

Proactive Release

The following Cabinet material has been proactively released by the Department of the Prime Minister and Cabinet (DPMC), on behalf of Rt Hon Jacinda Ardern, Minister for National Security and Intelligence:

National Security Intelligence Priorities: 2021 Review

The following documents have been included in this release:

Title of paper: 2021 updated National Security Intelligence Priorities – Whakaarotau Marumaru Aotearoa – for approval and overview of improvements to date

Title of minute: National Security Intelligence Priorities: 2021 Review (ERS-21-MIN-0043 refers)

Title of minute: Report of the Cabinet External Relations and Security Committee: Period Ended 19 November 2021 (CAB-21-MIN-0482 refers)

Some parts of this information release would not be appropriate to release and, if requested, would be withheld under the Official Information Act 1982 (the Act). Where this is the case, the relevant section of the Act that would apply has been identified. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it. In addition, some information has been marked as out of scope.

Key to redaction codes:

- 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)(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.

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Office of the Minister for National Security and Intelligence

Cabinet External Relations and Security Committee

2021 updated National Security Intelligence Priorities – *Whakaarotau Marumaru Aotearoa* – for approval and overview of improvements to date

Proposal

- 1 The National Security Intelligence Priorities (NSIPs) *Whakaarotau Marumaru Aotearoa* – underpin a well-functioning national security system, supporting intelligence and assessment agencies to prioritise effort and add value to decision-making. This paper provides an overview of the 2021 review of the NSIPs and seeks approval of:
 - 1.1 a new set of NSIPs;
 - 1.2 key areas of focus for the NSIPs; and
 - 1.3 a public version of the new NSIPs.

Relation to government priorities

- 2 The NSIPs are the government's priorities for agencies that provide intelligence, assessment, and other reporting on key national security issues (all these types of reporting are referred to in this paper as "intelligence") and agreed by Cabinet following consideration by this Committee.
- 3 The importance of prioritisation for national security and intelligence is supported by the Speech from the Throne, which emphasised the need to protect "New Zealand and the lives and livelihoods of New Zealanders".
- 4 The NSIPs are also reflective of Labour's 2020 Election Manifesto, supporting New Zealand to:
 - 4.1 implement climate change and environment objectives and transition to a clean, green carbon neutral New Zealand;
 - 4.2 take foreign policy decisions that align with our values and interests;
 - 4.3 tackle long-term challenges so our economy emerges stronger;
 - 4.4 invest in an effective COVID recovery plan;
 - 4.5 keep our communities safe, break the cycle of offending and tackle the root causes of crime.

Executive Summary

- 5 The NSIPs enable evidence-based, whole-of-government understanding on key national security issues, ensuring intelligence resources are directed where they are most needed. Ultimately, decisions about where agencies focus effort are up to individual agencies, but they need to be making these decisions within the parameters set out in the NSIPs, and with consideration about the collective allocation of effort.
- 6 A review of the NSIPs was carried out this year to respond to changes in New Zealand's domestic and strategic environment, and to begin addressing relevant findings and recommendations raised in the Report of the Royal Commission of Inquiry into the Terrorist Attack on Christchurch Masjidain (Royal Commission). I invite Cabinet to approve:
 - 6.1 the new set of NSIPs, providing agencies with up-to-date guidance to implement and share with partners;
 - 6.2 a public version of the classified NSIPs, to facilitate public engagement on national security issues;
 - 6.3 *key areas of focus* for intelligence agencies, to provide greater specificity and transparency about where intelligence resources can provide the most value to decision-makers.
- 7 If approved, I propose that public, ministerial and political engagement commence, to ensure effective oversight of the NSIPs. Section 9(2)(f)(iv)

Background

The NSIPs are vital to the safety and security of New Zealand and New Zealanders

- 8 A crucial part of any country's national security system is its ability to make sense of global and domestic environments. High quality intelligence is a critical input to this process.
- 9 "Intelligence" is processed information from a variety of sources that can help decision-makers achieve desired outcomes. New Zealand's national security sector includes a wide range of information, and the means to collect, assess, and use it.

Intelligence helps New Zealand to:

- 10.1 identify potential or actual threats to our national interest;
- 10.2 mitigate ahead of time decisions made against our interests by other countries or actors;
- 10.3 understand motivations behind potential or actual actions taken by other countries or actors;

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- 11 New Zealand's national security sector is broad, and includes 'traditional' intelligence agencies with mandates for collecting and assessing covert and secret intelligence, as well as a raft of agencies that collect, assess, and use lower-classified and open-source information as part of their day-to-day work.
- 12 The NSIPs are a framework used to guide agencies' intelligence resources, enabling joined-up, whole-of-government decisions to be made about how it can best add decision-making advantage to New Zealand. It is expected that agencies will focus all intelligence effort on these areas.
- For the Government Communication Security Bureau (GCSB) and the New Zealand Security and Intelligence Service (NZSIS), the NSIPs guide where and how they deploy their most specialised covert intelligence collection capabilities, and underpin specific warrants sought for covert intelligence collection. Section 10(1)(a) of the Intelligence and Security Act 2017 states that "it is a function of an intelligence and security agency to collect and analyse intelligence in accordance with the New Zealand Government's priorities". Consequently, GCSB and NZSIS cannot carry out intelligence activities in relation to threats that are not specified as a New Zealand Government priority. Section 6(a)
- 14 As such, the NSIPs must be broad enough to allow for agencies (in particular GCSB and NZSIS) to investigate new and emerging threats and challenges, while still providing guidance about the issues they are expected to focus on. *Key areas of focus* have been developed to help mitigate the risk that the NSIPs are too broad to meaningfully help agencies prioritise resources (discussed further in paras 31-34).

Cabinet decisions

15 The current NSIPs were agreed in 2018 [ERS-8-MIN-0026]. Section 6(a) Section 6(a)

16

In June 2019, Cabinet External Relations and Security Committee (ERS) noted that officials had reviewed the NSIPs in light of changes to the security environment following the Christchurch terrorist attack, ^{Section 6(a)} [ERS-19-MIN-0015]. For the first time, an unclassified version of the NSIPs was produced to support public confidence around the role of intelligence activity in New Zealand and ensure transparency without risking the effectiveness of intelligence efforts. The unclassified version was limited to the titles of the NSIPs and was published in

an annex to the 2019-2020 DPMC Annual Report.

- 17 In November 2019, officials reported back on progress made against the NSIPs [ERS-19-MIN-0038]. Cabinet agreed that officials would report back to ERS before the end of 2020 with the findings of the next full review of the NSIPs and a further update on progress made by the sector on implementation.
- 18 The 2020 NSIPs review (the Review) and update was delayed to allow for consideration of findings and recommendations made by the Royal Commission.
- Report of the Royal Commission of Inquiry into the Terrorist Attack on Christchurch Masjidain
- 19 The Review aims to begin addressing several relevant Royal Commission findings, including that the NSIPs:
 - 19.1 are too broad to be useful and do not support system-wide decisionmaking about prioritisation of intelligence effort;
 - 19.2 should support better system-wide coordination on national security and intelligence.
- 20 In addition, the Review aims to:
 - 20.1 gain a better understanding of the sector's balance of effort across the NSIPs and where challenges and gaps may exist;
 - 20.2 implement other improvements based on agency feedback on the 2018 NSIPs, including the need to provide more information at lower classification levels.
- 21 There is an ongoing work programme to fully address Royal Commission recommendations related to the NSIPs and other relevant findings, including:
 - 21.1 Recommendation 8: include a summary of advice from the Counter Terrorism Advisory Group (Recommendation 7, still to be set up), and actions in response, when providing advice on the NSIPs;
 - 21.2 Recommendation 17: require in legislation that the NSIPs be published and referred to the Intelligence and Security Committee. This will be considered within the statutory review of the Intelligence and Security Act to begin later this year.

The updated 2021 NSIPs build on progress made and begin to address Royal Commission findings and recommendations

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Section 6(a)

Consultation process

- 23 Led by the Department of the Prime Minister and Cabinet, a wide range of intelligence and policy agencies from across the national security and intelligence sector have contributed to reviewing the updated NSIPs. Chief Executives on the Security and Intelligence Board have provided input into, and endorsement of, the NSIPs and supporting frameworks.
- As mentioned in paras 40-44, the updated NSIPs will be used to facilitate ongoing public, ministerial, and political engagement on the NSIPs.

Consideration of Te Tiriti o Waitangi

25 The updated NSIPs help provide a starting point for more meaningful engagement with Te Tiriti and inclusion of Māori interests on national security and intelligence topics. The national security sector is undergoing a process of considerable change in the way it consults and engages with New Zealand communities, as recommended by the Royal Commission. Central to this are our obligations under Te Tiriti and acknowledging the unique relationships Māori have with national security. I would like to use the 2021 NSIPs to help advance this conversation (see paras 36-39).

The content of the NSIPs has been improved and updated

- 26 Section 6(a)
- 27 The overall number of NSIPs has reduced from 16 to 13, with a focus on the interrelationships between issues, and recognising New Zealand's evolving interests in global and domestic environments. The NSIPs have been updated to reflect the current core drivers of national security concern, including COVID-19, climate change, and misinformation and disinformation.



30 I recommend Cabinet agree the updated NSIPs, as at <u>attachment A.</u>

The addition of "key areas of focus" to help agencies prioritise effort

31 The NSIPs are a guide to all agencies that may be able to provide intelligence. Agencies' resources are not unlimited, and tough prioritisations



decisions need to be made. Ultimately, decisions about where they focus effort are up to individual agencies, but they need to be making these decisions within the parameters set out in the NSIPs, and with consideration about the collective allocation of effort. Therefore, in line with previous iterations, the NSIPs are scoped broadly, giving agencies discretion within the 13 priority areas to provide intelligence on issues that align with their unique capabilities and resources.

- 32 The Royal Commission did, however, emphasise the need for more detail to help agencies make better informed decisions about where to focus effort, and for more transparency about those decisions. In response to this, new *key areas of focus* have been developed for this iteration of the NSIPs for Cabinet approval.
- 33 Key areas of focus specifically guide the core intelligence and assessment agencies that make up the National Intelligence Coordination Committee¹. They provide these agencies with increased specificity about where, within each NSIP, intelligence is expected to provide the most value to decisionmakers (Attachment B).
- 34 *Key areas of focus* are a new addition to the NSIPs and one I believe will provide increased assurance that our intelligence agencies are focusing effort in the most important areas. Section 6(a)

Section 6(a)

35 I recommend that Cabinet agree the key areas of focus for the updated NSIPs, as at <u>attachment B.</u>

A more detailed public version of the NSIPs

- 36 A public version of the updated NSIPs is provided for Cabinet's agreement (<u>Attachment C</u>). Reflecting Royal Commission findings, the public version provides more detail that the inaugural public version (released in 2019), to support improved public engagement on national security (see next section).
- The public version includes a number of *key areas of focus* from the classified version, providing a new level of specificity and transparency in the public domain. In the interests of protecting New Zealand's national security, it is not appropriate to release all information in the updated NSIPs and *key areas of focus*. Section 6(a)

¹ The National Intelligence Coordination Committee is a sub-committee of the Security Intelligence Board which oversees the development and implementation of the NSIPs. Member agencies are Ministry of Business, Innovation and Employment, Government Communications Security Bureau, New Zealand Security Intelligence Service, Customs, Department of the Prime Minister and Cabinet, New Zealand Defence Force, New Zealand Police, Ministry of Defence, Ministry of Foreign Affairs and Trade, as well as the Ministry for Primary Industries (which is not a member of the Security and Intelligence Board but has an intelligence function).



While there is intelligence and assessment provided on all of the 13 NSIPs, exactly how each agency contributes to this depends on their expertise, capability and capacity. Essentially, not all agencies could or should provide intelligence or assessment on all the NSIPs all the time.

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39 I recommend that, in the first instance, the public version of the updated NSIPs is made available on the DPMC website.

On-going engagement with the NSIPs

40 The Royal Commission recommended increased public engagement on national security. As a result, the national security sector is undergoing substantial change in the way it engages with the public. The development of a national security sector Long-Term Insights Briefing and public-facing national security strategy will help us better understand the interests and needs of the communities we serve. The updated NSIPs will provide another useful platform to support a more mature national conversation about national security issues.

41 I recommend public engagement on the NSIPs is integrated with these workstreams and into future iterations of the NSIPs.

- 42 In addition to public engagement, the Royal Commission noted the need for Ministers to be more engaged with national security, including on the NSIPs. Section 9(2)(f)(iv)
- 43 Section 9(2)(f)(iv)
- 44 I recommend that the updated NSIPs, public version, and key areas of focus, remain in place while changes to the national security system, in line with the Royal Commission, are being made. At the latest, the next review will be conducted in two years' time.

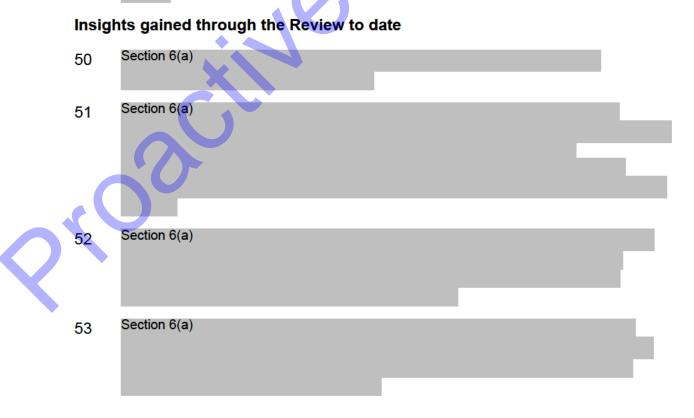
Strengthening governance and oversight of the NSIPs

45 Section 9(2)(f)(iv)

| 46 | Section 9(2)(f)(iv) | |
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| 47 | Section 9(2)(g)(i) | |
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- 48 Chief Executives on the Security and Intelligence Board have a collective role in monitoring the NSIPs and building opportunities for system-wide intelligence collaboration, prioritisation and investment. Sitting under the Security and Intelligence Board, the National Intelligence Coordination Committee is responsible for overseeing coordination and implementation of the NSIPs. The National Intelligence Coordination Committee's role has been strengthened this year to ensure more active management of gaps and challenges relating to the NSIPs. This includes elevating system level issues and challenges to the Security and Intelligence Board to provide direction and support.
- 49 Chief Executives also have an individual responsibility for ensuring their agencies contribute appropriately towards the NSIPs. Section 6(a)



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54 Section 6(a)

Implementation

55 If the recommendations are agreed to, officials will work towards the following timeframes:

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| Milestone/Activity | Timeframe |
|--|--|
| Agencies begin to implement the updated NSIPs Section 6(a) | November 2021 |
| Public version of the NSIPs published on the DPMC website | December 2021 |
| Public engagement on the NSIPs | First quarter 2022 and ongoing |
| Sectrion 9(2)(f)(iv) | Sectrion 9(2)(f)(iv) |
| Sectrion 9(2)(f)(iv) | Sectrion 9(2)(f)(iv) |
| Section 6(a) | Section 6(a) |
| Next NSIPs review provided to Cabinet | Once changes to the national security system, in line with the Royal Commission, have been made. At the latest, the NSIPs will be reviewed in 2023. |

Financial Implications

| 56 | Sectior | n 9(2)(g)(i) | |
|-------------|---------|--------------------|--|
| | 56.1 | Section 9(2)(g)(i) | |
| | 56.2 | Section 9(2)(g)(i) | |
| $\langle ($ | 56.3 | Section 9(2)(g)(i) | |

Legislative Implications

57 In April 2021, ERS agreed to bring forward the statutory review of the Intelligence and Security Act 2017 (the Act) to start as soon as practicable after 1 July 2021, in order to address promptly the matters raised by the Royal Commission [ERS-21-MIN-0006].

- 58 While there are no legislative implications to this paper, Cabinet should be aware that elements of the statutory review affect the NSIPs:
 - 58.1 The review will consider Recommendation 17 of the Royal Commission, which requires in legislation that the NSIPs be published.
 - 58.2 The review may consider the reference to "Government priorities" in section 10(1)(a).

Regulatory Impact Statement

59 A Regulatory Impact Statement is not provided to support this paper. Any potential changes to the Act that affect the NSIPs will be considered through the statutory review.

Population Implications

- 60 The NSIPs impact all population groups in New Zealand; the purpose of national security, and intelligence to support national security decisions, is to provide for the safety and security of New Zealand communities.
- 61 All New Zealanders will have the opportunity through upcoming initiatives to engage on national security, including on the NSIPs: Māori (as individuals, iwi, hapū, and whānau), children, seniors, disabled people, women, people who are gender diverse, Pacific peoples, veterans, rural communities, and ethnic communities.

Human Rights

62 There are no human rights implications arising from this paper. The Act sets out that the GCSB and NZSIS must act in accordance with New Zealand law and human rights.

Consultation

63 The following agencies have been consulted on this paper, and their views incorporated: Government Communications Security Bureau, New Zealand Security Intelligence Service, Ministry of Business, Innovation and Employment, Ministry of Foreign Affairs and Trade, Ministry of Defence, New Zealand Defence Force, New Zealand Police, New Zealand Customs Service, and Ministry for Primary Industries.

Communications

The NSIPs will be published on the DPMC website following agreement of the public version of the NSIPs. Sectrion 9(2)(f)(iv)

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Proactive Release

65 This paper is intended to be proactively released within 30 business days of decisions being confirmed by Cabinet. Some material will be redacted under Section 6 of the Official Information Act in order to protect the national security of New Zealand.

Recommendations

66 The Minister for National Security and Intelligence recommends that the Committee:

Background

- 1 note the NSIPs are the government's priorities for agencies that provide intelligence, assessment, and other reporting on key national security issues;
- 2 **note** the NSIPs were last approved in 2018 [ERS-8-MIN-0026] and were reconfirmed ^{Section 6(a)} in 2019 [ERS-19-MIN-0015];
- 3 **note** that the 2020 NSIPs review was delayed to allow for consideration of findings and recommendations raised in the Report of the Royal Commission of Inquiry into the Terrorist Attack on Christchurch Masjidain;
- 4 **note** work to implement Royal Commission recommendations relevant to the NSIPs (recommendations 8 and 17) is ongoing.

2021 updated NSIPs

- 5 agree the updated NSIPs, for use by government agencies (<u>Attachment A</u>);
- 6 **agree** that, within each NSIP, *key areas of focus* will be prioritised by National Intelligence Coordination Committee agencies (<u>Attachment B</u>);
- 7 agree the public version of the updated NSIPs, to provide a foundation for public engagement on the NSIPs (<u>Attachment C</u>);
- 8 **note** improvements that have been made to the NSIPs this year, including updated content to reflect changes in the strategic environment and ^{Section}

Implementation

agree public engagement on the NSIPs will take place following agreement of the updated NSIPs and will be integrated with related public engagements on national security;

- 10 note the public version of the updated NSIPs will be published on the DPMC website following agreement;
- 11 Sectrion 9(2)(f)(iv)

| 12 | Sectrion 9(2)(f)(iv) | | |
|----|----------------------|----|--|
| 13 | Section 6(a) | _ | |
| 15 | | н. | |

14 **agree** the next review of the NSIPs will take place once changes to the national security system, in line with the Royal Commission, have been made. At the latest, the NSIPs will be reviewed in 2023.

Authorised for lodgement

Rt Hon Jacinda Ardern

Minister for National Security and Intelligence

Appendices

Attachment A Section 6(a) Attachment B Section 6(a) Attachment C Section 6(a) Attachment D Section 6(a)

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Cabinet External Relations and Security Committee

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

National Security Intelligence Priorities: 2021 Review

Portfolio National Security and Intelligence

On 16 November 2021, the Cabinet External Relations and Security Committee:

Background

- 1 **noted** that the National Security Intelligence Priorities (NSIPs) are the government's priorities for agencies that provide intelligence, assessment, and other reporting on key national security issues;
- 2 **noted** that the NSIPs were last approved in 2018 [ERS-18-MIN-0026] and were reconfirmed Section 6(a) in 2019 [ERS-19-MIN-0015];
- 3 **noted** that the 2020 NSIPs review was delayed to allow for consideration of findings and recommendations raised in the *Report of the Royal Commission of Inquiry into the Terrorist Attack on Christchurch Masjidain*;
- 4 **noted** that work to implement the Royal Commission's recommendations relevant to the NSIPs (recommendations 8 and 17) is ongoing;

2021 updated NSIPs

- 5 **agreed** to the updated NSIPs, attached as Attachment A to the paper under ERS-21-SUB-0043, for use by government agencies;
- 6 **agreed** that within each NSIP, key areas of focus will be prioritised by the National Intelligence Coordination Committee agencies, listed in Attachment B to the paper under ERS-21-SUB-0043;



agreed to the public version of the updated NSIPs, attached as Attachment C to the paper under ERS-21-SUB-0043 (subject to any minor or editorial changes that may be authorised by the Minister for National Security and Intelligence), to provide a foundation for public engagement on the NSIPs;

noted the improvements that have been made to the NSIPs in 2021, including updated content to reflect changes in the strategic environment Section 6(a)

Implementation

- 9 **agreed** that public engagement on the NSIPs will take place following agreement of the updated NSIPs and will be integrated with related public engagements on national security;
- 10 **noted** that the public version of the updated NSIPs will be published on the Department of the Prime Minister and Cabinet's website;

| 11 | Section 9(2)(f)(iv) | |
|----|---------------------|---|
| | | |
| 12 | Section 9(2)(f)(iv) | C |
| 13 | Section 6(a) | |
| 14 | agreed that: | |

- 14.1 the next review of the NSIPs will take place once changes to the national security system, in line with the Royal Commission's recommendations, have been made;
- 14.2 the NSIPs will be reviewed in 2023, at the latest.

Janine Harvey Committee Secretary

Present:

Rt Hon Jacinda Ardern (Chair) Hon Grant Robertson Hon Kelvin Davis Hon Andrew Little Hon Poto Williams Hon Kris Faafoi Officials present from:

Office of the Prime Minister Officials Committee for ERS Department of the Prime Minister and Cabinet Government Communications Security Bureau New Zealand Security Intelligence Service



Cabinet

Minute of Decision

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Report of the Cabinet External Relations and Security Committee: Period Ended 19 November 2021

On 22 November 2021, Cabinet made the following decisions on the work of the Cabinet External Relations and Security Committee for the period ended 19 November 2021:

