

INTELLIGENCE AND SECURITY COMMITTEE FINANCIAL REVIEW - INTRODUCTORY NOTES

3 December 2013

Opening Statement by Director of Security, New Zealand Security Intelligence Service

Thank you, Chairman, for this most welcome opportunity to report on the work and value of the New Zealand Security Intelligence Service (NZSIS) in this first-ever public Financial Review of the NZSIS by the Committee.

Today in my opening remarks, I'll focus on three important areas relating to NZSIS:

- our achievements during the year under review, keeping in mind that much of our operational work cannot be discussed in open session
- the people who make up the NZSIS
- oversight and accountability.

Let me begin by setting out briefly the context of our security and intelligence work in today's complex and globalised world.

Context

New Zealand is a small country a long way from anywhere. We are critically dependent for our livelihood – as a country – on the goods and services we produce and export. As a small trading nation, therefore, our livelihood depends upon a stable and relatively predictable international world order, and on the rule of international law, as well as our ability to protect our intellectual property. That is why successive New Zealand Governments have placed such emphasis on multi-lateral arrangements, especially through the United Nations. It is why successive Governments have contributed effort and resources – especially through Defence deployments and our aid programmes – to stabilisation or peacekeeping missions across the globe – in Bosnia, the Sinai, or Afghanistan, for example.

Closer to home, regional stability is important for New Zealand's well-being. So, again, Defence and Police missions to intervene and assist in countries such as East Timor and the Solomon Islands have been tangible evidence of New Zealand "doing its bit" to making a positive difference, and contributing as a good international citizen.

Intelligence collected and assessed by our intelligence community has been important for Government in making these decisions to commit resources and effort, and for those involved in carrying out such missions to do so as safely and as effectively as possible.

And a quick scan of the globe serves to remind us all of the conflicts and tensions which undermine stability and impact on New Zealand's wider interests.

Of particular current concern are a small number of New Zealanders interested in travel for the purposes of fighting in trouble spots such as Somalia, Yemen, and – more worryingly – Syria. This poses new and very real risks to our domestic security environment should these individuals return home.

That is the “big picture” view of the context and value of the work of our Agencies. For NZSIS this work can be summed up as “protecting New Zealanders and advancing New Zealand’s interests.”

So, turning now to the NZSIS.

It is important to understand that the NZSIS is a very small Service – of approximately 230 people – with three distinct roles. First, we are a security clearance vetting service.

Second, we are security service focused on detecting and advising on dealing with threats to New Zealand and New Zealanders. This is our traditional role. In our legislation these security threats are characterised – broadly – as “terrorism, espionage, sabotage and subversion, and that which impacts on New Zealand’s international well-being or economic well-being”. And we face increasing challenges from today’s speed of technological change, and new manifestations of traditional threats through the medium of cyber.

And, finally, we collect foreign intelligence and support the work of other arms of Government in seeking to achieve or improve the stability of our region.

So, NZSIS as a small service is essentially three agencies rolled into one, and must make the tough choices concerning our allocation of resources and effort within the framework of Government priorities. In doing all this we are guided by Government’s focus on investing more heavily in front-line capability and delivery of results, and on finding new and innovative ways to do our work.

Highlights

The year in review has been a busy and eventful year operationally for NZSIS.

NZSIS provided significant support to the New Zealand Defence Force (NZDF) deployment in Afghanistan. A request for support was received from the Chief of Defence Force in August 2012 following a spike in NZDF casualties. I was pleased to be able to deploy NZSIS personnel into Kabul and Bamyán to help mitigate this threat and to support the Provincial Reconstruction Team up until their scheduled withdrawal in April 2013. NZSIS made a material difference, and almost certainly saved lives. This would not have been possible without substantial NZDF assistance, and without a small group of very capable NZSIS officers with experience in such high-threat environments.

NZSIS provides a significant amount of protective security advice to New Zealand Government departments. Security clearance vetting advice is the first and most fundamental part of personnel security. This work currently makes up over a third of NZSIS activities.

In the year under review, we vetted and provided advice regarding security clearances in relation to more than 7,800 individuals – that’s more than 20 every single day. NZSIS

continued to progress a deep-seated programme of enhancements to strengthen the security clearance vetting system.

NZSIS has also taken the lead in a multi-agency programme to strengthen New Zealand's protective security arrangements and behaviours to lift security awareness and culture in the public sector, focusing on protecting the key elements of people, places and information of national security significance.

In early 2013 staff based in our Head Quarters in Wellington moved into Pipitea House with GCSB and other organisations within the New Zealand Intelligence Community. The purpose of the move was to achieve deepened collaboration and an efficiency dividend for NZSIS and GCSB through joint operations and combined support functions. This is in line with the Government's Better Public Services Programme.

I'm pleased GCSB has resumed its assistance with NZSIS investigations following the enactment of its new legislation. I am expecting collaborative efforts to increase and our partnership with GCSB to deepen over the next year as we find new ways of doing business together within the boundaries of each of our respective legislations.

Within NZSIS there is an increasing emphasis on more structured workforce planning, on developing our staff through more challenging training programmes and secondments, and on growing our future managers and leaders. After all, our people are the backbone of what we do.

Our people

Behind our operational achievements is a group of talented, highly motivated and professional New Zealanders who work for NZSIS. These fine men and women are dedicated to making New Zealand a safer place, to protecting New Zealand lives and to contributing to New Zealand's standing in the international community. Their work is often thankless and can be dangerous – sometimes conducted in unpleasant and unforgiving environments. They are our unsung heroes. New Zealand is a safer and better place because of them.

Oversight and Accountability

All the individuals who work within the NZSIS understand and appreciate the importance of oversight and accountability in an organisation of this kind. All our investigations and operations are undertaken in accordance with our Act, which is the legal framework within which we work. We have robust internal policies and are subject to external oversight. These oversight arrangements were strengthened earlier this year when the GCSB legislation was passed, and this is an important dimension in maintaining the public confidence that we need to do our work.

In Closing

There are plenty of challenges still ahead for NZSIS as an organisation. But NZSIS is an essential organisation that makes a material difference to protecting New Zealanders and New Zealand's interests.

Chairman, this concludes my opening remarks.