

# Securing our Nation's Safety

## How New Zealand manages its security and intelligence agencies

### Foreword

The Prime Minister of New Zealand, The Rt Hon Helen Clark

Two of the most important responsibilities of any government are to protect the nation's sovereignty and the security of its citizens.

A number of organisations contribute directly to New Zealand's security, including the New Zealand Police, the New Zealand Defence Force, the Ministry of Foreign Affairs and Trade, and the country's security and intelligence agencies. Much is known about the roles of the New Zealand Police, our Defence Force and the Ministry of Foreign Affairs and Trade. Less is known or understood about the agencies responsible for the collection and analysis of intelligence.



The Prime Minister of New Zealand, The Rt Hon Helen Clark

The fact that these agencies deal in secret information has led them to be secretive about their activities. That degree of secrecy is not always necessary. In the absence of information, people wonder about the need for the agencies in the first place, and about the checks in place to ensure the rights and privacy of New Zealanders are protected.

This provides information about these agencies. Its publication coincides with the introduction into Parliament of a Bill which defines the functions of the Government Communications Security Bureau and provides a legislative framework for its administration and the conduct of its operational activities.

Finally, this foreword provides me with an opportunity to acknowledge publicly the work of the staff of the New Zealand Security Intelligence Service, the Government Communications Security Bureau, the External Assessments Bureau and the Directorate of Defence Intelligence and Security.

A handwritten signature in blue ink that reads "Helen Clark".

Helen Clark  
PRIME MINISTER

## **Introduction**

It is no secret that New Zealand has agencies whose job it is to protect our security through the collection and analysis of information or intelligence. Equally, it is no secret that there are people and organisations that want to keep secret information about activities that could damage New Zealand's national interest. In turn, our security and intelligence agencies do not want to reveal that they have obtained the information and how they have obtained it. Disclosure of these secrets would seriously undermine the agencies' abilities to continue to do their jobs.

Those involved with our security and intelligence agencies have, in the past, tended to keep any information about themselves to themselves. In the absence of fact, suspicion flourishes. What do these agencies get up to? Who controls them? Do Ministers really know what's going on, or are these agencies out of control? What's to stop them spying on you and me?

These are fair questions. They demand answers. The answers are not secret.

This publication is designed to answer those questions. The only ones it does not answer are the operational, or "how", questions - because the detail about how the agencies go about their jobs must stay secret if they are to remain effective.

The publication begins with an overview from Sir Geoffrey Palmer, a former Prime Minister and leading constitutional lawyer. Sir Geoffrey was asked to give his views on why New Zealand needs security and intelligence agencies, on the effectiveness of the legislation, and on other measures that ensure these agencies are accountable to citizens through Parliament and do not infringe upon the civil rights and privacy of New Zealanders.

This is followed by a brief description of the New Zealand intelligence and security arrangements.

The next sections look at each of the four intelligence and security agencies:

- The New Zealand Security Intelligence Service
- The Government Communications Security Bureau
- The External Assessments Bureau
- The Directorate of Defence Intelligence and Security.

Each section covers the agency's:

- History
- Role, responsibilities and accountabilities
- Location, staffing and budget
- The principal legislation governing its activities.

The booklet ends with a directory of the New Zealand security and intelligence community and a formal description of the roles of the key security and intelligence committees.

## Needs and Safeguards

Security and Intelligence Services - Needs and Safeguards  
by *The Rt Hon Sir Geoffrey Palmer*

### Why New Zealand needs security and intelligence services

The word "intelligence" is used at least six different ways in the English language. One of its meanings concerns knowledge or information, especially secret information of a military or political value.<sup>1</sup> For many centuries nations have maintained security and intelligence services to provide them with such information to serve their national interest.



Sir Geoffrey  
Palmer

The activities of intelligence gatherers have received much attention from the writers of fiction. There is Rudyard Kipling's portrayal of it in *Kim*. Somerset Maugham's famous Ashenden stories concentrate upon intelligence gathering, and the modern master is John Le Carr who penned the famous observation: "Intelligence is nothing if not an institutionalised black market in perishable commodities".<sup>2</sup>

In essence intelligence is secret information about an actual or potential enemy of the nation. An intelligence agency is an office that gathers such information.

New Zealand has had security and intelligence agencies for many years. The New Zealand Security Intelligence Service (SIS) was established in 1956.<sup>3</sup> Before that, national security issues were handled by the Police. In 1969 the SIS was given a legislative base - the New Zealand Security Intelligence Service Act 1969. The Act says that the role of the SIS includes the protection of New Zealanders from threats of espionage, terrorism, sabotage and subversion.<sup>4</sup>

Along with the SIS, New Zealand also has the Government Communications Security Bureau (GCSB), the External Assessments Bureau (EAB), and the Directorate of Defence Intelligence and Security (DDIS).

The existence of these agencies is often severely criticised by New Zealanders, particularly on account of their secrecy. While there has been a more open attitude to the need for security and intelligence agencies in recent years, many feel that the agencies should be more open to public scrutiny than they are.

There is a contradiction here. The more that is known about the activities of the agencies, the less effective they are likely to be. Secrecy, particularly of the intelligence itself, is critical. Thus, the principles of open government and transparency that apply to so much of the New Zealand government today cannot, without qualification, apply to the security and intelligence agencies.

When he was the Australian Attorney-General, Gareth Evans argued that the concepts of national security and civil liberties, far from being antagonistic to one another, were interdependent. He said:<sup>5</sup>

*... the essence of liberty in its traditional Millian sense is freedom from interference: the freedom to do what you choose, to think and say what you like, without obstruction or interference by others, constrained only by whatever is necessary to ensure an equal freedom for others.*

To a very significant extent, "national security" means just this - freedom from interference; freedom from terrorist attack, freedom from deliberately incited racial violence, freedom from espionage which itself threatens basic freedom such as privacy, freedom from the kind of genuinely subversive activity which is aimed - not just in theory but in fact - at destabilising or overthrowing the very democratic system upon which the exercise of civil liberties depends.

The purpose of this chapter is to provide some practical and constitutional grounding for the existence of these agencies in New Zealand and the accountabilities to which they are subject. Dissent in a democracy is healthy. But there are values of importance to the integrity of New Zealand that are protected by the security and intelligence agencies. And I want to state what that case is.

### **Some practical examples**

Far from being a fascinating world of intrigue, much intelligence consists of the painstaking assembly of known facts and interpreting a pattern from them. Intelligence analysis is a skilled activity. Perhaps the easiest way to illustrate the importance of intelligence to policy making within the New Zealand government is to give some examples.

In 1989 and 1990 as Prime Minister and Minister for the Environment, I launched a campaign against driftnet fishing. In those years, New Zealand devoted substantial diplomatic and political resource to stopping this practice. Driftnetting was a large-scale form of net fishing used by commercial fishers. Huge nets were strung out for many kilometres in a wall and left to drift across the open ocean. It was called the "wall of death". It killed most living things that crossed its path. A single boat could have up to 64 kilometres of net going down to a depth of 15 metres. Japan, Taiwan and the Republic of Korea all had large driftnet fleets working in the Pacific. Albacore tuna was the main commercial target in the South Pacific driftnet fishery. This is a species that was at risk of becoming depleted.



New Zealand needs up-to-date and comprehensive intelligence to protect its fisheries.

New Zealand spoke out against the practice at the United Nations and established an initiative through the Pacific Forum to negotiate a regional convention banning driftnetting in the South Pacific.

This was not an easy campaign because albacore tuna are valuable. They could, at that time, fetch US\$1,000 per tonne in the United States. Short-term gain was very attractive for the driftnet fishers.

A conference was held in Wellington in November 1989 that resulted in the successful completion of an international convention among all the 22 participating South Pacific countries and territories to ban driftnets in the South Pacific.<sup>6</sup> In December 1989 a United Nations resolution was also passed against the practice.<sup>7</sup>

In the campaign against driftnet fishing some of the nations whose fishing fleets were operating in the South Pacific were prone to deny the problem was serious, or at least as serious as New Zealand argued. But the king hit for New Zealand was specific and detailed intelligence provided by GCSB concerning the activities of those fishing boats, which disclosed the extent of their catches. That meant the New Zealand Government had correct facts upon which to base its campaign. The facts could not credibly be denied.

The campaign was successful. The Wellington Convention entered into force on 17 May 1991. Its effect was to prohibit driftnet fishing on the high seas and in the Exclusive Economic Zones of countries lying within a large area of the Pacific defined by the convention. The important gains of this treaty were greatly assisted by sound intelligence. And that is just one example.

Another example is tied together with one of the worst experiences I had as Prime Minister and Minister in Charge of the SIS. I was given a briefing that left me in no doubt that it would be wrong to assume New Zealand was free from foreign threats. The experience changed my view that New Zealand may be too small and unimportant to be of great interest to hostile foreign-intelligence organisations.

In 1989 I was informed of a series of attempts by a foreign government to interfere quite inappropriately in New Zealand's internal affairs. The SIS monitored these actions. The actions were clearly instigated and directed from abroad.

In the result, I had to take a difficult decision resulting in two foreign officials being declared *persona non grata* and barred from New Zealand.

No publicity was given to the case at the time. Our objective was not to score points in any international political power game. It was to protect New Zealand's interests against improper activity by a foreign government.

The Asia Pacific Economic Cooperation (APEC) conference is another good example of the sort of work the SIS undertakes. In September 1999, New Zealand hosted the APEC Conference in Auckland. It was the biggest gathering of world leaders New Zealand has ever seen. It made Auckland a potential target for international terrorism. Those world leaders would not come here unless there were adequate protections against terrorism in place.

There are individuals and groups in New Zealand with links to overseas organisations that are committed to acts of terrorism, violence and intimidation. Some of these organisations have developed local structures that are dedicated to support their overseas parent bodies. There are also isolated extremists in New Zealand who advocate using violence to impress on others their own political, ethnic or religious viewpoints.

Security and intelligence organisations of friendly countries around the world provided valuable external intelligence to the SIS. At home, SIS officers spent at least six months interviewing the leaders of immigrant communities in New Zealand whose home country, or a country out of favour with that country, could be the target of attack during APEC meetings. More than 300 interviews were held. The aim of the interview programme was to stay on top of the situation. Various communities helped the SIS in this task.

The SIS then prepared a risk analysis covering the threat for each of the countries attending the APEC conference. It also provided intelligence support to the Police who had the job of providing security for all attendees at the conference.



The SIS prepared a risk analysis covering the threat for each of the countries attending APEC.

There are many other examples that could be used, but I hope enough has been said to illustrate the real value that the security and intelligence agencies play in improving the decision-making of the New Zealand Government and protecting New Zealand's vital interests as a nation.

Very little has been said here about defence security and intelligence because that is a highly specialised area relating to the deployment of New Zealand forces. The New Zealand Government needs good intelligence to help it make the decision to deploy New Zealand forces in the first place. In particular, it needs sound advice on the risks that New Zealanders will face when serving overseas. Once the forces have been sent abroad, commanders at all levels need to have good information about the threats, the geography, the people, the climate, the conditions they are likely to meet, as well as a range of other matters.



Good intelligence helps governments make decisions about sending New Zealand forces overseas.

### **Checks and balances - safeguarding rights and privacy**

It is one thing to convince people that security and intelligence agencies are necessary for New Zealand. It is another to demonstrate that they are sufficiently accountable in both legal and political terms to be compatible with New Zealand's democratic traditions.

Perhaps it would be useful to look at the arguments that are often made against security and intelligence agencies. First, it is asserted they can become agents of the government in promoting its political purposes. They can, it is said, conduct surveillance operations against innocent citizens who have done nothing wrong and this is an abuse of power. Legitimate protest is not an appropriate target for the intelligence agencies.

Secondly, it is said that security and intelligence agencies can become independent power centres of their own, deciding their own priorities and the targets of their operations. It is a subset of this argument that the ordinary mechanisms of political and Parliamentary accountability do not work effectively for security and intelligence agencies because of their necessarily secretive character.

It is also often said that the agencies are instruments of oppression, even where responsible Ministers have directed their tasks. Another argument is that they are incompetent and politically biased against certain groups or certain political ideologies. And it is argued that security and intelligence communities develop close relationships with their counterparts in other countries and may serve the interests of those other countries sometimes to the detriment of the country that nourishes them.

### **The rule of law**

The first point that needs to be made in the New Zealand context is that the security and intelligence agencies are answerable to the law. New Zealand is a nation that is committed to the rule of law. The security and intelligence agencies are under the law, not above it.

This has been dramatically illustrated in recent times by a decision of the New Zealand Court of Appeal in *Choudry v Attorney-General*.<sup>8</sup> On 13 July 1997 a friend of Aziz Choudry stumbled upon two officers of the SIS who had broken into Mr Choudry's residence. Mr Choudry sued the Attorney-General in tort for trespass in respect of the SIS Director, the two officers concerned and the Crown. He also made arguments based on a breach of the New Zealand Bill of Rights Act 1990 that provides: "Everyone has the right to be secure against unreasonable search or seizure, whether of the person, property, or correspondence or otherwise".

The defence claimed that the SIS had a validly executed interception warrant issued by the Prime Minister under the authority of section 4A of the New Zealand Security Intelligence Service Act 1969. That provision authorised the Minister to "issue an interception warrant authorising the interception or seizure of any communication not otherwise lawfully obtainable by the person making the interception or seizure ...".

The Court of Appeal, analysing the statutory grant of power to the SIS, said:<sup>9</sup> There is nothing in the carefully-focused statutory language and scheme to justify going behind that narrow grant of invasive powers. In particular, there is nothing in the statutory language and scheme to support the implication that the legislature intended that an interception warrant could authorise entering onto private property without the consent of the owner or occupier.

The President of the Court of Appeal made it plain that important constitutional values were at stake. At common law every invasion of private property is a trespass and any intended erosion of the protection of the common law should be spelled out by the legislature in the plainest possible terms.<sup>10</sup> Thus the search that had occurred was unlawful.

Mr Choudry settled his case for damages with the Crown.

The Prime Minister claimed public-interest immunity for the SIS in respect of a wide range of listed documents that should not be made available to the Court or the plaintiff. The Court ruled that the certificate signed by the Prime Minister was so general that it was impossible to be certain which aspect of public-interest immunity for security was involved in the claim in respect of each document. In due course the Prime Minister had to file a fresh affidavit giving further particulars. The Court then upheld the public-interest immunity claimed.

The case illustrates, in the words of Justice Thomas, that the Courts are no longer "awe struck by the mantra of national security".<sup>11</sup> But what this case illustrates more than anything else is the rigorous accountability that the Courts will impose on the legality of the activities of security and intelligence agencies in New Zealand. This is a considerable protection for citizens. People need to appreciate that the agencies are not a law unto themselves.

But it is not only the Courts that provide protections to citizens against possible misuse of power by the security and intelligence agencies in New Zealand. In recent years the legislative protections added by Parliament have been substantial indeed. The statutory arrangements were overhauled in 1996 and amended again in 1999.

### **Legislative controls**

#### ***The Security Intelligence Service Amendment No.2 Act (1999)***

The Act is very clear about the lawful functions of the SIS, the way in which the SIS is to exercise these functions, and the way in which it is to account to Parliament.

The Act makes it abundantly clear that the SIS must be politically neutral in the discharge of its functions. Specifically, it must not take any action for the purpose of furthering or harming the interests of any political party.

Under the law, the director of the SIS is obliged to consult regularly with the Leader of the Opposition for the purpose of keeping him or her informed about matters relating to security.



Legislation is very clear about the way in which the SIS must account to Parliament.

The most important power in the Act is around the issue of an interception warrant. The Minister in charge of the SIS<sup>12</sup> and a Commissioner for Security Warrants, who must have previously held office as a High Court Judge, may jointly issue a domestic interception warrant authorising a person to intercept or seize any communication, document or thing not otherwise lawfully obtainable by the person, if the Minister and the Commissioner are both satisfied on evidence on oath given by the applicant for the warrant that the conditions specified by the Act have been met.

The office of Commissioner of Security Warrants is new. It recognises that the Prime Minister alone should no longer exercise the great power of issuing an interception



warrant directed against New Zealand citizens or permanent residents. The creation of this office has been a substantial check on the power of the Executive.

The statute governing the SIS is highly specific. The powers that it grants are carefully and tightly defined. There are considerable checks and balances built into the legislation.

But that is not where the checks and balances end. There are two other significant pieces of legislation that act as a considerable constitutional check on the activities of the New Zealand security and intelligence agencies. These are the Inspector-General of Intelligence and Security Act 1996 and the Intelligence and Security Committee Act 1996.

### ***The Inspector-General of Intelligence and Security Act 1996***

This legislation establishes the office of the Inspector-General of Intelligence and Security. The Inspector-General, who must have previously held office as a High Court Judge, assists the Prime Minister in the oversight and review of the SIS and the Government Communications Security Bureau (GCSB). The Inspector-General also makes sure that each organisation's activities were lawful and that any complaints about either of them are independently investigated.

The Inspector-General is a public watchdog of considerable authority, power and prestige. If the intelligence and security agencies were to indulge in activities outside their lawful powers, the Inspector-General is in a position to blow the whistle.

### ***The Intelligence and Security Committee Act 1996***

The level of political accountability has been greatly enhanced by the passage of the Intelligence and Security Committee Act 1996. That Act increases the level of oversight and review of the intelligence and security agencies by establishing a body of politicians that functions in a manner similar to a Select Committee of Parliament. The committee is made up of the Prime Minister, the Leader of the Opposition, two Members of Parliament nominated by the Prime Minister and one Member of Parliament nominated by the Leader of the Opposition. The committee's membership must be endorsed by Parliament.

Its job is to examine the policies, administration and expenditure of the SIS and GCSB, to consider Bills, petitions and other matters relating to the agencies, to receive their annual reports, and to consider matters referred to it by the Prime Minister. It also reports on its own activities to Parliament.

The normal accountability procedures that are exercised over these two agencies, including their expenditure and their policies, can also be examined by this committee of Parliamentarians. The chief executive of an intelligence and security agency must appear before the committee when requested to do so.

In reporting to Parliament, the committee has to have regard to the requirements of security, particularly the need to preserve the agencies' abilities to function effectively. Despite the necessary restrictions on the level of operational information

available to the committee, these measures mean that New Zealand's intelligence and security agencies have a very real degree of accountability to Parliament.

### ***Legislation and the Government Communications Security Bureau (GCSB)***

While the GCSB is subject to both the Intelligence and Security Committee Act 1996 and the Inspector-General of Intelligence and Security Act 1996, specific legislation governing the activities of the GCSB has been recently introduced into Parliament. Up until now, the GCSB's activities have been determined by executive instructions from the Prime Minister. This legislative development recognises, however, the need to give greater weight to accountability and the protection of the rights and privacy of New Zealand citizens. Like the Security Intelligence Service Act, the legislation will prescribe the functions of the GCSB, how it operates, and how it reports to Parliament.

### **Other intelligence offices and officials**

Coordination of the activities of the various security and intelligence agencies in New Zealand is undertaken by the Intelligence Coordinator who is an officer of the Department of the Prime Minister and Cabinet. The Director of the Domestic and External Security Secretariat is also an officer of that Department. They provide assistance to the Prime Minister who is, traditionally, the Minister in charge of the two principal security agencies, the SIS and the GCSB.

The External Assessments Bureau (EAB), which is part of the Department of the Prime Minister and Cabinet, produces analyses of situations that exist in countries of importance to New Zealand's foreign relations. It also provides briefings on visiting politicians to our Ministers and background information on developments in various countries that the government should be briefed on.

The group of senior officials who coordinate the intelligence activities of the government is now itself recognised by statute. This group is known as the Officials Committee for Domestic and External Security Coordination.

When there are emergencies - for example, a coup in Fiji - the officials committee and its watch groups will be on continual watch providing immediate advice and intelligence to Ministers dealing with the political aspects of such a crisis. Steps have to be taken to plan for the safety of New Zealand citizens whose lives may be endangered in countries where disruptions occur. It may be necessary to make arrangements for their evacuation. All manner of developments occur that require rapid response and accurate information. The intelligence agencies play an important role in this "watch group" process.

### **Conclusion**

My view is simple. The reasons for having intelligence and security agencies to protect our country's interests at home and abroad are overwhelming. Likewise, a robust legislative framework makes sure these agencies operate within the law and do not infringe the rights and privacy of law-abiding New Zealand citizens.

The effect of the more recent statutory reforms has been, and in the case of GCSB will be, to make the operation of New Zealand's intelligence agencies more transparent. Adherence to the rule of law has been tightened. Parliamentary oversight has been greatly strengthened. The control of expenditure by these agencies is now better scrutinised. There is an avenue for complaint by persons who feel aggrieved at their activities. There is independent impartial oversight provided by one high officer of State. And accompanying these legal and constitutional changes has come an approach of greater openness towards intelligence and security matters, while not compromising the operational security that enables the agencies to function effectively.

The intelligence community works quietly, but it is highly effective in my experience. It is necessary. The protections against misuse of powers are substantial. The experience of history is that small democracies are vulnerable. There are examples that are close enough to New Zealand for the point to be easily understood. Part of the necessary protections for the integrity of democratic government are the intelligence agencies themselves. New Zealand is fortunate to have them. They are mature. And they are carefully regulated and controlled in the public interest.

<sup>1</sup> The New Shorter Oxford English Dictionary (Clarendon Press, Oxford, 1993).

<sup>2</sup> The American Heritage Dictionary of the English Language 3rd ed (Houghton Mifflin Co, Boston, 1992), 938.

<sup>3</sup> The New Zealand Security Intelligence Service: Security in New Zealand Today, publication produced by the New Zealand Security Intelligence Service, April 1998.

<sup>4</sup> New Zealand Security Intelligence Service Act 1969.

<sup>5</sup> "The Australian Security Intelligence Organisation - New Mechanisms for Accountability" (1989) 38 ICLQ 890.

<sup>6</sup> Convention for the Prohibition of Fishing with Long Driftnets in the South Pacific, signed by New Zealand 29 November 1989, ratified by New Zealand 17 May 1991.

<sup>7</sup> 85th Plenary Meeting, 22 December 1989, A/RES/44/225.

<sup>8</sup> [1999] 2 NZLR 582.

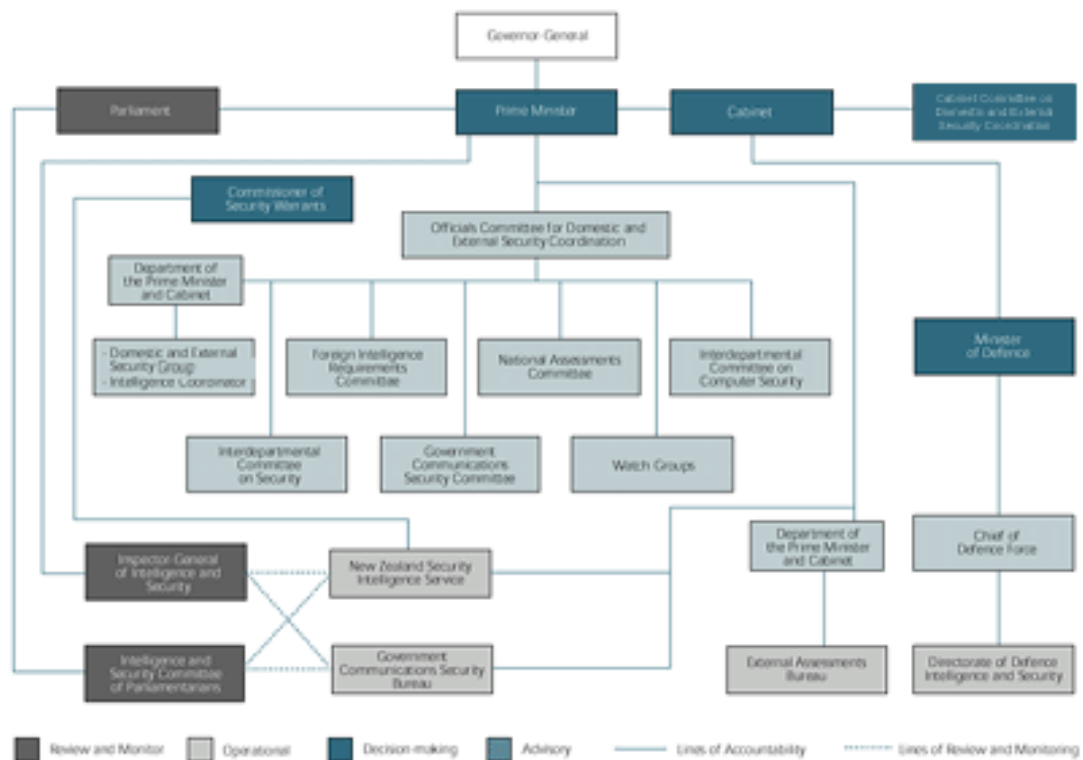
<sup>9</sup> [1999] 2 NZLR 582, 592.

<sup>10</sup> [1999] 2 NZLR 582, 592-593.

<sup>11</sup> [1999] 2 NZLR 582, 598.

<sup>12</sup> The practice in New Zealand has always been that the Prime Minister is the Minister in charge of the SIS and the Government Communications Security Bureau.

## An Overview of New Zealand's Security and Intelligence Arrangements



New Zealand's security and intelligence arrangements.

It is difficult in a diagram to show clearly all the elements characterising New Zealand's security and intelligence arrangements. There are five main elements:

- accountability
- decision-making
- strategic policy advice and support
- operational agencies
- monitoring and review.

### Accountability

*Parliament* is supreme. In terms of security and intelligence matters, there are two bodies accountable to it.

The first is the *Intelligence and Security Committee*. It acts in a similar way to a Select Committee of Parliament, but its status and power is enhanced by its own Act of Parliament. It has a statutory role to examine a wide range of security and intelligence issues. It is chaired by the Prime Minister. Current committee members are: the Prime Minister; the Prime Minister's two nominees, Jim Anderton and Michael Cullen; the Leader of the Opposition; and the Leader of the Opposition's nominee, Winston Peters.

The second body is the *Cabinet*, chaired by the Prime Minister. The *Cabinet Committee on Domestic and External Security Coordination* reports to Cabinet on security and intelligence matters. The committee is chaired by the Prime Minister. Current committee members are: the Prime Minister; the Deputy Prime Minister; and Cabinet Ministers Jim Anderton, Margaret Wilson, Phil Goff, Mark Burton, George Hawkins and Paul Swain.

Traditionally, the *Prime Minister* is the Minister in charge of the New Zealand Security Intelligence Service (SIS) and the Government Communications Security Bureau (GCSB). The directors of those agencies are accountable to the Minister in charge.

The *Chief Executive* of the *Department of the Prime Minister and Cabinet* is accountable to the Prime Minister. The External Assessments Bureau (EAB) is an operational unit of the department. The bureau's director is accountable to the department's chief executive for day-to-day activities, but reports directly to the Prime Minister on its assessments.

The *Chief of Defence Force* is accountable to the Minister of Defence. The *Director of Defence Intelligence and Security* (DDIS) reports to the Chief of Defence Force through the *Assistant Chief of Defence Force (Operations)*.

The committee of government officials charged with giving the Prime Minister strategic policy advice on security and intelligence matters, the *Officials Committee for Domestic and External Security Coordination*, reports to the Prime Minister. The committee is chaired by the Chief Executive of the Department of the Prime Minister and Cabinet. Other members of the Officials Committee for Domestic and External Security Coordination are: the Secretary of Foreign Affairs and Trade; the Secretary of Defence; the Chief of Defence Force; the Secretary to the Treasury; the Director of the Domestic and External Security Group; the directors of the SIS, GCSB and EAB; and the Commissioner of Police.

## **Decision Making**

High-level policy decisions on security and intelligence matters are made by the Prime Minister, or the *Cabinet Committee on Domestic and External Security Coordination*. At officials' level, the Officials Committee for Domestic and External Security Coordination exercises oversight and policy direction in respect of foreign intelligence matters. Operational decisions are made by the agencies themselves.

## **Strategic Policy Advice and Support**

The Prime Minister and the Cabinet receive advice from the Cabinet Committee on Domestic and External Security Coordination and the Officials Committee for Domestic and External Security Coordination.

The Officials Committee for Domestic and External Security Coordination is supported by a number of subsidiary entities.

The *Domestic and External Security Group* provides secretarial support for the Officials Committee for Domestic and External Security Coordination and chairs interdepartmental watch groups. It is a unit of the Department of the Prime Minister and Cabinet.

On behalf of the Officials Committee for Domestic and External Security Coordination, the *Intelligence Coordinator* carries out policies to assist in the efficient, effective and responsive performance of the government's security and intelligence resources. The Intelligence Coordinator is a staff member of the Department of the Prime Minister and Cabinet and is directly accountable to the department's chief executive.

The Officials Committee for Domestic and External Security Coordination has five subordinate committees. They are:

- The *Foreign Intelligence Requirements Committee* identifies, prioritises and authorises the collection of foreign intelligence needed to support national-security policy making. It does this with particular reference to defence and foreign policy needs, national economic well-being, and the prevention or detection of terrorism and serious crime involving a number of countries. The committee is chaired by the Intelligence Coordinator and is established by and responsible to the Officials Committee for Domestic and External Security Coordination.
- The *National Assessments Committee* is responsible for approving and issuing assessments (largely provided by the EAB) on events, developments and trends overseas that may affect New Zealand's interests. The committee is chaired by the Director of the EAB and is established by and responsible to the Officials Committee for Domestic and External Security Coordination.
- The *Interdepartmental Committee on Security* oversees and sets security standards for government departments.
- The *Government Communications Security Committee* sets and reviews national communications security policy and standards.
- The *Departmental Committee on Computer Security* which sets and reviews national computer security policies and standards to protect classified and sensitive government information.

From time to time, the Officials Committee for Domestic and External Security Coordination establishes *watch groups* to monitor and advise the government on particular situations - for example, the possible arrival of illegal immigrants (boat people) or civil unrest in countries where New Zealand's citizens or interests may be at risk. Depending on the nature of the situation, watch group membership may include representation from departments that normally do not sit on the Officials Committee for Domestic and External Security Coordination. Immigration, Police and Customs, for example, would be represented on the watch group concerned with illegal migration.

## Operational Agencies

The remainder of this publication deals in more detail with each of the four security and intelligence operational units. In summary, they are:

- The *New Zealand Security Intelligence Service*. The service provides New Zealand governments with intelligence and advice on security issues, including espionage, sabotage, subversion and terrorism. It also provides foreign intelligence and advice to the Government and government agencies on security awareness, physical security and personnel security. It gathers its information from a wide range of human and technical sources.
- The *Government Communications Security Bureau*. The bureau provides New Zealand government departments with advice on all matters relating to foreign intelligence derived from the interception and exploitation of foreign communications and other signals (such as radar). These include radio, satellite and other forms of telecommunications (including facsimiles and telephones). GCSB also provides advice and services to the Government on the security of their communications and information technology systems, and on the protection of premises and facilities from eavesdropping and other forms of technical attack.
- The *External Assessments Bureau*. This bureau provides assessments for New Zealand government departments on overseas events and developments. It draws on a wide range of information, including secret intelligence gathered by the other security and intelligence agencies.
- The *Directorate of Defence Intelligence and Security*. This is the strategic arm of the New Zealand Defence Force's intelligence and security community. Its role is to provide intelligence and security support to the Chief of Defence Force and force development planners at the strategic level. It works closely with other government agencies and New Zealand's defence partners.

## Monitoring and Review

The *Inspector-General of Intelligence and Security* is charged by an Act of Parliament to assist the Minister responsible for a security and intelligence agency (traditionally the Prime Minister) in the oversight and review of that agency. In particular, the Inspector-General ensures that the activities of each agency comply with the law and that any complaints about an agency are independently investigated.

The Inspector-General is appointed by the Governor-General on the recommendation of the Prime Minister following consultation with the Leader of the Opposition. The current Inspector-General is the Hon Paul Neazor.

The *Commissioner of Security Warrants* is a statutory officer under the New Zealand Security Intelligence Service Act 1969 as amended. The Commissioner's job is to advise, consider and deliberate with the Minister in charge of the SIS on applications for domestic interception warrants, and to issue those warrants jointly with the Minister in charge.

The Commissioner is appointed by the Governor-General on the recommendation of the Prime Minister following consultation with the Leader of the Opposition. The current Commissioner is the Hon Sir John Jeffries.



# The New Zealand Security Intelligence Service

## An overview

In 2006, the SIS will celebrate 50 years of operation. It was founded in 1956 as the New Zealand Security Service. Up until that point, apart from a brief period during the Second World War, national security had been handled by the Special Branch of the New Zealand Police. The Government at that time decided to create a stand-alone body on the recommendation of the Commissioner of Police who believed that it would be better if security and intelligence work was handled by a separate agency.

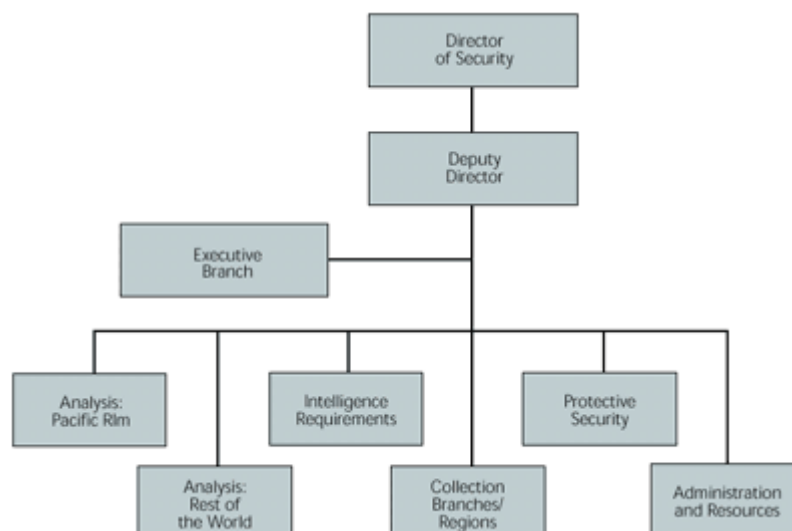


Richard Woods  
Director of  
Security

For 13 years the Service operated under an Order-in-Council. In 1969, Parliament passed the New Zealand Security Intelligence Service Act and gave the SIS a legislative base. Over the past 30 years this Act has been amended four times, most recently twice in 1999. Today, the SIS operates from its head office in Defence House in Stout Street, Wellington and from small regional offices in Christchurch and Auckland. It has a total staff of about 115 and a current annual operating budget of \$11.5 million.

The head of the SIS, the Director of Security, is appointed by the Governor-General and is responsible to the Minister in charge of the SIS. Traditionally, the Prime Minister has taken on that responsibility. The current director, Richard Woods, is a former diplomat with the Ministry of Foreign Affairs and Trade.

The SIS is a civilian organisation. Most importantly, its officers have no police powers - such as the power of arrest or the authority to enforce the law. SIS intelligence officers are likely to be university graduates and they usually follow a career path that involves periods as collectors and analysts of information. Other staff are employed in support or specialist capacities that require legal, computer science, engineering, electronic, financial, or administration skills.



## The Definition of Security

The definition of security in the New Zealand Security Intelligence Service Act provides a legislative framework for the SIS's job. The Act defines security as:

1. The protection of New Zealand from acts of espionage, sabotage, terrorism and subversion, whether or not they are directed from or intended to be committed in New Zealand.
2. The identification of foreign capabilities, intentions or activities within or relating to New Zealand that impact on New Zealand's international or economic well-being.
3. The protection of New Zealand from activities within or relating to New Zealand that:
  - are influenced by any foreign organisation or person; and
  - are clandestine or deceptive, or threaten the safety of any person; and
  - impact adversely on New Zealand's international or economic well-being.



The headquarters of the New Zealand Security Intelligence Service is in Defence House in Wellington.

The first and third parts of the definition cover the traditional work of the SIS. They also allow it to look at newer emerging threats, such as the proliferation of weapons of mass destruction and aspects of organised crime, including money-laundering activities.

The second part of the definition enables the SIS to collect and distribute intelligence about the activities and intentions of foreign organisations and persons which may affect New Zealand. It does this in accordance with the requirements and priorities established by the Foreign Intelligence Requirements Committee, a subordinate committee of the Officials Committee for Domestic and External Security Coordination.

## The Job of the SIS

The job of the SIS is to gather information related to New Zealand's security, assess its significance and advise the government accordingly. It also gives advice to government agencies on managing their own security, including undertaking the security vetting of staff.

Under the Act, the SIS shall:

- obtain, correlate and evaluate intelligence relating to security

- communicate such intelligence to those that the Director of Security considers should be aware in the interests of security
- advise the government of the day about matters relevant to security
- cooperate with other organisations in New Zealand and overseas that can help the SIS carry out its job
- make recommendations relevant to security in respect of immigration and citizenship matters.

It is equally important to be aware of what the Act does not allow the SIS to do. The SIS may not:

- investigate people only because they take part in legal protest activities, or disagree with the government of the day
- operate outside of the functions prescribed in its Act
- take account of irrelevant influences or considerations not relevant to security
- enforce measures for security.

The SIS must be politically neutral. The following requirements reinforce that position:

- the Minister in charge of the SIS may not direct the SIS to put any person or group in New Zealand under surveillance
- the Director of Security is required to consult regularly with the Leader of the Opposition
- the SIS may not purposely further or harm the interests of any political party.

### **Interception Warrants**

An important part of the SIS's job is to gather secret intelligence; secret in that the holders of the information would prefer that lawful authorities - such as the New Zealand Government - were unaware of the content of that information.

To obtain that information, there are times when the SIS needs to use methods to intercept private communications that are intrusive and infringe upon the right of citizens to privacy. These methods can be used only after an interception warrant has been granted.

To obtain the warrant, the Director of Security must demonstrate to the Minister in charge that the:

- information being sought is necessary to detect activities prejudicial to security or to gather foreign intelligence essential to security

- value of the information is such as to justify the particular interception or seizure
- information sought is unlikely to be gained by any other means
- information is not legally privileged in court proceedings.

The Minister in charge of the SIS is required to consult with the Minister of Foreign Affairs and Trade before issuing a warrant to obtain information about foreign capabilities, intentions or activities.

If a New Zealand citizen or permanent resident is the subject of an interception warrant, then the Act demands that the warrant is jointly issued by the Minister in charge of the SIS and the Commissioner of Security Warrants. The Commissioner has the opportunity and the time to undertake a rigorous examination of the warrant application before considering the application jointly with the Minister in charge.

The Commissioner of Security Warrants is statutorily required to be a retired High Court Judge and must act independently in carrying out their duties. Their office is in the Department of the Prime Minister and Cabinet. As required, the Commissioner attends the offices of the SIS and examines files and consults with the Director and the SIS's officers.

In his annual report for the year ending June 1999, the Inspector-General of Intelligence and Security noted:

*The fact that there are very few complaints and little need for any inquiry into the activities of the New Zealand Security Intelligence Service [or the Government Communications Security Bureau] indicates, I believe, that the performance of their activities does not impinge adversely on New Zealand citizens.*<sup>13</sup>

<sup>13</sup> The 1999 Annual Report of the Inspector-General of Intelligence and Security, Pub 1999, p.1.

# The Government Communications Security Bureau

Online at <http://www.gcsb.govt.nz>

## An overview

In common with most other nations, New Zealand needs the widest possible sources of intelligence to support its defence, trade and international policies. New Zealand also needs to make sure that its own classified and sensitive information is protected from unauthorised access and exploitation.

These needs are not new. In fact, government approval to establish a New Zealand signals intelligence capability was first given more than 60 years ago in 1938. During the Second World War, New Zealand operated a number of signals intelligence units within New Zealand and the South Pacific. In the early days, signals intelligence was a job for the New Zealand Post Office and the Armed Forces.

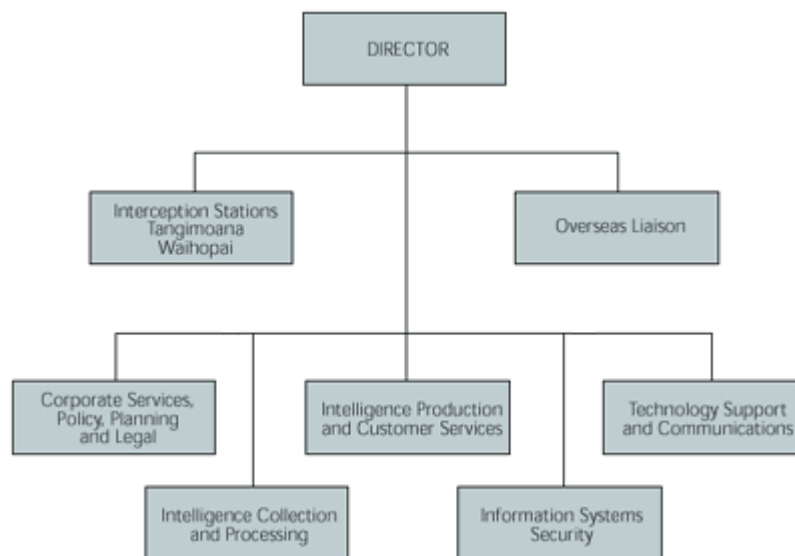


Dr Warren Tucker  
Director of GCSB

For more than 20 years from the mid 1950s, a Defence unit called the New Zealand Combined Signals Organisation operated a HF (high frequency) radio interception station at the land-based naval establishment, HMNZS Irirangi, near Waiouru.

The Combined Signals Organisation was replaced by the current signals intelligence agency - the Government Communications Security Bureau (GCSB) - in 1977. The GCSB was set up as a civilian organisation within Defence by the then Prime Minister, The Rt Hon R D Muldoon. In 1982, the GCSB consolidated its radio-interception capability at Tangimoana, near Bulls.

In 1989, the GCSB became a separate entity, with its chief executive reporting directly to the Prime Minister. In that same year, the GCSB opened its satellite communications interception station at Waihopai, near Blenheim.



## The Job of the GCSB

The GCSB's job is to contribute to the national security of New Zealand through the collection and reporting of foreign signals intelligence in response to New Zealand's foreign intelligence requirements. It also gives advice and assistance to New Zealand government departments and agencies on the security of information-processing systems.

The signals intelligence is obtained from a variety of foreign communications and other non-communications signals, such as radar. The GCSB not only intercepts the signals, it also processes, decrypts or decodes and/or translates the information the signals contain before passing it on as a report to the appropriate Minister or government department. GCSB does not assess the information it collects. That job is undertaken by the EAB, DDIS and other organisations.

The GCSB provides advice and assistance to government departments and agencies on the security of their communications and information technology systems. It advises on the protection of government premises in New Zealand and overseas from eavesdropping, and other forms of technical attack, more commonly referred to as "bugging".

In the same way as the SIS, the GCSB is a civilian organisation. The Director of the GCSB reports directly to the Minister in charge of the GCSB, traditionally the Prime Minister. The current Director, Dr Warren Tucker, is a professional engineer. Dr Tucker began his career with the GCSB in 1982. From 1996 to 1999, he was the Intelligence Coordinator in the Department of the Prime Minister and Cabinet before taking up his present position at the end of 1999.

The GCSB's head office is in the Freyberg Building in Aitken Street, Wellington. It has two collection, or interception, stations: the high frequency radio interception and direction-finding station at Tangimoana, and the satellite communications interception station at Waihopai. Its current annual budget is around \$20 million.

It has approximately 220 staff ranging from foreign-language experts and communications and cryptography (code) specialists to engineers, technicians and support staff. Cryptography is a highly specialised task demanding skills in mathematics and computer science.

The operation of the GCSB is directed solely by the New Zealand Government. It is, however, a member of a long-standing collaborative international partnership for the



GCSB's satellite communications interception station at Waihopai, near Blenheim.



GCSB's radio communications interception station at Tangimoana, near Bulls.

exchange of foreign intelligence and the sharing of communications security technology.

The other members of the partnership are the USA's National Security Agency (NSA), the UK's Government Communications Headquarters (GCHQ), Australia's Defence Signals Directorate (DSD), and Canada's Communications Security Establishment (CSE). New Zealand gains considerable benefit from this arrangement, as it would be impossible for New Zealand to generate the effectiveness of the five nation partnership on its own.

### **Legislative Status for the GCSB**

Unlike the SIS, the GCSB does not have its own Act of Parliament. This anomaly has been addressed with the recent introduction of the Government Communications Security Bureau Bill.

This Bill will define the functions of the GCSB and make better provision for both its administration and the conduct of its operational activities. The Bill will emphasise that the GCSB's signals intelligence functions are to be focused on meeting the government's foreign intelligence needs. The primary objectives of the legislation will be to:

- formalise in statute the existing executive arrangements that establish the GCSB and authorise its activities
- achieve legislative consistency with the provisions for the SIS as outlined in the New Zealand Security Intelligence Service Act 1969, including that Act's amendments.

The Bill will define the GCSB's principal functions in a technology-neutral manner. This means the legislation will not have to be continually updated to meet the demands of fast-changing telecommunications technology. In addition to the comprehensive description of the GCSB's functions, the Bill will have provisions relating to:

- the formal establishment of GCSB as a statutory agency of government
- the appointment, functions and powers of the Director of the GCSB
- the issue of interception warrants
- consistency with other legislation.

### **The Inspector-General of Intelligence and Security**

While the GCSB may not have its own Act yet, it is still subject to the same statutory and governmental oversight as the SIS.

In his annual report of the year ending June 1999, the Inspector-General noted:

*New Zealand's signals intelligence collection facilities are managed and controlled by GCSB alone for the principal purpose of meeting New Zealand's foreign intelligence needs. The facilities are useful to and are accessible by the intelligence agencies of New Zealand's intelligence partners. Access to the facilities and to the intelligence material collected is at all times under the control and supervision of GCSB.*

*Care is taken to ensure that private communications of New Zealand citizens are not intercepted and are not available to the intelligence partners.*

*There is a substantial balance in favour of New Zealand and its intelligence requirements in the collaboration and sharing of information and intelligence between the partners.*

*The cooperation between the GCSB and its intelligence partners, both in its procedures and operations, adequately protects the privacy interests of New Zealand persons and entities and is beneficial to New Zealand's national and international interests.<sup>14</sup>*

The Inspector-General reported that, in his view, the GCSB did not act as a vacuum cleaner, indiscriminately intercepting unimaginably vast quantities of communications, including those of New Zealand citizens as some have alleged. He wrote:

*I am sure that the GCSB operations have no adverse or improper impact on the privacy or personal security of New Zealand citizens. I am satisfied too, that our intelligence partners are as concerned about the privacy and security of New Zealand citizens as their own.<sup>15</sup>*

<sup>14</sup> Annual Report of the Inspector-General of Intelligence and Security for the year ending June 1999, p.9 to p.10.

<sup>15</sup> Annual Report of the Inspector-General of Intelligence and Security for the year ending June 1999, p.10.



## **The External Assessments Bureau**

### **An overview**

A crucial part of a country's foreign policy and defence capability is founded on its ability to make sense of information, or intelligence, from the broadest possible range of sources.

Not all of the information will be secret. Some of it is there for all to see or hear. The media, government communiques and reports, academic research and commentary, and the internet all provide rich sources of information upon which a country can base its short, medium and long-term foreign trade and defence policies. Because reporting by diplomats provides unique national insights, it often needs to be protected. Other information, such as the intelligence provided by the SIS and the GCSB, is secret.

Since 1975, New Zealand has had a central assessment agency, now called the External Assessments Bureau (EAB), for assessing and analysing events outside New Zealand. Before 1975, assessment and analysis were undertaken by the forerunners of the Ministry of Defence and the Ministry of Foreign Affairs and Trade.

The EAB is located within the Department of the Prime Minister and Cabinet, because its work is based on information drawn from many government departments and agencies. The resulting assessments touch on a wide range of government activities and policies, and so are of particular importance to the Prime Minister and the Cabinet.

The Director of the EAB is accountable to the Chief Executive of the Department of the Prime Minister and Cabinet for the bureau's day-to-day operations, but is accountable to the Prime Minister for the content and quality of the assessments. This arrangement makes sure that the EAB does relevant work that is clearly independent of departmental policy objectives. The Director is David Kersey, a diplomat with the Ministry of Foreign Affairs and Trade.

### **The Job of the EAB**



Strategic Assessment 2000 - an EAB report.

The EAB's job is to prepare assessments of external events and developments to inform government decision-making, using the widest possible range of intelligence from open and secret sources.

Assessments are produced in a variety of formats. Short situational reports are issued by the EAB's director as events unfold and information becomes available. These reports may provide a foundation for the work of inter-departmental watch groups that are coordinating New Zealand's responses to external crises. Longer term and more strategic assessments are usually considered and issued by the National Assessments Committee, a subordinate committee of the Officials Committee for External and Domestic Security Coordination.

The bureau also prepares biographical reports on overseas dignitaries meeting New Zealand Ministers.

EAB assessments are made available to the Prime Minister and to other Ministers, as well as government departments and agencies, including New Zealand's diplomatic posts overseas.

The EAB maintains relationships with a number of similar organisations overseas. The capacity and effectiveness of the EAB is enhanced by the exchange of information between these organisations. The Bureau has an annual budget of around \$2.3 million.

It has a staff of about 30 from a wide range of backgrounds, including economics, history, geography, politics, law, and science. EAB's offices are in Stafford House, The Terrace, Wellington.

The EAB's role and some of the material it uses are not secret. In June 2000, a declassified version of "Strategic Assessment 2000" - an EAB report designed to inform Defence policy making - was made available to the public. EAB reports, however, cannot usually be made public. This is because they typically include highly sensitive information and judgements that, if disclosed, could severely damage New Zealand's interests.

# The Directorate of Defence Intelligence and Security

## An overview

The collection and analysis of military intelligence is as old as warfare itself. Throughout history, famous leaders, generals and philosophers have emphasised the need for good intelligence to guide military strategy. Accurate and timely intelligence has often meant the difference between a rout and victory. General Norman Schwarzkopf observed that the victory and the minimal losses sustained by the US and Coalition forces in Operation Desert Storm in 1991 could be directly attributed to the excellent intelligence his forces had on the activities of the Iraqi military.



A Directorate of Defence Intelligence was formed in 1967 in recognition of the fact that a joint approach to the intelligence requirements of the three services - army, navy and air force - was the most efficient way to gather, analyse and disseminate military intelligence. The security role was recognised when the directorate was renamed the Directorate of Defence Intelligence and Security (DDIS) in 1998.



DDIS's role is to provide direction and a central focus for the intelligence staff in the armed services. It achieves this by directing or coordinating all Defence intelligence and security issues, activities and procedures from Defence Headquarters in Wellington to the operational units of the New Zealand Defence Force in times of peace, crisis or conflict.

New Zealand's three armed services take a joint approach to intelligence requirements.

The community approach demands the sharing of a common pool of information available to all. The intelligence process - collection, collation, analysis and distribution - is managed by the DDIS.

## The Scope of the DDIS

The DDIS is mainly concerned with foreign developments of Defence interest and the provision of intelligence and security advice to the Chief of Defence Force and the operations staff, the planners at Defence Headquarters, and the policy advisers at the Ministry of Defence. This means the following:

- DDIS is responsible for personnel security clearances, storage site inspections and overseeing the provision of intelligence and security services, advice and reports to Defence Headquarters, the Ministry of Defence, other government departments and overseas agencies
- the provision of intelligence support at the strategic level for the planning and execution of Defence Force operations
- the management of the Defence Industrial Security Programme. DDIS is responsible for personnel clearances, storage sites and overseeing accounting and handling processes for commercial companies that need to hold Defence Force classified material. Currently, 125 New Zealand companies are involved in this programme.

DDIS is part of the Defence Force's Headquarters' Strategic Commitments and Intelligence Branch in Defence House in Stout Street, Wellington. The Director of DDIS is a military officer from one of the three services. The director reports to the Assistant Chief of Operations who, in turn, reports to the Chief of Defence Force.

DDIS has a mixed military and civilian staff of 32 people and an annual budget of \$1.8m. The military personnel come from all three services, usually on a three-year posting. The staff is made up of intelligence analysts, managers, technology support staff and administrators.

The DDIS's organisation and structure reflects the Defence Force's operational focus and areas of primary defence interest. These areas are the South Pacific, South East Asia, North and South Asia, and those regions where the Defence Force contributes personnel to United Nations' deployments. In August 2000, there were 767 Defence Force personnel in 13 separate operational deployments around the world.

DDIS is not a foreign intelligence collection agency, but rather it draws upon intelligence from a wide range of sources. It is similar to the EAB in that its activities are not inherently secret, although its reports and assessments are classified. Those reports may be shared with the other New Zealand intelligence agencies and overseas friends, particularly Australia.

DDIS is represented on the National Assessments Committee, the Foreign Intelligence Requirements Committee and watch groups, and provides support to the Chief of Defence Force when he attends meetings of the Officials Committee for Domestic and External Security Coordination.

DDIS contributes to current and national assessments that have Defence Force involvement. An example of this is DDIS's responsibility for producing for the government's consideration military-threat assessments for possible Defence Force deployments. Threat assessments consider all the operational and environmental factors that may pose a threat to Defence Force personnel, from operational dangers to health hazards. Once a deployment takes place, DDIS continues to monitor the security situation on the ground.

## Conclusion

This publication has sought to demonstrate five important points:

- Intelligence and security agencies play an important role in protecting the security of New Zealanders and the sovereignty of New Zealand.
- Intelligence and security agencies are not new. In all cases, they have been part of government for a number of decades. What is new is a growing awareness that, while their operations must remain secret, information about the role and accountability of our intelligence and security agencies should be available to the public.
- Three of the four operational agencies - GCSB, EAB and DDIS - are concerned only with foreign intelligence. The SIS deals with both domestic and foreign intelligence within a clearly defined legislative framework.
- None of the agencies has police powers. New Zealand does not have a secret police force.
- New Zealand has good legislation that demands that our security and intelligence agencies operate within the law and do not infringe upon the rights and privacy of law-abiding New Zealand citizens.

If you want to know more about any of these organisations, please consult the [directory](#).

## **Committee Roles**

### **Role of the Officials Committee for Domestic and External Security Coordination (ODESC)**

The Committee shall, subject to any statutory limitations, act on the Prime Minister's behalf to exercise policy oversight of the New Zealand intelligence community in respect of foreign intelligence matters. The ODESC will seek to ensure that the agencies which constitute this community are efficient, effective, balanced and responsive in the performance of individual and collective responsibilities, and that they are geared to provide timely, relevant and useful intelligence and assessments on developments which are likely to affect New Zealand. The Committee shall advise the Prime Minister and, with the Prime Minister's agreement, Cabinet or its relevant subcommittee on any matter related to the work of the intelligence community, and shall have the specific responsibilities outlined below. The Committee shall also maintain oversight of security within government departments and agencies and be responsible for setting standards or requirements for government departments and agencies to follow. With augmented membership to include the Police, the Committee shall provide advice and guidance on policy and operational matters relating to counter-terrorism and the management of terrorist incidents. From time to time, the Committee may also provide advice to Cabinet or its relevant subcommittee on external security matters where a coordinated interdepartmental stream of policy advice is appropriate.

### ***Foreign Intelligence Requirements***

The Foreign Intelligence Requirements Committee is established by and is responsible to the Committee, to prepare under the direction of the Committee the detailed, prioritised Foreign Intelligence Requirements.

### ***Resources***

The Committee shall examine the resources needed to satisfy the Foreign Intelligence Requirements. It shall, at the Prime Minister's direction, undertake examination of the budget bids of the EAB, GCSB, and NZSIS (in respect of its foreign intelligence collection function). The Committee shall be guided by the Government's fiscal policy guidelines and by resource and capability requirements arising from the Foreign Intelligence Requirements to make recommendations to the Prime Minister for approval and for inclusion in the Estimates.

### ***Assessments***

The National Assessments Committee is established by and responsible to the Committee, to periodically consider and approve the Assessments Work programme, and to consider and issue assessments produced by the intelligence community.

### ***Intelligence Management Oversight and Coordination***

The Committee shall provide oversight and policy direction to, and shall monitor the performance of the New Zealand intelligence community and individual agencies with respect to the collection, processing, production and dissemination of foreign intelligence reports and assessments.

The Committee shall act on the Prime Minister's behalf in such areas of his/her responsibilities towards intelligence agencies as he/she may from time to time direct, and shall advise the Prime Minister of any action which the Committee recommends should be taken.

The Committee shall ensure there is full and effective coordination and cooperation within the New Zealand intelligence community, and that there is no unnecessary overlap of activities or responsibilities.

The Committee shall be informed by the Director of Security of any new area of potential relevance to security in respect of which it has been considered necessary to institute surveillance, in accordance with section 4 (1) (d) of the New Zealand Security Intelligence Service Act 1969 as amended.

### ***Security in Government Departments***

The Committee shall maintain oversight of security within government departments and agencies, and shall be responsible for setting standards or requirements to Government departments or agencies to follow.

### ***Counter-Terrorism***

The Committee shall provide advice to Cabinet or its relevant subcommittee on policy for the management of terrorist incidents. It shall provide oversight, advice and guidance to New Zealand's counter-terrorism community, including on policy and operational matters relating to counter-terrorism. The Committee shall ensure that documented procedures and adequate facilities exist to enable an effective, coordinated response by government to a terrorist incident, and that these procedures and facilities are periodically exercised.

### ***External Security***

From time to time the Committee may provide advice to Cabinet or its relevant subcommittee on external security issues where a coordinated interdepartmental stream of policy advice is appropriate.

### ***Subcommittees***

The Committee may establish such committees, subcommittees and working groups as it considers necessary to assist in performing its functions.

### ***Intelligence Coordinator***

The Intelligence Coordinator is responsible to the Committee. The Intelligence Coordinator shall report to the Committee, through the Chief Executive, Department

of the Prime Minister and Cabinet, as required by the Committee and shall provide such advice and assistance to the Committee as the Committee requires. The Intelligence Coordinator shall attend meetings of the Committee unless the Committee otherwise instructs.

### ***Membership***

The Committee shall be chaired by the Chief Executive of the Department of the Prime Minister and Cabinet. The other members of the Committee shall be the Secretary of Foreign Affairs and Trade, the Chief of the Defence Force, the Secretary of Defence, the Director of Security, the Director GCSB, the Director EAB, the Director Domestic and External Security Group, the Secretary to the Treasury and the Commissioner of Police. Membership of the Committee is personal to each Chief Executive who may delegate attendance only in the event of exceptional circumstances.

### ***Committee Support***

The Committee is serviced in all its functions by the Domestic and External Security Group (DES Group) located within the Department of the Prime Minister and Cabinet. The Director DES Group shall be the Deputy Chair of the Committee.

### **Role of the Foreign Intelligence Requirements Committee**

1. The New Zealand Government funds the intelligence agencies to produce foreign intelligence (and invests in collection and analysis capability) to support its policy formulation and decision-making responsibilities in the sphere of national security, with particular reference to defence and foreign policy interests, national economic wellbeing and the prevention or detection of terrorism and serious international crime. The customers of the intelligence community are Ministers and others (notably senior departmental officials) responsible for the formulation of policy advice and the implementation of Government policies. Their needs drive the intelligence community, determining priorities and ultimately the allocation of resources.
2. The Intelligence Coordinator shall facilitate the setting of New Zealand's requirements for foreign intelligence. To this end the Coordinator chairs the Foreign Intelligence Requirements Committee (FIRC), which is established by and responsible to the Officials Committee for Domestic and External Security Coordination (ODESC).

### ***Composition***

3. The FIRC brings together customers, the assessment organisation and the collectors of foreign intelligence.
4. The core group of the FIRC comprises senior representatives from the following:
  - Department of the Prime Minister and Cabinet



- The Treasury
  - Ministry of Foreign Affairs and Trade
  - Ministry of Defence
  - New Zealand Defence Force
  - New Zealand Police
  - Customs
  - Ministry of Agriculture and Forestry
  - Ministry of Fisheries
  - Department of Labour (Immigration)
- together with:
- External Assessments Bureau
  - New Zealand Security Intelligence Service
  - Government Communications Security Bureau
  - Directorate of Defence Intelligence and Security.
5. Representatives of other departments and organisations will be invited to join the Committee when appropriate.

### ***Role***

6. The role of the FIRC is to:
- prepare and approve under the direction of ODESC, the statement of New Zealand's detailed prioritised Foreign Intelligence Requirements
  - ensure that the Foreign Intelligence Requirements, when approved, are promulgated to the various agencies and Departments in a form that enables resource allocations to be well targeted and operational capabilities to be effectively managed
  - keep the Requirements and their assigned priority under on-going review, making adjustments as appropriate.

### ***Guidance***

7. In discharging its responsibilities the FIRC is to note that the Requirements provide the basis for tasking GCSB and NZSIS.

### **Role of the National Assessments Committee**

1. The National Assessments Committee (NAC) is responsible for approving and issuing assessments on events, developments and trends overseas which may affect New Zealand's interests. The Committee is established by and responsible to the Officials Committee for Domestic and External Security Coordination (ODESC).
2. Assessments may cover political, economic, strategic, military and scientific topics, and draw on the full range of information and all classes of intelligence available to New Zealand.

3. The External Assessments Bureau (EAB) has the principal responsibility for preparing assessments for consideration by the NAC. Other departments and agencies represented on the Committee may prepare an assessment or contribute to an assessment being prepared by EAB. In particular the Directorate of Defence Intelligence and Security (DDIS) will from time to time prepare or contribute to assessments on military issues or on situations involving NZDF deployments.
4. The principal customers of assessments are: the Prime Minister; other senior Ministers nominated by the Prime Minister; and others (notably senior departmental officials) responsible for the formulation of policy advice and the implementation of Government policies.

### *Composition*

5. The NAC brings together the principal departments which deal with issues of external policy, the assessments organisations and the collectors of foreign intelligence.
6. The core group of the NAC comprises senior representatives of the following departments and agencies:  
Department of the Prime Minister and Cabinet  
Ministry of Foreign Affairs and Trade  
Ministry of Defence  
New Zealand Defence Force  
Directorate of Defence Intelligence and Security  
Government Communications Security Bureau  
New Zealand Security Intelligence Service  
External Assessments Bureau  
and the Intelligence Coordinator, who is charged with monitoring the assessment process.
7. The NAC is chaired by the Director, EAB. EAB provides the secretarial services for the Committee. From time to time the Intelligence Coordinator may, at the request of the Chair, take the chair of the Committee.
8. Representatives of other departments and agencies will be invited to join the Committee when appropriate, as decided by the Committee. The Committee, in examining the forward list of papers, will consider whether other departments should be invited to take part in the Committee's deliberations for one or more papers.

### *Activities*

9. The principal functions of the NAC are to:
  - periodically review and approve the assessments work programme submitted to the Committee, following consultation with departments, by EAB

- update as appropriate the assessments work programme at the regular weekly meeting of the NAC
- provide a forum for scrutiny, debate and contestability of draft assessments and their key judgements, noting that the Director EAB is explicitly required to exercise independent judgement in preparing assessments. Differences of opinion concerning the substance or judgements of an assessment which are unable to be resolved will, at the request of the dissenting department(s), be formally recorded as part of the assessment prior to its release
- following this process, formally approve each draft assessment
- consider and approve the distribution of each such assessment both within New Zealand, and overseas, including its release, if appropriate, to EAB's counterpart assessment agencies in foreign governments and if applicable to other departments of foreign governments.

10. In relation to the Committee, EAB:

- prepares or coordinates draft assessments
- prepares the draft work programme
- notifies the Committee of other relevant work it is undertaking, and tables these reports at the next following meeting of the Committee.

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Chief Executive: Dr Warren Tucker

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Chief Executive: Mr Richard Woods

### **External Assessments Bureau (EAB)**

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Reserve Bank Building

2 The Terrace

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Director: Mr David Kersey

### **Directorate of Defence Intelligence and Security (DDIS)**

C/- New Zealand Defence Force

15-21 Stout Street

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Director: Captain Steve Streefkerk, RNZN

### **Officials Committee for Domestic and External Security Coordination (ODESC)**

Mr Maarten Wevers (Chairman), Department of the Prime Minister and Cabinet

Mr David Kersey, Domestic and External Security Group

Mr Simon Murdoch, Ministry of Foreign Affairs and Trade

Mr Graham Fortune, Ministry of Defence

Dr Warren Tucker, Government Communications Security Bureau

Mr Richard Woods, New Zealand Security Intelligence Service

Mr David Kersey, External Assessments Bureau

Air Marshal Bruce Ferguson, New Zealand Defence Force

Mr John Whitehead, The Treasury

In attendance:

Lieutenant Commander Paul Houliston (Secretary), Department of the Prime Minister and Cabinet

Intelligence Coordinator, Department of the Prime Minister and Cabinet

### **Inspector-General of Intelligence and Security**

The Hon Paul Neazor

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Parliament Buildings  
Wellington

**National Assessments Committee (NAC)**

Representatives from:  
External Assessments Bureau (Chair)  
Government Communications Security Bureau  
New Zealand Security Intelligence Service  
Ministry of Foreign Affairs and Trade  
Ministry of Defence  
New Zealand Defence Force  
Directorate of Defence Intelligence and Security  
Intelligence Coordinator

Department of the Prime Minister and Cabinet  
(Director, Domestic and External Security Secretariat)

**Foreign Intelligence Requirements Committee (FIRC)**

The membership of the committee comprises:

Intelligence Coordinator, Department of the Prime Minister and Cabinet (Chair)  
and representatives from:

Ministry of Foreign Affairs and Trade

Ministry of Defence

Directorate of Defence Intelligence and Security

New Zealand Security Intelligence Service

Government Communications Security Bureau

External Assessments Bureau

Ministry of Fisheries

Customs

Ministry of Agriculture and Forestry

Police

Department of the Prime Minister and Cabinet  
(Director, Domestic and External Security Group)

The Treasury

Department of Labour (Immigration)