



3 March 2021



Reference: OIA-2020/21-0255

Dear 

Official Information Act request relating to Counter-terrorism documentation

I refer to your two requests made under the Official Information Act 1982 (the Act), received by the Department of the Prime Minister and Cabinet (DPMC) on 14 December 2020. You requested (numbering added):

“...1. The Royal Commission on mosque attacks refers to the Govt's Counter-Terrorism Playbook on p428. RNZ requests a link to or copy of this doc...”

2. the National Risk Report...

3. CTAG 2018: Its placement in New Zealand's counter-terrorism system architecture and its location; an independent view

4. 2018 National Security Situation Update that assessed right-wing extremism...”

I note part 4 of your request, for the “2018 National Security Situation Update that assessed right-wing extremism” was transferred to NZ Police on 15 January 2021, and that the time limits for responding to the remainder of your request were extended under section 15A of the Act by 20 working days to allow for further consultation. Following this extension, I am now in a position to respond to the parts of your request that remained with DPMC for response.

With regard to the first part of your request, for the Counter-Terrorism Playbook, I have decided to release the first four pages of this document (enclosed), but withhold the remainder of this document under section 6(a) of the Act, to protect the security or defence of New Zealand or the international relations of the Government of New Zealand. The Counter-Terrorism Playbook was superseded by the Counter-Terrorism Handbook, which was finalised in late 2019. A publicly available summary of the Counter-Terrorism Handbook can be found through the following link (page 3): dPMC.govt.nz/sites/default/files/2020-02/2019-20%20CT%20Strategy-all-final.pdf.

With regard to the second part of your request, for the National Risk Report, I would note this was a draft internal document that was not progressed or agreed upon. Accordingly, I have decided to withhold this document in full under the following sections of the Act:

- section 9(2)(f)(iv), to maintain the confidentiality of advice tendered by or to Ministers and officials; and
- section 9(2)(g)(i), to maintain the effective conduct of public affairs through the free and frank expression of opinion.

With regard to the third part of your request, please find enclosed a copy of CTAG 2018: Its placement in New Zealand's counter-terrorism system architecture and its location; an independent view. I have decided to withhold parts of this document under the following sections of the Act:

- section 6(a), to protect the security or defence of New Zealand or the international relations of the Government of New Zealand;
- section 9(2)(a), to protect the privacy of individuals; and
- section 9(2)(ba)(i), to protect the supply of similar information in the future.

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 DPMC'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



Andy George
**Acting Deputy Chief Executive
National Security Group**

- Enc:
- First four pages of the Counter-Terrorism Playbook;
 - CTAG 2018: Its placement in New Zealand's counter-terrorism system architecture and its location; an independent view.

[This document has been removed as it is now subject to a Non-Publication Order by the Coroner. If requested now, section 18(c)(ii) of the Act would apply]

9(2)(a)

27 July 2018

Rebecca Kitteridge; Director of Security; NZ Security Intelligence Service

Howard Broad; Deputy CEO; Department of Prime Minister and Cabinet

ADVICE IN RELATION TO THE LOCATION OF CTAG

Please refer to your commissioning letter to me of 21 May 2018.

I have completed the review and my Report is attached.

For a variety of reasons the project began more slowly and took a little longer to complete than originally estimated, and I apologise if that has caused any difficulties.

I wish to express my appreciation to the senior managers of both organisations for the support extended to me during the review. I am particularly indebted to 6(a) whose knowledge and professional networks were invaluable, and who helped me considerably during the preparation of the Report. Thank you both for agreeing to attach her to me for the review.

My independence was fully facilitated by 6(a) and others, and the content of the Report is entirely my responsibility.

I am available, of course, should you wish to discuss the Report or any other aspect of the assignment with me.

9(2)(a)

(Simon Murdoch)

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**CTAG 2018: Its placement in New Zealand's counter-terrorism system architecture
and its location; an independent view.**

Simon Murdoch
July 2018

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Executive Summary

I feel that CTAG has matured both organisationally and in its services since my 2012 review. Its present status – ‘in and of NZSIS’ – and its structural placement in the national security architecture are advantageous to the CTAG mission. Nor do they cause any significant problems for its member agencies or other agency stakeholders involved in managing risks from terrorism or the other (violent protest and violent crime) parts of its mandate.

Notwithstanding its triple mandate (terrorism, violent crime, and violent protest), what most defines CTAG functionally, and determines its system place and organisational alignment in 2018 is the relevance of its outputs to the contemporary counter-terrorism mission.

If repositioned in the Intelligence Community with accountability to D/NAB (or elsewhere in the national security organisational machinery accountable to Deputy/CEO/DPMC), CTAG would lose its organic connectivity to NZSIS and the Operation Coordination Group (OCG), the central point of homeland terrorism operational risk reduction and threat management. Service delivery could be disrupted and new compliance or transaction costs affecting its other customers could be created.

Provided NZSIS remains attentive to the integrity of CTAG’s assessment process, and can meet all the governance expectations of CTAG stakeholders, I can see no alternatives to its present organisational status or system placement in and of NZSIS that offer more benefits than costs for the national security system, particularly with its present focus on homeland counter-terrorism risk management.

The conclusions I reached are fully laid out on page 6 and are followed by comments on other matters exposed during the review which whilst not strictly within my TOR, were within my discretion to incorporate if I considered them relevant.

Introduction

This review was commissioned by the Director General/New Zealand Security Intelligence Service (NZSIS) and the Deputy Chief Executive Officer/Department of the Prime Minister and Cabinet (DPMC) as one part of a broader national security work programme - reporting to the Security and Intelligence Board (SIB) - examining a number of matters related to CTAG and the threat assessment and response system.

The Cullen Reddy Review of 2016 was a reference point in light of its recommendations for the National Assessments Bureau (NAB). It addressed CTAG's placement and location from the perspective of its relationship with NAB and alignment to the Intelligence Community (NZIC).

This report begins with CTAG's functions in the threat assessment and response system particularly the contemporary counter-terrorism mission and how CTAG serves the mission. It considers the NZIC/NAB interface with CTAG, and with DPMC/NSSD, and whether CTAG might be better placed in organisational and functional terms with either.

Annex 1 contains my terms of reference and the questionnaire for interviews, as well as a list of the agencies who responded.

In Annex 2 for contextual purposes I summarise the considerations that led to the establishment of CTAG in 2004 and the changes in CTAG's policy and operating environment since then.

Annex 3 provides some greater detail from the interviews and covers some ancillary matters which fall outside the core TOR but which I was allowed discretion to cover if they seemed relevant.

Approach

My assignment began with the most recent (2016 and 2018) NSSD publications about system machinery and practice and CTAG's role. Together with NZSIS and CTAG internal organisation and accountability documents, they gave me an overall appreciation of the expectations of CTAG today 'as is/where is', and gave rise to the following value proposition.

'CTAG exists;

to provide credible and timely knowledge services about emergent or imminent terrorist activities or other (defined) situations which threaten (physical) harm to New Zealanders in New Zealand or overseas, and for which decisions about the appropriate (operational) measures of risk and consequence management must be made by authorised decision-makers in the national security system. These services, which take the form of published reports and oral advice are based on work practices which integrate, analyse and assess intelligence and other data from different agencies and sources. CTAG has a national tasking to provide the intelligence threat element of the Watch Group in the event of a terrorist emergency which triggers the full machinery of the ODESC system

This proposition was the basis for pre-interview questions and was tested in discussion with NZSIS and CTAG senior managers; other agency leaders; DPMC; existing CTAG participant/contributor/user agencies and by serendipity, two visiting CTAG peer entity leaders. The results of interviews and key points of consensus from them were then summarised and became the basis for the findings of the review (part 4 below).

Observations

These are made with due regard to the overlap between my TOR and those of the two companion reviews but they are necessary to frame my conclusions.

Today CTAG is one of five¹ national security 'fusion' centres. It is both a component of the system that carries out New Zealand's counter terrorism mission and a member the Intelligence Community.

Mission priorities

For some years after 9/11, the focus of national counter-terrorism strategy, policy and legislation was largely on international cooperation and the risk of harm to New Zealanders and NZ interests overseas (especially threats to centres of population; mass public events or travel/tourist infrastructure.) This reflected the interests of the contributing agencies and explains CTAG's multi-threat (triple) mandate.

But between the late 2000s and now, mutations in the terrorism threat typology necessitated a reordering of the strategic outlook, the riskscape, and the tactical means for effective system performance. Evidence about possible attacks in NZ particularly from radicalised individuals and aspiring/returning foreign fighters has brought a greater focus to the 'homeland security' risk environment. This concept extends to cover Australia and the near Asia-Pacific, a periphery in which vulnerabilities to homeland security can originate.

CTAG's remit should be seen in this new strategic light. With the emergence of homeland/homegrown risks we have seen a need to expand our own indigenous threat intelligence effort to support and target the use of the powers to investigate/prevent amongst operational agencies with response capabilities (see Foreign Fighters Legislation and Intelligence and Security Act 2017). The rationale for an indigenous knowledge creator accessible to, and able to be accessed, by the response actors familiar with the arrangements that exist between them for planning and carrying out knowledge-based countermeasures has become more compelling.

Organisational Placement

When CTAG was established in 2004, its primary objective as a fusion centre was to ensure that 'high side' law enforcement and security agencies pooled their sensitive intelligence and that 'low side' agencies could also access it. CTAG was situated with NZSIS because it

¹ National Drug Intelligence Bureau (NDIB); National Maritime Coordination Centre (NMCC); Integrated Targeting Operations Centre (ITOC); Gang Intelligence Centre (GIC)

had the legislative mandate for terrorism; it was the co-lead agency (with Police) for CT operations; it was the national authority for humint and the established point of engagement for NZ with Five Eyes partners who were developing similar cross-agency entities to avoid problems of knowledge gaps about global terrorism caused by information compartmentalisation. The placement of CTAG with NZSIS gave CTAG a domestic alignment to the functions of operational CT risk management and a form and status that enabled it to carry out its knowledge creation and dissemination functions 6(a) 6(a)

But for reasons related to its multiagency make-up, and because it was important that it function as a 'single source of truth', free from various risks of capture, CTAG was originally not integrated into NZSIS organisationally, and had its own governance. This hybrid identity – 'with' but not fully 'of' NZSIS – gave rise to a variety of problems when CTAG was finding its feet. Among them (driven in part by its uniquely wide mandate of terrorism, violent crime and violent protest) was being spread too thin across its customer needs and, with its secondment model, not being able to retain staff long enough to rapidly climb the learning curve and achieve institutional maturity in the particular craft of the threat assessor.

Organisational Status

ODESC reviews which addressed these matters, and internal NZSIS restructurings (one very recent) have tied CTAG and its manager more directly into NZSIS, as a line unit of the Intelligence Directorate, both in a structural sense and in accountability. Today it is 'in and of NZSIS.'

The Head of CTAG is now a senior third tier NZSIS manager to whom governance has been assigned, and who has assumed the accountability (in consultation with the Director-General of Security) for determining from CTAG`s (fused) assessment process the correct setting for the national terrorism threat level (NTTL).

One aim of these changes was to ensure that CTAG could be directed more readily into areas of activity which would service the rising needs of NZSIS and the other OCG agencies² for the kind of knowledge that would enable them to act expeditiously to mitigate emergent 'homegrown' threat from New Zealanders in NZ.

Location

CTAG`s physical location in PHOP has not been alongside NZSIS. Originally in an adjacent space to NAB, 6(a)

² National security policy (Cabinet 2001) requires end to end risk management regimes for all hazards. The terrorism hazard as a whole has had a joint lead – NZSIS and Police since then. A joint body, the Operations Coordination Group (OCG) was created by an MoU (recently updated) to serve this need.

6(a)

Findings

(i) on CTAG`s functions, service delivery, effectiveness of products and efficiency

Interviewees were uniformly positive about the products and services they receive from CTAG and consider them generally well-tailored to their purposes. Compared with my 2012 review, it seems that both the participant and the contributing member agencies feel CTAG adds value for them and justifies their investments (staff and/or funding).

For one group of agencies what matters most about CTAG is that through its determination of a level of threat it is their authoritative trigger for decision making around mobilisation of internal resources and/or advice about risks or consequences to their commercial or public clientele. The Ministry of Foreign Affairs and Trade (MFAT) and the transport sector entities (Aviation Security Service/Civil Aviation Authority/Maritime NZ) foresee even greater utility in future, and the agencies which coordinate major event and VIP visits expect that APEC and related activities will require them to call extensively on CTAG. My sense is that for this group of users, the utility of CTAG's services has always been quite high and remains constant. For them, CTAG must deliver actionable knowledge that comes in a form that can be easily disseminated or blended with their own communications (e.g. travel advisories), especially at times of imminent harm.

There is another group of agencies for whom what matters is the narrative CTAG produces. They use it as a multiplier of relevant information they hold (eg investigative or data-analytic knowledge) principally to fine tune/prioritise ongoing risk or consequence management practices and operations. Police in particular and NZSIS are frequently engaged in joint operations with each other and overseas partners. These counter terrorism joint operations often involve the border (enforcement), and identity sector agencies, and increasingly, Corrections. My sense is that the utility of CTAG's services to this group has become progressively higher as homeland risk management has become bigger in scope and tempo.

(ii) on CTAG`s placement ('in and of' NZSIS)

By virtue of its place as a line unit of NZSIS, CTAG can help to enable quick reactions to environmental shifts by responsible agencies. CTAG has become more operationally focussed and has adapted its tempo to that now driving the OCG agencies. Furthermore, it is well-placed to connect these operational and tactical actors to the wider system. The unique benefit of being 'in and of' NZSIS is familiarity with its databases and proximity to its humint-driven reporting (SIRs) which for operational security reasons are tightly held. CTAG is in a position to carry SIR content into its fused products in a form which alerts a wider group of national security system actors who may have to be able to mobilise i.e. CTAG`s narrative can do the 'warm up' even before any (formalised) ODESC mobilisation call is made.

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But there is another aspect to CTAG's value – the quality of the knowledge itself, and assurance of methodological integrity in the knowledge creation processes and practices it follows. Best practice for fusion centres generally aims to have them conduct assessment/analysis functions with objectivity and perspective, at a certain remove from operator entities (and their collection activities) or policy entities.

CTAG is linked to the wider intelligence community formally by its tasking through the National Intelligence Priorities, and substantively because it draws on sources from a variety of national intelligence 'pools' and the knowledge CTAG creates requires competencies (assessment and analysis) which are the common craft of the community.

Protecting 'assessment purity' against an innate risk of capture – 'facts being fixed' to suit a preordained policy or operational outcome – is an important consideration in the threat assessment context but also for NZIC as a whole, as evidenced by the Cullen Reddy recommendations.

I asked interviewees if they were concerned about CTAG in regard to assessment purity or other forms of dominant influence from host agency or policy pressures. Whilst acknowledging capture as a potential risk and not to be taken lightly, none suggested either that CTAG was being dominated by host agency interests or that participant and contributor priorities were being marginalised. They expected governance to ensure that the objectivity of the threat knowledge creation process would continue to be safeguarded.

I looked closely at the job descriptions of the Manager of CTAG and the Head of CTAG (Assistant Director) to whom he now reports. From them I took that NZSIS does vest the Manager singularly with accountability for a properly fused assessment. The Head has oversight and governance of its system and mission coherence. The Head also is responsible for NZSIS's Strategic Analysis Team (refer to footnote page 22).

I was told, and could see from CTAG's internal process manual and templates for products, that there is quite detailed guidance about the ways to ensure that the fusion process has integrity and that the internal quality control on products is rigorous. Developing a professional culture in a fusion centre takes time. Because of the multi-agency character (and secondment churn) the practices embed more slowly in the institution. Most interviewees, including the two visiting threat assessment agency Heads, expressed confidence about CTAG in regard to these important issues.

Internal controls are not the only means of protecting assessment quality and integrity. A 'second line of defence' is the machinery of the ODESC system and particularly the rules of the Watch Group process which require the CTAG narrative, once it has left CTAG and NZSIS to be tested again as part of the standing rules of procedure for Watch Groups. In this environment, the threat narrative and/or assessment also becomes the basis for a further part of the Watch Group decision sequence which is to consider and test the views of the operational risk managers about response options and their impacts and consequences.

There is a perception amongst some agencies that for all the benefits that can and do flow from the Watch Group machinery, there is also a risk to the integrity of the assessment

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process if this decision sequence – assessment to response options to consequence and impact evaluation – is not carefully maintained. Premature introduction of consequence evaluation during a Watch Group, especially one convened on a precautionary basis, can compromise assessment purity.

(iii) on CTAG`s location (within PHoP 6(a) [redacted])

Further to the customer agency views already noted, 6(a) [redacted]

(iv) Alternatives to NZSIS

This question was largely answered in terms of 'it ain`t broke...' by interviewees. CTAG 'as is/where is' does not present agencies with problems or risks to their performance which require its structural place in the CT system to be changed. When asked about the possible alternatives, they could not identify benefits, and some saw potential costs.

The report has already explained what the potential costs of such a shift could be, in terms of distancing, if not disconnecting, CTAG from its primary function to create high quality threat knowledge to support and enable homeland risk management operations, under the joint Police/NZSIS leadership of OCG and to facilitate wider readiness within the national security system. New transaction or compliance costs could be created for processes that need to be as seamless as possible, especially in a dynamic threat situation. (CTAG's services to its other customer group could also be affected).

Conclusions

CTAG was originally established by NZSIS but with elements of structural separation. This status has changed. Today it is a line unit of the Intelligence Directorate and subject to the authority of DG/NZSIS in terms of its authorising environment, performance and governance.

Best practice for counter-terrorism systems in partner countries is to keep the threat assessment function carried out by fusion centres close to the domestic security/law enforcement interface and to humint platforms.

The change to CTAG`s status reflects the higher priority accorded to management of domestic terrorism risks by Ministers in recent years. Having become in and of (not just 'with') NZSIS, CTAG is now directly aligned to the role NZSIS plays as the co-lead (with Police) of cross agency counter-terrorism investigations and the hub for the OCG, which conducts related tactical activities to mitigate emergent 'homeland/homegrown' threats.

Interviews with NZSIS, Police and other CTAG member agencies indicate that CTAG provides a valued service, especially at a time of rising tempo. Its products are knowledge multipliers for them and when disseminated, can enable wider readiness and consequence management.

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CTAG also serves members and agency customers with predominant off-shore response and consequence management responsibilities. MFAT, transport sector entities, and Police Protection Services said the value to them of CTAG's intelligence accesses and the 'actionability' of its international threat picture products and advice remained high. Neither CTAG's organisational status change nor its closer focus on its terrorism requirement and homeland mission support had affected service quality or delivery.

Both groups were happy with CTAG's physical location in PHOF6(a)

Agencies were satisfied with NZSIS pastoral administration and customer service but want an approach to governance that enables them to see a bigger picture of CTAG between the new CT Coordinator and NZSIS. This seems quite achievable.

On the basis of this feedback I felt that CTAG had matured both organisationally and in its services since my 2012 review. Its present status – in and of NZSIS – and its structural placement in the national security architecture are advantageous to the CTAG mission. Nor do they cause any significant problems for its member agencies or other agency stakeholders involved in managing risks from terrorism or the other (violent protest and violent crime) parts of its mandate.

Notwithstanding its triple mandate (terrorism, violent crime, and violent protest), what most defines CTAG functionally, and determines its system place and organisational alignment in 2018 is the relevance of its outputs to the contemporary counter-terrorism mission.

The Cullen Reddy Review appears to have addressed CTAG's placement and location from the perspective of its alignment to the Intelligence Community and in light of recommendations for a legislative mandate for NAB. It is not clear whether it received or considered views about CTAG's functions in the counter-terrorism system.

Although its structural integration into NZSIS could give rise to concerns about 'capture' and compromise to CTAG's assessment independence and integrity, none were expressed at interviews. Agencies consider it important that there is governance oversight of the various safeguards to prevent such risks.

The new statutory responsibility for 'assessment best practice' across NZIC gives D/NAB an interest in this matter, in addition to NAB's lead role in the National Intelligence Priorities, under which CTAG has a shared tasking for terrorism.

CTAG and NAB are both assessment entities but NAB has an holistic national interests scope (largely external) and serves strategic policy decision makers, whereas CTAG aims to support operational and tactical decision making across three particular national security hazards. There are 'territorial' overlaps (as well as valuable synergies) between CTAG and NAB in covering the whole Priority, but they are manageable and are not a sufficient reason to join CTAG structurally to NAB.

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If repositioned in the Intelligence Community with accountability to D/NAB (or elsewhere in the national security organisational machinery accountable to Deputy/CEO/DPMC) CTAG would lose its organic connectivity to NZSIS and OCG, the central point of homeland terrorism operational risk reduction and threat management. Service delivery could be disrupted and new compliance or transaction costs affecting its other customers could be created.

Provided NZSIS remains attentive to the integrity of CTAG`s assessment process, and can meet all the governance expectations of CTAG stakeholders, I can see no alternatives to its present organisational status or system placement in and of NZSIS that offer more benefits than costs for the national security system, particularly with its present focus on homeland counter-terrorism risk management.

Other matters raised/exposed

International engagement dependencies and best practice

CTAG is now networked to a wider Western/NATO family of similar CT fusion centres; over time this peer engagement has become more valuable to its business enablement and professional culture.

I did not conduct a forensic comparison of these other entities regarding their place or location in their respective system architectures, but read some of their public information. By serendipity I also was able to speak with the Heads of Australia's National Threat Assessment Centre (NTAC) and Canada's Integrated Terrorism Analysis Centre (ITAC) which might be the best benchmarks for us - Australia because of scale and Canada because it went longest without a homeland/homegrown attack.

In general, for counter-terrorism (which is, now that Canada has made a change, the sole mandate for all CTAG`s peer entities) the threat assessment function carried out by fusion centres has been kept closest structurally to the domestic security function and to humint platforms. Both countries` systems aim to find a balance between two perceived 'goods' - the need for 'professional detachment' (to ensure fidelity to the facts through the narrative and assessment process) and the need to 'stay grounded' to be able to interact efficiently with the critical intelligence provider - the domestic security service, which has the primary operational CT taskings.

DPMC/NSSD

This unit of DPMC covers all domestic and external hazard and security risk management. It is the main point of coordination between the operational arms of Government and the policy and political decision making centre of Government. It has well developed practices for its interactions with the various information and knowledge entities within departments. Leaving aside the question of the NTTL determination rights, I heard nothing from interviews to suggest access or connectivity problems between CTAG and NSSD. NSSD already has all the formal connectivity to CTAG that it needs through the Watch Group regime and the appointment of the new counter-terrorism Coordinator adds to its capacity to engage earlier (informally) with CTAG's process where needed and appropriate.

Overall therefore, I see NSSD's core role in the counter-terrorism system as being related to the wider role of DPMC in the national security system. That is to provide cross-sector leadership for policy coherence; to give assurance about system capability and performance; and to control crisis management functions (ODESC) so as to enable good decisions to be taken by Ministers or the Prime Minister.

It is DPMC (NSSD) which has to facilitate the decision sequence and particularly to test the preferred operational response options for their wider impacts and consequences before bringing integrated judgements and advice from ODESC to the Cabinet. Being either or both the proprietor or steward to CTAG, is a different kind of role to these.

A move to NSSD would take the counter-terrorism threat machinery from an operational agency space to a central/control agency space. DPMC has a role above both other central agencies, to interact closely with the political decision making apparatus of the Government. In regard to CTAG, this presents the theoretical risk of consequence management considerations (which are legitimately of political concern) becoming a dominant influence prematurely and at cost to the integrity of the threat narrative and assessment.

Threat Levels/NTTL

Presently the leadership of the process by which our threat levels are determined is an NZSIS (CTAG) responsibility and the determiner-of-levels (subject to current reconsiderations) is an NZSIS senior manager (but also subject to current review). This makes sense in that the determiner is structurally connected to the provider of fundamental content for determination decisions.

Some interviewees unaware of the Cullen Reddy comments and otherwise satisfied with CTAG's services suggested that the only rationale they could imagine for altering CTAG's status/placement possibly arose from experiences with threat level determination and the vesting of NTTL decision rights in CTAG's Manager (the original arrangement). Both were matters interviewees thought timely to reconsider as some of them expressed preferences, based on familiarity with international partner practices, for more flexibility – ie. sector or geo-specific levels below the national. Regarding decision rights, I was given to understand that unlike New Zealand, both Australian and Canadian systems distinguish between the accountability for the threat picture; the decision rights for determining the level to be assigned to the threat; and who should be designated as the determiner. Both visitors said that in practice a dispute over a level is rare and would be resolved at the senior level of their equivalents of ODESC.

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Annex 1; Relevant Documents

Released under the Official Information Act 1982

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New Zealand
Security Intelligence
Service
Te Pā Whakamarumarū



DEPARTMENT of the
PRIME MINISTER and CABINET
Te Tari o Te Pirimīa me Te Komiti Matua

21 May 2018

Simon Murdoch
Consultant

9(2)(a)

Dear Simon,

Request for Advice in Relation to the Location of CTAG

1. Thank you for making time to meet with us on 1 May. As discussed, the NZSIS and DPMC are keen to engage you on a joint basis to provide advice in relation to the location of the Combined Threat Assessment Group (CTAG).
2. As explained, there is a broad work programme underway that involves consideration of a range of matters related to CTAG and the threat assessment and response system.
3. Within that wider work programme, there was a specific issue that we felt needed an independent perspective – that is, the location of CTAG within the national security system.
4. In considering this specific issue, it may be necessary or important for you to comment on related CTAG governance, resourcing or structural issues. That is fully understood. However, we do emphasise that it is in relation to the specific issue of CTAG's location that we would particularly value your advice. Once that advice has been received and considered, there will be consequent work undertaken by officials to confirm the supporting governance and resourcing arrangements.
5. In undertaking this work, we strongly encourage you to talk to CTAG's key stakeholders, as well as to consider overseas models.

Thanks and regards.

Rebecca Kitteridge
Director-General of Security

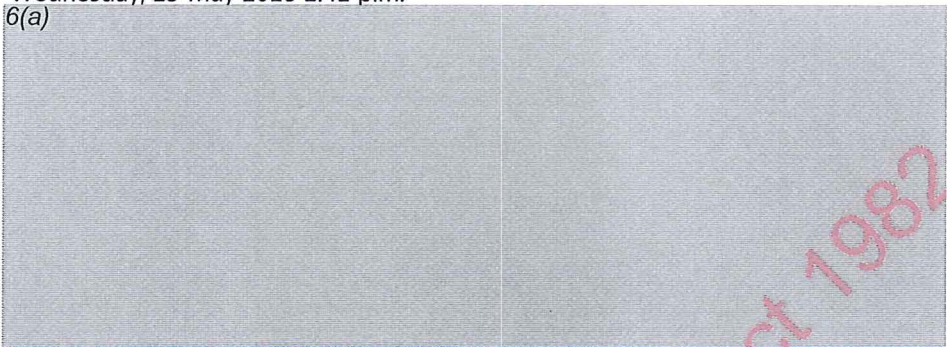
Howard Broad
Deputy Chief Executive, DPMC



	Customers For CTAG products and services					Contributors		Points of Contact	
	NZ Threat Assessment	Int'l Threat Assessments	Threatscapes	Major Events	Senior Visits	Terrorism Threat Advice	Staff		Operational Funding
NZSIS							YES	YES	6(a)
NZ Police							YES	YES	
DPMC (NSSD and CT Coordinator)							NO	NO	
MFAT							NO	YES	
GCSB							YES	YES	
NZDF							YES	YES	
Aviation Sector: AVSEC and CAA							YES	NO	
Maritime NZ							NO	NO	
NZ Customs							NO	YES	
Corrections							YES	NO	
NAB							NO	NO	
NZ Police (DPS)							YES	YES	

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CTAG Unit

From: CTAG Unit
Sent: Wednesday, 23 May 2018 1:41 p.m.
To: 6(a)

Cc:
Subject: RE: Murdoch review of CTAG Placement

[SEEMAIL]

Good afternoon

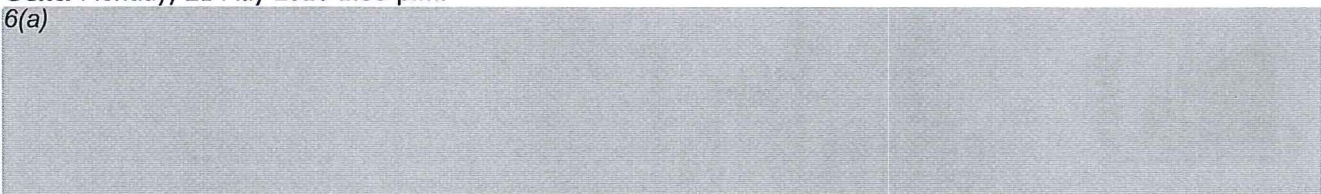
Further to my email on Monday, Simon Murdoch has now commenced work with reviewing CTAG's placement. 6(a) will be in touch with you this week to arrange meeting times, which Simon will be looking to hold with you next week between Monday 28th – Thursday 31st May if possible. By way of preparation, he has shaped the following questions for you to consider when meeting with him:

- CTAG provides services that inform and enable risk management at a strategic and operational level. Can you describe how CTAG's services enable your agency's risk management work?
- Can you comment on how you inter-operate and cooperate with CTAG and its services, for CT operational and policy purposes?
- In particular if your agency contributes (either in terms of staffing or financially) to CTAG, please feel free to comment on the relationship and any governance arrangements, including strengths, weaknesses, opportunities and issues around stewardship and governance or oversight of CTAG's business model and operational strategy.
- Are there any changes or improvements you wish to have considered in regards to CTAG's hosting and location, and what benefits would you see arising from these?

Thank you again for your assistance in this process.

Regards

6(a)
Head of CTAG

From: CTAG Unit
Sent: Monday, 21 May 2018 1:35 p.m.
6(a)


6(a)

Subject: Murdoch review of CTAG Placement

[SEEMAIL] RESTRICTED

Good afternoon all,

Recently, the question of CTAG's physical placement within the National Security System was formally raised. It was questioned whether NZSIS is the most appropriate location for CTAG to be hosted, and/or whether it would be more rightly placed within NAB, DPMC or (tacitly) another host organisation.

SIB has agreed to conduct a formal examination of this question. With that, former senior public servant, Simon Murdoch, is being jointly engaged by DPMC and NZSIS to independently canvass the issue.

Simon's work sits alongside several other current lines of effort related to CTAG. These are:

- reaffirming CTAG's independent mandate (and the extent to which this extends beyond terrorism);
- review of CTAG's governance and resourcing model; and
- some focussed work out of DPMC on how terrorism threat assessment informs risk management and coordination activity by the National Security System.

An inter-agency steering group convened by DPMC will oversee aspects of these workstreams.

It is envisaged that Simon will commence his work this week. He may make contact with you, or other representatives within your agencies to seek further information and views on the location question. Specific meeting invitations will be sent to you in the next week or so. CTAG Analyst 6(a) will be assisting Simon with meeting admin and logistics.

We appreciate your assistance in this process.

Regards,

6(a)

Head of CTAG

Annex 2; Background and Context

Background

CTAG was set up in 2004 as a multi-agency fusion centre, consistent with best international practice for countering crosscutting and trans-boundary threats that 'extend beyond the purview of any one agency' and in order for NZ to avoid potential problems which might impair the conduct of domestic counter terrorism, violent crime, and violent protest policy and operations or collaborations with Five Eyes partners.

The potential problems were:

- Knowledge gaps arising from compartmentalisation of agency-held information; in particular, sensitive law enforcement and security intelligence covertly obtained from domestic sources 6(a) .
- The danger of not having a 'single (institutional) point of truth'- that 'multiple and conflicting assessments' about the character and latency of a threat could jeopardise the quality and timeliness of decision-making in the NZ national security system.
- A confused authorising environment which did not reflect existing statutory powers of agencies (especially Police and NZSIS) or was inconsistent with the "tiered response" model; or which could not connect an objective (evidence-based) determination of nature of threat to a clearly-mandated ('autonomous') determiner of the appropriate level of acuteness to accord to it in order to warn out response actors and the public.
- 6(a)

Several of these considerations influenced the decision to place CTAG with NZSIS, and there were also system alignment factors:

- Leadership of CT operations; national security doctrine (2001) required end-to-end risk management across the four risk management domains – reduction, readiness, response, and recovery. For the terrorism/violent extremism hazard as a whole NZSIS shared a joint lead with NZP and NZSIS (This appears to have related particularly to the first two domains where investigative powers applied because for the response phase of a counter-terrorism, violent crime, violent protest emergency/crisis, NZP was the sole designated lead agency).

The 2004 national CT Plan (a Civil Defence Emergency Management type plan) set out NZ's approach to counter-terrorism and put in place policy and all-of-government arrangements within which individual agencies could prepare their own individual plans and procedures. Protocols were established between NZP and NZSIS to cover their shared operational roles and responsibilities and a designated coordination group (OCG) became principal point of planning and conducting joint operations.

Context

Current descriptions of CTAG may be found in the NSS Handbook (2016) and 2018 Counter Terrorism Playbook. It is a multiagency fusion centre 'with an autonomous mandate to assess threats from terrorism'. It also monitors and revises the domestic threat level (from terrorist attack, violent criminal behaviour and violent protest) as well as setting and revising the threat level for countries and major events (domestic and international).

The Handbook says CTAG is a component of the NZ Intelligence Community and a unit of NZSIS which 'informs risk management processes by providing timely and accurate assessments of terrorist threats to New Zealanders and NZ interests'. Threat warnings and the determination of the national threat level are a specified task of CTAG.

The ODESC system has evolved; today it see national security risk management less predominantly from the response (tactical planning for post-event) end of the spectrum and emphasises risk reduction and readiness and even 'resilience' especially community resilience. National security doctrine is focussed by wider ideas of mission and systemic capability. A cross-sectoral approach to information and knowledge management - including the legal powers to collect and share security information - has become an integral aspect of this. The concept of data fusion is widely accepted.

CTAG was established with a broad mandate - counter-terrorism, violent crime, and violent protest - but its counter-terrorism mission priorities have adapted to meet changes in the character or typology of the threat itself. CTAG's highest value was seen as lying in its contribution to the protection of New Zealanders and NZ interests overseas (in particular against mass attacks on population centres/events). Although homeland security risk (in terms of preparedness for an attack occurring in mainland NZ) was always an underlying risk, today the latency of threat particularly from radicalised individuals in New Zealand and aspiring/returning foreign fighters means that homeland security risk management has become the central preoccupation

The relationship with Australia (ASIO/ASIS/NTAC), where these dangers are more acute, has become particularly important, not just because of the openness of the goods and people flows across the Tasman but because of the shared 'security overwatch' responsibility for the South Pacific seen as a vulnerable point in the common periphery-the outer-ring of Australian and NZ defences against transborder terrorist (and criminal) threats.

Annex 3; Interviewee comments:

(i) on CTAG`s functions, service delivery, effectiveness of products and efficiency


6(a), 9(2)(ba)(i)

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6(a), 9(2)(ba)(i)




(ii) on CTAG`s placement (in and of NZSIS)

6(a), 9(2)(ba)(i)



(iii) on CTAG`s location (within PHOP )


6(a), 9(2)(ba)(i)




(iv) Other matters raised/exposed

Governance

6(a), 9(2)(ba)(i)




6(a), 9(2)(ba)(i)




Threat Levels

6(a), 9(2)(ba)(i)




6(a), 9(2)(ba)(i)




NAB/CTAG relationship

6(a), 9(2)(ba)(i)




6(a), 9(2)(ba)(i)




DPMC/NSSD reach

6(a), 9(2)(ba)(i)



International engagement dependencies and best practice

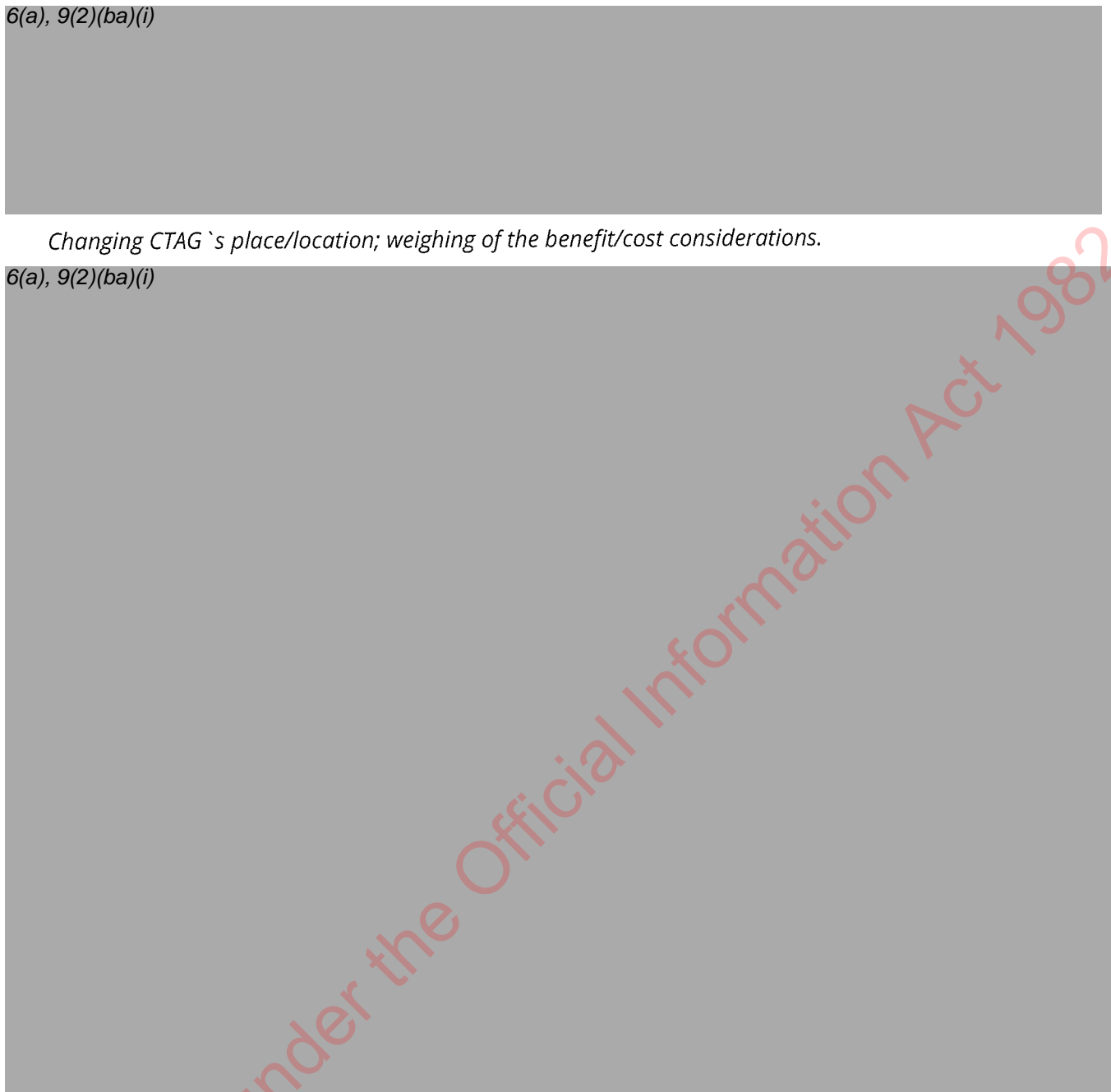
6(a), 9(2)(ba)(i)



6(a), 9(2)(ba)(i)

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6(a), 9(2)(ba)(i)



Changing CTAG `s place/location; weighing of the benefit/cost considerations.

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