



7 October 2022

Ref: OIA-2021/22-0953

**Official Information Act request relating to the Australia-New Zealand National Security Dialogue**

I am writing in regard to your Official Information Act 1982 (the Act) request of 7 February 2022. You requested:

*“ONE: A copy of the full document Australia-New Zealand National Security Dialogue: Briefing Pack (12 March 2021) – i.e. including the parts of this document not processed for release for the OIA request above as they were not in scope.*

*TWO: Copies of all other “Briefing Packs” produced for each Australia-New Zealand National Security Dialogue since the inaugural dialogue in October 2016”*

I note the time frame for responding to your request was extended by 60 working days because your request necessitated a search through a large quantity of information and further consultations were needed before a decision could be made on the request. On 2 June DPMC contacted you to advise the response to your request had been delayed.

I subsequently released the 2021 Australia New Zealand National Security Dialogue briefing package on 12 August 2022, with some information withheld under section 6(a) of the Act, as the release of the information would be likely to prejudice the national security and/or the international relations of New Zealand.

In that response I informed you that the information within scope of Part Two of your request was still in the process of being prepared for release and would be provided to you as it becomes available.

I am now in a position to release to you the 2016 Australia New Zealand National Security Dialogue briefing package. Please note pages where information has been withheld in full have been removed from this release document. Information has been withheld in the attached material under the following sections of the Act:

- section 6(a), as the release of the information would be likely to prejudice the national security and/or the international relations of New Zealand, and
- section 9(2)(a), to protect the privacy of individuals.

Further, I can advise that an Australia New Zealand National Security Dialogue did not take place in 2020, due to the COVID-19 pandemic. Work regarding the outstanding briefing packs in scope of your request, for the 2017, 2018 and 2019 dialogues, is ongoing.

In making my decision, I have taken the public interest considerations in section 9(1) of the Act into account.

You have the right to ask the Ombudsman to investigate and review my decision under section 28(3) of the Act.

This response will be published on the Department of the Prime Minister and Cabinet's website during our regular publication cycle. Typically, information is released monthly, or as otherwise determined. Your personal information including name and contact details will be removed for publication.

Yours sincerely



Marika Hughes  
**Acting Deputy Chief Executive  
National Security Group**



**NEW ZEALAND**  
FOREIGN AFFAIRS & TRADE

# **AUS/NZ National Security Dialogue**

## **Visit to Sydney**

**ANDREW KIBBLEWHITE**  
CHIEF EXECUTIVE, DPMC

**BROOK BARRINGTON**  
CHIEF EXECUTIVE, MFAT

**HELENE QUILTER**  
SECRETARY OF DEFENCE

**LIEUTENANT GENERAL, TIM KEATING**  
CHIEF OF DEFENCE FORCE

**REBECCA KITTERIDGE**  
DIRECTOR, NZSIS

**ANDREW HAMPTON**  
DIRECTOR, GCSB

**HOWARD BROAD**  
DEPUTY CHIEF EXECUTIVE, DPMC

**CATRIONA ROBINSON**  
DIRECTOR NATIONAL SECURITY, DPMC

**Wednesday, 19 October – Wellington/Sydney**

4.00pm NZST	<b>Howard Broad</b> <b>Catriona Robinson</b> Depart Wellington on Flight NZ849 <i>Travel time: 3hrs 45mins</i>
5.45pm AEST	<b>Howard Broad</b> <b>Catriona Robinson</b> Arrive in Sydney (Kingsford-Smith) International Airport on Flight NZ849
	Transfer from Airport to Hotel  Transport: Taxi
Accommodation	s6(a) [REDACTED] [REDACTED] [REDACTED]
	Own arrangements

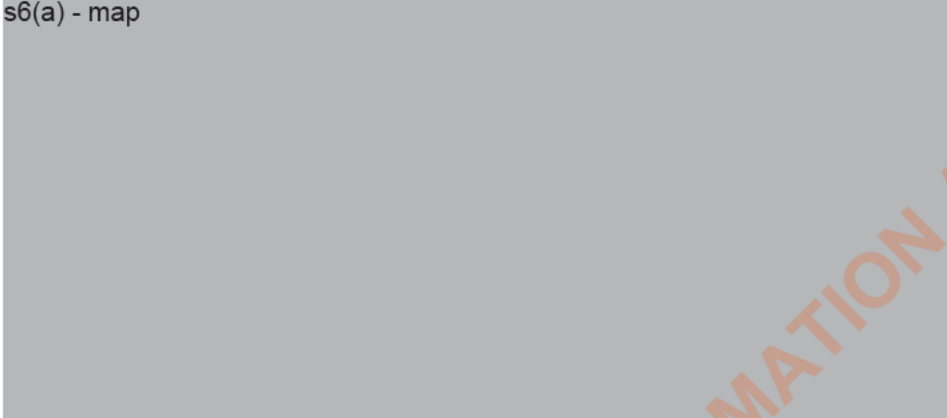
**Thursday, 20 October – Wellington/Sydney**

1.15pm AEST	<b>Andrew Hampton</b> Departs Canberra on Flight NZ7609
2.05pm AEST	<b>Andrew Hampton</b> Arrives Sydney Domestic Terminal
4.00pm NZST	<b>Andrew Kibblewhite</b> <b>Brook Barrington</b> <b>Helene Quilter</b> <b>Rebecca Kitteridge</b> Depart Wellington on Flight NZ849 <i>Travel time: 3hrs 45mins</i>
5.45pm AEST	<b>Andrew Kibblewhite</b> <b>Brook Barrington</b> <b>Helene Quilter</b> <b>Rebecca Kitteridge</b> Arrive in Sydney (Kingsford-Smith) International Airport on Flight NZ849
	Transfer from Airport to Hotel  Transport: Taxi
Accommodation	s6(a) [REDACTED] [REDACTED] [REDACTED]
	Own arrangements

7.15pm	<p>Transfer from Hotel to s6(a)</p> <p>Transport: Walk (10 mins) High Commissioner Chris Seed to meet attendees in the lobby at 7.15pm. In the event of bad weather taxis to be used.</p> <p>s6(a) - map</p>
7.30pm - 10.00pm	<p><b>Welcome Dinner</b></p> <p><i>Theme: Informal discussion on the 'state of the world' including national security trends and key international developments. Discussion to include US politics.</i></p> <p>Format: Andrew Kibblewhite and s6(a) to offer short (2-3 mins) introductory comments. s6(a) Office of National Assessments, to provide a 10 minute presentation framing key international strategic risks.</p> <p>Location: s6(a)</p>
	<p>Transfer from s6(a) to Hotel (10 minute walk or 5 minute taxi ride)</p>
	<p>Own arrangements</p>

**Friday, 21 October – Sydney/Wellington OR Sydney/Auckland**

	<p>Breakfast – own arrangements</p> <p>Note: Attendees to check out of hotel and leave luggage at reception prior to departing for the meeting.</p>
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7.40am – 7:45am	Transfer from Hotel to s6(a)  Transport: Walk (5 mins) High Commissioner Chris Seed to meet attendees in the lobby at 7.40am. In the event of bad weather taxis to be used  s6(a) - map 
	<b>Note - Security considerations:</b> <i>As the meeting will be held in a high-security venue, access to mobile phones, laptops or tablets during the day will be limited. The following mobile will be monitored at all time for any urgent messages s6(a).</i>  <i>Please ensure you bring photo identification. This will be required to access the meeting venue.</i>
8.00am - 8.30am	<b>Welcome and Introductory Remarks</b>  Co-chairs: s6(a) (PM&C), Andrew Kibblewhite (DPMC)  <i>To include a discussion about the aim of the Dialogue and what each side hopes to achieve from it – both this meeting and in the future</i>
8.30am - 9.30am	<b>Session 1: Sharing perspectives</b>  <i>Ensuring collective understanding of each country’s national security narrative, context and respective capability endeavours, including:</i> <ul style="list-style-type: none"><li>- <i>Organisation/legislative reform</i></li><li>- <i>Building public trust in, and encouraging engagement with, security agencies</i></li></ul>
9.30am - 9.50am	<b>Coffee Break</b>
9.50am - 12.00pm	<b>Session 2: Responding to common challenges</b>  <i>Building on the broad overview provided in the previous session, an opportunity</i>

	<p><i>to engage in more detailed discussions on three prioritised areas of interest where we have common objectives and that engage all agencies around the table.</i></p> <ul style="list-style-type: none"><li>- s6(a)</li><li>- <i>Challenges in the Pacific</i></li></ul>
12.00pm - 12.45pm	<b>Lunch</b>
12.45pm - 2.00pm	<b>Session 2 (cont.)</b> <ul style="list-style-type: none"><li>- <i>The Pacific (cont.)</i></li><li>- <i>Collective strategies to manage risk of violent extremism, especially at home and in our near abroad.</i></li></ul>
2.00pm - 2.15pm	<b>Coffee Break</b>
2.15pm - 3.00pm	<b>Session 3: Priorities for working together</b> <p><i>Identifying where the gaps are, or duplications, and opportunities where we can do more together, for example:</i></p> <ul style="list-style-type: none"><li>- <i>Develop and sustain joint capabilities</i></li><li>- <i>Opportunities for joint regional endeavours</i></li><li>- <i>Identifying for progression a specific opportunity for shared endeavour</i></li></ul>
3.00pm - 3.30pm	<b>Concluding Session: Wrap up and next steps</b>
3.30pm - 3:35pm	Transfer from s6(a) to Hotel  Transport: Walk (5 mins)
3.45pm	Transfer from Hotel to Airport  Transport: Taxi
4.55pm	Arrive at Sydney (Kingsford-Smith) International Airport Check in for Flight
	<i>Proceed through security</i> <i>Proceed to Lounge (if needed)</i>
6.45pm AEST	<b>Andrew Kibblewhite</b> <b>Helene Quilter</b> <b>Rebecca Kitteridge</b> <b>Andrew Hampton</b> Depart Sydney (Kingsford-Smith) International Airport on Flight NZ842 <i>Travel time: 3hrs 14mins</i>
6.55pm AEST	<b>Brook Barrington</b> Depart Sydney (Kingsford-Smith) International Airport on Flight NZ108

11.59pm NZST	<b>Andrew Kibblewhite</b> <b>Helene Quilter</b> <b>Rebecca Kitteridge</b> <b>Andrew Hampton</b> Flight NZ842 arrives in Wellington
11.59pm NZST	<b>Brook Barrington</b> Flight NZ108 arrives in Auckland

**Saturday, 22 October – Sydney/Wellington**

	Own arrangements
6:30am - 7:45am	Transfer from Hotel to Airport  Transport: Taxi
7.45am	Arrive at Sydney (Kingsford-Smith) International Airport Check in for Flight
	<i>Proceed through security</i> <i>Proceed to Lounge (if needed)</i>
9.45am	<b>Howard Broad</b> <b>Catriona Robinson</b> Depart Sydney (Kingsford-Smith) International Airport on Flight NZ846 <i>Travel time: 3hrs 14mins</i>
3.00pm NZST	<b>Howard Broad</b> <b>Catriona Robinson</b> Flight NZ846 arrives in Wellington



<b>CANBERRA CONTACTS</b>	
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## Australia-New Zealand National Security Dialogue – Annotated Agenda

<b><u>Thursday 20 October</u></b>	
7:30 – 10:0pm	<p><b>Welcome Dinner</b></p> <ul style="list-style-type: none"> <li>You and Andrew Kibblewhite will both give a brief welcome (2-3 minutes each)</li> <li>Ask s6(a) to give a 5- 10 minute talk on the global and regional outlook, including major strategic pressure points and tests.</li> <li>Open the discussion for contributions from other participants.</li> </ul>
<b><u>Friday 21 October</u></b>	
8.00am	<p><b>Welcome and introductory remarks</b></p> <ul style="list-style-type: none"> <li>Open with welcome and remarks about the purpose of the day (5 minutes).</li> <li>Andrew Kibblewhite introductory remarks (5 minutes)</li> <li>Open the conversation to contributions from the participants.</li> </ul>
8:30am	<p><b>Session 1 –</b></p> <ul style="list-style-type: none"> <li>Australia to introduce the session</li> </ul> <p><b>Organisation and legislative reform (30 minutes)</b></p> <ul style="list-style-type: none"> <li>Australia to lead discussion</li> <li>Ask s6(a) to open discussion on organisational reform.</li> <li>(Andrew Kibblewhite to ask NZ representative for first response)</li> <li>Ask s6(a) about counter-terrorism reforms.</li> <li>Ask s6(a) to discuss the cyber strategy.</li> </ul> <p><b>Building public trust in, and encouraging engagement with, security agencies (30 minutes)</b></p> <ul style="list-style-type: none"> <li>New Zealand to lead discussion</li> <li>Ask s6(a) to open discussion on building public trust in, and encouraging engagement with, security agencies.</li> </ul>

<p>9:30am</p>	<p><b>Session 2 –</b></p> <ul style="list-style-type: none"> <li>• <b>New Zealand to introduce the session</b></li> </ul> <p>s6(a) [REDACTED]</p> <ul style="list-style-type: none"> <li>• <b>Australia to lead discussion</b></li> <li>• Ask s6(a) [REDACTED] to open discussion.</li> <li>• (Andrew Kibblewhite to ask NZ representative for first response)</li> <li>• You may wish to ask CDF to follow.</li> </ul> <p><b>Pacific</b></p> <ul style="list-style-type: none"> <li>• <b>New Zealand to lead discussion</b></li> <li>• Ask s6(a) [REDACTED] to comment.</li> <li>• You may wish to ask s6(a) [REDACTED] to follow.</li> </ul>
<p>12:00</p>	<p>Lunch</p>
<p>12:45pm</p>	<p><b>Session 2 continued –</b></p> <p><b>Strategies for managing risk of violent extremism</b></p> <ul style="list-style-type: none"> <li>• <b>Australia to lead discussion</b></li> <li>• Ask s6(a) [REDACTED] to open discussion.</li> <li>• (Andrew Kibblewhite to ask NZ representative for first response)</li> </ul>
<p>2:00</p>	<p>Coffee</p>

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<p>2:15</p>	<p><b>Session 3 – Priorities for working together</b></p> <ul style="list-style-type: none"> <li>• New Zealand to introduce the session</li> <li>• Australia to lead discussion on defence force capabilities</li> <li>• Ask s6(a) to open discussion of defence force capabilities (development and sustainment) and opportunities for joint endeavours.</li> <li>• (Andrew Kibblewhite to ask NZ representative for first response)</li> <li>• Australia to lead discussion on intelligence capabilities</li> <li>• Ask s6(a) to open discussion of intelligence capabilities (development and sustainment) and opportunities for joint endeavours.</li> <li>• (Andrew Kibblewhite to ask NZ representative for first response)</li> </ul>
<p>3:00pm</p>	<p>Wrap-up</p> <ul style="list-style-type: none"> <li>• Australia to introduce the session</li> </ul>
<p>3:30pm</p>	<p>Depart to Airport</p>

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## Australia-New Zealand National Security Dialogue, Sydney, 20-21 October 2016

Andrew Kibblewhite, Chief Executive, DPMC

### Dinner, Thursday Evening

*Aim: members of both delegations will have the opportunity to speak for a few minutes each on any “top of mind” issues.*

*What you might like to focus on: you have indicated your interest in raising the question of a post-Obama era particularly with respect to our neighbourhood? What might a post-Obama presidency mean for the US ‘rebalance’ towards Asia? What are the chances for the TPP under either Trump or Clinton? What does a ‘worst possible scenario’ post-8 November look like?*

### **Joint PMs Statement – Australia and New Zealand**

Prime Minister the Hon Malcolm Turnbull MP and Prime Minister the Rt Hon John Key met in Sydney on 19 February 2016 for the annual Australia-New Zealand Leaders’ Meeting.

The Prime Ministers emphasised that the enduring strength of the Australia-New Zealand relationship lay in the close bonds between our people, the extraordinary depth of our economic linkages, our shared values and outlook and strong sense of community. The visit yielded agreement to further deepen cooperation and collaboration between the two countries to enhance the prosperity and security of Australians and New Zealanders.

*To further enhance strategic cooperation and strengthen responses to domestic security challenges, the Prime Ministers agreed their departmental secretaries would lead **an annual dialogue on national security** between the heads of Australian and New Zealand policy, intelligence and security agencies.*

***What will a post-Obama presidency look like?***

s6(a)



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Most likely scenario

s6(a)



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Implications for the Trans-Pacific partnership (TPP)

s6(a)



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s6(a)



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## Introductory Comments, Friday Morning

Your aim: to provide some introductory remarks to open the Dialogue along the lines of: Why are we here? What does success look like? How do we collectively engage? What might the future hold?

### Key Points

- s6(a)
- The Trans-Tasman relationship makes both countries stronger
- The cornerstone of the bilateral relationship is broad dialogue. The hope is that, from a security perspective, the proposed annual Australia New Zealand National Security Dialogue will go on to play an important role in keeping that dialogue moving forward.
- This inaugural Dialogue, then, is an opportunity to take stock of the Trans-Tasman security relationship at a moment of increasing global insecurity.
- It should provide a constructive forum in which to talk about any points of difference that may lead to friction in the relationship, while reaffirming that:
  - Our shared understandings and common interests are too important to let small differences get in the way.
- Longer-term, the Dialogue is about:
  - establishing a platform intended to create the conditions for more aligned and collaborative endeavour on national security issues; and
  - support a “no surprises” approach to Trans-Tasman national security policy development by facilitating the free flow of information both ways, and through an open and trusting relationship.

### Comparing National Security Systems

- It is not expected that any specific measures will be agreed at this first up meeting – it is not intended to be a pledging session.
- It is, however, an opportunity to:
  - strengthen the community of A-NZ national security chief executives
  - build greater awareness of each country’s national security context
  - and hear where each other’s national security systems are at.
- From New Zealand’s perspective, it is an opportunity to market ourselves as having built a professional, capable and nimble national security system, by outlining:
  - the overall architecture of the system in both response and strategic modes

- the SIB's progress toward genuinely collaborative sector leadership as (as enshrined in the BPS objectives)
- new resources; investments and reforms
- intelligence priorities/risk register
- Also an opportunity for us to hear how the Australian system is tackling some specific sector wide capabilities that we have struggled to progress i.e. national security workforces and classified networks.

### ***The Australia-New Zealand relationship***

New Zealand and Australia will continue to cooperate closely in meeting the increasingly wide ranging and complex international security challenges we face.

**“Mateship.”** To use a popular (albeit highly gendered) Australian cultural idiom, our vision is for the Australia-New Zealand relationship to continue to be one built on the idea of “mateship” - that it is a relationship that embodies equa lity loyalty and friendship.

In one sense, this history of cooperation between Australia and New Zealand goes back to the ANZAC spirit forged in the trenches of World War I.

- And our two nations have continued to strengthen military cooperation through combined military deployments to places such as Timor Leste, Solomon Islands and, much more recently, in Iraq.

But of course the relationship, even in a purely security sense, is broader than just the military dimension. We have been cooperating on a wide range of economic, diplomatic and security initiatives stretching back from right now to a time well before our young men fought and d ed together on the beaches of Gallipoli.

We share one of the deepest trading relationships in the world. We share wider economic interests, regional interests, and common positions on many of the issues facing the global community.

*[Refer back to last night's “state of the world” discussion.]*

In response to this changing landscape, we need to both help shape our region through constructive engagement as well as be prepared for any unforeseen deterioration in the strategic environment.

### ***Why an A-NZ National Security Dialogue?***

s6(a)

s6(a)

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s6(a)

That said, it remains the case that each country does have different national interests, which do not always align. It is perfectly legitimate for the two countries to come to different judgements about the various national security risks each faces.

**To be a success, this and future Dialogues should be seen as a safe space where the nature of these differences can be acknowledged openly so that they can be managed effectively.**

And the key is that both countries take a “**no surprises**” approach to policy development where national security issues are concerned.

The ‘value-add’ is in the bringing of a Whole-of-Government perspective

Part of the Dialogue, then, is about understanding one another better (on a system basis); and part of it is about being joined up better where we can and identifying opportunities for how we can work even closer together on issues of common concern.

For the Dialogue to prove its worth, however, it will need to establish its value add in the whole-of-government space and not duplicate conversations happening in other parts of the A-NZ architecture (e.g. ADF-NZDF, MFAT-DFAT, NZIC-AIC conversations).

Ultimately the Dialogue presents an opportunity for the two countries to discuss how well connected we are in responding to the issues under discussion; whether there is any daylight between our responses; if there is daylight, are we comfortable that this is the case; or, is there more we could do jointly. The value of having MoD, NZDF, MFAT, NZIC around the table is that all the relevant insights and different approaches are available to the meeting as it occurs.

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Australia – New Zealand National Security Dialogue

s6(a)

Friday 21 October 2016

## **Session 1: Sharing perspectives**

**0830 - 0930**

**[Australia to lead; New Zealand (Broad) to respond]**

*Your aim here is to provide New Zealand's national security perspective - our context, priorities, objectives, and major capability endeavours.*

*In the session immediately preceding this one, Andrew Kibblewhite will have provided some introductory remarks to open the Dialogue. His initial musings will be along the line of: Why are we here? What does success look like? How do we collectively engage? What might the future hold?*

*At the welcome dinner the night before, members of both delegations will have had the opportunity to speak for a few minutes each on any "top of mind" issues. Andrew's comments are likely to cover the question of a post-Obama era particularly with respect to our neighbourhood.* s6(a)

\*

*[Introductory remarks – link back to the conversation at dinner the night before.]*

My job this morning is to give you an overarching view of national security from the New Zealand perspective. I plan to briefly cover New Zealand's overall approach to national security before turning to a consideration of what we see are our national security challenges and how we are responding to them.

### ***The principles of New Zealand's national security***

As a nation New Zealand's national security interests are unusually extensive for our size, population and geographic location. They extend far beyond the obvious priorities of protecting the physical security of citizens, sovereign territory and resources. They also include maintaining national freedom of action and independence, societal cohesion and a democratic political system. We likewise seek to maintain the conditions for prosperity, including secure access to energy supplies and international markets.

Sitting as Andrew and I do at the centre of government in New Zealand, our mandate extends to both ends of the national security spectrum. Food security, earthquakes

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Australia – New Zealand National Security Dialogue

s6(a)

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s6(a)

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and other civil emergencies feature on the national security landscape just as regional instability, espionage, cybersecurity and protection of our troops abroad do. National security, then, is a broad church of risk.

And so we define the national security outcome as: “... **the condition which permits the citizens of a state to go about their daily business free from fear and able to make the most of opportunities to advance their way of life.**”

In New Zealand we have been going about our daily business lately largely free from fear. And we have been steadily making the most of our opportunities. Continued advancement of our national security interests, then, is based on a number of enduring principles.

We will protect ourselves from the risks we face by “**being resilient.**” This means that our systems, people, institutions, physical infrastructure, and communities are able to anticipate risk, limit impacts, cope with the effects, and adapt or even thrive in the face of change.

Regional engagement is crucial. This means doing all we can to strengthen the **trans-Tasman alliance**, which is fundamental, and other alliance-based security structures, as well as positively influencing the shape of the future regional architecture.

s6(a)

We support, and are supported by, an **international rules based order** that disciplines power through law, custom and convention, and according the same rights to all countries. At the global level, we have long been active in the highest councils of world affairs, whether at the United Nations, the World Trade Organisation or similar multi-lateral institutions.

Given how much of our prosperity depends on the international rules based system, the case for taking our share of the burden in a collective process is as relevant now as it ever was. Crucial to our national security policy, therefore, is the role played by a cadre of professional diplomats led emphatically by Ministers in the Government of the day.

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Australia – New Zealand National Security Dialogue

s6(a)

Friday 21 October 2016

### ***National security challenges***

[As we touched upon last night] the striking feature of the current international security environment is its complexity – particularly the sheer range of challenges.

“Non-traditional” security risks characteristic of the post-Cold War period persist, joined by a resurgence of risks deriving from geopolitical competition among nations  
s6(a)

It is by no means clear, anymore, that economic independence, trade and globalisation will prevent a return to a more contested regional environment. Major powers are manoeuvring for position, and some states are prepared to use coercion and the threat of force to gain advantage in territorial disputes. Some rules, norms and institutions that New Zealand has relied upon (along with Australia and others in the region) to foster peace and prosperity are under pressure.

s6(a)

Some conflicts in the world appear distant. Tensions remain in the Ukraine, the “zone of conflict” that has captured attention running through North Africa, the Middle East and into South Asia, now spawns terrorism elsewhere and has propelled a major refugee crisis in Europe.

In our own **South Pacific** region, we observe risk factors including the impact of climate change, resource depletion, political instability and population movement. The Pacific is family – we can’t shirk our responsibilities here. Further south the



s6(a)

We watch closely the marketing of New Zealand as a substitute **illegal migration** destination now that Australia is closed. Then there is **ISIL/Dae'sh** – a terrorist venture sourced in a mix of intra/inter-national and sectarian disputes. On the one hand ISIL/Dae'sh seeks a fight to gain and hold ground. On the other it seeks a fight with non-Islam values and people wherever. Thus it inspires extremists to “come join them”. Or sends extremists back home to carry the fight there. Now also we see the self-inspired vulnerable mind just looking for a cause to attach their death wish. Finally, as ISIL/Dae'sh “state” comes under increasing military pressure we see and worry about its ideologically linked seeds growing around the world.

**Terrorism** is something that worries us. While not wanting to overstate the situation, we do see that New Zealanders are being inspired by Da'esh or ISIL propoganda and messages and that some of them are talking about, or advocating, or planning to commit violent acts in New Zealand as a result. That's a b g change for New Zealand; and Martin Place was, I think, a big wake-up call for the people of New Zealand.

Paris and Ottawa are a long way away. Sydney brought home to New Zealanders the fact that if it could happen there, it could happen here too. So, regardless of what happens in the Middle East, the issue for New Zealand of those inspired by ISIL and its propoganda is not going to be resolved any time soon.

Our EEZ is the fourth largest in the world; the maritime search and rescue zone for which we're responsible stretches from Antarctica almost to the Equator. There are all sorts of resources in and under that water, which we either exploit for ourselves or permit others to do so under licence. It's also a handy transit area for people wanting to move, say, irregular migrants or illicit goods around our region. The size of our **maritime domain**, then, is both an enormous asset and an enormous security issue.

Finally, New Zealand companies with valuable intellectual property are vulnerable to theft, vandalism, and commercial espionage. There are many interested in our assets in order to obtain trade and other advantage. Organised crime, with its off-shore links, threatens in several ways.

### **Risk Analysis**

So what do we make of our risk environment? The first point is that “**states still matter**”. The rise of religiously based extremism may tempt us to look away from the actions of nation states as threat actors. But just think of the risks s6(a)

What is true is that an ability to interpret the motivations behind the conduct of international relations is as important as ever.

Secondly, “**geography still matters**”. Building on the first theme, the excitement around hyper-connection and globalisation tend to crowd the fact that the issues of most concern are influenced by geography. Conflict in the Middle East, s6(a) political instability and climate change influence security in our near region. The point is that New Zealand has interests in all these global risk centres of gravity and the accumulation of risk to us is of concern.

Thirdly – “security threats to New Zealand are, in the main, **externally driven**” They may manifest as an internal problem but the ones of most concern are driven by external factors, namely – risks ranging from corporate espionage, cyber-attack, or regional instabilities, have their gestation off-shore.

Fourthly - **Complexity rules**; where the connected world does impact seriously, is in the system wide linkages that have developed. We try, therefore, to lift the risk management sights of enterprises from agency specific issues (which are important no less) to system wide effect. Crucially, the maintenance of system sight on common capabilities is a significant success factor.

### ***The Fundamental Pillars of Capability***

New Zealand’s national security policy builds on a number of enduring capabilities.

First, we put a premium on an **activist but nimble diplomatic strategy** squarely aimed at keeping our region, and beyond, peaceful and prosperous. In navigating today’s turbulent waters, New Zealand recognises that our best course is to build upon the qualities of adaptability and appropriate modesty that have characterised our external dealings up to the present.

Second is our **New Zealand Defence Force**. Responding to New Zealand’s changing strategic environment the **2016 Defence White Paper** makes sure we have the right defence capabilities to bring to bear when necessary, in a range of situations from combat operations to disaster relief, both at home (Christchurch Earthquake) and abroad.

Thirdly, is the ability of our national security agencies and capabilities to work effectively together in the national interest using a common **national security system**. Like Australia, New Zealand has continued to refine existing arrangements that enhance national security policy coordination and action rather than establishing something new like a department of homeland security. Building on what was already a cohesive national security community, adjustments to the national security system implemented since 2014 have improved strategic direction and leadership, particularly in relation to the identification, prioritisation and management of key risks.

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More so than before, New Zealand's national security system is better able to coordinate national capabilities around robust **risk management** processes. That is, as a result of the refinements made since 2014, we are today far better positioned to identify and describe our risks, reduce the likelihood of a security event, build preparedness for national resilience, respond expertly to events when required and recover rapidly and expertly from adversity.

Reforms already well underway in respect of the **intelligence agencies** remain ongoing. The NZSIS and GCSB are both responding to changes in New Zealand's threat environment. In New Zealand, perhaps more so than many other like countries, and much more so than in Australia, any change to the agencies – legislative, policy or practice, edges into a very contested political environment.

But the repair of the fracture in public confidence in the agencies, and of the political consensus around such key components of national security capability, are key objectives of the current government. This is being pursued down four lines of effort:

Firstly, in the area of mandate – new legislation is directed at governance, structure, powers, and process. Secondly, lies in the area of purpose – through the setting of intelligence priorities and then checks performance back against those priorities. And thirdly, in the area of capability – after a lengthy process, Ministers agreed progressive development of capabilities was necessary if the agencies were to fulfil their role.

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As I've referred to, the area of the difference in appreciation of risk between national security professionals and the general public is perhaps a problem that is particularly acute in New Zealand.

We are often accused of drinking the national security kool-aid and thus become too amenable to over-reaction to an issue – that is to “over frame it”.. On the other hand, the public has been entitled to think we are inured against risk by what someone described to me as the “moat and barrier” strategy. The moat refers to the oceans around us and that it takes a determined and skilled traveller to mount an expedition to invade us. And to do so they have to overcome the “barrier” – Australia.....

The public never sees the “what might have been but for....” How well then are we, the New Zealand public, prepared for the fallout from a security, rather than a natural hazard event? What would the post event fallout look like? Perhaps “we spent all this money and still something happens?” Or, “what do you mean you were not sifting everything on line”. So, here in New Zealand, we worry about advising on the right policy balance to strike on risk based capabilities.

We worry about relevance and competence. If we cannot strike the right policy for prudent risk management, we will err too much on the side of caution. Attention and investment will wane, capabilities will erode, performance will decline, the existential questions will dominate and the risks, well they will increase. So, then, we worry that we will miss something that will end with catastrophic effect. Here, our national security depends on remaining vigilant: vigilant about our environment, and vigilant about our capability - without losing touch with those things that make us distinctively New Zealanders and basically good people... Forewarned, is forearmed.

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## Additional Classified Papers

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### National Assessments Bureau papers

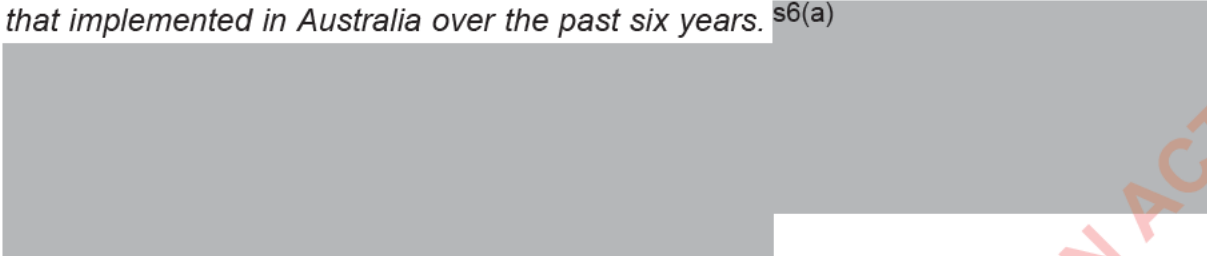
- s6(a) [REDACTED]
- s6(a) [REDACTED]
- s6(a) [REDACTED]
- s6(a) [REDACTED]


Plus, additional NZIC papers focussed on s6(a) [REDACTED]

*Six pages removed from document as withheld in full under section 6(a)*

### **Session 2.3: Responding to common challenges – countering/preventing violent extremism, at home and our near abroad.**

*New Zealand's domestic threat environment does not warrant development of anything like the large scale, national approach to address violent extremism such as that implemented in Australia over the past six years.* s6(a)





- 'Violent extremism' describes the beliefs and actions of people who support or use violence to achieve ideological, religious or political goals. This includes terrorism, other forms of politically motivated violence and some forms of communal violence.
- Countering violent extremism (CVE) is an approach which ranges from preventing people from embracing extreme beliefs (radicalisation) that might lead to these forms of violence, to reducing active support for terrorist groups.
- It is part of a broader set of initiatives that include social cohesion and community building objectives, more effective border controls, anti-money laundering, and clear understanding of the scale and scope of the issue.
- Despite recent changes in the domestic threat environment, there are no major drivers in New Zealand to warrant development of anything like the kind of large-scale, highly publicised national approach to addressing violent extremism as implemented in Australia
- In September 2014, Australia raised its terror threat level from 'medium' to 'high' - the first change since the system was introduced in 2002. The National Terrorism Threat Level remains at 'probable', meaning there is credible intelligence indicating individuals or groups have both the intent and capability to conduct an attack.
- s6(a)  

- In light of the increased threats and activity, the Australian Government allocated AUS\$77.4 million for CVE measures as part of a broader AUS\$630 million counter-terrorism package in 2014 (supplemented by an additional AUS\$326.4



million in the 2015-16 Budget. The 2016-17 Budget included an additional AUS\$5.0 million targeted at CVE.

- s6(a) [REDACTED]
- s6(a) [REDACTED]
- s6(a) [REDACTED]
- s6(a) [REDACTED]
- s6(a) [REDACTED]
- New Zealand's approach to enhancing social cohesion and community engagement led by the Department of Internal Affairs and New Zealand Police respectively, has received a lot of positive attention internationally and is considered progressive.
- That said, two years ago the current domestic terrorist threat level in New Zealand went up from 'very low' to 'low' – which means that a terrorist attack is not expected, but is possible. There are some in New Zealand who advocate for attacks, but their capability is pretty unsophisticated.
- In-country networks of people are an important factor in an individual taking the step from accepting a radical ideology to planning real-world action. Such networks are largely absent in New Zealand or, if present, are very very small.
- This may well be part of the reason why, although some people in New Zealand are showing susceptibility to online radicalisation messages, this hasn't as yet

followed through to the same sort of attack planning or attempts that Australia sees.

- But this does not mean we can be complacent. In terms of preventing violent extremism at home, then, our major focus is on preventing the development or spread of radical messages online.
- Social sector agencies are also collaborating with Police and Corrections to ‘wrap around’ at-risk individuals, especially young people. Noting that the numbers are very small – these programmes are really only at pilot scale and build on programmes already in place to help at-risk youth.
- While our respective threat environments currently differ – that is not to say that it will stay that way. Our two countries are very close to each other – in every respect. Travel is easy and frequent between our two countries and many communities share close trans-Tasman links. Anything that impacts Australia impacts us.
- s6(a) 
- It is clear from the evolving nature of the threat overseas that violent extremists are exploiting countries like ours’ open nature and the mobility of the modern age. For this reason, border management and transportation security remain critical aspects of our two countries counter-terrorism efforts.
- s6(a) 
- More importantly, we need to ensure our approach to intelligence and other information sharing, both between our two countries and within, is as comprehensive as it can be.
- Regionally, New Zealand is also committed to regional cooperation on CVE, and has contributed funding and expertise to a number of regional counter-terrorism capacity building initiatives, particularly in Indonesia and nearby. We have supported a series of courses through the Jakarta Centre for Law Enforcement Cooperation in CVE for law enforcement professionals from around Indonesia and supported research into CVE through an Indonesian NGO named IPAC.
- Internationally, New Zealand is committed to enhancing our partner’s capacity (civil society and government) to address the drivers of radicalisation, including through the Global Counter-Terrorism Forum, contributions to the Global

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Community Engagement and Resilience Fund (and recent constituency board membership with Australia).

- In the context of international counter-terrorism fora, we conform to the standard language and use CVE/counter-radicalisation, but always stress the importance of community engagement and measures to build social cohesion.

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## Countering Violent Extremism Domestically

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- Terrorism continues to evolve and several factors have resulted in increased threats internationally and domestically in recent years. This is a persistent threat that will require ongoing attention and resources.
- Many countries, including Australia and New Zealand, have become increasingly concerned about, and took additional steps to counter domestic and international threats. These include nationals fighting with overseas terrorist and insurgent groups ('foreign fighters') and different forms of 'homegrown' terrorism—whether it be individuals associated with particular groups, or so-called 'lone wolf' or 'lone actor' threats.
- The conflicts in Syria and Iraq, the rise of the 'Islamic State' group (IS) and its declaration of a caliphate in June 2014 are key factors in the heightened terror threat the world currently faces. While a small number of countries in the Middle East, South Asia and Africa continue to account for a high proportion of attacks and resulting deaths, terrorist attacks around the world (including in Western nations) have increased in both their frequency and, somewhat less consistently, their severity.

### *Recent Trends in Australia*

1 In September 2014, Australia raised its terror threat level for the first time since the system was introduced in 2002. The decision was made in light of the number of Australians who were joining conflicts in Iraq and Syria (and potentially returning); supporting overseas extremist groups from Australia; and potentially planning domestic attacks (including those 'prevented from travel'). The National Terrorism Threat Level remains at 'probable', meaning there is credible intelligence indicating individuals or groups have both the intent and capability to conduct an attack.

2 Since the threat level was raised, there have been several successful and foiled attacks in Australia. These have included the stabbing of two police officers in Melbourne in 2014, the murder of a police accountant in Parramatta in 2015 and the disruption of attacks allegedly planned for Anzac Day and Mother's Day in 2015.

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*The New Zealand Counter Terrorism Environment*

Refer separate classified note from NZSIS.

*New Zealand's Priorities*

7 New Zealand's domestic terrorist threat level remains lower than that of some of our partners, but that does not mean we are complacent. We see a real risk that New Zealanders could be impacted either at home or overseas by terrorist attacks, and while it is not the only source of terror, we would assess ISIL to be the greatest single source of risk at present.

8 New Zealand's major strategic priority is that we should be **neither a victim nor a source of terrorism.**

9 In terms of protecting ourselves from becoming a victim of terrorism at home, then, a major focus is on preventing the development or spread of radical messages.

10 Coordination right across government is critical. What we are finding – probably at least in part because we don't have a direct 'existential' terrorist threat to confront – is that while the police and intelligence and security agencies all have a part to play, so too do the social agencies, the Ministry of Foreign Affairs, the justice sector, and the local faith communities. Social sector agencies are collaborating with Police and Corrections, for example, to "wrap around" at-risk individuals, especially young people. Note that the numbers are really small – these programmes are really only at pilot scale and build on programmes already in place to help at-risk youth.

11 We are fortunate in that we don't believe that there is a problem with extremist Islamist teaching by individuals actually operating within New Zealand, nor do we see widespread alienation among the Muslim population in New Zealand. That's a view shared by the leaders of the faith communities. But we are all equally keen not to let

such a problem develop. Officials and community leaders are working side-by-side on programmes to strengthen communities and enhance social cohesion.

12 So where people in New Zealand are being influenced by radical Islamist ideology, it's happening online – making what's happening much less visible to the community at large or indeed to officials. We are most concerned about the impact on vulnerable youth. This underlines our reliance on effective intelligence, and great intelligence cooperation domestically and internationally, to know what is going on.

13 Intelligence about what is happening within New Zealand is helpful, but so too is taking action to counter the messages which ISIL promulgates so effectively. s6(a)

14 And we still need to be vigilant, and to play our part in countering terrorism abroad. It is not in New Zealand's national character to stand by and assume that an international threat such as that posed by Islamist extremism has nothing to do with us. Additionally, international engagement with the counter-terrorism effort has direct relevance on our ability to protect our own interests. This gives us better access to information to position our own assessment of the risk, and contributes to keeping stable parts of the world which are important to us.

15 Our ability to provide value is dependent on partnerships with s6(a) countries. New Zealand has troops in Iraq, working with Australia to train the Iraqi forces to counter ISIL. Our Counter-Terrorism Ambassador is building relationships with other countries in the region, specifically with Malaysia and Indonesia. And collaborative efforts are already underway between various regional partners and New Zealand's intelligence, police and defence agencies.

#### *New Zealand's Approach to Mitigating the Risk of Violent Extremism*

16 A key tenet of New Zealand's approach is an honest, dedicated and long-term commitment to enhancing community engagement through policies and programmes based on inclusivity, respect and tolerance.

17 While these policies form a significant contribution to New Zealand's domestic counter-terrorism efforts, they were not in fact developed with counter-terrorism in mind – and we are mindful that to label them 'CVE or Counter-terrorism initiatives' risks undermining the very inclusivity we are trying to promote.

18 New Zealand's approach to CVE domestically reflects the low threat of violent extremism here. Large scale programmes targeting wider communities are not always appropriate in the New Zealand environment, where Police have positive relationships with many communities and can address issues on a case-by-case basis. Ours is a coordinated, whole of government effort where we identify and reduce local pressures

that might turn vulnerable individuals toward a path of radicalisation and violent extremism. Bring together resources from MSD, MoH, Education, Corrections and Police, the interagency *Young Person Intervention Programme (YPIP)* is currently a 'pilot' operating as a 'wraparound' for four individuals.

#### *Additional Counter-Terrorism Priorities*

19 **Overview of threat landscape and attack plotting:** the threat paradigm is shifting. s6(a)

[REDACTED] We are adjusting our arrangements to include a short- or no-notice event by an individual or small group, to which front-line responders (Police, NZDF) must react and which is over before national agencies have had time to properly engage. This requires new planning / exercising regimes.

20 s6(a)

21 **Increased intelligence sharing and integration:** We are trying to ensure our approach to information sharing improves domestic and international security outcomes, and that our settings match the global community's expectations.

#### 22 **Enhanced Border Protection and Information Sharing:**

- Immigration New Zealand will strengthen protection against **identity fraud** in visa applications and when arriving at the border through the IDME initiative. This automatically matches biographic and biometric information against existing Immigration New Zealand records. Advance Passenger Processing and Passenger Name Record data will be used in outbound passenger processing – this will incorporate a cleared passenger list (a "white list") to reduce the impact of alerts on genuine travellers, a VIP list (a "green list"), and a persons of interest list (a "grey list") which will be used to notify agencies of the person's imminent arrival.
- New Zealand takes a case-by-case approach to sharing **watchlist information**.
- **Targeting information** is shared on an ad-hoc basis. A subset of entry refusals, interdictions and offloads is routinely shared with Australia
- New Zealand is introducing systematic checks against the **Interpol passport database** as part of its Advanced Passenger Processing
- Immigration New Zealand has an initiative underway to establish permanent Airline Liaison Officers at key airports around the world. They will be involved in security and facilitation for travellers to New Zealand, and provide guidance and training to airline check-in and security staff. There is also a new engagement initiative with new airlines and routes bound for New Zealand.

**23 New Zealand Customs Counter-Terrorism border protection and information sharing measures:**

- s6(a) [Redacted]
- s6(a) [Redacted]
- s6(a), 6(c) [Redacted]
- s6(a), 6(c) [Redacted]
- Customs CT Intelligence team provides 24/7/365 on-call CT support for Customs frontline work areas.
- s6(a) [Redacted]
- s6(a) [Redacted]

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## Dual Citizenship Renunciation

### Key Points

- The New Zealand Government continues to seek assurances from the Australian Government of *prior* and *genuine* consultation on the handling of any A/NZ dual national who faces the risk of losing their Australian citizenship for engaging in terrorism-related conduct.
- We also want to ensure open lines of communication in the case of any New Zealand-only citizens living in Australia with known or suspected connections to terrorist activities and who may face visa cancellation and deportation under the Migration Act.

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### Background:

New provisions in Australia's Citizenship Act for cancelling the Australian citizenship of dual-nationals who engage in terrorism-related conduct entered into force in late 2015. Under the provisions a dual-citizen automatically renounces Australian citizenship if they have been in the service of a declared terrorist organisation, engaged in specified terrorism-related conduct, or convicted of a specified terrorist-related offence.

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*New Zealand interests*

4

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[Redacted]

5 s6(a)

[Redacted]

6 While the Australian system has registered New Zealand's interests and expectations, it remains to be seen how consultation might play out in practice. s6(a)

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7 s6(a)

[Redacted]

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# Countering terrorism and violent extremism

Cat Barker, Foreign Affairs, Defence and Security

## Key Issue

Terrorism continues to evolve and several factors have resulted in increased threats internationally and domestically in recent years. This is a persistent threat that will require ongoing attention and resources.

Domestic coordination and international cooperation, particularly within the region, are important components of an effective response. Australia will need to remain responsive in a rapidly changing environment. However, consideration could be given to a strategic plan that would provide direction for, and foster coordination of, countermeasures over the longer term.

During the 44th Parliament, many countries, including Australia, became increasingly concerned about, and took additional steps to counter, domestic and international threats. These include nationals fighting with overseas terrorist and insurgent groups ('foreign fighters') and different forms of 'homegrown' terrorism—whether it be individuals associated with particular groups, or so-called 'lone wolf' or 'lone actor' threats.

The conflicts in Syria and Iraq, the rise of the 'Islamic State' group (IS) and its declaration of a caliphate in June 2014 are key factors in the heightened terror threat the world currently faces. While a small number of countries in the Middle East, South Asia and Africa continue to account for a **high proportion** of attacks and resulting deaths, terrorist attacks around

the world (including in Western nations) have increased in both their frequency and, somewhat less consistently, their severity.

## Domestic situation and outlook

In September 2014, Australia raised its terror threat level for the first time since the system was introduced in 2002. The decision was made in light of the number of Australians who were joining conflicts in Iraq and Syria (and potentially returning); supporting overseas extremist groups from Australia; and potentially planning domestic attacks (including those 'prevented from travel'). The National Terrorism Threat Level remains at 'probable', meaning there is credible intelligence indicating individuals or groups have both the intent and capability to conduct an attack.

Since the threat level was raised, there have been several successful and foiled attacks in Australia. These have included the **stabbing** of two police officers in Melbourne in 2014, the **murder** of a police accountant in Parramatta in 2015 and the disruption of attacks allegedly planned for **Anzac Day** and **Mother's Day** in 2015.

The number of Australian civilians involved in the Syrian and Iraq conflicts has plateaued, remaining at around 110 for around 18 months. This is due to a range of factors, including battlefield deaths and people being prevented from travel by the interventions of families, communities and authorities.

Police and security agencies are particularly concerned about a trend towards individuals becoming involved with extremist groups and ideologies at younger ages. This presents particular challenges, and even the Australian Security Intelligence Organisation (ASIO) has

emphasised the need for an approach that is 'far broader and more sustained than simply a security and law enforcement response'.

ASIO has assessed that while the more likely form of terrorist attack in Australia remains a 'low capability attack against a "soft" target [such as a shopping centre or sporting event], perpetrated by a lone actor or small group', the threat of a more complex attack remains. The recent completed and foiled attacks have been of the smaller scale, lower capability type. Lone actors and smaller informal networks are more difficult for police and security agencies to detect in advance, and low-capability attacks can move quickly from idea to action as they require less planning.

## Some key figures

- ◆ 16 counter-terrorism operations in Australia since September 2014, resulting in more than 40 people being charged with terrorism and other offences and disruption of nine attacks.
- ◆ ASIO managing around 400 high-priority counterterrorism investigations.
- ◆ Around 110 Australians fighting or engaged with terrorist groups in Iraq and Syria and 190 people providing support (such as recruiting, funding) from Australia.
- ◆ About 40 Australians have been involved in those conflicts and since returned, while at least 50 Australian foreign fighters have been killed.
- ◆ 177 Australian passports have been cancelled and 33 suspended.

Challenges for the coming years include managing the threats associated with returning foreign fighters and individuals prevented from travel, potential radicalisation in prisons, and managing the release of terrorism offenders back into the community.

## Regional situation and outlook

Many existing terrorist and extremist groups throughout Southeast Asia have pledged their allegiance to or support for IS, and some have indicated a wish to establish an official IS province in the region. IS has recently increased its propaganda efforts in the region, including through videos featuring Indonesians and Malaysians—at least one of which urged militants in the region to unite behind the leader of the Philippines-based Abu Sayyaf Group—and the release in June 2016 of its first Malay language newspaper. In 2016, both Indonesia and Malaysia have experienced successful IS-related attacks.

In Indonesia, after largely successful counterterrorism efforts over several years, the al-Qaeda aligned group, Jemaah Islamiyah, is reportedly rebuilding and preparing for attacks. It has been recruiting again—with membership estimated to be back to around 2,000 (matching pre-Bali bombing levels)—raising funds, and sending fighters to train in Syria.

The number of foreign fighters in Iraq and Syria originating from Southeast Asian nations is estimated to be in the range 700–1,000. While this is small proportionally, authorities are nonetheless concerned about the threats posed by returning fighters.

There have also been concerns raised about how effective Indonesia's deradicalisation efforts are, with the head of an organisation that assists parolees estimating that around 40 per cent of 400 militants released as at December 2015 have returned to a

radical network. One of the attackers in a January 2016 incident in Jakarta had been released from prison several months earlier.

### Domestic countermeasures

In light of increased threats and activity, the Australian Government provided **additional funding** of \$630.0 million for counterterrorism and countering violent extremism (CVE) in August 2014, supplemented by an additional \$326.4 million (excluding defence spending) in the 2015–16 Budget. The bulk of that funding went to the intelligence and law enforcement agencies for counterterrorism purposes. Less has been allocated to CVE measures, though the spending and focus on this area has also increased compared to previous years. The **2016–17 Budget** included an additional \$5.0 million for CVE, including \$4.0 million to ‘establish and trial community support and advice services’ with the states and territories.

Specific funded initiatives included:

- ◆ interventions to prevent Australians becoming foreign fighters, including a Community Diversion and Monitoring Team in the Australian Federal Police, a multi-agency disruption group and additional investigators and analysts for the Australian Crime and Intelligence Commission
- ◆ the Australian Border Force establishing **counterterrorism units** at Australia’s eight international airports
- ◆ a revised and expanded **CVE programme** and
- ◆ **funding** for the establishment and initial operations of the **Australian Intervention Support Hub** (AISH).

There has been increasing **recognition** of the need to work effectively across the spectrum, from prevention and early intervention, through to responding to actual attacks. This is reflected in the revised

CVE programme, which comprises four main streams of work—social inclusion; targeted work with vulnerable communities and institutions; addressing online terrorist propaganda; and diversion and deradicalisation. This has generally been welcomed by experts in the field, though there have also been calls for Australia **not to repeat** the mistakes of the UK’s *Prevent* strategy. *Prevent*, the CVE component of the UK’s counterterrorism strategy, has been criticised by the **Independent Reviewer of Terrorism Legislation**, amongst others, as having become ‘a more significant source of grievance in affected communities than the police and ministerial powers’.

CVE initiatives are relatively new in Australia, with Australian Government efforts dating back only to 2010. It will be important during the process of expanding Australian CVE and deradicalisation initiatives to deal with the current and future threat environment to continue learning from overseas experience. Interventions need to be adapted to the Australian context and tailored to each individual’s particular circumstances. However, lessons can be drawn from the UK’s experience as well as **European countries**, such as Germany and Denmark, which have had some success addressing far-right, far-left and religious extremism.

Some work remains in responding to the recommendations of the *Review of Australia’s Counter-Terrorism Machinery* and the report on the joint Commonwealth-NSW review of the Martin Place siege (both released February 2015). The ongoing coronial inquest into the deaths that occurred during the Martin Place siege may identify further issues requiring a response. In addition, in July 2016, the Prime Minister **asked** the National Counter-Terrorism Coordinator for advice on several matters to guide efforts to prevent lone actor attacks. Among the matters the Coordinator will report on are the vulnerability of soft targets and the means to protect them; measures to ensure

vulnerable individuals who come into contact with the justice and health systems are identified by security authorities; and how agencies are responding to the challenges presented by rapidly radicalised lone actors.

While many of the fundamentals remain the same, Australia's counterterrorism framework underwent significant changes during the last parliament, and many of those changes took place quickly in a reactive environment. While it will remain important for Australia to be responsive in this policy area, the Australian Strategic Policy Institute has suggested it is time for Australia to take a step back and spend some time formulating a strategic plan for counterterrorism. Such a plan would go beyond the Counter-Terrorism Strategy agreed to by governments in 2015, by providing a framework to guide future work across different levels of government and ensuring it remains coordinated and directed towards shared goals.

### Regional cooperation

Australia has been working for some time with countries in the region both bilaterally and multilaterally through forums including the Association of Southeast Asian Nations (ASEAN), the Jakarta Centre for Law Enforcement Cooperation and more recently, the Global Counterterrorism Forum (GCTF). Australia and Indonesia's joint investigation of the 2002 Bali bombings built a strong foundation for cooperation, and Indonesia has been a key focus of Australia's bilateral capacity-building and cooperation on counterterrorism. Australia has also worked closely with Malaysia, Thailand, and the Philippines.

Mirroring international developments and attention, there was somewhat of a shift in Australia's regional engagement during the last parliament, with a greater focus on: CVE, including online; deradicalisation; foreign fighter issues; and countering

terrorism financing. Australia hosted a regional summit on CVE in June 2015 and co-hosted a counterterrorism financing summit in November 2015 with Indonesia. The latter will become an annual summit, with the next one to be held in Indonesia in August 2016. Australia and Indonesia also co-chair the GCTF Detention and Reintegration Working Group and Australia has been keen to learn from Malaysia and Singapore about their approaches and programs for deradicalisation.

The current security environment highlights the importance of Australia's continued engagement and cooperation with regional partners.

See also the separate articles in this Briefing Book on national security and counterterrorism laws, and Iraq and Syria (for information on military involvement).

### Further reading

C Barker, *Australian Government measures to counter violent extremism: a quick guide*, Research paper series, 2014–15, Parliamentary Library, Canberra, 2015.

Council of Australian Governments (COAG), *Australia's counter-terrorism strategy*, COAG, 2015.

S Zeiger and A Aly, eds, *Countering violent extremism: developing an evidence-base for policy and practice*, Curtin University, Perth, 2015.

JC Liow, 'ISIS in the Pacific: assessing terrorism in Southeast Asia and the threat to the homeland', Brookings Institution, 27 April 2016.

## Funding and National Security Background notes for Australia-New Zealand National Security Dialogue

### Security Intelligence Agencies

The Government has made a number of investments in the core intelligence and security agencies in the past two years. In the New Zealand context, the Government has expected all departments to operate within their fixed nominal baselines over this period. So the increases are significant in this context.

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### Defence

In 2013, Cabinet agreed to an indicative plan of capability and associated funding so that the Defence Force could deliver on the Government's stated Defence Policy – the Defence Mid-Point Rebalancing Review. Significant investment has occurred in the New Zealand Defence Force since:

- 2014: \$535 million between 2014/15 and 2017/18 (\$170 million ongoing);
- 2015: \$239 million between 2015/16 and 2018/19 (\$84 million ongoing); and
- 2016: \$301 million between 2016/17 and 2019/20 (\$90 million ongoing).

In 2016, Cabinet agreed to an indicative plan of capability and associated funding so that the Defence Force could deliver on the Government's stated Defence Policy as per the Defence White Paper 2016. The indicative levels of new investment in future years are similar to those provided in Budgets 2014 to 2016.

In Budget 2015 there was also a material increase of \$27 million between 2015/16 and 2018/19 for the Ministry of Defence to improve New Zealand's military equipment procurement (\$8.6m ongoing).

Note all of the above numbers for Defence are operating expenditure.

At the Defence White Paper 2016 the Government also signalled a commitment to a portfolio of planned Defence capability investments valued at close to \$20 billion capital expenditure to 2030.



New Zealand  
Security Intelligence  
Service  
Te Pā Whakamarumaru

# Australia-New Zealand National Security Dialogue

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## Session 1: Sharing Perspectives

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### Strategic Goals

In the next four years, in order to ensure that:

- (1) **New Zealanders are safer:** New Zealanders – whether at home or abroad – are kept safe from physical (national security) threats. In particular, this outcome refers to NZSIS's contribution towards countering terrorism
- (2) **New Zealand Institutions are protected:** New Zealand's most significant institutions – government and non-government – are protected from internal and external threats
- (3) **New Zealand's National Advantage is promoted:** New Zealand is able to fulfil its role in the international environment in terms of understanding its region, contributing to international security and advancing its political and economic interests

NZSIS will have:

- Significantly increased coverage of domestic security threats, including counter-terrorism, counter-espionage and counter-intelligence
- Delivered a step-change in whole-of-government protective security practices through leadership of the Protective Security Requirements Framework



- Delivered highly valued foreign intelligence
- Enabled the continued monitoring of domestic threats
- Enhanced the effectiveness and efficiency of our security intelligence functions through the introduction of a new operating model
- Delivered a step-change in the quality, speed and customer experience of vetting through a continuous improvement approach and introduction of a new security clearance management system
- Enhanced the ability of staff to meet legal obligations with the support of a new compliance team
- Enhanced the capability of our staff through a new intelligence Training Programme

### Organisational Reform

1. The NZSIS has continued its ambitious organisational change programme to modernise our systems and culture. These changes will ensure that the NZSIS has the capability, systems, and people to meet the challenges of a complex and changing threat environment now, and into the future.
2. The NZSIS's change programme was launched to address a number of challenges identified by the 2014 Performance Improvement Framework (PIF) review. The NZSIS is halfway through its change programme and has made significant progress to date. The change programme has five different components:

- **Match-fit leadership:** strong organisations start with high performing leaders who set clear priorities and strategies. The NZSIS has focussed on improving management and leadership across all levels of the organisation; from the Senior Leadership Team through to Branch, Section and Team leaders.
- **Outstanding people:** As an organisation focused on human intelligence, we recognise that people are our greatest asset. Investment in our people and their skills ensures that we are ready and able to protect New Zealand and the New Zealand public. The NZSIS continues to train, develop, and put systems and processes in place to support employees and enable them to succeed in their careers.
- **Systems that enable:** Effective leadership and outstanding people will only be as strong as the systems that enable them. Strong systems are enablers for the NZSIS's work. They ensure that we are effective, efficient, considered, proportionate, and compliant in all aspects of our work.

- **Delivery excellence:** The NZSIS aims to be an effective and efficient organisation, delivering excellence and impact to the New Zealand public and government decision makers.
- **Powerful profile:** To be successful, the NZSIS requires the support of the New Zealand public, and our domestic and international partners need to understand and value the work NZSIS does. The NZSIS cannot be successful in our mission if we operate in isolation.

### Legislative Reform

1. The first independent review of intelligence and security in New Zealand by the Honourable Michael Cullen and Dame Patsy Reddy recommended significant changes to the way the Agencies currently operate. The government has considered their report since late February 2016, and its response is the New Zealand Intelligence and Security Bill introduced on 15 August.
2. The NZIC is anticipating that the bill will be passed in February/March 2017, with all aspects of the Act coming into force in September 2017.
3. This bill will be the most significant change to NZSIS's legislation since the original passage of the NZSIS Act (1969); of specific note the legislation will:
  - apply to both NZSIS and GCSB; and alter how we work together
  - create a new warrants and approval regime (i.e. purpose-based vs class-based warrants)
  - specify FTF powers (e.g. visual surveillance and urgent authorisations)
  - give explicit access to specific datasets
  - Result in NZSIS becoming a Government department, and be subject to the State Sector Act
4. In order to ensure the legislation is implemented effectively, the Agencies have established a Legislative Implementation Programme Team which is overseen by the Programme Steering Group. Governance is provided by the Programme Governance Board. Subject matter experts will be engaged to support the relevant work stream activities.

### Building Public trust and engagement in the security agencies

1. The new bill will contribute to the building of public trust and confidence, by providing clarity in the law, and additional reassurance that we are acting lawfully, through increased ministerial, parliamentary and Inspector-General's oversight.
2. NZSIS has also increased public trust and confidence through the following:
  - In 2015, the NZSIS commissioned a review of compliance. The review made a number of recommendations to increase compliance in the NZSIS, and a

programme was initiated to implement the recommendations by July 2017. The review was published on the NZSIS website.

- NZSIS has significantly improved compliance across the organisation since the commencement of the programme, and are on-track to have implemented all the recommendations by the July 2017. The Inspector General of Security (IGIS) noted in her annual report that NZSIS has made "considerable progress" towards compliance.
- Significantly strengthening our OIA and Privacy Act processes.
- Continuing to engage with community groups, (e.g. FIANZ) through outreach programmes and engagements at the Director level, and academic institutions to ensure commentators are informed.

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## Session 2.3: Responding to Common Challenges (Countering Violent Extremism)

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1. The terrorism threat level in New Zealand is LOW (*terrorist attack is assessed as possible, but is not expected*), and terrorist threats against New Zealand are very rare. NZSIS nonetheless remains guarded to the threat of terrorism, especially that from extreme Islamist groups whose calls for attacks in the West have inspired both complex terror plots and unsophisticated, lone actor attacks.

2. NZSIS assesses a small number of New Zealanders ascribe to radical interpretations of Islam, and that some of these individuals are supportive of terrorism and may pose a threat to New Zealand.

### Current Domestic CT Environment

- As of 30 June 2016, there were, at any one time between 30 and 40 people listed on the NZSIS counter-terrorism risk register. These individuals were determined to represent an actual or potential terrorism threat to New Zealand and include individuals in New Zealand and offshore. s6(a) New Zealanders under investigation by NZSIS are assessed to be located in Syria, s6(a) s6(a)

- s6(a) s6(a) the return of such individuals is a realistic possibility for the future. These individuals could return with the requisite skills and experience to use weapons and explosives, or have the ability to contact and/or facilitate others to fight with extremist militant groups.

s6(a)



s6(a)

s6(a)

Offshore threats

s6(a)

Trends

- The small number of extremists in New Zealand and the absence to date of any domestic terrorist attacks make it difficult to assess the New Zealand terrorism and violent extremism environment for trends.

s6(a)

New Zealand as a target of offshore-direct terrorism

- We have not seen credible intelligence to indicate any group is advancing plans to conduct an attack in New Zealand.
- New Zealand's deployment to Iraq, to date, has not had any direct effect on the domestic terrorism threat level. While the New Zealand flag has appeared in ISIL media, alongside flags of other nations that contribute to the counter-ISIL coalition, ISIL has not officially commented on the deployment.
- However, officials continue to judge that it is likely to make an attack in New Zealand or against New Zealanders more permissible to a wider range of extremists. s6(a)

s6(a)

s6(a)

Information sharing (general)

- NZSIS shares information with international liaison partners, other New Zealand government departments, and the New Zealand Police as is necessary and lawful in order to advance its investigations into persons of national security concern. NZSIS also routinely shares published intelligence reporting with FVEY partners. NZSIS has established liaison officers<sup>s6(a)</sup> to assist the sharing of information with both traditional and non traditional partners.

- NZSIS notes that liaison, police and government partners are typically responsive on matters related to terrorism, and these relationships generally function well within the constraints that accompany the sharing of classified intelligence and national security information.

NZSIS relationship with New Zealand Law Enforcement

- NZSIS works closely with New Zealand Police (NZP) to provide national security assessments and intelligence about counter terrorism issues; formally reported through security intelligence reports and regular briefings. This may result in a joint investigation into an individual, with NZP focussing on pursuing criminal charges and NZSIS focussing on reporting an individuals activity of national security concern.

s6(a)

NZSIS relationship with Australian Law Enforcement

- As an intelligence agency with a reporting mandate only, NZSIS' primary relationship with Australian law enforcement agencies is transacted through<sup>s6(a)</sup> this provides a clear channel for communication and information sharing, with ASIO and NZP owning the relationship with the AFP.

s6(a)

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~~TOP SECRET~~  
~~AUS/NZ EYES ONLY~~

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*Eleven pages removed from document as withheld in full under section 6(a)*

~~AUS/NZ EYES ONLY~~  
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