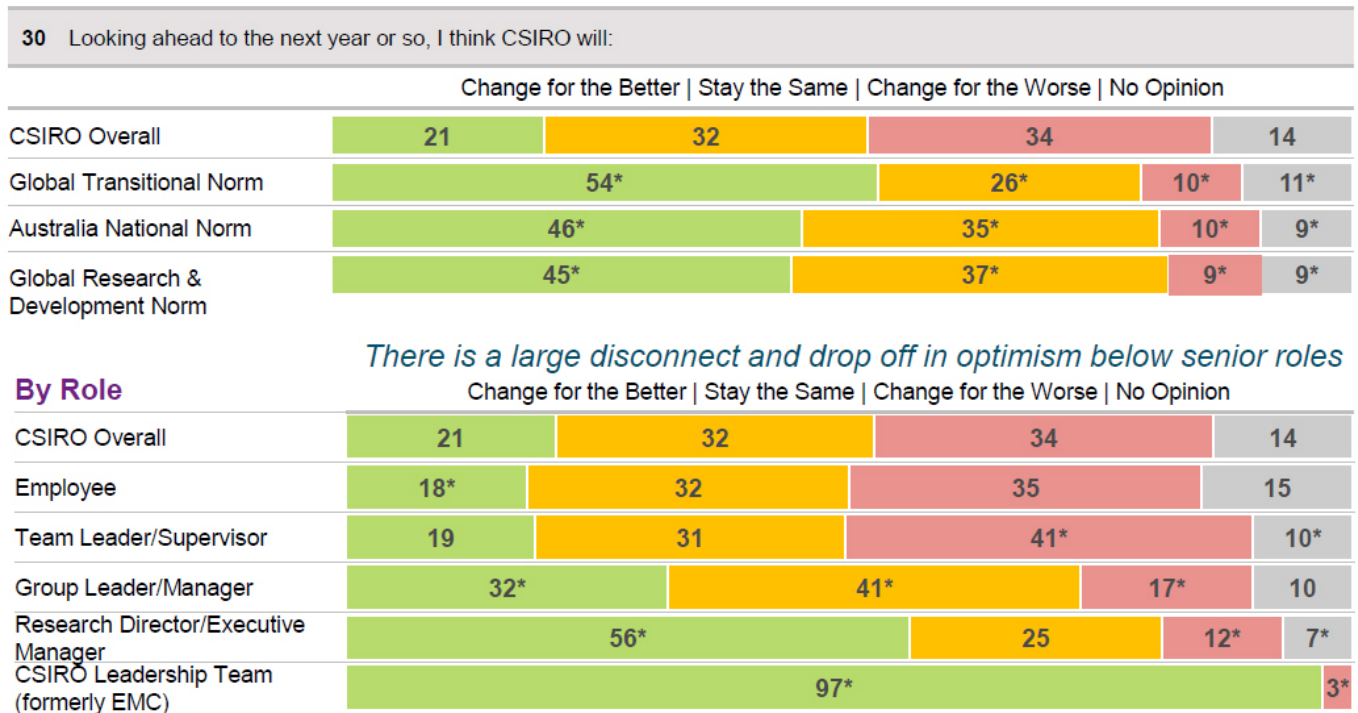


Team Leaders and Supervisors were particularly critical, with 61 per cent of line managers expressing their dissatisfaction. Possibly illustrating the giddy effects of the rarefied atmosphere up there, 76 per cent of the CSIRO Leadership team rated their performance as good or adequate.

Chasm widens between Executive and staff

Perhaps the most damning response relates to optimism within the workforce. When asked regarding the organisation's prospects over the next twelve months, less than a quarter of staff (21 per cent) felt CSIRO would change for the better. Meanwhile 66 per cent of staff predicted there would be no improvement or that things would get worse.

Figure 3: Change and optimism for the future



However the contrast with the views of the Leadership Team could not be starker. A staggering 97 per cent of senior executives felt that the organisation would change for the better over the next year.

Communication breakdown

The gulf might not be so great if senior leadership spent more time genuinely talking and listening to staff. 65 per cent of respondents did not think CSIRO did an 'excellent' job of keeping staff informed. Another 60 per cent felt that the effort to capture the opinions and thinking of staff was inadequate. Probably most concerning is that more than half (52 per cent) did not agree that they felt safe to speak up in CSIRO.

Figure 4: Communication

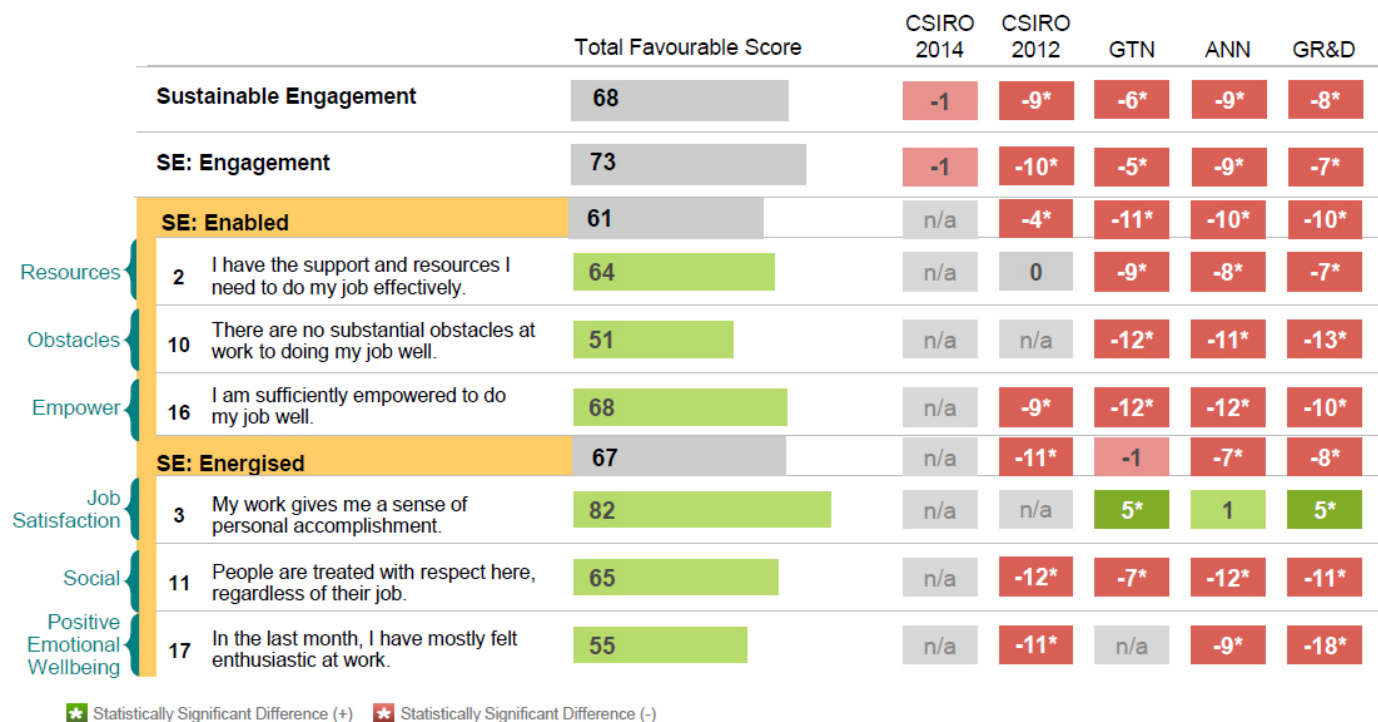
		Total Favourable Score	CSIRO Overall 2014	CSIRO Overall 2012	GTN	ANN	GR&D
5	CSIRO does an excellent job of keeping staff informed about matters affecting us.	35	1	-16*	-26*	-30*	-29*
13	Sufficient effort is made to get the opinions and thinking of employees in CSIRO.	40	10*	-8*	-15*	-19*	-21*
19	I feel it is safe to speak up in CSIRO.	48	n/a	-2	-13*	-20*	-18*
27	Senior leaders (ET, BUD/GM) effectively communicate the reasons for important business decisions.	28	-3*	-14*	-22*	-20*	-26*

Unsurprisingly the harshest verdict was reserved for senior leaders. An incredible 72 per cent of staff did not agree that senior staff effectively communicated the reasons for important business decisions. Ouch.

Staff commitment to CSIRO remains resilient

Despite all the gloom, the commitment of staff to CSIRO and the important role the organisation plays remains strong. Staff continue to believe in CSIRO, support the organisation and are proud to be a part of it.

Figure 5: Staff engagement



However it's worth noting that these responses – historically robust and reflective of the unique dedication of CSIRO staff – have taken a statistically significant tumble from 2012 levels.

Where to from here?

Following the all staff webinar, Business Units and Enterprise Support Services leadership teams will meet throughout September and October to discuss the results. The larger CSIRO Leadership group will then discuss a 'collective response plan'.

Looking further ahead, the Organisational Development and Change team will survey staff again in early 2017 'to measure progress and explore other organisational performance areas'.

So what now for Dr Marshall? Those bizarre scenes of the Chief Executive in the creams, bat held aloft in triumph at the Sydney Cricket Ground seem a lifetime ago. Marshall's innings may be extended until the end of the decade - and there's no ruling out the prospect of a Captain's knock - but what happens if no one else on the team wants to dig in?

Trust deficit

Through this year's restructure and its implementation, CSIRO's reputation has been damaged and staff goodwill has hit rock bottom. Next on the agenda will be the enterprise agreement and employee conditions and rights, with senior management intent on stripping something in the order of 75 per cent of legal protections for employees. All this with trust and confidence between the Executive and staff at its lowest ebb.

Solutions can be found to rebuild staff morale. CSIRO's proposal for a new Enterprise Agreement is not one of them.

The warning signs for the organisation were there all along. Almost two years ago when Dr Marshall's appointment was first announced, Staff Association Secretary Sam Popovski offered the then incoming Chief Executive a word of advice.

"CSIRO needs strong leadership as it struggles to cope with heavy cuts to funding, jobs and research... an immediate challenge for Dr Marshall will be to repair morale and meaningfully involve staff and their representatives in the strategic planning for CSIRO's future," Mr Popovski said.

If these survey results say anything; for Dr Marshall that challenge has become a whole lot harder.

Related content

- [Marshall reappointed as CSIRO Chief Executive until 2020](#) – September 2016
- [Executive Team test strategy and CSIRO morale with staff-wide survey](#) – July
- [Report reveals dramatic fall in staff morale and confidence at CSIRO](#) – November 2014
- [Staff Association welcomes appointment of new Chief Executive](#) – October