OFFICIAL

OFFICE OF NATIONAL INTELLIGENCE

Submission to the Parliamentary Joint Committee on Intelligence and Security

Review of Administration and Expenditure No. 19 (2019–2020)

OFFICIAL SUMMARY

December 2020

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 National Intelligence Community (NIC) and ensures a single point of accountability to the Prime Minister and National Security Committee of Cabinet (NSC) on intelligence matters.

The 2019–20 Portfolio Budget Statements (PBS) provide ONI with one 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.*

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:

› the Director-General

› two Deputy Directors-General (SES Band 3)

› four division heads (SES Band 2)

› a Chief Operating Officer (SES Band 1)

ONI's senior organisation chart
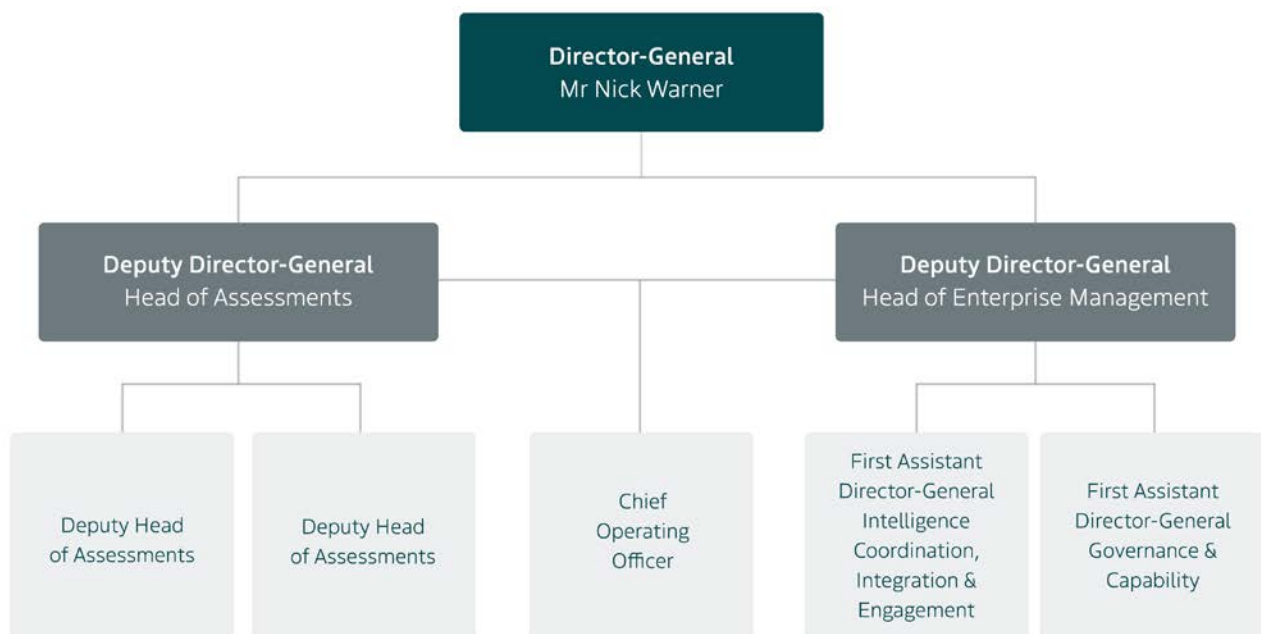
Corporate Governance

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 to plan, manage and implement business and strategic objectives, as well as ensuring ONI meets reporting responsibilities.

Audit and Risk Committee

The Audit and Risk Committee (ARC) provides independent advice to the Director-General and the Executive 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 PGPA Rule 2014 requires that the functions of an audit committee must include reviewing 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 and comprises three members, including two external members. A representative of the Australian National Audit Office (ANAO) attends all ARC meetings as an observer.

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 incorporates a fraud control risk assessment and outlines the fraud prevention, detection, monitoring and reporting mechanisms that ONI has established.

Fraud awareness is promoted through strategic communications, such as intranet announcements and induction programs. ONI provides all employees with access to eLearning to increase awareness and understanding of Commonwealth resources. Available modules included Fraud Awareness, Financial Management, Commonwealth Resource Management and Risk in the Commonwealth.

There were no incidents of fraud detected during the 2019–20 reporting period.

Risk management

Effective risk management remained critical to ONI achieving its objectives and maximising the value of new opportunities. Applying a prudent but forward-leaning approach to engaging with risk enabled ONI to improve day-to-day activities and support functions to government.

Development and implementation of a new risk management framework

Implementation of a new fit-for-purpose risk management framework, incorporating ONI's expanded functions was implemented in February 2020. The new framework aims not to eliminate risk, but rather maximise opportunities through the effective management of risk.

A consultant was engaged to lead a series of interviews and consultations with the Senior Executive to identify the ONI risk appetite and tolerance levels for different categories of risk across the entity. The endorsed risk appetite formed the basis of the new framework, which includes the risk management instruction, guideline, standard operating procedure, template and assessment tables and matrix.

To support the new framework an intranet site was developed and released, providing key risk information, support and training resources as well as the full framework documentation.

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 former ONA officer, Roger Uren, was arrested and charged with retaining classified information. [In September 2020, Mr Uren was convicted of three charges and was fined $7,000.]

The Federal Court handed down its decision in proceedings brought by a former ONI staff member challenging a Comcare decision relating to his previous employment with ONI.

The Administrative Appeals Tribunal handed down its decision concerning the exemption of sensitive material in DFAT files on Indonesia. The Tribunal upheld the exemptions claimed by ONI on the basis that disclosure under the *Archives Act 1983* could reasonably be expected to cause damage to the security or international relations of the Commonwealth.

Human Resource Management

ONI staff are employed under the *Public Service Act 1999* (PS Act), except for the Director-General who is a statutory appointee with a fixed term of office. Terms and conditions of employment for non-SES employee are set out in the ONA Enterprise Agreement 2016–19 (the EA), which expired on 4 May 2019.

ONI successfully implemented an alternative to bargaining for a replacement EA by introducing a determination under section 24(1) of the PS Act. This mechanism is consistent with the Workplace Bargaining Policy 2018 and provides staff with pay increases of 2% per annum for three years.

All SES officers' terms and conditions are set out in subsection 24(1) determinations made under the PS Act.

Staffing profile

As at 30 June 2020, we had 263 employees – an increase of 20 from 30 June 2019. ONI's growth is being carefully managed over the forward estimates in line with budgeted staffing levels to 2020–21.

Of the ONI workforce:

› 36 were part-time (including 4 casual employees);

› 261 were located in Canberra, with 2 posted overseas (excluding locally engaged staff (LES) overseas); and

› 51% were women.

ONI maintained its ongoing support for secondments and temporary transfers across the NIC. Throughout the reporting period, ONI hosted secondees from a range of NIC agencies and portfolio departments. As at 30 June 2020, ONI hosted 30 secondees. In addition, ONI's permanent workforce was supplemented by 17 temporary transferees from other departments, such as Treasury and DFAT. ONI's overall headcount includes temporary transferees but not secondees.

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 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.

ONI's separation rate for 2019–20 was 13.3%, which is up slightly 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.

The lead time to recruit employees, where it is a condition of employment that they have a Positive Vetted (PV) security clearance, presents a challenge in terms of quickly recruiting staff. Our approach to workforce planning aims to minimise the latency period and manage unplanned departures where possible.

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 come together to progress network initiatives and revisit previously set targets.

ONI gender targets 2020 (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)
2020 Target	–	35%	45%

Indigenous employment and initiatives

Over the course of the year, ONI's Indigenous representation, remained at <1%. We remain focused on participating in NIC diversity initiatives, including the Indigenous Network event, to encourage employment within the NIC.

ONI also maintained commitment with the revised Reconciliation Action Plan (RAP), due to be released later in the year, to coincide with NAIDOC Week 2020.

Disability

Our public internet site is accessible to people with disability and our SES Disability and Mental Health champions actively promote disability issues. 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 continue to provide 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
- › staff wellbeing initiatives, including mindfulness training
- › security awareness training for all staff, and
- › staff attendance at conferences.

Leadership development

ONI continues to offer newly appointed EL1 and 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 in support of their work at ONI and broader public service careers. Eleven employees are currently enrolled in external studies and qualify for support under the studies assistance program, at a cost of approximately $0.080m.

Language skills

Proficiency in foreign languages is an important technical skill that ONI values and supports. As at 30 June 2020, 25 employees were accredited in one or more foreign languages and were receiving a proficiency allowance.

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, individual flexibility arrangements (IFAs) are used on a limited basis to provide additional remuneration and/or allowances to help attract and retain staff.

Staff behaviour

There were no formal unacceptable behaviour, bullying or harassment complaints during 2019–20. Similarly, there were no investigations into suspected breaches of the APS Code of Conduct.

In accordance with the requirements set out in the *Public Interest Disclosure Act 2013* (PID Act), ONI participated in the Inspector-General of Intelligence and Security's (IGIS's) annual survey of intelligence agencies' compliance with the PID Act. ONI reported that there had been no PID investigations undertaken during 2019–20.

Accommodation and facilities

During 2019–20 we continued to increase the number of workstations available at our main office at 2 National Circuit to allow for the continued growth of staff numbers, with the conversion of the old data centre into office accommodation and the reconfiguration of the existing floor plan.

There was extensive external and internal damage to the building as a result of the hailstorm in January 2020. Most repairs have been completed and were achieved with minimal disruption to staff and the operations of the agency. A small number of external lights are still to be replaced due to the short supply of lights from the manufacturer as a consequence of COVID-19.

ONI continues to investigate additional or alternate accommodation options to meet our requirements beyond 2020–2021.

Security Management

ONI continues to place a high priority on the protection of our information, assets and people. An ongoing program to identify 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 ONI's security culture contributed to ONI avoiding any major security incidents during 2019–20.

Security training and policies

All new starters receive security induction training and security compartment refresher briefings from compartment owners, and information on ONI's security policies and instructions. A new online security awareness course is under development and is on target to be released by the end of 2020–21.

Protective Security Policy Framework

ONI maintains a comprehensive suite of security directives, policies and instructions that reflect the substance and intent of the Protective Security Policy Framework (PSPF). We implement changes as these occur and, where practicable, ONI is an early adopter of new or updated polices 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.

Performance Evaluation and Accountability

ONI's public accountability comes through publication of our PBS, annual reporting to the Parliament by the PJCIS, review by the Inspector-General of Intelligence and Security, and the appearance of the Director-General at 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 due to the disruptive impacts of the pandemic. Despite this, ONI was able to draw on a broad and rich repository of qualitative and quantitative data from:

› conducting an annual survey of our senior customers

› liaising with the offices of the Prime Minister and other Cabinet Ministers

› routinely collecting verbal and written feedback from ONI's customers and stakeholders, both actively and passively

› capturing and reviewing information on ONI's performance through the Quarterly Performance Reporting framework

› collecting quantitative data regarding the number and types of assessments that ONI has published, how these were disseminated, and who they were disseminated to

› capturing the outcomes of IGIS evaluations of both ONI and the NIC more broadly, and

› conducting internal key judgments reviews of our published Intelligence Assessments.

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.

ONI's performance measurement matrix for 2019-20

ONI's Performance Matrix for 2019-20

Outcome	Programs	Activities	Intended Results	Performance Measure
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	**Intended Result 1.1.1** ONI provides high-quality intelligence assessments to policy customers to inform key government decision-making	**Performance Measure 1.1.1a** ONI assessments inform the Prime Minister, Cabinet and major government decision-making processes and bodies, including the National Security Committee **Performance Measure 1.1.1b** ONI's assessments are timely, accurate and relevant
			Intended Result 1.1.2 ONI provides strategic warning to government on international developments that will impact on Australia's national interests	**Performance Measure 1.1.2** 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	**Intended Result 1.2** 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	**Performance Measure 1.2a** ONI's open source analysis informs government decision-making on key issues relevant to Australia's national interests **Performance Measure 1.2b** 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 NIC	**Activity 2.1** Leading, coordinating and evaluating the NIC	**Intended Result 2.1.1 Leadership and Coordination** ONI improves the NIC's effectiveness, efficiency and interoperability	**Performance Measure 2.1.1a** ONI introduces and maintains coordination mechanisms that are effective at facilitating forward planning, enhancing collaboration and managing effort across the NIC **Performance Measure 2.1.1b** ONI's enterprise leadership contributes to the NIC's ability to meet government expectations and requirements
			Intended Result 2.1.2 Evaluation 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	**Performance Measure 2.1.2a** ONI's evaluation efforts provide a robust and useful assessment of each agency's performance against their Agency Undertaking – and the NIC's performance as a whole – as aligned to the Australian Intelligence Missions **Performance Measure 2.1.2b** ONI's evaluation advice enables the National Security Committee to make informed decisions regarding the NIC, including on issues of resourcing, prioritisation and capability

OFFICIAL

Corporate plan

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

ONI's 2019–2020 Corporate Plan was published in August 2019.

Quarterly performance reporting

During the reporting period, ONI produced Quarterly Performance Reports to capture ONI's progress in achieving 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 senior executive with detailed, timely information to assist it in making informed decisions on organisational resourcing, priorities and direction.

Annual report

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

The ONI Annual Report 2019–20, including the Annual Performance Statement and Annual Financial Statements, was provided to the Prime Minister in October 2020.

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).

In August, the Director-General briefed the newly formed PJCIS on the role of ONI and hosted an evening reception for Committee members and select agency representatives as part of the Committee's induction. The Director-General subsequently appeared before the Committee hearing for the financial year 2017–18.

ONI submitted its written report on administration and expenditure for the financial year 2018–2019, and appeared before the Committee in February 2020.

Senate Finance and Public Administration Legislation Committee

The Senate Finance and Public Administration Legislation Committee oversees the Senate Estimates process and has coverage of the Prime Minister and Cabinet portfolio. ONI appeared at the Supplementary Senate Estimates hearing in October 2019, at a spill-over hearing in November, and at the Additional Budget Estimates hearing in March 2020. ONI also responded to Questions on Notice from these hearings; most of these were directed toward the portfolio in general. Further hearings were postponed until later in the year.

Inspector-General of Intelligence and Security

The 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 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.

In December 2019, the IGIS reviewed ONI's compliance with the arrangements contained in 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. The IGIS considered ONI's governance and record keeping practices related to the use of AUSTRAC information to be effective, and issued a statement of compliance to the Prime Minister with respect to ONI's activities.

The *Crimes Act 1914* allows for 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 2019–20.

The IGIS has oversight of ONI's compliance with the Rules to Protect the Privacy of Australian Persons (the Privacy Rules) issued by the Prime Minister in December 2018. The IGIS conducted an inspection of ONI's application of the Privacy Rules in December 2019, and commented that the majority of records reviewed were of a high standard, with a small number of instances of inconsistency in the application of the policy. ONI has drafted updated guidelines to further assist staff in application of the Privacy Rules.

OFFICIAL

During the reporting period, ONI reported one instance of non-compliance to the IGIS regarding the application of Privacy Rules 4.5 – 4.7. The prompt and reasonable remediation measures undertaken by ONI were considered sufficient by the IGIS to manage the instance of non-compliance and to prevent similar occurrences in the future.

The IGIS advised ONI that the routine inspection of the application of the ONI Privacy Rules, originally scheduled for May 2020, was postponed until later in the year.

The IGIS also concluded a routine Analytical Integrity Inspection in June 2020. Staff from the IGIS office inspected the tasking and scope of ONI intelligence products, and whether ONI processes were transparent and free from bias. In particular, the IGIS focused on appropriate consultation and approvals in the development of assessment products. The IGIS found no significant concerns and noted that the majority of records reviewed were of a high standard. It was recommended, however, that ONI strengthen production guidance to address inconsistences across ONI's record-keeping activities, which is in the process of being implemented.

Public Relations

Media and communications

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

Over the reporting period, ONI received ten media enquiries on a range of topics, including, ONI's relationship with and support for In-Q-Tel, CryptoAG, gender diversity in the NIC workforce, and COVID-19. The Director-General undertook several external speaking engagements covering the work of ONI, the NIC and Australia's security environment.

Internally, ONI's use of a media monitoring service continued to provide senior executives 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.

Communications and Media oversaw enhancements to intranet systems to provide a more engaging communications and information experience for staff, and plans for podcasts were advanced. 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 in the latter part of the reporting period has prompted increased focus on supporting ONI's health and safety messaging to staff.

Enterprise Workforce Capability Initiatives

ONI continued to develop its strategic workforce capability function and coordination across the NIC. ONI commenced foundational work for the development of a future NIC Enterprise Workforce Strategy and undertook a procurement process for a NIC Workforce Capability Horizon Scan. The scan will draw on the workforce metrics that ONI collects on an annual basis, undertake desktop research and consultation to deliver an evidence-based approach to defining future common NIC workforce requirements, as well as strategies to help the community to address capability challenges together.

A range of activities were implemented to shape and strengthen a more collaborative and integrated NIC workforce capability and culture including ONI's signature event for International Women's Day, promotion of the NIC Indigenous Employees network, an ONI hosted Women in Superannuation Seminar in December 2019 for 300 NIC staff, and the NIC participation in the Future Women's Platinum Plus Program designed to accelerate the professional journeys of mid-tier female talent. ONI received approval for the design of NIC Careers website to increase the NIC's overall ability to attract, recruit and retain talent as a community.

A key achievement for Enterprise Workforce Capability was the launch of a NIC EL2 Leadership Development Program pilot involving ten participants from eight agencies. This program included a 12-month secondment, mentoring, coaching, networking and professional development opportunities which were developed through the National Centre for Intelligence Training and Education (NCITE). Although some face-to-face activities were impacted due to COVID-19, key elements of the program were able to continue.

The NIC Learning and Development Framework was officially endorsed as a shared vision for the development of highly skilled, agile and networked intelligence professionals focusing on core, common and community building content and capabilities. Initial work is underway for an Intelligence Analysis Pathway

that focuses on five core capabilities: Communication (written and verbal); Critical Thinking, Information and Data Literacy; Engagement, Collaboration and Co-operation; and Ethics and Accountability. Work also continued to clarify the community-oriented leadership competencies required by the NIC with a defined pathway expected to be delivered in 2020–21.

Due to COVID-19, there was a significant drop from previous years in NCITE provided courses provided through face-to-face training (2018–19, 61 courses to 929 participants to 2019–20, 24 courses to 396 participants), with most training in the second half of 2019–20 suspended. NCITE responded to the changed environment by working with vendors to shift focus to online delivery and will continue these efforts in 2020–21, including exploring opportunities for a common learning management system platform for the NIC.

Financial Performance

ONI's operations are funded through departmental appropriations. Total annual appropriations received in 2019–20 was $77.723m, which includes Departmental Capital Budget funding of $4.116m and equity injections of $0.416m.

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 operating result for 2019–20 was a surplus of $8.952m. 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.

Expense impacts

The increase in operating expenditure for 2019–20 is in line with the increase in revenue from Government. ONI expends the majority of its operating budget on employees. The increase in overall staff numbers in 2019–20 – due to additional funding received for the establishment of ONI – has driven the increase in employee expenses. Increased property, security, travel and information technology expenditure (corresponding to the increase in overall staff numbers), as well as an increase in contractors and consultants, were the prime drivers for the increase in total supplier expenses.

The effect of COVID-19 had a significant impact on expenditure. Since mid-March 2020 travel virtually ground to a halt, a number of ONI hosted conferences were postponed or cancelled and activities requiring face-to-face engagement, such as training and consultancies have been limited, whilst alternative arrangements are put in place.

Revenue impacts

Revenue from Government increased in 2019–20 by $17.909m 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.