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# **OFFICE OF NATIONAL INTELLIGENCE**

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

Review of Administration and Expenditure  
No. 20 (2020–2021)

### **OFFICIAL SUMMARY**

February 2022

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## Agency Overview

The Office of National Intelligence (ONI) is an independent statutory authority that falls within the Prime Minister's portfolio and reports directly to the Prime Minister. ONI was established by the *Office of National Intelligence Act 2018* (the ONI Act) in December 2018, continuing and expanding the functions of the former Office of National Assessments (ONA).

ONI's purpose is to give the Australian Government a decision-making advantage by helping it interpret world developments. ONI positions the Australian Government to respond to a changing and complex environment through the provision of all-source intelligence assessments, as well as the collection and analysis of open source information.

In parallel, ONI is responsible for enterprise-level leadership of the NIC and ensures a single point of accountability to the Prime Minister and NSC on intelligence matters.

The 2020-21 Portfolio Budget Statements (PBS) specify one Outcome for ONI: *Advancement of Australia's national interests through increased government awareness of international developments affecting Australia and integration, coordination and evaluation of Australia's national intelligence capabilities*.

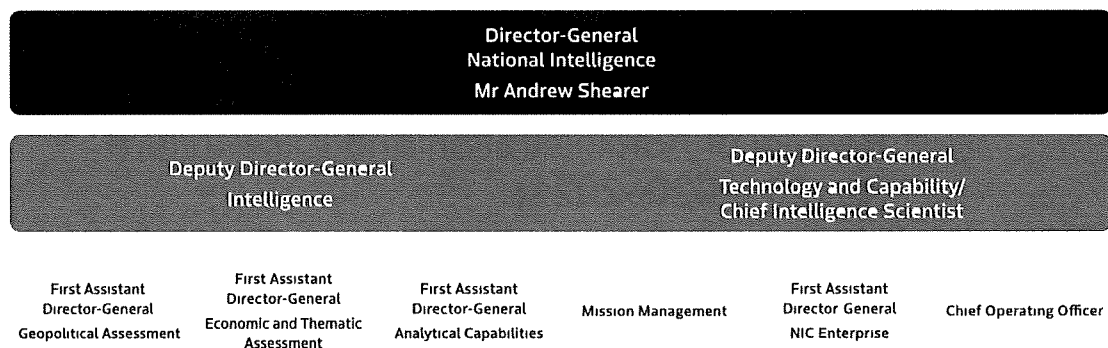
These assessment, reporting and coordination activities are enabled by ONI's corporate functions, information and communications technology processes and business and security management systems.

## Organisational Structure

During the reporting period, ONI's senior organisational structure comprised of

- › the Director-General
- › two Deputy Directors-General (SES Band 3)
- › four division heads (SES Band 2), and
- › a Chief Operating Officer (SES Band 1)

### ONI's senior organisation chart



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## Corporate Governance

ONI promotes a culture of high standards and individual accountability, operating a robust corporate governance framework to ensure organisational accountability and support the Director-General in implementing the requirements of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). Externally, ONI – like all other NIC agencies – is accountable through various oversight mechanisms and relevant legislation to the Australian Government and, ultimately, the Australian public.

### Committees

ONI's committees support the Director-General of National Intelligence (Director-General) to plan, manage and implement business and strategic objectives, as well as ensuring ONI meets its reporting responsibilities.

#### Audit and Risk Committee

The Audit and Risk Committee (ARC) provides independent advice to the Director-General and the Executive Board on the performance of ONI's governance framework, internal control systems, risk oversight, and compliance with internal and external accountabilities and responsibilities.

Section 17(2) of the Public Governance, Performance and Accountability Rule 2014 (PGPA Rule 2014) made under the PGPA Act requires that the functions of an audit committee must include the review of the appropriateness of the accountable authority's financial reporting, performance reporting, system of risk oversight and management, and system of internal control.

The ARC normally meets quarterly, it has three members, two of whom are external. A representative of the Australian National Audit Office (ANAO) attends all ARC meetings as an observer.

#### ONI Management Committee

The ONI Management Committee (OMC) considers routine business matters. The OMC facilitates effective and efficient decision-making at the operational and routine management level.

### Internal audit

The ONI internal audit function delivers the Annual Internal Audit Program and reports its findings regularly to the ARC. The ARC provides independent oversight of the implementation of any recommendations.

The internal audit function also works with the ANAO to ensure ONI meets its statutory obligations and implements best practice processes.

Each year, the Annual Internal Audit Program targets the ONI activities that present the greatest risk to achieving our performance objectives. A rolling annual program of audits examines various corporate and financial functions and makes recommendations for improvement where necessary.

### Fraud prevention and control

The ONI Fraud and Corruption Control Plan outlines ONI's fraud prevention, detection, monitoring and reporting mechanisms. A fraud control risk assessment is reviewed at least quarterly to ensure it remains up-to-date, and incorporates input from across the organisation. A full review of the ONI fraud and corruption control plan will be completed in the coming year.

During the reporting period ONI staff attended the Commonwealth Fraud Prevention Centre's Leading Practice in Fraud Risk Assessment workshop. ONI also participated in the annual Fraud Against the Commonwealth Census, facilitated by the Australian Institute of Criminology.

All ONI staff members were required to increase awareness of their responsibilities in handling Commonwealth resources through eLearning modules including Fraud Awareness and Commonwealth Resource Management.

There were no incidents of fraud detected during the 2020-21 reporting period.

### Risk management

Effectively engaging with and managing risk is central to ONI's achievement of its objectives. ONI has a comprehensive risk management framework which aims not to eliminate risk, but rather to manage it appropriately while maximising opportunities.

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During the reporting period ONI maintained risk registers at the functional and enterprise level, with a review process quarterly at minimum. In addition, a COVID-19 risk register was introduced to facilitate regular reporting to management. This register contributed to our successful navigation of changing and on-going COVID-19 restrictions in 2020-21.

## Legislative Changes and Litigation

### The Office of National Intelligence Act 2018

ONI did not pursue changes to the *Office of National Intelligence Act 2018* during the reporting period.

### Litigation matters

During the reporting period a former ONA officer, Roger Uren, was convicted of retaining classified information. Mr Uren was fined \$7,000.

## Human Resource Management

ONI staff are employed under the *Public Service Act 1999* (PS Act), with the exception of the Director-General, who is a statutory appointee with a fixed term of office. The terms and conditions of employment for non-SES employees are set out in the ONA Enterprise Agreement 2016–19 (the EA), supplemented by a determination made under subsection 24(1) of the PS Act. In advance of the EA's nominal expiry in 2019, ONI successfully implemented an alternative to bargaining for a replacement EA by introducing a determination (Determination 2019/01, commencing May 2019) under section 24(1) of the PS Act. This mechanism is consistent with the Workplace Bargaining Policy 2018 and has provided staff with pay increases of 2% per annum for three years.

For SES officers, the terms and conditions of employment are set out in subsection 24(1) determinations made under the PS Act.

### Staffing profile

As at 30 June 2021, we had 283 employees – an increase of 20 from 30 June 2020. In line with budgeted staffing levels, ONI's growth is being carefully managed over the forward estimates. (OFFICIAL)

Of the ONI workforce:

- › 45 were part-time (including 6 casual employees)
- › 278 were located in Canberra (plus 1 in South Australia), with 4 posted overseas (excluding locally engaged staff (LES) overseas)
- › 50% were women

ONI also continued to second staff to other departments and agencies to share these officers' expertise with the broader public service, and to provide our staff with career and development opportunities.

### Recruitment and retention

All of ONI's recruitment and internal movement decisions are carefully considered in the context of required organisational growth, budgeted Average Staffing Level (ASL) targets, resourcing of ONI's strategic priorities, and our desire to maintain support for secondments and transfers across the NIC.

The interesting and challenging nature of ONI's work, the wide range of professional development opportunities on offer, our support for flexible working arrangements, and the appropriate remuneration provided at ONI, all provide a solid platform to attract and retain staff.

The long lead time to recruit employees in roles which require Positive Vetted (PV) security clearance presents a challenge for ONI. ONI's separation rate for 2020-2021 was 14%, and for 2019–20 was 13.3%, an increase from the 2018–2019 rate (9.5%). Staff left ONI for a variety of reasons, including resignation, transfer or promotion to another APS agency, and retirement. Our approach to workforce planning aims to minimise the vetting timeframes and manage unplanned departures where possible.

In 2021 we initiated a significant program of reform in the human resources and vetting functions to increase efficiency and enhance candidate care throughout the recruitment process. We have also embarked on a broad range of initiatives to build the appeal of careers in national intelligence and attract new entrants to both ONI and the NIC.

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## Workplace diversity

### Diversity and inclusion

ONI's commitment to diversity and inclusion continues to reflect the initiatives of the Diversity and Inclusion Strategy 2019–2022

The five appointed diversity champions and supportive co-champions continued to promote Indigenous, disability, gender and sexual identity, mental health, and cultural and linguistic diversity initiatives across ONI. Although the COVID-19 pandemic hampered opportunities to hold some events over the reporting period, ONI's focus moved to inclusion via online channels and continued development of stakeholder relationships across the NIC.

The ONI Diversity and Inclusion Committee, along with the individual network committees, continued to progress network initiatives and revisit previously set targets.

ONI initiated and is coordinating and participating in a significant NIC scholarship program in 2022. This program has already created and funded seven full academic scholarships for female students to undertake a Masters program through the Australian National University's National Security College. ONI has also continued to partner with Future Women, offering the opportunity for a number of female employees to participate in the Leaders Program to advance their leadership capability across the workplace. Commencing in 2022, ONI has also partnered with the Future Women Jobs Academy as a participating employer, to provide potential female employees with access to a Jobs Board with flexible roles.

### ONI gender targets 2021 (not including LES)

Targets	ONI (all)	EL2	SES
Women as at 30 June 2018	50% (95/191)	42% (22/42)	37% (7/19)
Women as at 30 June 2019	51% (124/243)	46% (30/65)	36% (8/22)
Women as at 30 June 2020	53% (134/261)	46% (33/71)	32% (7/22)
Women as at 30 June 2021	50% (140/282)	44% (36/82)	42% (13/31)

### Indigenous employment and initiatives

Over the course of the year, ONI's Indigenous representation held at <1%. We remain focused on participation in NIC diversity initiatives, including the Indigenous Network event and will seek to participate in the Indigenous Australian Government Development program in 2022 to encourage employment within the NIC.

### Disability

Our public ONI internet site is accessible to people with disability and our SES disability champion promotes disability issues. The internet page has been designed to meet Australian Government standards, meeting all Level A, Level AA and Level AAA success criteria set out in the Web Content Accessibility Guidelines of the World Wide Web Consortium (W3C).

We have worked with the building consulting teams to ensure accessibility for the renovated work environments of our Canberra offices.

## Training and development

ONI's learning and development initiatives and our performance development framework continue to provide a solid foundation for the professional development of our workforce.

We provide sustained support for

- › corporate and administrative skills training
- › language training (including payment of allowances to eligible staff)
- › subject matter-specific and tradecraft-related courses
- › leadership training

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- › tertiary studies
- › staff wellbeing initiatives, including mindfulness training
- › security awareness training for all staff
- › staff attendance at conferences, both domestic and international

### Leadership development

ONI continues to offer newly appointed EL1, EL2 and SES officers access to the APSC executive management program to further develop their leadership and management skills

### Studies assistance program

Our studies assistance program provides financial support and study leave for employees undertaking tertiary courses that support their work at ONI and their broader public service careers. Seventeen employees are enrolled in external studies as at 30 June 2021, and qualify for support under the studies assistance program, at a cost of approximately \$0.100 million.

### Language skills

Proficiency in foreign languages is an important technical skill that ONI values and supports. In 2021, 32 employees accredited in one or more foreign languages received the proficiency allowance in order to maintain their language proficiencies.

## Individual performance management

ONI's performance development framework outlines our approach to performance management. All employees are expected to participate in the program, which requires regular meetings with their managers to discuss, set, document and review work priorities and development expectations. This framework ensures there is a strong relationship between staff performance and organisational objectives.

For non-SES staff, pay-point advancement within the salary bands for each APS classification (APS 1 to EL 2) is available to eligible staff at the end of the financial year.

ONI does not provide performance payments to staff, however, limited use is made of individual flexibility arrangements (IFAs) where appropriate to provide additional remuneration or allowances (or both) to help attract and retain staff.

## Staff behaviour

There were no formal unacceptable behaviour, bullying or harassment complaints during 2020–21. Similarly, there were no investigations into suspected breaches of the APS Code of Conduct.

## Accommodation and facilities

The ONI headquarters at 2 National Circuit, Canberra, has reached its capacity seating level under the National Construction Code and COVID-19 distancing rules. Towards the end of 2022, ONI expects to face accommodation shortages related to workforce growth. ONI continues to investigate additional or alternate accommodation options to meet our requirements beyond 2020–2021.

## Business Continuity: COVID-19 and other operational risks

ONI's return to work guidance, aligned with Commonwealth and ACT government health advice, saw the majority of staff members return to the office from 18 October 2021. ONI developed a *Pathway for Transition to COVID-Normal Work* which outlined the working arrangements, including the COVID-safe measures to be implemented in ONI's ACT facilities. The measures were a guide and subject to change on advice from ACT Health, relevant authorities and the APS Commissioner. The phased approach occurred over three stages: from Phase 1—team blue—team green approach, Phase 2—gradual transition back to the office and Phase 3—normal attendance in the office, subject to individual circumstances and business requirements. ONI has continued to offer flexible working arrangements for staff with serious health concerns or those with vulnerable family members.

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## Security Management

One of ONI's highest priorities is the protection of its information, assets and people. A continuous program of identifying potential physical, cyber and personnel security threats has positioned us to make informed and timely assessments of risk and to implement proportionate measures to enhance security and safety. The strength of this security culture contributed to ONI's avoidance of any major security incidents in 2020–21.

### Security training and policies

All new starters receive security induction training and security compartment refresher briefings from compartment owners, as well as information on ONI's security policies and instructions. We have developed and delivered mandatory annual online security awareness training for all staff. We complement employee induction training with refresher briefings on personal security responsibilities approximately six months after commencement, and when employees' clearances are revalidated.

The Security team regularly liaises with individual staff to provide advice and responses to specific situation-based queries and issues. All staff travelling to HIGH and EXTREME threat countries receive pre-departure security briefings where this is deemed necessary.

In early 2021 we undertook a comprehensive review of our personnel security policy framework and instructions. These are now being updated to ensure they are fit-for-purpose and, where possible, directly map to the Protective Security Policy Framework (PSPF).

### Protective Security Policy Framework

ONI maintains a comprehensive suite of security directives, policies and instructions that reflect the substance and intent of the PSPF. We implement changes as needed and, where practicable, ONI is an early adopter of new or updated policies that have 'grandfathering' provisions. To contribute to, and remain aware of changes to the PSPF, we participate in a range of security forums and Attorney General's Department-led communities of practice.

### Vetting

We continue to assess and maintain security clearances in accordance with the PSPF and factoring in our risk environment.

In 2020–21, COVID-19 restrictions again slowed work on ONI's security clearance assessments. During that period, the majority of our resources were directed towards initial clearance activities, resulting in longer processing times for revalidations. The demand for PV clearances continues to grow, and we are receiving a higher volume of clearance requests at all other levels. Recruitment activities are under way for additional vetting analysts and vetting administration staff, in order to meet demand, clear backlogs and reduce vetting timeframes.

In 2020–21, we worked closely with the Future Positive Vetting Capability Taskforce to support the implementation of recommendations from the PM&C-led Independent Review into Positive Vetting – this work continues in 2021–22. We also worked with the other authorised vetting agencies to ensure consistency in vetting and to actively contribute to the development of personnel security policy and process across government.

## Performance Evaluation and Accountability

ONI is publicly accountable through various mechanisms: the publication of our PBS, annual reporting to the Parliament by the PJICIS, review by the Inspector-General of Intelligence and Security, and the appearance of the Director-General before the Senate Finance and Public Administration Legislation Committee.

The Australian National Audit Office (ANAO) audits ONI's Annual Financial Statements.

### Performance evaluation

As with many aspects of ONI's work in the reporting period, COVID-19 challenged the collection of performance information to assess the impact and quality of our work. Access to stakeholders and collection of data was more complicated than last year owing to the disruptive impacts of the pandemic. Despite this, ONI was able to draw on a broad repository of qualitative and quantitative data from

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- › the annual survey of our senior customers
- › liaison with the Prime Minister and other Cabinet Ministers and their offices
- › the collection of verbal and written feedback from ONI's customers and stakeholders, both formally and informally throughout the year
- › regular internal reviews of ONI's performance through ONI's quarterly performance reporting (QPR) scheme
- › the collection of quantitative data regarding the number and types of assessments that ONI has published, and how and to whom these were disseminated
- › the capture of the outcomes of Inspector-General of Intelligence and Security (IGIS) evaluations of both ONI and the NIC more broadly

## Reporting and COVID-19

The ongoing difficulties related to COVID-19 presented the Prime Minister and the Cabinet with an unparalleled set of inter-linked problems spanning the health and welfare of Australians, our economic prosperity, the international environment and our strategic circumstances. COVID-19 remained a strong focus in the reporting period. Both in our assessments and in our leadership role for the NIC, we directed dedicated resources to this area to meet the urgent requirements of government.

ONI's performance measurement framework is set out in our Corporate Plan. A key part of this, our Intended Results and Performance Measures – as mapped against our PBS Programs and Activities – are shown below.



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## ONI's Performance Matrix for 2020-21

Outcome	Programs	Activities	Intended Results	Performance Measures
PBS Outcome Advancement of Australia's national interests through increased government awareness of international developments affecting Australia and integration, coordination and evaluation of Australia's national intelligence capabilities	PBS Program 1 Assessment and Reports Provide assessments and reports to interpret a complex world for the Prime Minister, senior ministers and officials	Activity 1.1 Analysing and anticipating change in international and other matters of political, strategic and economic importance to Australia for decision-makers, drawing on all sources	<b>Intended Result 1.1.1</b> ONI provides high-quality intelligence assessments to policy customers to inform key government decision-making	<b>Performance Measure 1.1.1a</b> ONI assessments inform the Prime Minister, Cabinet and major government decision-making processes and bodies, including the National Security Committee <b>Performance Measure 1.1.1b</b> ONI's assessments are timely, accurate and relevant
			<b>Intended Result 1.1.2</b> ONI provides strategic warning to government on international developments that will impact on Australia's national interests	<b>Performance Measure 1.1.2</b> ONI assessments anticipate developments of importance to Australia in the international political, strategic and economic environment
		Activity 1.2 Collecting and analysing publicly available information through the Open Source Centre	<b>Intended Result 1.2</b> ONI's collection and analysis of publicly available material provides high-quality open source insights for policy and intelligence customers to inform government decision-making	<b>Performance Measure 1.2a</b> ONI's open source analysis informs government decision-making on key issues relevant to Australia's national interests <b>Performance Measure 1.2b</b> The Open Source Centre derives intelligence value from publicly available information that informs the NIC
	PBS Program 2 Coordination and Evaluation Lead the national intelligence enterprise in service of Australia's national interests, through effective coordination and evaluation of the National Intelligence Community (NIC)	Activity 2.1 Leading, coordinating and evaluating the NIC	<b>Intended Result 2.1.1 Leadership and Coordination</b> ONI improves the NIC's effectiveness, efficiency and interoperability	<b>Performance Measure 2.1.1a</b> ONI introduces and maintains coordination mechanisms that are effective at facilitating forward planning, enhancing collaboration and managing effort across the NIC <b>Performance Measure 2.1.1b</b> ONI's enterprise leadership contributes to the NIC's ability to meet government expectations and requirements
			<b>Intended Result 2.1.2 Prioritisation and Evaluation</b> ONI supports the government in setting intelligence priorities, and effectively evaluates – and provides high-quality advice to government on – the NIC's performance against these priorities	<b>Performance Measure 2.1.2a</b> ONI's evaluation efforts provide a robust and useful assessment of the NIC's performance as a whole in relation to the Australian Intelligence Missions <b>Performance Measure 2.1.2b</b> ONI's evaluation advice enables the National Security Committee to make informed decisions regarding the NIC, including on issues of resourcing, prioritisation and capability

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### Corporate plan

ONI develops a classified Corporate Plan annually that outlines how we intend to achieve our purpose in the current environment, define our performance measures and capture our capability outlook

### Quarterly performance reporting

During the reporting period, ONI produced QPRs to capture ONI's achievement against its three key Activities (all-source assessment, operating the OSC and enterprise management of the NIC), as well as ONI's corporate performance (management, accountability and expenditure)

This regular capture of performance data provided the ONI senior executive with detailed, timely information to assist them to make informed decisions on organisational resourcing, priorities and direction

### Annual report

Each year we prepare a classified Annual Report and an Annual Performance Statement for the Prime Minister, containing detailed information on the activities, performance and achievements of the office

The ONI Annual Report 2020-21, including the Annual Performance Statement and Annual Financial Statements, was provided to the Prime Minister in October 2021

## Accountability

### Parliamentary Joint Committee on Intelligence and Security

Parliamentary oversight of ONI's administration and expenditure is the responsibility of the Parliamentary Joint Committee on Intelligence and Security (PJCIS). The Director-General appeared before the Committee for the Audit and Expenditure hearing for financial years 2018-2019 and 2019-2020 in April 2021

### Senate Finance and Public Administration Legislation Committee

The Senate Finance and Public Administration Legislation Committee oversees the Senate Estimates process and covers the Prime Minister and Cabinet portfolio. ONI appeared at the Supplementary Senate Estimates hearing in October 2020 and at the Budget Estimates hearing in May 2021

### Inspector-General of Intelligence and Security

The Inspector General of Intelligence and Security (IGIS) is an independent statutory office holder who reviews the activities of Australia's intelligence agencies. The IGIS provides independent assurance that intelligence and security agencies conduct their activities within Australian law, behave with propriety, comply with ministerial guidelines and directions, and are consistent with, and respect, human rights. The *Inspector-General of Intelligence and Security Act 1986* gives the IGIS authority to conduct inspections of and inquiries into ONI's activities (OFFICIAL)

Historically, the IGIS inspections have focused on ONI's all-source assessment functions, however the range of inspection matters has now broadened in recognition of ONI's intelligence enterprise management role and its adoption of some niche intelligence capabilities. There are biannual meetings between the Inspector-General and Director-General of National Intelligence and senior officers from ONI and the Office of the IGIS to discuss oversight issues. Inspections are aided by regular engagement with ONI's Governance and Accountability section and General Counsel, and other areas within ONI as required. Scheduled inspection activities are supplemented by briefings on emerging issues of interest, and proactive review of programs to evaluate risk. The IGIS also reviews relevant ONI policies and procedures to determine whether they appropriately address compliance issues (OFFICIAL)

In December 2020, the IGIS reviewed ONI's compliance with the arrangements of the AUSTRAC Memorandum of Understanding, which ONI uses to access and share financial intelligence information – collected under the *Anti-Money Laundering and Counter Terrorism Financing Act 2006* – for the purpose of providing intelligence assessments (OFFICIAL)

The *Crimes Act 1914* allows ONI to use assumed identities for the purpose of carrying out its open source function under paragraph 7(1)(g) of the ONI Act. In accordance with the requirements of the *Crimes Act 1914*, ONI reported to the IGIS on the use of assumed identities for 2020–21 (OFFICIAL)

A 2020–21 the IGIS inspection of ONI's open source activities found a strong professionalised foundation for open source analysis. ONI has developed a comprehensive Open Source Collection Framework, detailed training and practical support and guidance to ONI staff undertaking collection activities. The IGIS reviewed a number of these records and confirmed that only authorised collection staff were used and only publicly available information was sourced (OFFICIAL)

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The IGIS has oversight of ONI's compliance with the Privacy Rules and finalised an inspection of ONI's application of the Privacy Rules in October 2020. The IGIS commented that the majority of records reviewed were of a high standard, with a small number of inconsistencies in the application of the policy. ONI has since updated its policies to reduce the potential for similar future incidents. (OFFICIAL)

A routine analytical integrity inspection was undertaken in December 2020. The IGIS conducted analytic integrity inspections of ONI assessments, examining large numbers of published products and associated records to confirm independence and analytic rigour. In 2020–21, the IGIS found no areas of concern and considered that the majority of records reviewed were of a high standard. (OFFICIAL)

In late 2020 the IGIS also conducted a preliminary inquiry into the application of national security classifications in the intelligence agencies under the IGIS jurisdiction. After conducting a survey and reviewing a selection of ONI material, the IGIS found that there was no evidence to suggest any systemic issues related to inappropriate classification of documents at ONI (or any of the agencies). (OFFICIAL)

In early 2021, the IGIS also conducted its first inspection of ONI's NIC leadership function, as outlined in section 8 of the ONI Act. The review focused on foreign engagement, and intelligence coordination and evaluation. The IGIS found no legality or propriety concerns with these activities. (OFFICIAL)

### Public interest disclosures

The Public Interest Disclosure Act 2013 (PID Act) promotes integrity and accountability in the Australian public sector by encouraging the disclosure of information about suspected wrongdoing, protecting people who make disclosures and requiring agencies to act on such disclosures. The IGIS oversees the operation of the Public Interest Disclosure (PID) Scheme for ONI. In accordance with the requirements set out in the PID Act, ONI participated in the IGIS's annual survey of intelligence agencies' compliance with the PID Act. ONI reported that there had been no PID investigations undertaken during 2020–21.

## Public Relations

### Media and communications

ONI's Communications and Media team provides strategic direction for internal and external communications, undertakes media engagement – including responses to media enquiries – and supports ONI senior executive outreach, including speeches and other engagement activities.

ONI continues to respond to requests for media engagement and an ongoing demand for speeches by the Director-General at key events. During the reporting period ONI produced in conjunction with the Australian Strategic Policy Institute (ASPI) its first public-facing podcast. The episode focused on careers in the NIC, and featured ONI staff in a weekly podcast, produced by ASPI that covers topical stories in defence, strategy, cyber, policy and foreign affairs.

Internally, ONI's use of a media monitoring service continued to provide the ONI senior executive with relevant media reporting on issues pertaining to ONI, the NIC and national security. Media monitoring indicates increasing media interest in the work of ONI and the NIC.

The team continued to strengthen relationships with counterparts across the NIC and other key departments to ensure coordinated responses to media enquiries.

The emergence of COVID-19 has prompted increased focus on supporting ONI's communications with staff on health and safety issues.

### External engagement

ONI embeds analytical rigour, integrity and contestability in all our analytical work and products. We use internal processes and external consultation with business, academic and think tank counterparts to ensure our judgments are informed by the widest evidence base possible, and are suitably reviewed and challenged.

We have expanded our external outreach program over the past few years to further bolster our analytical rigour and ensure we are drawing on diverse insights and a range of perspectives.

Our business outreach program in the reporting period encompassed a wide cross-section of Australian industry groups and businesses from the CEO to analyst level. Our academic outreach program involved Australian and international think tanks and universities, as well as roundtables, panels and our visiting fellowship program that brings leading Australian and international experts to ONI.

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Despite the constraints imposed by COVID-19 on in-person engagement, we also continued to participate in a wide range of virtual events with non-government experts, a number of which were hosted by ONI with key think tank and university partners

# Enterprise Workforce Capability

ONI delivered a range of measures to support NIC workforce strategic planning and development in 2020–21. We successfully launched a NIC careers website ([careers.inintelligence.gov.au](https://careers.inintelligence.gov.au)), a unified gateway for potential talent and a new channel to assist agencies to attract and recruit talent.

We continued to support a range of further activities, despite the constraints of COVID, to shape and strengthen a more collaborative and integrated NIC workforce capability and culture. This included several cross-NIC diversity and inclusion events, as well as the next iteration of the NIC EL2 leadership development program. This program includes a 12-month secondment, mentoring, coaching, networking and professional development opportunities.

We supported common NIC training through the work of the National Centre for Intelligence Training and Education (NCITE). Course attendance numbers recovered from their 2019–20 low after moving a number of courses to virtual delivery, but did not quite return to their pre-COVID levels (in 2018–19 — 929 participants in 61 courses, in 2019–20 — 396 participants in 24 courses, in 2020–21 — 772 participants in 57 courses). NCITE successfully launched a cross-NIC learning management system, allowing both NIC personnel and customers to undertake a range of self-paced and self-directed online learning.

# Financial Performance

ONI's operations are funded through departmental appropriations. Total annual departmental appropriations received in 2020–21 were \$91 907 million, which included departmental capital budget funding of \$4 172 million and equity injections of \$2 209 million.

In 2020–21 ONI received \$1 574 million of administered funding for the NIC research grant program and grants related to intelligence diplomacy.

## Overview of financial performance

ONI remained in a sound financial position, operating within its appropriation with sufficient cash reserves to fund its debts as and when they fall due.

The departmental operating result for 2020–21 was a surplus of \$17 016 million. In monitoring financial performance, ONI excludes the impact of depreciation and amortisation as well as the impact of changes in asset revaluation surplus that affect the operating result, and includes principal repayments on leased assets.

## Expense impacts

The increase in departmental operating expenditure for 2020–21 was in line with the increase in revenue from government. The majority of ONI's operating budget expenditure was on staff salary costs.

Expenditure on contractors and consultants delivered the following benefits for ONI:

- › support for the multidisciplinary ICT team to design, build and iterate POC solutions to establish NIC cloud environments
- › review of ONI's implementation of the recommendations of the IIR 2017
- › internal audit, financial accounting, IT security and IT support services

## COVID-19 ongoing impacts on administration and expenditure

The impact of COVID-19 had a significant downward effect on expenditure. From mid-March 2020, staff travel came to an almost complete halt, a number of ONI-hosted conferences were postponed or cancelled and activities requiring face-to-face engagement, such as training and engaging with external consultants or contractors, were limited.

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## Revenue impacts

Departmental revenue from government increased in 2020-21 by \$18 716 million due to additional funding received for the establishment of ONI and from the JCF

ONI remains exempt from the efficiency dividend and was not impacted by any savings measures during this reporting period

We prepare our annual financial statements in accordance with provisions of the PGPA Act. The ANAO scrutinises our accounts and audits our financial statements in line with the Australian Accounting Standards. ONI accounts were issued an unmodified audit report by the ANAO again this year.

## Grants

During 2020-21, ONI had three active grant arrangements in place.

Under the *ONI Act 2018* ONI may enter into grant arrangements if they support the performance of ONI's functions and the constitutional risk assessment of the grant activity is assessed as low, meaning that under s61 of the Constitution, no legislative authority (other than a valid appropriation) would be required. For all grant activities to date ONI has engaged the Australian Government Solicitor (AGS) for support to ensure compliance with the Commonwealth Grant Rules and Guidelines. ONI is exempted from reporting grant arrangements on Grant Connect.

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