



## Proactive Release

The following documents have been proactively released by the Department of the Prime Minister and Cabinet (DPMC), on behalf of Rt Hon Christopher Luxon, Minister for National Security and Intelligence:

### RCOI briefings

The following documents have been included in this release:

**Title of briefing:** Decisions required on remaining national security recommendations from the Mosque Attacks Royal Commission of Inquiry

**Title of briefing:** National Security Institutional Arrangements

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.

### Key to redaction codes:

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- section 9(2)(a), to protect the privacy of individuals
- section 9(2)(f)(iv), to maintain the confidentiality of advice tendered by or to Ministers and officials
- section 9(2)(g)(ii), to prevent improper pressure or harassment



# Briefing: Decisions required on remaining national security recommendations from the Mosque Attacks Royal Commission of Inquiry

Date:	26/04/2024	Report No:	DPMC-2023/24-1086
		Security Level:	<del>RESTRICTED</del>
		Priority level:	Routine

	Action sought	Deadline
Rt Hon Christopher Luxon Minister for National Security and Intelligence	agree to recs	For initial discussion 1 May

Name	Position	Telephone	1 <sup>st</sup> Contact
Bridget White	Executive Director, National Security National Security Group	s9(2)(a)	✓
Pip Swaney	Manager, Security and Intelligence Policy	s9(2)(a)	

**Departments/agencies consulted on Briefing**

This briefing has been prepared by DPMC. We have consulted the proposals for assigning lead Ministers for the national security core issues with relevant agencies and the National Security Board, who are generally supportive. The proposals related to the counter-terrorism effort have been discussed at the inter-agency Counter-Terrorism Coordination Committee.

## Minister's Office

Status:

Signed

Withdrawn

**Comment for agency**

Attachments: Yes

# Briefing

## Decisions required on remaining national security recommendations from the Mosque Attacks Royal Commission of Inquiry

To: Rt Hon Christopher Luxon  
Minister for National Security and Intelligence

Date	26/04/2024	Security Level	<del>RESTRICTED</del>
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### Purpose

1. This paper seeks your agreement to decisions required on five recommendations from the Report of the Royal Commission of Inquiry into the terrorist attack on Christchurch masjidain (the Royal Commission) that were assigned to the Prime Minister and/or Minister for National Security and Intelligence (NSI).
2. These decisions will inform discussion at the 1 May 2024 Ministers' meeting on the remaining recommendations where decisions are required, and subsequent advice to Cabinet on concluding the formal coordinated Government response to the Royal Commission.
3. This paper should be read in conjunction with a separate briefing on National Security Institutional Arrangements (DPMC-2023/24-595), which seeks decisions on a further two Royal Commission recommendations assigned to you.

### Executive Summary

4. As part of work to formally close the coordinated response to the Royal Commission by the end of June 2024, decisions are required by lead Ministers on 12 remaining recommendations. Seven of these recommendations sit with you as Prime Minister/Minister NSI.
5. Three of these are related to national security institutional arrangements (Royal Commission Recommendations 1, 2 and 3), and four are related to improving the countering terrorism and violent extremism effort (Royal Commission Recommendations 4, 7, 8, and 16). These latter decisions do not need to be considered by Cabinet.
6. There has been considerable change, and ongoing efforts in line with the intent of these recommendations. This means that most of the decisions now needed are to confirm how they will be integrated into ongoing work programmes.
7. The Royal Commission recommended that **ministerial accountability for counter-terrorism** be clarified (recommendation 1). Accompanying advice to you as Prime Minister recommends you agree that this responsibility sits with the Minister NSI. To ensure that we are taking a consistent approach across the national security system, we recommend that you also assign lead Ministers (within existing portfolios), via letters of expectation, for all the core issues in the National Security Strategy.

8. Since the publication of the Royal Commission report, there have been many improvements to the counter-terrorism effort and national security, including around public awareness of these efforts. These changes mean that it may no longer be necessary to implement some recommendations exactly as made.
9. In response to the recommended development of a **public-facing strategy to address terrorism and violent extremism** (recommendation 4), a range of activities have already taken place that incorporate the intent of this recommendation. We do not consider a full review and refresh of the current counter-terrorism strategy is required to implement this recommendation. We recommend that the cross-agency Counter-Terrorism Work Programme continue to incorporate the intent of this recommendation in future refreshes or new strategies.
10. The Royal Commission recommended that an **Advisory Group on counter-terrorism** be established to provide advice to officials on approaches to countering terrorism and violent extremism (including public engagement) and on threatscape assessments and the National Security Intelligence Priorities (Recommendations 7 and 8). Given the changes to the system since this recommendation was made, including improved mechanisms that now exist for relevant agencies to hear and incorporate a range of public views in counter-terrorism activities, we do not recommend establishing an Advisory Group.
11. Instead, we recommend you agree that recommendations 7 and 8 will be implemented by relevant agencies continuing to utilise existing or flexible mechanisms to hear and include a range of non-government voices in relevant agency products and work on counter-terrorism.
12. Finally, the Royal Commission recommended that an **annual hui on countering violent extremism and terrorism** be held to bring together government officials and a range of non-government actors (Recommendation 16). Two hui were held in 2021 and 2022, with a third cancelled as tensions over the Hamas/Israel conflict made it difficult to achieve the aims of the hui. We recommend that no further hui are held, but to instead pursue other opportunities to support public conversation on national security.
13. You are scheduled to attend a Ministers' meeting on 1 May, convened by the Lead Coordination Minister for the response to the Royal Commission. You will be asked to discuss your decisions on these recommendations at that meeting. Following that meeting, a Cabinet paper will be prepared to capture decisions made by Ministers and reflect remaining decisions needed to be made by Cabinet to formally close the coordinated response.

## Recommendations

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We recommend you:

1. **note** that on 1 May 2024 you will attend a Ministers' meeting to discuss the remaining decisions required to conclude the formal coordinated response to the Royal Commission recommendations, of which seven are assigned to you as lead Minister;
2. **agree**, subject to discussion at the 1 May Ministers' meeting, the following approaches to remaining national security decisions assigned to you:
  - 2.1. to formally designate ministerial leads for each of the core national security issues, including terrorism and violent extremism, as outlined in Attachment B (Recommendation 1, and as per CAB-23-MIN-0343);

YES / NO

2.2. to integrate any further activity under Royal Commission Recommendation 4 into the cross-agency Counter-Terrorism Work Programme coordinated by DPMC, including applying the guidance and lessons learned from the Royal Commission in future refreshes and development of Counter-Terrorism Strategies (Recommendation 4); **YES / NO**

2.3. not to establish an Advisory Group on counter-terrorism (Recommendation 7); **YES / NO**


2.4. that DPMC and relevant agencies will continue to utilise existing or flexible mechanisms to ensure that advice and views from communities, civil society, local government, the private sector and other stakeholders are appropriately sought and included in relevant agency products and pieces of work associated with the National Security Strategy and within the Counter-Terrorism Work Programme (Recommendation 8); **YES / NO**

2.5. to discontinue the *He Whenua Taurikura hui on countering terrorism and violent extremism*, and to instead pursue opportunities to support a broader public conversation on national security, including terrorism and violent extremism (Recommendation 16); **YES / NO**

3. **note** that these decisions, and those made in the accompanying DPMC paper, will close out all Royal Commission recommendations assigned to you, by either implementing them or integrating them into ongoing work programmes;

4. **discuss** this advice at the 1 May 2024 Ministers' meeting, before confirming your final decisions; and **YES / NO**

5. **forward** this briefing to the Lead Coordination Minister for the Government's Response to the Royal Commission's Report into the Terrorist Attack on the Christchurch Mosques for her information. **YES / NO**

  
**Bridget White**  
Executive Director, National Security  
National Security Group  
  
26 / 04 / 2024

**Rt Hon Christopher Luxon**  
Minister for National Security and  
Intelligence  
  
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## Background

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1. In December 2020, Cabinet accepted the findings of the Royal Commission and agreed in principle to all 44 recommendations [CAB-20-MIN-0516]. As part of this initial response, a Lead Minister for each recommendation was assigned. 13 recommendations were assigned to Prime Minister Ardern (reflecting both the Prime Minister and NSI portfolios), to be supported by DPMC.
2. **Attachment A** outlines the recommendations assigned to the Prime Minister and the current status of those recommendations. The majority of these recommendations relate to national security and counter-terrorism efforts.
3. Work has been underway across government to implement the Royal Commission's recommendations since 2021. Individual Lead Ministers and their agencies are responsible for the analysis, advice and implementation of recommendations, with decisions made by Cabinet as required. The overall government response is centrally coordinated by DPMC, with a group of Responsible Ministers, convened by the Lead Coordination Minister, meeting as required to discuss progress and key decisions related to the response.
4. The Lead Coordination Minister for the response to the Royal Commission, Hon Judith Collins KC, proposes to formally close the coordinated government response to the Royal Commission by the end of June 2024. This requires Lead Ministers, or Cabinet where relevant, to provide direction on outstanding recommendations and direct agencies to undertake any further work as part of their core business.
5. The Lead Coordination Minister has called a meeting on 1 May of ministers who are responsible for remaining decisions to discuss these recommendations, feedback from the final report of Kāpuia, the Ministerial Advisory Group, a proposed Cabinet paper seeking decisions needed to close the response, and a communications approach. You will attend this meeting and speak to the remaining decisions required on recommendations assigned to you (of which there are seven), as outlined in the remainder of this paper and accompanying paper.

## National security institutional arrangements (recommendations 1, 2, and 3)

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6. The Royal Commission made three recommendations regarding national security institutional arrangements: to strengthen ministerial accountabilities, create a new national intelligence and security agency, and to strengthen the (now) National Security Board.
7. As Prime Minister, you have been provided advice on these recommendations in a separate paper. Below, we provide additional advice on establishing Ministerial accountabilities across the national security core issues, to assist you in your role as Minister NSI.

## Appointing a Minister to lead and coordinate the counter-terrorism effort (recommendation 1)

8. Recommendation 1 asks that a minister is appointed to lead and co-ordinate the counter-terrorism effort. Currently a range of Ministers hold the key levers for addressing national security issues, for example through their ability to make investment decisions, close legislative and regulatory gaps, advance key domestic and international partnerships and lead public conversations about national security.
9. There are, however, not always clear allocations or accountabilities in relation to the specific national security core issues, particularly where these cut across multiple portfolio and agency interests and a coordinated approach is required.

10. As noted in the accompanying advice, we do not recommend setting up a new portfolio for counter-terrorism (whether a warranted Minister, an associate portfolio or a lead coordination Minister). This is because threats like terrorism involve significant complexity, public interest, and dispersed levers, which we consider warrant oversight and visibility at the highest possible level – i.e., being retained by the Minister for NSI.
11. Rather than clarify ministerial accountabilities for just terrorism and violent extremism, to provide for clear, publicly transparent, ministerial leadership across the key national security issues New Zealand faces, **we recommend that you formally designate ministerial leads for each of the core issues described in the National Security Strategy, as detailed in Attachment B.** The role of these ministers would be to oversee the cross-government work programme for each issue.
12. This approach ties off two outstanding processes: first, it addresses Recommendation 1 (terrorism and violent extremism is a core issue and would have a lead minister) and second, it responds to a decision taken by the previous Cabinet when agreeing to the National Security Strategy [CAB 23-MIN-0343] to allocate lead ministers for each of the core issues. The proposed ministerial responsibilities align with existing portfolios and mirror current agency arrangements. This will provide clear points of accountability for coordinating effort on an issue **without creating new ministerial portfolios and burdensome new lines of ministerial effort**, such as additional reporting by agencies or Ministers.
13. Designating explicit ministerial leads for each core issue will help establish a robust decision-making structure to support the overall NSI portfolio. It will provide you with a clearer picture across the whole portfolio.
14. This approach removes the potential for ambiguity where core issues are managed across multiple agencies or portfolios. Ministerial leads for the core issues will be supported by Strategic Coordination Agencies (SCAs) designated by the National Security Board in 2023 to convene and drive efforts across government to build a strategic approach to core national security issues. **Attachment B** shows how the proposed ministerial lead(s) align with agreed SCAs for each core issue.
15. DPMC is currently the lead SCA for four core issues, and co-lead for a further two core issues. Under our proposed approach, as Minister NSI you would be lead minister, or co-lead minister, for all of these issues. We would continue to report to you on these issues as we do now, seeking decisions as required. Choosing to delegate these to a different Minister would potentially muddy, rather than, clarify arrangements, particularly if there were no other existing reporting arrangements between DPMC and that Minister.
16. Formalising ministerial responsibilities is within the purview of the Prime Minister, as outlined in the Cabinet Manual (Section 2, paragraph 33). **We propose you formalise these ministerial leads in a letter of expectation to each Minister.** Once done, this would allow Recommendation 1 to be considered *implemented*. Over time, you could consider opportunities for these lead national security Ministers to meet quarterly as a group for dedicated strategic discussions, and how the National Security Board will report on the core issues to these collective ministers.

## **Improving New Zealand's countering terrorism and violent extremism effort (recommendations 4,7,8, and 16)**

17. A significant amount of work has been underway across government since 2021 in response to the findings of the Royal Commission, its recommendations relating to improving New Zealand's counter-terrorism effort, and lessons learned from the attacks.

18. The New Zealand terrorism and violent extremism threat environment has evolved substantially since the Royal Commission reported in 2020. It is ever more complex, dynamic, and influenced by an increasingly diverse range of ideologies, overseas events, and grievances. The influences on our violent extremism environment include a range of politically-motivated, identity-motivated and faith-motivated ideologies. Individuals who adhere to mixed, unstable, or unclear ideologies also present challenges. The Hamas-Israel conflict has contributed to heightened violent extremism concerns, both internationally and domestically.
19. Despite substantial resource and work across agencies in the counter-terrorism effort focused on implementation of the Royal Commission recommendations, in many key areas operational counter-terrorism resources remain significantly stretched. These aspects were not focused on within the Royal Commission report or recommendations.
20. It is timely to bring closure to work focused on the recommendations and ensure that future counter-terrorism efforts are prioritised and focused on delivery related to the current evolving threat and risk environment, and on lifting current capability gaps and vulnerabilities.
21. We have previously briefed you on the cross-government Counter-Terrorism Work Programme [DPMC-2023/24-715 refers]. This work programme places a priority on prevention activities and is informed by *New Zealand's Countering Terrorism and Violent Extremism Strategy* (CT Strategy) and regular evaluations of counter-terrorism capabilities. Our current focus is on three areas with significant gaps – addressing the causes of violent extremism, prevention work, and protecting people and places.
22. There are four remaining Royal Commission recommendations which require further decisions from you for them to be completed or transitioned into ongoing work programmes. All these decisions rest with you and do not need to be agreed by Cabinet. While some of the recommendations assigned the activities within them to the new national intelligence and security agency, they can be progressed through the National Security Group of DPMC.

#### **Developing a public facing strategy to address violent extremism and terrorism – Recommendation 4**

23. Recommendation 4 was for the Government to '*develop and implement a public facing strategy that addresses extremism and preventing, detecting and responding to current and emerging threats of violent extremism and terrorism.*' This strategy was to:
  - be developed in collaboration with communities, civil society, local government and the private sector;
  - include goals, milestones and performance measures;
  - set priorities for the counter-terrorism effort; and
  - define roles and responsibilities for public sector agencies, communities, civil society, local government and the private sector to implement the strategy.
24. The CT Strategy was agreed by Cabinet in September 2019 [CAB-19-MIN-0647 refers] and publicly released in April 2020. An expanded version was released publicly in June 2021, with more detail on some of the areas specifically mentioned in recommendation 4.
25. In addition to expanding the CT Strategy in response to this recommendation, DPMC led work in 2022 to develop a specific draft Preventing and Countering Violent Extremism Strategic



s9(2)(f)(iv)

26. In light of efforts undertaken to date, **we recommend you agree that this recommendation be integrated into the cross-agency Counter-Terrorism Work Programme coordinated by DPMC and that Royal Commission guidance and lessons learned are applied to future refreshes and development of ongoing CT Strategies.** This would move this recommendation from *requiring decision* to *integrated*.
27. At an appropriate time, and when resources are available, this would include consideration of next steps for an update of the CT Strategy and of our approach to the national counter-terrorism effort, in line with your Government's priorities.

### **Establishing an Advisory Group on counter-terrorism (recommendations 7 and 8)**

28. Recommendation 7 of the Royal Commission was to establish an Advisory Group on counter-terrorism, to provide advice to the national intelligence and security agency and to the Security and Intelligence Board or its replacement, and that its functions should be established in legislation. The focus of the Advisory Group would be to test ideas and provide advice on:
- approaches to stop people engaging in extremism, violent extremism and terrorism;
  - the threatscape<sup>1</sup> and National Security Intelligence Priorities (NSIPs); and
  - on engaging with communities, civil society, local government and the private sector.
29. The Royal Commission recommended the Advisory Group have representatives from communities, civil society, local government, and the private sector, reflecting a range of ages, ethnic and religious diversity, geographical spread and a gender balance.
30. Recommendation 8 is related, requiring that a summary of the advice provided by the Advisory Group, and the actions that have been taken in response to that advice, be included in advice on the NSIPs) and in the annual threatscape report.
31. The Royal Commission's intent behind recommendations 7 and 8 was to ensure that there is wider societal involvement in the counter-terrorism effort – reflecting that all New Zealand sectors and communities are affected by the threat of terrorism. We agree that it is important that there is a wide cross-section of New Zealand society involved in the development of advice and approaches to addressing the threat from terrorism and violent extremism.
32. Officials have reviewed the existing advisory group mechanisms for engaging with a range of stakeholders to gather perspectives and advice on counter terrorism. We have concluded that, since the Royal Commission reported, mechanisms for hearing and incorporating community, civil society, local government and private sector advice into counter-terrorism activities have significantly increased and improved.
33. For example, these include several ethnic, faith and community reference groups for New Zealand Police, s6(a) Department of Corrections' Community Advisory Group for Countering Violent Extremism, and the Crowded Places Community Advisory Group and Business Advisory Group. Specific but temporary community and multi-sector groups are also established to support specific strands of work, such as for the development of the draft PCVE Strategic Framework. These mechanisms provide for ongoing engagement and relationship-building, are flexible, and allow for specialised input to a range of different activities and products.

<sup>1</sup> The threatscape here refers to the 'annual threatscape report' that the Royal Commission recommended be published annually (Recommendation 17).

34. We do not consider a separate Advisory Group of the nature recommended by the Royal Commission would yield sufficient benefits to warrant the cost, administrative burden, and overheads (on both agencies and on community participants) that it would entail. This is particularly the case in the present fiscal environment and focus on ensuring taxpayer resources are applied to deliver strong outcomes. We consider that fostering broader public engagement in national security (see below in relation to Recommendation 16), alongside existing agency-specific advisory and reference groups, will be a more effective way of ensuring a wide range of expertise, advice and views are incorporated into our counter-terrorism effort.
35. When Royal Commission developed its recommendations, there were few products that outlined to government agencies or the public what the government's priorities in relation to national security were. They considered the NSIPs as the closest available, and specifically noted them in Recommendation 8. The NSIPs are specific direction to the intelligence community on priorities for intelligence collection and assessment, rather than an articulation of overarching national security priorities.
36. Since then, the National Security Strategy has been published, which guides New Zealand's approach to national security, outlines national security threats across a range of core issue areas, and sets out a programme of action. The National Security Strategy was developed with public engagement and academic advice, in line with the intent of Recommendation 8. We consider that documents such as future iterations of the National Security Strategy and the CT Strategy are more appropriate vehicles for achieving the intent of Recommendation 8 than the NSIPs.
37. **We recommend that you agree not to establish an Advisory Group on counter-terrorism, and instead agree that DPMC and relevant agencies will utilise existing or flexible mechanisms to ensure that advice and views from communities, civil society, local government, the private sector and other stakeholders are appropriately sought and included in relevant agency products and pieces of work associated with the National Security Strategy and within the Counter-Terrorism Work Programme. This approach will ensure the sector continues to meet the intent of these recommendations in a more cost-effective and flexible way.**

#### **Hosting an annual hui on countering violent extremism and terrorism (recommendation 16)**


38. Recommendation 16 was to *'host an annual hui, to bring together relevant central and local government agencies, communities, civil society, the private sector and researchers, to create opportunities to build relationships and share understanding of countering violent extremism and terrorism.'*
39. This recommendation (along with Recommendation 15) was based on the Royal Commission's view that there is insufficient public discussion of and awareness about national security in New Zealand, and limited discussion about extremism and preventing, detecting, and responding to current and emerging threats of violent extremism and terrorism in New Zealand. The Royal Commission considered that 'New Zealanders have important roles and contributions to make but this is neither clear nor publicly discussed' and that public conversations would increase awareness and knowledge about the threats and risks facing New Zealand.
40. In response to this recommendation, the previous Government provided some additional funding. DPMC has led two all-of-society conference-style hui – *He Whenua Taurikura hui on countering terrorism and violent extremism* – held in June 2021 and November 2022. These hui brought together a diverse range of sectors to understand the current threat and risk environment, share knowledge, research, good practice and learning for effective

implementation of countering terrorism and violent extremism. These were high profile events attended by a range of senior ministers. Prime Minister Ardern gave a significant national security speech at the 2022 hui.

- 41. The third hui, originally scheduled for 2023, was postponed until 2024 due to the international situation in Gaza making it unlikely that the hui would achieve its intended outcomes. The former Chief Executive of DPMC subsequently made the decision to cancel the third hui, as this context had not significantly changed.
- 42. Our ability to continue to hold these hui on an annual basis is dependent on further funding being made available. DPMC has not sought funding to do so through Budget 2024.
- 43. Cultivating and sustaining a public conversation on national security more broadly is a key element of the Programme of Action set out in the National Security Strategy, and later adopted by the National Security Board as its work programme. There are a range of critical private sector, academic, local government and community stakeholders that can help us boost our resilience to the wide range of national security threats we face.
- 44. In lieu of an annual hui, there are a number of other practical, fiscally responsible actions we could take to enhance discourse in New Zealand on both counter-terrorism and broader national security. These include delivering annual ministerial speeches, releasing a public version of the assessment of the strategic environment, and continuing DPMC’s public survey. These offer a start point for building broader public discourse.
- 45. **We recommend that no further *He Whenua Taurikura hui on countering terrorism and violent extremism* are held**, and that this recommendation is deemed implemented (based on hui already held). As part of the National Security Strategy Programme of Action, DPMC will pursue opportunities to support a broader public conversation on national security, including terrorism and violent extremism, in line with the intent of Recommendation 16.

### Financial implications and risks

46. There are no direct financial implications associated with the proposals in this paper, as they will be progressed using baseline funding. The potential risks associated with the various recommendations are:

- *Resourcing – s9(2)(g)(i)*  

- *Response from Kāpuia* – there may be negative reaction from Kāpuia to not establishing an Advisory Group on CT, and to discontinuing the CT Hui. A priority from Kāpuia’s perspective, is that formal mechanisms for ensuring input from voices outside the national security sector and government overall can be incorporated into government decision making, as a way of building public trust and confidence in the national security system.<sup>2</sup> The alternative proposed here still allows that, in a more flexible, sustainable, and fiscally prudent way. Pursuing alternatives to the CT Hui that continue to build the public conversation on terrorism and violent extremism, as well as national security as a whole, will be important from Kāpuia’s perspective (in other words, some action will be received more favourably than no further action at all). Communications on the ongoing approach

<sup>2</sup> As noted in the *Final report of Kāpuia*, April 2024, page 9.

to these recommendations will demonstrate how we are continuing to meet the intent of the recommendations and ensuring they are integrated into work programmes on a more sustainable – and therefore more enduring – basis.

## Next steps

47. We suggest you discuss the recommended approaches to remaining Royal Commission recommendations outlined in this paper at the 1 May meeting of Responsible Ministers before making your final decisions. We have provided an annotated agenda with talking points to support your attendance at the meeting at **Attachment C**.
48. Should you agree to formally designate ministerial leads for each of the core national security issues, we will provide draft Letters of Expectation for you to send to each Minister, formalising the arrangement.
49. We will ensure that your decisions are reflected in the forthcoming Cabinet paper, as necessary, and develop an approach to publicly communicating these decisions in line with the communications approach discussed at the 1 May meeting.

Attachments:	Title	Security classification
<b>Attachment A:</b>	Status of Royal Commission recommendations assigned to the Prime Minister/Minister for National Security and Intelligence	<del>RESTRICTED</del>
<b>Attachment B:</b>	Proposed Ministerial and Agency Leads for Core National Security Issues	<del>RESTRICTED</del>
<b>Attachment C:</b>	Annotated Agenda – Response to the Royal Commission of Inquiry into the Mosques Attacks: Ministers’ Meeting	<del>RESTRICTED</del>

## Attachment A: Status of Royal Commission recommendations assigned to the Prime Minister/Minister for National Security Intelligence

Recommendation (summary)		Initial response in 2020 Cabinet Paper	Status	Proposed Decision in this paper
1	Ensure a Minister is given responsibility and accountability to lead and coordinate the counter-terrorism effort	Agree in principle	<b>Ministerial decision required.</b>	Agree to formally designate ministerial leads, via letters of expectation, for each of the core national security issues including terrorism and violent extremism, as outlined in the National Security Strategy. The proposed ministerial leads are outlined in Attachment B below.  This would allow Recommendation 1 to be considered <i>implemented</i> , while also responding to a Cabinet decision ([CAB 23-MIN-0343]) to assign ministerial responsibility to all priority national security issues.
2	Establish a new national intelligence and security agency that is well-resourced and legislatively mandated to be responsible for strategic intelligence and security leadership functions.	Agree in principle – further consideration required	<b>Cabinet decision required</b>	<i>The separate briefing on National Security Institutional Arrangements recommends that a new agency is not established at this time, but to instead formally designate the Chief Executive as the National Security Advisor with a clear Cabinet-agreed mandate. This will clarify leadership of the national security and intelligence system.</i>
3	Investigate alternative mechanism to the voluntary nature of the Security and Intelligence Board including the establishment of an Interdepartmental Executive Board.	Agree in principle – further consideration required	<b>Cabinet decision required</b>	<i>The separate briefing on National Security Institutional Arrangements recommends that an IEB is not established, because changes made to the National Security Board have strengthened the collective leadership of the system. A Cabinet-mandate for the Board should be provided to consolidate this.</i>
4	Develop and implement a public facing strategy that addresses extremism and preventing, detecting and responding to current and emerging threats of violent extremism and terrorism.	Agree	<b>Ministerial decision required.</b>  An expanded version of the 2019 Countering Terrorism and Violent Extremism Strategy (CT Strategy) was released in June 2021. A draft Preventing and Countering Violent Extremism Strategic Framework was developed in 2022 to address aspects of this recommendation, but has not yet been agreed by Cabinet.	Agree that this recommendation is integrated into the cross-agency Counter-Terrorism Work programme coordinated by DPMC and that Royal Commission guidance and lessons learned are applied to future refreshes and development of ongoing CT Strategies.  This would allow Recommendation 4 to be considered <i>integrated</i> and no further decisions will be required.
6	Strengthen the role of the Parliamentary Intelligence and Security Committee so that it can provide better and informed cross-parliamentary oversight of the national security system (including the counter-terrorism effort) and priority setting, and members can access sensitive information as necessary for such oversight.	Agree in principle	<b>Integrated</b> – part of an ongoing agency work programme.  PM Ardern agreed to hold additional meetings of the ISC as an initial response to this recommendation, and for the ISC to be considered within the review of the Intelligence and Security Act (ISA Review).  s9(2)(f)(iv) [REDACTED]	None required at this time. Final Cabinet decisions on this recommendation will be made as part of the response to the ISA Review, at which time this recommendation will be able to be closed s9(2)(f)(iv) [REDACTED]
7	Establish an Advisory Group on counter-terrorism responsible for providing advice to the national intelligence and security agency and the Security and Intelligence Board or its replacement.	Agree	<b>Ministerial decision required.</b>	Agree not to establish an Advisory Group, and that instead agencies will utilise existing mechanisms to ensure that advice and views from communities, civil society, local government and the private sector are appropriately sought and included in relevant agency products and pieces of work associated with the National Security Strategy and within the Counter-Terrorism Work Programme.
8	Include in advice on the National Security Intelligence Priorities and in the annual threatscape report a summary of the advice provided in the preceding year by the Advisory Group on counter-terrorism and the actions that have been taken in response to that advice.	Agree	<b>Ministerial decision required.</b>	This approach will more effectively meet the intent of recommendation 7 and 8 in the current context, and allow the intent of the Royal Commission to be <i>integrated</i> into ongoing agency work programmes.
14	Establish a programme to fund New Zealand-specific research on the causes of, and measures to prevent, violent extremism and terrorism.	Agree in principle – potential for a different mechanism	<b>Implemented.</b> The previous Government established He Whenua Taurikura, New Zealand's National Centre of Research Excellence for Preventing and Countering Violent Extremism in 2022.	None required at this time.

Recommendation (summary)		Initial response in 2020 Cabinet Paper	Status	Proposed Decision in this paper
			The centre has funded 24 Masters and PhD scholarships since 2022/23. Further scholarships from 2024/25 onwards are subject to upcoming Budget 24 decisions.	
15	Create opportunities to improve public understanding of extremism and preventing, detecting and responding to current and emerging threats of violent extremism and terrorism in New Zealand, including ongoing public discussions.	Agree	<b>Integrated</b> – this recommendation is integrated into agency work programmes. Examples of progress under this recommendation include the public release of documents such as: <ul style="list-style-type: none"><li>Protecting Our Crowded Places from Attack: New Zealand's Strategy and associated resources (NZ Police)</li><li><i>Kia mataara ki nga tohu: Know the Signs: A guide for identifying signs of violent extremism</i> (NZSIS)</li><li>Aotearoa's National Security Strategy: Secure Together</li><li>New Zealand's Security Threat Environment 2023</li></ul> The 2021 and 2022 annual hui on countering terrorism and violent extremism also contributed to this recommendation.	None required.
16	Host an annual hui, to bring together relevant central and local government agencies, communities, civil society, the private sector and researchers to create opportunities to build relationships and share understanding of countering violent extremism and terrorism.	Agree	<b>Ministerial decision required.</b>  He Whenua Taurikura annual hui on countering terrorism and violent extremism were held in 2021 and 2022. The CE DPMC has decided to cancel the 2023/2024 hui due to the Israel/Hamas conflict making it difficult to achieve the hui's intended aims.	Agree to discontinue the <i>He Whenua Taurikura hui on countering terrorism and violent extremism</i> , and instead pursue future opportunities for fostering a public discussion on national security, including countering violent extremism and terrorism, through the National Security Strategy Programme of Action.  This would allow recommendation 16 to be considered <i>implemented</i> , with the intent of the recommendation being integrated into ongoing work programmes.
17	Require in legislation that the National Security Intelligence Priorities are published during every parliamentary cycle and referred to the ISC for consideration; publish an annual threatscape report; and the ISC to receive and consider submissions on the NSIPs and annual threatscape report.	Agree in principle	<b>Integrated</b> – part of an ongoing agency work programme.  The 2023 National Security Intelligence Priorities are published on the DPMC website.	None required at this time. Final Cabinet decisions on this recommendation will be made through the response to the ISA Review.
43	Ensure a minister is given responsibility and accountability to lead and coordinate the response to and implementation of the recommendations	Agree	<b>Implemented.</b> A Lead Coordination Minister for the Government's Response to the Royal Commission's Report into the Terrorist Attack on the Christchurch Mosques is in place.	None required at this time. In due course, you may wish to discuss with Minister Collins how long this portfolio is needed beyond the end of the coordinated response to the Royal Commission, and how this will interact with the role that Minister Doocey will play as the local point of contact for the affected community.
44	Establish an Implementation Oversight Advisory Group to provide advice to the responsible minister on the design of the government's implementation plan and its roll-out.	Agree	<b>Implemented.</b> Kāpuia – Ministerial Advisory Group was established by Cabinet in 2021. Funding for Kāpuia ends in June 2024 and the Lead Coordination Minister has agreed that members' term will not be renewed.	None required at this time. The upcoming Cabinet paper will recommend Kāpuia be disestablished.

## Attachment B: Proposed Ministerial and Agency Leads for Core National Security Issues

Core Issue	Description	Proposed Lead Minister	Strategic Coordination Agency(s)
<b>Strategic Competition and the Rules-Based International System</b>	Focus on how we will cooperate with close partners in the face of challenges to the rules-based international system, bringing together integrated national security and foreign policy advice. This core issue includes efforts from planning for conflict and competition, to anticipating new areas of challenge, to pursuing opportunities on geopolitical positioning.	Minister of Foreign Affairs Minister for National Security and Intelligence	Ministry of Foreign Affairs & Trade Department of the Prime Minister and Cabinet (co-leads)
<b>Emerging, Critical, and Sensitive Technologies</b>	Focus on evaluating and addressing the harms, benefits, and opportunities of emerging, critical and sensitive technologies for New Zealand, in consultation with international partners.	Minister for National Security and Intelligence	Department of the Prime Minister and Cabinet
<b>Disinformation</b>	Maintains situational awareness and engage on the impact of disinformation on our democracy and internationally, providing expertise at critical points and scaling up if required.	Minister for National Security and Intelligence	Department of the Prime Minister and Cabinet
<b>Foreign Interference</b>	Addresses foreign activities used to exercise malign influence, interference, and espionage in or involving New Zealand, in close cooperation with New Zealand businesses and broader society.	Minister for National Security and Intelligence	Department of the Prime Minister and Cabinet
<b>Terrorism and Violent Extremism</b>	Addresses an evolving threat, driven by increasingly complex and convoluted ideologies; focused on detection and early intervention.	Minister for National Security and Intelligence	Department of the Prime Minister and Cabinet
<b>Transnational Organised Crime</b>	Addresses threats to New Zealand from transnational serious and organised crime, spanning a wide range of illicit activities.	Minister of Police Minister of Customs	New Zealand Police New Zealand Customs Service (co-leads)
<b>Pacific Resilience and Security</b>	Working with Pacific countries to address shared challenges, like the implications of climate change and other security challenges, underpinned by New Zealand's Pacific Resilience Approach.	Minister of Foreign Affairs	Ministry of Foreign Affairs & Trade
<b>Maritime Security</b>	Protects New Zealand's maritime interests from illegal, malicious, unregulated, unreported, or harmful activities at sea.	Minister of Transport	Ministry of Transport
<b>Economic Security</b>	As a distinct concept from economic prosperity or economic growth, focuses on building resilience to shocks or external pressures (i.e., acts and threats intended to do us harm), with the goal of safeguarding New Zealand's independence and sovereignty.	Minister of Finance	The Treasury
<b>Border Security</b>	Safeguards New Zealand from threats including transnational criminals, mass arrivals and people smugglers, espionage agents, and violent extremists.	Minister of Customs	New Zealand Customs Service
<b>Cyber Security</b>	Protects our critical services, privacy, intellectual property and data from malicious cyber activities, in close cooperation with New Zealand's private sector.	Minister for National Security and Intelligence Minister Responsible for the GCSB	Department of the Prime Minister and Cabinet Government Communications Security Bureau (co-leads)
<b>Space Security</b>	Focus on protecting New Zealand's space-based assets from threats that could disrupt critical services, from GPS to banking and financial systems.	Minister for Space (Minister of Science, Innovation and Technology, Minister of Defence)	New Zealand Defence Force Ministry of Defence Ministry of Business, Innovation and Employment (co-leads)

\*Attachment C is withheld in full under section 9(2)(g)(i)



# Coversheet

## Briefing: National Security Institutional Arrangements

<b>Date:</b>	26/04/2024	<b>Report No:</b>	DPMC-2023/24-595
		<b>Security Level:</b>	<del>[IN CONFIDENCE]</del>
		<b>Priority level:</b>	[Priority]

	Action sought	Deadline
Rt Hon Christopher Luxon Prime Minister	<b>consider</b> recommendations  <b>forward</b> report to the Minister for the Public Service  <b>forward</b> report to Lead Coordination Minister for the Government's Response to Royal Commissions Report into the Terrorist Attack on the Christchurch Mosques	For meeting on 1 May  Prior to meeting on 1 May (if possible)

Name	Position	Telephone	1 <sup>st</sup> Contact
Ben King	Chief Executive	s9(2)(a)	✓
Clare Ward	Executive Director, Strategy, Governance and Engagement		

**Departments/agencies consulted on Briefing**

This briefing has been prepared by the Department of the Prime Minister and Cabinet (DPMC). We have consulted Te Kawa Mataaho Public Service Commission. We have not consulted with other agencies, however, the briefing is based on earlier work done by DPMC's National Security Group which involved engagement with a range of agencies and stakeholders. The Secretary of DPMC also briefed National Security Board Chief Executives on the outline of this advice on 24 April 2024.

### Minister's Office

**Status:**

Signed

Withdrawn

**Comment for agency**

**Attachments:** No



# Briefing

## National Security Institutional Arrangements

To: Rt Hon Christopher Luxon, Prime Minister

Date 26/04/2024

Security Level

~~[IN CONFIDENCE]~~

### Purpose

1. This briefing provides advice on future institutional arrangements for national security in response to the recommendations of the *Royal Commission of Inquiry into the terrorist attack on Christchurch masjidain on 15 March 2019* (RCOI).
2. The Lead Coordination Minister has called a meeting of Responsible Ministers on 1 May 2024 to discuss the outstanding recommendations and a proposed Cabinet paper seeking decisions needed to close the coordinated government response to the RCOI. You will attend this meeting and will speak to the remaining decisions required on recommendations assigned to you. This paper relates to recommendations 1-3 that relate to leadership of the system.
3. This briefing should be read in conjunction with a companion briefing *Decisions required on remaining national security recommendations from the Mosque Attacks Royal Commission on Inquiry* [DPMC-2023/24-1086].

### Executive Summary

4. The RCOI found that improved strategic leadership and greater accountability is required to provide greater assurance that New Zealand is as safe as it can be. In relation to this it made recommendations aimed at strengthening leadership of the national security system. These relate to ministerial accountability (recommendation 1), creating a new national intelligence and security agency (recommendation 2), and investigating alternative mechanisms to the voluntary nature of the Security and Intelligence Board (SIB)<sup>1</sup>.

### Ministerial arrangements

5. The key decision point here is whether a separate counter-terrorism minister is needed or whether responsibility for counter-terrorism remains as part of the National Security and Intelligence (NSI) portfolio.
6. We consider that it would be most effective to confirm the role of the Minister for NSI as holding strategic oversight of national security and intelligence, and strengthen expectations via a letter of expectations around how other Ministers with core national security and counter-terrorism responsibilities will engage with them.

### National security adviser

7. The RCOI recommended the establishment of a new national intelligence and security agency with its roles and functions set out in new legislation. The agency would be led by a chief executive who would be designated the National Security Adviser (NSA).

<sup>1</sup> The Security and Intelligence Board has since been renamed the National Security Board (NSB).

8. The key decision point here is whether to maintain the status quo where the Secretary and Chief Executive (CE) of the Department of the Prime Minister and Cabinet (DPMC) is responsible for providing national security advice, or establish a new chief executive within the Department.
9. We recommend that you do not establish a new chief executive responsible for national security and intelligence. s9(2)(g)(i)
10. We therefore recommend that you agree to maintain the current model with the CE of DPMC to be designated as the NSA with a Cabinet-agreed mandate. This approach does not foreclose evolution in the future but at this stage we believe this is the least disruptive, most fiscally prudent approach. It meets the intent (if not the letter) of the RCOI's recommendations.

### Collective leadership through the National Security Board

11. The RCOI recommended investigating alternative mechanisms to the voluntary nature of the then Security and Intelligence Board (SIB), now the National Security Board (NSB). The key decision point here is about the degree of formality needed.
12. Since the RCOI, the status quo has been strengthened. The NSB is now chaired by the CE of DPMC (rather than a deputy), is supported by a dedicated governance team, and has a work programme focused on collective accountability for implementing the new National Security Strategy.
13. Giving this collective a Cabinet mandate would move it away from the voluntary construct and ensure collective focus on national security. This is the recommended option. We do not recommend constituting the NSB as an Interdepartmental Executive Board.

### Stakeholder views

14. Both Kāpuia and the Federation of Islamic Associations of New Zealand (FIANZ) are of the view that a new agency is essential. They acknowledge the changes already made but do not consider them to be sufficient. FIANZ have recommended that DPMC lead work to produce a White Paper for the Lead Minister with detailed options on the structure and budget of a new agency by March 2025. s9(2)(g)(i)

## Recommendations

We recommend you:

- |  |                 |
|--|-----------------|
| 1. <b>agree</b> that the Minister for National Security and Intelligence will remain accountable for counter-terrorism with letters of expectation with other Ministers as required; | <b>YES / NO</b> |
| 2. <b>agree</b> to designate the Secretary and Chief Executive of the Department of the Prime Minister and Cabinet as the Cabinet-mandated national security adviser;                | <b>YES / NO</b> |
| 3. <b>agree</b> to provide the National Security Board with a Cabinet mandate;   | <b>YES / NO</b> |

4. **forward** this advice to:

4.1. the Minister for the Public Service, and

YES / NO

4.2. the Lead Coordination Minister for the Government's Response to Royal Commissions Report into the Terrorist Attack on the Christchurch Mosques for their information; and

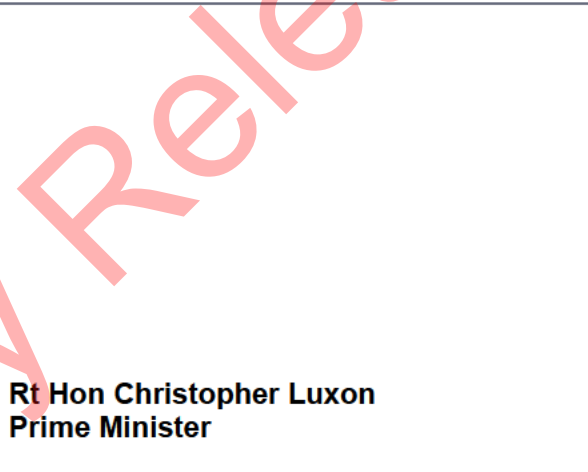
YES / NO

5. **note** that stakeholder groups consider a new national intelligence and security agency to be essential; and

6. **agree** to proactively release this report, subject to any appropriate withholding of information that would be justified under the Official Information Act 1982.

YES / NO

  
**Ben King**  
Chief Executive  
26 April 2024

  
**Rt Hon Christopher Luxon**  
Prime Minister  
...../...../.....

Proactively Released

## Background

15. Following the attacks on masjidain in Christchurch in 2019, the then Government established a Royal Commission of Inquiry that made a series of recommendations aimed at improving New Zealand’s counter-terrorism effort.
16. In the RCOI report, one of two broad priorities for action was ensuring that there is better leadership of, and support for, intelligence and security in New Zealand<sup>2</sup>. In response, work was done to design appropriate institutional arrangements for the national security system as recommended by the RCOI. Final decisions were deferred until after the election. We
- s9(2)(g)(i)

## RCOI findings on leadership of the system

17. The RCOI found that improved strategic leadership and greater accountability is required to provide greater assurance that New Zealand is as safe as it can be. It found that the current cross-agency governance and leadership arrangements were not working and made recommendations at Ministerial and agency level. Their findings and recommendations related to leadership are summarised in the table below.

Issue	Requirement	Recommendation
Lack of political ownership with no minister responsible and accountable for the counter-terrorism effort.	Clarity about Ministerial Arrangements	<b>Ensure a minister is given responsibility and accountability</b> to lead and coordinate the counter-terrorism effort (Rec. 1)
Some lack of clarity about leadership of the different parts of the counter-terrorism effort and no one agency responsible for monitoring overall system performance.  Decentralised but co-ordinated system, in which the current lead official/agency (DPMC) doesn't have directive control, statutory mandate, or sufficient resourcing.  Lack of strategic analysis with no one looking to identify risks and gaps, limited foresight and engagement with New Zealand's diverse communities.	Focused leadership of the security and intelligence system at the centre.  Single point of accountability for Ministers providing them with strategic advice informed by horizon scanning and community engagement.  More directive power for the system leader.	<b>Establish a new national intelligence and security agency</b> with roles and functions set out in new legislation (Rec. 2)

<sup>2</sup> The RCOI acknowledged that while its focus was on the country’s counter-terrorism effort, their recommendations 1- 3 relate to all intelligence and security matters addressed by the then Security and Intelligence Board. The RCOI considered it impractical, and not necessary, to carve out counter-terrorism responsibilities from wider national security and intelligence ones. For this reason their leadership recommendations relate to security and intelligence not counter terrorism.

Issue	Requirement	Recommendation
Limited mechanisms to prioritise across the system. Agencies struggle to act cohesively to address cross-cutting issues. DPMC's co-ordination role leaves a large measure of autonomy for CEs and agencies who have their own statutory and other responsibilities with vertical responsibilities to their Minister. Limited accountability for the performance of system and assurance in relation to this.	Clear and agreed direction with clarity about who is responsible for what. Stronger collective leadership across agencies at CE level. A governance body to set system performance standards and accepted best practice in the New Zealand context, against which to monitor performance and measure effectiveness	<b>Investigate alternative mechanisms</b> to the voluntary nature of the Security and Intelligence Board (SIB) <sup>3</sup> including the establishment of an Interdepartmental Executive Board (IEB) (Rec. 3)

18. The RCOI discounted the following options:

- establishing an IEB to strengthen the collective and leaving the rest as is. It didn't feel this would address the need for an agency solely focused on security and intelligence
- establishing an 'uber' agency incorporating the strategic and operational functions of DPMC, the Government Communications Security Bureau (GCSB), and NZSIS. The RCOI felt that the disruption this would cause would outweigh the potential benefits.

### **Recommendation 1: Ensure a minister is given responsibility and accountability to lead and coordinate the counter-terrorism effort**

#### **Current model**

19. Currently the Minister for National Security and Intelligence (NSI) is responsible for strategic oversight of the national security system, including counter-terrorism. Several other Ministers have responsibilities related to counter-terrorism which means that at an agency level, Ministerial arrangements should ensure that these efforts are coherent and that information is shared as needed.

#### **Key decision point**

20. The key decision point here is whether a separate counter-terrorism minister is needed or whether responsibility for counter-terrorism remains as part of NSI portfolio.

#### **Considerations**

21. In theory, a new portfolio might help to raise the profile of counter-terrorism and may be the simplest way to identify someone to hold accountable. However, we agree with the RCOI that the integrated nature of counter-terrorism within the wider national security and intelligence portfolio, as well as the number of portfolios involved, could make it difficult to carve counter-terrorism out from other portfolios. There is a risk therefore, that creating a new portfolio would create increased complexity and reduce clarity.

22. We consider that it would be most effective to confirm the role of the Minister for NSI as holding strategic oversight of national security and intelligence, and strengthen expectations via a

<sup>3</sup> Since renamed the National Security Board

letter of expectations around how other Ministers with core national security and counter-terrorism responsibilities will engage with them. This is aligned with recommendations in the companion briefing that suggests formally designating ministerial leads for each of the core national security issues [DPMC-2023/24-1086 refers].

## **Recommendation 2: Establish a new national intelligence and security agency**

### **RCOI's recommendation**

23. The RCOI recommended the establishment of a new national intelligence and security agency with its roles and functions set out in new legislation. The new agency would combine DPMC's national security functions, responsibility for the Terrorism Suppression Act (TSA) from the Ministry of Justice (MoJ), and the Combined Threat Assessment Group (CTAG) from the New Zealand Security Intelligence Service (NZSIS).
24. The RCOI envisaged that the chief executive of the new agency would be the national adviser on intelligence and security, with the agency having the advantage of focusing solely on the threats and intelligence issues currently addressed by NSB rather than across the broad range of hazards and risks that DPMC currently oversees.

### **Current model**

25. Currently the CE of DPMC leads this function through the National Security Group (NSG), with some of the work in the RCOI's scope led by MoJ and NZSIS. At the time of the RCOI, DPMC's NSG covered all hazards and risks<sup>4</sup> and focused on the overarching national risk approach, crisis management, and hazard risk as well as the security and intelligence risks/threats overseen by NSB. Since then, DPMC has restructured these functions into two groups in line with the RCOI's recommendations.

### **Key decision point**

26. The key decision point here is whether or not to move from the status quo in which the Secretary and Chief Executive of DPMC<sup>5</sup> is responsible for providing national security advice to a new chief executive<sup>6</sup> as recommended by the RCOI. For the reasons outlined below, we recommend you agree to maintain the current model, and designate the CE of DPMC as the NSA via a Cabinet-agreed mandate.

### **Considerations**

27. Many of the issues identified by the RCOI would not be solved by a change of organisational form as they relate to clarity of role, focused leadership, effective community engagement, effective business process, and gaps in the current functions. These would need to be strengthened in either model.

### ***Retaining the Secretary of DPMC as national security adviser***

28. Designating the CE of DPMC as the national adviser on intelligence and security alongside their other roles as steward of the national risk approach and chair of the Officials' Committee for Domestic and External Security Coordination (ODESC), has the advantage of keeping the

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<sup>4</sup> For many years, New Zealand took a broad approach to national security, looking across all hazards and risks. In July 2022, Cabinet agreed a more focused approach to national security based on actively protecting New Zealand against malicious threats from those who would do the country harm. At the same time, it agreed that the system for managing national security risks is a subset of the broader set of nationally significant risks that must be complemented by a hazard risk system and supported by an all-of-government National Risk Approach, as well as national crisis management mechanisms [ERS-22-MIN-0028 refers].

<sup>5</sup> From here on, we refer to the Secretary and Chief Executive of DPMC as the CE of DPMC

<sup>6</sup> A new chief executive would need to be supported by an organisation. Options include a new department, a departmental agency hosted by DPMC or another agency, or a Functional Chief Executive hosted by DPMC or another agency.

range of security and intelligence and wider risk and security accountabilities in one place and reducing disruption.

29. Issues raised by the RCOI around the range of different hats worn by the Chief Executive of DPMC can be addressed by clearly delineating functions and ensuring that dedicated capability is organised around the different roles that the chief executive plays. This has already been done through the 2023 restructure which has separated the department's national security functions from its risk, governance and crisis management ones. An Executive Director position leading DPMC's national security functions has been created.
30. The alternative to establishing a new agency is to strengthen the existing model (in addition to the changes already made) by:
- formally designating the CE of DPMC the National Security Adviser with a clear Cabinet-agreed mandate, and
  - agreeing with the CE of DPMC a series of mechanisms to drive the performance required. The recently approved National Security Strategy is critical here but there are others (e.g. requiring a greater connection between intelligence, assessments, policy and operations; producing a regular dashboard view of national security delivery, risks, gaps, and emerging issues).
31. While this does not fulfil the letter of the RCOI's recommendation, we consider that it meets the intent.

***A new chief executive as national security adviser supported by a new agency***

32. The establishment of a new agency has some strengths and it also has some downsides. It would ensure that there is dedicated and focused leadership at chief executive level on security and intelligence matters. The agency would have a clear legal mandate established through an Order in Council. This achieves the RCOI's objectives in relation to focused leadership and more directive power.
33. However, it would be more costly than building on the status quo as it would be necessary to fund the infrastructure of a new agency as well as gaps in current functions. It may also increase fragmentation in the system as DPMC would retain some system leadership functions related to ODESC. Therefore, it may not provide the single point of accountability envisaged by the RCOI.
34. This approach would provide greater separation from the Chief Executive of DPMC's other roles, including providing second opinion advice to the Prime Minister (through the Policy Advisory Group (PAG))<sup>7</sup> on national security, and stewardship of the national risk system.
35. If hosted by DPMC, establishing a new agency would significantly change the CE of DPMC's role to leadership of PAG, Cabinet Office and Government House, chairing ODESC in a crisis, leading the wider hazard risk system, and providing corporate services to the department and a range of departmental agencies. It would also add to the complexity of managing DPMC and s9(2)(g)(i)

***Transfer of MoJ and NZSIS functions***

36. We not recommend transferring either of the proposed NZSIS and MoJ functions into the central national security function.
37. In relation to the CTAG, the RCOI wanted to achieve greater coordination and integration between DPMC's assessment function and that of CTAG. They recommended structural change but also considered that greater cooperation between the two functions could be

<sup>7</sup> PAG provides second opinion advice on all matters whether or not the function is in DPMC. In reality this may not be a benefit.

achieved without relocating the CTAG to DPMC. We agree. The teams have already made some changes to enhance cooperation and coordination.

38. In relation to the TSA, which is administered by MoJ, we do not consider that responsibility for all national security relevant acts needs to sit in the centre. Responsibility should sit with the agency best equipped to administer the act in question. For the TSA, this is MoJ. Ideally, the central function should take a legislative stewardship function across national security-related legislation.

### **Recommendation 3: Investigate alternative mechanisms to the voluntary nature of the Security and Intelligence Board**

#### **RCOI's recommendation**

39. The RCOI recommended investigating alternative mechanisms to the voluntary nature of the then SIB, including the establishment of an Interdepartmental Executive Board (IEB)<sup>8</sup>. In doing so, it was looking for a lift in the collective accountability of members. The RCOI considered that a core role for the collective group would be to oversee implementation of the national security strategy and align, and co-ordinate work, planning and budgets across relevant public sector agencies addressing security and intelligence issues.

#### **Current model**

40. Currently, the NSB is playing this role (supporting the CE of DPMC) without a legal or Cabinet mandate. It is a voluntary entity operating under terms of reference it agrees. At the time of the RCOI, the then-SIB was chaired by a Deputy Chief Executive. It has now been re-established as the National Security Board, chaired by the CE of DPMC, is supported by a dedicated governance team, and has a work programme focused on collective accountability for implementing the new National Security Strategy.

#### **Key decision point**

41. The key decision point here is about the degree of formality needed. For the reasons outlined below, we recommend formalising the membership and responsibilities of the NSB via a Cabinet mandate.

#### **Considerations**

42. There are several options that could support increased collective accountability for the board, including an enhanced status quo.

#### **Enhanced status quo**

43. The 'enhanced status quo' (described in paragraph 40) has already been implemented by DPMC.

#### **A Cabinet mandate would remove the voluntary construct of the Board**

44. An alternative to establishing an IEB would be a Cabinet-mandated board which would address the RCOI's concern about the voluntary nature of the current Board without being 'hard wired' into the system as its own legal entity. In this model, Cabinet would set expectations for the NSB to be collectively accountable for specific matters, and to report (through the Chair) to the Minister for NSI.

<sup>8</sup> The RCOI explicitly noted this was not a prescriptive recommendation for an IEB, and acknowledged the options would need to be worked through.



### **An IEB is the most formal option**

45. An IEB would provide the most formal structure as it sets up a new entity that is collectively accountable to Parliament and reports to a lead Minister on its responsibilities and performance. Board members would be chief executives of the relevant agencies, and the Chair would be appointed by the Public Service Commissioner. Integration between the collective/strategy role and the national security adviser role discussed earlier would be achieved by having the national security adviser chairing the IEB.
46. This is a strong option if the priority is to maximise Board's collective accountability on a legal basis. As a public service agency under the Public Service Act, an IEB is subject to all the accountability arrangements of a department. It needs a host agency, supporting business unit, and has legal reporting requirements. This adds to complexity and cost. It also cuts across the Executive prerogatives of the existing arrangement, with the NSB Chair reporting to the Minister for NSI, rather than the Parliament.

### **Treaty of Waitangi considerations and te ao Māori perspective**

47. In its report and recommendations, the RCOI had a strong focus on engaging New Zealand's diverse communities in national security matters. In its response to the RCOI's recommendations, DPMC has started to build capability to engage with iwi and Māori. This is an important function of the centre whether or not there is new agency.

### **Financial implications**

48. One of the RCOI's recommendations was the new agency should be well resourced. s9(2)(f)(iv)
- [Redacted]

### **Stakeholder positions**

#### **New agency**

49. In a letter to Minister Collins in November 2023, Kāpuia (the Ministerial Advisory group) noted its support for the establishment of a separate agency for this work. It identified the most important decisions from their perspective as:
- Clear mandating and adequate resourcing of these functions so that Ministers receive effective strategic advice informed by horizon scanning and community engagement.
  - Appointment of a National Security Adviser reporting directly to the Prime Minister, Minister for NSI and a Cabinet Committee focused on national security matters.
50. In its final report (April 2024), Kāpuia has stated that the establishment of a national security and intelligence agency (or similar) is vital.
51. The Federation of Islamic Associations of New Zealand (FIANZ) is also of the view that the new agency is essential. In a letter to Minister Collins dated 25 April 2024, it acknowledges the changes already made but does not consider them to be sufficient. It suggests that DPMC lead work to produce a White Paper for the Lead Minister and to the Parliamentary Intelligence and Security Committee on detailed options for the structure and budget of a new agency by March 2025. It suggests that changes in structure shouldn't be made until this work is done.
- s9(2)(g)(i)

funding would be needed or some existing work deprioritised. Officials are at s9(2)(f)(iv)

### Strengthened Board

52. Kāpuia considers clear accountability to ministers and the public, and leadership and assurance (across performance and capability) is required at the chief executive level. It considers that strong, coordinated and accountable chief executive leadership and governance of the implementation of the National Security Strategy by the NSB is needed. It considers that moving the NSB from a voluntary collective to an IEB or similar should be considered.
53. FIANZ considers that the changes made to date have partially implemented this recommendation. It hasn't made further comment on it.

### Risks

54. Potential risks with the various options in this paper are:

- *Capability gaps and resourcing* - there are currently gaps in DPMC's national security function in relation to core system level functions (e.g. horizon scanning, standard setting and performance monitoring) that might be expected to be addressed in any of the options. DPMC's national security and risk and systems governance groups are looking to prioritise their activity in the most important areas. s9(2)(f)(iv)
- *Public perception* - s9(2)(g)(i)
- *Enhanced status quo may not be sufficient* - in the event that the enhanced status quo is not seen as sufficient, we still have the option of progressing with structural change in the future. The National Security Group could be turned into a unit supporting a Functional Chief Executive, a Departmental Agency, or Department if desired. s9(2)(f)(iv)
- *Increased complexity and cost* - s9(2)(f)(iv)

### Next steps

55. After we receive direction from you on the RCOI's recommendations 1-3, we will include these in the draft Cabinet paper being prepared by Minister Collins.
56. Once Cabinet direction is provided, we will support you to implement the agreed direction related to these recommendations.