



Australian Government
Office of National Assessments

**Submission to the
Parliamentary Joint Committee
on Intelligence and Security**

**Review of
Administration and
Expenditure No.14**

**Financial year 2014-2015
Unclassified Summary**

November 2015

Unclassified Summary of ONA PJCIS Report for Financial Year 2014/15

Introduction

ONA is charged with ensuring that international matters of political, strategic or economic significance to Australia are assessed on a continuing basis. ONA's core mission is to help government understand the world and so inform policies which advance and protect Australia's national interests.

ONA was established under the *Office of National Assessments Act 1977 (ONA Act)* and began operations on 20 February 1978. The open source collection function was added to the Office in 2005.

ONA is a statutory body that reports directly to the Prime Minister. It is not subject to external direction as to the content of its assessments. The Director-General attends meetings of the National Security Committee of Cabinet (NSC), and is a standing member of the Secretaries Committee on National Security (SCNS) and the National Intelligence Coordination Committee (NICC).

The *ONA Act* sets out three primary functions for the office:

- reporting and assessment on matters of political, strategic and economic significance to Australia
- coordination of Australia's foreign intelligence activities, and
- evaluation of Australia's foreign intelligence activities.

The *ONA Act* was amended at the start of this reporting period to reflect revised reporting provisions following introduction of the *Public Governance, Performance and Accountability (consequential and Transitional Provisions) Act 2014*.

External accountability

A detailed legislative framework defines and regulates Australian Intelligence Community (AIC) powers, and provides three pillars of oversight for ONA: Ministers; Parliament; and

the independent Inspector-General of Intelligence and Security (IGIS).

Parliamentary Joint Committee on Intelligence and Security

ONA provided an annual submission to the Parliamentary Joint Committee on Intelligence and Security (PJCIS) in November 2014, covering all aspects of its administration and expenditure for the 2013/14 reporting period.

The Director-General appeared before the PJCIS on 26 March 2015.

Senate Committee for Finance and Public Administration

The Legislative and General Purpose Senate Standing Committee on Finance and Public Administration has coverage of the PM&C portfolio for the regular hearings into Budget Estimates. ONA continues to be responsive to the committee, responding to 192 questions from the committee over the reporting period.

Inspector-General of Intelligence and Security

The *Inspector-General of Intelligence and Security Act 1986 (IGIS Act)*, provides the Inspector-General with the authority to conduct enquiries and inspections with respect to a wide range of ONA's operations.

IGIS conducted two routine reviews of the Agency's application of the privacy guidelines during this reporting period. ONA was found to have acted in accordance with guidelines in both reviews.

Legislative changes affecting ONA administration

There were several changes to legislation affecting ONA administration in the reporting period: the amendment to the *Intelligence Services Act 2001 (IS Act)*, by the National Security Legislation Amendment Bill 2014, the *Performance Governance and Public Accountability Act 2013 (PGPA Act)* and the

determination to amend the *PGPA Act* and supplementary amendments of the *ONA Act*.

Intelligence Services Act 2001

The amendment bill to the *IS Act* clarifies and strengthens the protection for sensitive information obtained while working for ONA. It also closes a gap in the legislation covering the unauthorised access to and communication of sensitive information produced by ONA or within the AIC.

Performance, Governance and Public Accountability Act 2013

The *PGPA Act* replaced the *Financial Management and Accountability Act 1997 (FMA Act)* under which ONA previously operated, and became the primary financial legislation of the Commonwealth on 1 July 2014. Under the *PGPA Act*, ONA's Director-General, as the accountable authority, has a more direct and increased responsibility to achieve the purpose of ONA and ensure the sustainability of the agency.

Implementation of the *PGPA Act* required a revision of all ONA corporate governance documentation, financial delegations and risk-management framework. It also included a requirement that ONA prepare a corporate plan outlining its strategic direction, performance evaluation and reporting against outcomes. ONA's corporate plan has been prepared and includes clear performance measurement and outcomes for the agency.

Implementation of the new act required all delegates to be trained on their new responsibilities and all staff on the impact of the new arrangements. To further assist staff understanding of the *PGPA Act*, ONA made available and advertised the Commonwealth Resource Management e-Learning modules on the ONA intranet. The training provided an opportunity to refresh the awareness and understanding of governance and financial management across the office.

The ONA Act

The *ONA Act* was updated, effective 1 July 2014, to reflect the revised reporting provisions of the *PGPA Act*.

Determination Made under Section 105D of the PGPA Act

Under a determination made under Section 105D of the *PGPA Act*, ONA's classified annual report and corporate plan and its audited financial statements are not tabled in Parliament.

These documents are submitted to the Prime Minister and Inspector-General of Intelligence and Security and made available to other Ministers as required.

Assessments

ONA produced a broad range of intelligence assessments on international developments for Ministers and Federal Government Departments and agencies in 2014/15.

In producing intelligence assessments, ONA draws on all-source material including open source material; diplomatic reporting; classified intelligence reports from ASIO, ASIS, AGO and ASD; assessments produced by DIO; reporting from other Australian departments and agencies; and intelligence collection and assessments provided by Australia's foreign counterparts.

ONA applies the discipline of a regular structured review of assessments to evaluate the judgements it has made. This analyst-led review process has substantial benefits for analyst development. The regular review also encourages careful thought about analytical methods and work practices.

Budget

ONA's operating budget in 2014/15 was \$29.765 million. The employee benefit component was \$17,781 million; operating expenses \$10,168 million. The unfunded depreciation was \$3.901 million.

Portfolio Additional Estimates Statements (PAES) 2014/15 were published in February 2015: these included additional counter-terrorism funding.

ONA prepares annual financial statements in accordance with provisions outlined in the *PGPA Act*. The ANAO scrutinises the Agency's accounts and audits the financial statements. ONA's accounts were given an

unqualified audit report by the ANAO again this year.

People management

The people of ONA are the Agency's most important asset. ONA relies on their subject-matter expertise and application of quality analytical tradecraft to maintain the efficacy and reputation of their analysis. Effective workforce planning, selection and employment screening, focused learning and development and a tailored performance management system provide crucial support to ONA's people.

This reporting period ONA focused on:

- revamping and implementing the performance management system, known as Performance Development Framework (PDF)
- investigating suitable Shared Services options and providers to support the finance and payroll services
- developing an e-Recruit platform
- continuing the negotiations for a new Enterprise Agreement
- developing a Learning and Development Strategy, and
- identifying and trialling an e-Learning platform, LearnHub, to enhance learning and development across the organisation.

Security

ONA applies robust and effective security arrangements and maintained compliance with the Protective Security Policy Framework requirements. This year ONA continued its focus on "trusted insider" risk mitigation and ICT security.