

## CSIRO Investment Process, Decision Making and Consultation

### Process

Each year CSIRO undergoes a planning, investment and budget process as part of its [Planning and Performance Framework](#) and [Investment Decision Framework](#). The key inputs to this process include the overarching CSIRO Strategy 2020, annual Corporate Plan, individual Business Unit Strategic Plans, and operational and financial performance information. Investment decisions are assessed against current performance, environmental factors and CSIRO's [Science Investment Criteria](#).

This year's science investment process is the first under CSIRO Strategy 2015-2020 and as such key pivot point for the organisation in terms of ensuring the organisation best positions its investments over the next four years to focus attention on those areas of strategic importance to the nation, provide sustainable good revenue streams, and achieve our Strategy objectives and KPI targets by 2020. It is also the first investment process under the CSIRO's new Strategy 2015-20, which emphasises a shift towards CSIRO becoming Australia's innovation catalyst.

In order to appreciate the challenges, opportunities and performance of each Business Unit to inform investment decisions, each Business Unit's four year strategic plan is submitted annually to the [Science, Strategy, Impact and Investment Committee](#) (or SICOM - role outlined below). Following SICOM, the Executive Team executed a series of reviews (or "deep dives") as part of the investment process. The purpose of the deep dives was to engage Business Unit leadership teams in a more detailed discussion on research portfolios, growth opportunities, priority shifts in new markets/clients, revenue pipeline and other related matters to inform ET science investment decisions for FY2015/16 to FY2019/20.

Deep dive sessions ran for approximately four hours per Business Unit with their leadership teams. The approach included brief presentations and then an open dialogue structured around the following four key themes:

- 1) Business Unit pipeline health, including:
  - a. Performance for FY2015/16, including target, pipeline to date and likely outcome for the FY.
  - b. Overview of outer year performance to FY 2019/2020
- 2) The three big growth opportunities for the BU over the next four year, which *might* include, for example:
  - a. Priority shifts in existing or new markets, capability and / or clients
  - b. Changes in capability or investment models
- 3) How Business Units would respond to investments shifts in the following two scenarios\*:
  - a. 20% increase in appropriation funding over four years
  - b. 20% decrease in appropriation funding over four years

Business Units should be clear where and how they would respond to these scenarios including specific changes in their business model, capability or external engagements, and associated risks.

- 4) Any other key issues the Business Unit wishes to raise.

In consultation with their leadership teams, each Business Units submitted a short brief in advance of their deep dive structured around the above four elements.

Following the deep dives the Executive Team considered investment options against CSIRO's strategic objectives and at their December meeting, developed an investment hypothesis which was shared and consulted with Business Unit Directors for feedback. Where more significant change was contemplated, feedback from these Directors, including staff, financial and structural impacts was further considered by the Executive Team at their January Meeting and decisions subsequently endorsed by the Executive Team. The Chief Executive consulted with the Board about the proposed investment shifts, and any necessary budgetary impacts will be included in the rolling four year CSIRO portfolio budget (March Board approval) and rolling four year corporate plan (June Board approval). The outcomes from the investment process are now being shared with staff and other key stakeholders, including for the purpose of consultation and feedback on implementation over the next 18months - 2 years.

#### Investment activities and consultation

Key activities, process and consultation for the current cycle included:

Activity	Date	Consultation
In consultation with the relevant Business Unit staff, leader teams submitted Business Unit Strategic Plans to SICOM	28 September 2015	Business Unit Leadership Teams and other staff
Presentations of Business Unit Strategic Plans to SICOM	8-9 October 2015	SICOM, Chief Executive, Directors, Deputy Directors and General Managers.
Feedback from SICOM discussion to Business Unit Directors through respective Executive Director.	From 8 October 2015	Executive Directors and Business Unit Directors
Business Unit Deep Dives	16 November – 4 December 2015	Chief Executive, Chief Financial Officer, Deputy Chief Executive, relevant Executive Director, Business Unit Leadership Teams, General Managers for Strategy and BDC & Governance.
Feedback from deep dive discussion to Business Unit Directors through respective Executive Director.	Following each Business Unit Deep Dive	Executive Directors and Business Unit Directors
Executive Team Meeting to assess deep dive outcomes and confirm initial investment hypothesis	14-15 December 2015	Executive Team and General Managers for HR and Strategy
Consultation with Business Unit Directors on initial investment hypothesis.	From 16 December 2015	Executive Directors and Business Unit Directors
Executive Team Meeting to assess high level people, financial and structural changes associated with proposed investment hypothesis,	27-28 January 2016	Executive Team, General Managers for HR and Strategy

including consultation with key impacted Business Unit Directors.		
Consultation on investment outcomes with CSIRO Board in the context of CSIRO Strategy 2020	From 28 January 2016	Chief Executive and Board members
Outcomes of Executive Team investment decision shared with Business Unit Directors.	From 28 January 2016. Call held with all EMC on 3 February 2016.	Executive Management Committee
Outcomes of Executive Team investment decision shared with staff.	From 3 February 2016 to EMC members. All staff email from chief Executive sent on 4 February 2015.	All staff
Consultation and communication of process to implement investment outcomes	From 4 February 2016 – and ongoing	All Staff, key internal and external stakeholders including impacted clients and partners, union and other related entities.
CSIRO Board meeting to endorse ET proposed four year investment portfolio and budget.	2-3 March 2016	Executive and Board
CSIRO Board meeting to endorse rolling four year corporate plan	June 2016	Executive and Board

### Decision making

The [Executive Team](#) is responsible to develop and implement strategies and plans to efficiently and effectively deliver the Organisation’s functions and strategic objectives; prioritise and direct CSIRO’s strategic investment in science, capability, capital, support and the delivery of research outcomes (impact). The [Executive Team](#) is responsible for approving annual budgets and 3 out year budgets and operational plans (objectives and deliverables) and budgets, within which business units will operate and transactions will be approved.

The Executive Team consult the [Board](#) and recommend investment decisions. The Board provide input and approve the four year investment portfolio for CSIRO and annual operational plan (Corporate Plan from 2016/19 financial year) and budget (including capital plan and budget).

The [Science, Strategy, Impact and Investment Committee](#) (or SICOM) is a sub-committee of the CSIRO Executive Team. The purpose of SICOM is to support the Executive Team to direct and control the Organisation’s strategic science, capability, capital, support and impact planning, investment and performance management. Amongst other responsibilities, the Committee:

- Recommend to the ET specific investment options, preferably at strategic or concept stage;
- Oversee the science standing and preparedness of CSIRO;
- Oversee delivery against Business Unit impact and capability goals;
- Oversee delivery against Business Unit plans;
- Monitor and review organisational performance against strategic investment decisions and plans; and

- Provide advice on other matters related to science and innovation, as required. The Executive is responsible