

Office of the Minister in Charge of NZSIS and GCSB

National Security Cabinet Committee

NEW ZEALAND COUNTER TERRORISM WORK STRATEGY

Purpose

1. This paper updates Cabinet on New Zealand's current counter terrorism (CT) work and presents for discussion options for possible incorporation into a comprehensive New Zealand Counter Terrorism Strategy.

Executive Summary

2. Terrorism is generally a low threat to New Zealand. However, the risk posed by individuals radicalising to violent extremism and/or seeking to become a foreign terrorist fighter (FTF) is of growing concern. Recent attacks, including in Australia, France, Canada, and the US illustrate that the domestic threat of radicalised 'lone actors' is the most difficult to identify, monitor and disrupt despite the best efforts of security agencies.
3. Islamic State in Iraq and the Levant (ISIL) remains a potent terrorist actor. Its resilience to the international military action against it and ability to radicalise individuals via social media have ensured it remains a priority for international and domestic Countering Violent Extremism (CVE) and CT efforts.
4. UNSC Resolution 2178 requires states to take a number of measures around FTFs and ISIL including increasing cooperation internationally, restricting the (international) movement of FTFs, and countering violent extremism by "*engaging local communities... countering the violent extremist narrative... and addressing the conditions conducive to the spread of violent extremism*".
5. New Zealand has taken a number of steps to further ensure compliance with UNSC Resolution 2178 including:
 - The Countering Terrorist Fighters Bill passed in late 2014 providing stronger measures restricting the movement of FTFs and domestic investigative powers;
 - Cabinet's approval of further investment in agency (NZSIS) capability in November 2014 [CAB Min (14) 32/2] to supplement existing CT measures; and
 - The Community strengthening activities of the Office of Ethnic Communities (OEC), Department of Internal Affairs (DIA), and others.
6. In addition, New Zealand currently supports the Building Partner Capacity (BPC) Programme in Iraq and has overseas military and intelligence deployments that are assisting international efforts to degrade the ISIL threat.
7. A 2015 independent review of New Zealand's current CT work programme, however, identified gaps including:
 - (i) The opportunity to broaden risk management options for 'lower risk' individuals/groups using a wider range of social sector agencies and international expertise. This does not impede ongoing work to improve the law enforcement and intelligence agencies' capacity to manage 'high risk' individuals.
 - (ii) The system places too much emphasis on threat rather than risk assessment and has therefore not formalised a set of risk identification and management arrangements so that Ministers can weigh-up the Violent Extremist/Terrorist risk against other National Security risks.

- (iii) A lack of formal whole-of-government CT work programme management, including reporting requirements, evaluations and independent quality control.
 - (iv) A lack of planned and regular public engagement on CT, the risks facing New Zealanders at home and abroad, and measures the government is taking to counter those risks.
 - (v) The need for a New Zealand-centric approach to counter-messaging or combating the extremist on-line narrative and harmful terrorist propaganda entering New Zealand.
 - (vi) The need to review and compare our legislative frameworks regularly to ensure New Zealand retains sufficient mechanisms to manage the changing risks posed by radicalised violent extremists and terrorists.
8. Following the review, officials have identified a range of policy and operational reforms for Ministers to consider. The immediate package options include further community engagement, a review of legislative tools, undertaking a public conversation on CT, and increased agency collaboration and coordination. These options are within agency baselines and leverage existing tools and mechanisms. Medium to long term options build upon the immediate reforms but will require more development and costing and are likely to spread over time as budgets and circumstances allow.
9. Once Ministers have considered the options outlined in this paper, officials will develop a publicly available New Zealand Counter-Terrorism Strategy and an accompanying public engagement programme and I will report back to the National Security Committee (NSC) in November on next steps. I propose that I lead public engagement in this area, in consultation with the Prime Minister and that the broader CT work programme be undertaken by a Ministerial group (including Ministers of Justice, Police, Internal Affairs, Corrections, Office of Ethnic Communities, Immigration, Foreign Affairs and Defence).

Background

General Terrorist Threat Update:

10. The threat of terrorism has persisted globally, with a number of geographic regions seriously undermined by it. Although terrorist groups such as Al Qaeda in the Arabian Peninsula (AQAP), Al Shabaab, and Boko Haram remain significant threats, they have not achieved the global impact that ISIL has. Due to its military success, wealth, and propaganda, ISIL has turned Syria and Iraq into a lightning rod, drawing FTFs in unprecedented numbers from around the world. The UN recently estimated the number of FTFs in Syria had eclipsed 25,000 and was still growing. ISIL has also maintained and expanded its territory, despite increasing levels of Western led military interventions.
11. For many Western countries including New Zealand, the issue of greatest concern is individuals radicalising to violent extremism. This is because a radicalised 'lone actor' could seek to participate in FTF activity overseas or undertake opportunistic terrorist acts domestically. These lone actors present a number of practical and legal challenges due to the difficulty in detecting and investigating their activities.

Causes: Why an individual radicalises to violent extremism

12. Research does not provide a definitive profile of an individual likely to radicalise due to the wide range of relevant social, psychological, ideological, economic, political, and identity factors. The link between personal experiences and wider identity formation is crucial, however, for some Western Muslims, personal isolation and perceived societal discrimination are seen in the context of a wider global struggle and "us versus them" identity politics.
13. ISIL, in particular, has undertaken a sophisticated outreach campaign designed to draw extremists to its cause – whether as FTFs, lone actor terrorists, or associated extremist affiliates. Research

undertaken by the Quilliam Foundation¹ in the UK suggests that ISIL has developed a propaganda narrative around six themes: belonging, victimhood, war, brutality, mercy and utopia. In essence, ISIL is selling an identity, meaning and cause to susceptible individuals. ISIL's online narrative is engaging and voluminous, and uses Twitter, Tumblr, and other messaging apps. The US State Department estimates that ISIL rank and file can generate 90,000 tweets a day and a number of FTFs are recruited directly through online propaganda and/or contact with online recruiters.

14. Western-sourced FTFs include second generation identity seekers rejecting the Islam of their parents, and new converts. That Islamic converts are represented at rates well out of proportion to their overall numbers (perhaps a fifth of European FTFs) suggests the problem of Western FTFs should not be viewed as solely an "ethnic" one.

The risk of violent radicalisation in New Zealand

15. NZSIS and Police continue to experience a sustained increase in the total number of FTF related investigations. These are focused on New Zealand persons fighting overseas, New Zealand-based facilitation efforts and individuals planning to undertake domestic activities. The NZSIS is aware of a small number of New Zealand foreign fighters operating in Syria but assesses the actual number of fighters is likely to be higher. While some individuals have been prevented from travelling to the conflict, others may avoid detection and gain combat experience in Syria.

A Summary of New Zealand's Current CT Work Programme:

16. New Zealand's Counter-Terrorism work programme involves the collaboration of a wide range of agencies including Police, New Zealand Intelligence Community (NZIC), border and others. There is also the contribution to CT internationally through New Zealand Defence Force (NZDF) and NZIC deployments, as well as offshore engagements by the Ministry of Foreign Affairs and Trade (MFAT). Our readiness for a domestic CT incident is also regularly tested with multi-agency CT exercises.
17. MFAT, NZDF, and the Ministry of Justice contribute to international CT response, prevention and capability building. New Zealand is actively involved in a number of international CT fora including:
 - a. The UN Security Council (UNSC), where we chair the Al-Qaida Sanctions Committee (which also addresses ISIL) and take an active role in other Council CT work;
 - b. Membership of the International Counter-ISIL Coalition through which we have undertaken the Building Partner Capacity (BPC) military deployment to Iraq;
 - c. Membership of the international Counter-ISIL Coalition Working Groups on FTFs and Counter-Financing of Terrorists;
 - d. The Global Counter-Terrorism Forum (GCTF), where we are members of two working groups (one on countering violent extremism and the other FTFs);
 - e. Counter Financing of Terrorism including through engagement with the OECD Financial Action Task Force (FATF) and currently co-chairing the Asia Pacific Group on Money Laundering;
 - f. A number of events under the White House Summit CVE track; and
 - g. Regional CT capacity building initiatives, providing assistance particularly to Southeast Asian partners, to mitigate the increased terrorist threat closer to home.
18. In addition, MFAT is working toward the establishment of a Counter-Terrorism Ambassador to lead on New Zealand's working-level engagement on CT issues abroad.
19. In October 2014, Cabinet considered the threat posed by FTFs and agreed that a set of targeted reforms to capacity, capability and legislation be undertaken to ensure an adequate response to

¹ Winter, Charlie (2015). Islamic State Propaganda – crafting the IS brand. Quilliam Foundation.

the evolving domestic threat [CAB Min (14) 32/2]. The review was focused on interim measures in advance of the 2015 Statutory Review of GCSB and NZSIS (the 2015 Statutory Review).

20. The 2015 Statutory Review is expected to reconsider the suitability of the above FTF reforms and to review the broader legislative powers of the NZIC, including those relating to CT. This may include reconsidering some of the functions of the agencies, the limitations around identifying individuals overseas, early disruptions, and other possible legislative limitations. The outcomes of the 2015 Statutory Review will work in with the ongoing Strategy, Capability and Resources Review (SCRR) conducted by the NZIC. The Police are also currently producing a set of proposed operational improvements to their law enforcement terrorism response systems.

21. Particularly importantly, UNSCR 2178 encourages Member States to:

"... engage relevant local communities and non-governmental actors in developing strategies to counter the violent extremist narrative that can incite terrorist acts, address the conditions conducive to the spread of violent extremism, which can be conducive to terrorism, including by empowering youth, families, women, religious, cultural and education leaders, and all other concerned groups of civil society and adopt tailored approaches to countering recruitment to this kind of violent extremism and promoting social inclusion and cohesion".

22. OEC and a core group of agencies are leading work to develop a New Zealand 'Community strengthening' framework. The OEC, Police (Maori, Pacific and Ethnic Services), MSD, and INZ, have been active in community strengthening for some time, along with a range of other agencies. These efforts to build leadership, resilience and inclusiveness have obvious value in and of themselves but also serve to reduce some of the drivers for individuals at risk of radicalising to violent extremism. Recent initiatives and activities include:

- Ethnic, women and youth leadership programmes;
- Small grants and capability building projects to support the successful settlement and integration of new migrants and refugees (the "Settling In" fund);
- Building Bridges initiative, in partnership with the Federation of Islamic Associations in New Zealand (FIANZ) includes building organisational capability and the opportunity to connect with other communities, government and the media;
- Interfaith activities – the OEC/MFAT work with the Asia-Pacific Regional Interfaith Dialogue to promote tolerance and understanding among diverse faith communities;
- MSD – work with Muslim groups in Auckland and Hamilton, with a focus on women, youth, and refugees; supporting community leaders concerned about at-risk youth;
- MSD – work with the Maori Muslim community s9(2)(a) ;
- MBIE, INZ – the all-of-Government 'migrant settlement and integration strategy' and 'refugee resettlement strategy' – aiming at improving self-sufficiency and social cohesion;
- MBIE, INZ – funding for the 'strengthening refugee voices' initiative.

23. Ministerial engagement with community groups also has value, such as the ongoing engagement the Prime Minister and I have undertaken with FIANZ leadership. This engagement is valued by the community and serves to 'bookend' the work of officials and enhance its credibility.

24. Caution is needed, however, to ensure overriding social cohesion outcomes are maintained and government agencies proceed with sensitivity. Linking community-strengthening efforts already underway in an explicit manner to CT efforts can be counter-productive, as seen in Australia and the United Kingdom² where there has been a backlash at perceived 'broad brush', mono-cultural targeting of Muslims. Community strengthening work needs to remain firmly in the pre-criminal space and connected but outside the security framework to avoid the 'securitisation' of community relationships.

²Thomas, Paul (2010) Failed and Friendless: The UK's 'Preventing Violent Extremism' Programme. The British Journal of Politics and International Relations, 12(3). pp. 442-458.

Independent Review of Current Activity and Development of a Counter-Terrorism Strategy:

25. In May 2015, ex-Deputy Commissioner of Police Steve Long was commissioned to develop a New Zealand CT Strategy and undertake a strategic analysis of our CT efforts. This work coincides with the Australian Government's release of a public CT strategy in July 2015 which, while reflecting a higher threat environment, articulates a similar approach to the challenge. Mr Long's strategic recommendations are wide-ranging and have informed this paper. Mr Long's draft CT Strategy, is also ready for further work to produce a public strategy document should the reform options in this paper be supported.
26. The following excerpts from Mr Long's draft CT strategy served as a reference point for reviewing current counter-terrorism activities:

Strategic Aim:

New Zealand is neither a victim nor a source of terrorism.

Governing principles:

In setting CT aims the government has established clear parameters, or principles, by which policy and operations are undertaken. These principles reflect our democratic constitutional arrangements and underline specifically the New Zealand Bill of Rights Act and the rule of law.

Amongst these principles are three which have particular relevance to this paper:

Proportionality

Powers available to the state to act against terrorism will be exercised proportionately and with full accountability;

The rule of law

Acts of terrorism will be treated as criminal offences of serious violence, not acts of war against the nation state – and will be subject to due legal process under civil codes;

Alignment with normal New Zealand emergency risk management

The conceptual framework for executive action in operationalising CT policies will align with national emergency management arrangements and will employ risk management principles.

The Four R's

The way in which CT aligns with emergency management arrangements is through the framework (i.e. Civil Defence Emergency Management Act) known as the Four R's namely:

Terrorism risk REDUCTION

Counter-terrorism READINESS

Counter-terrorism RESPONSE

RECOVERY from a terrorist threat or event

Two more 'R' words are also used in this context (but do not appear in the framework).

- *RESILIENCE by employing protective security measures designed to prevent harm*
- *RISK identification and management.*

27. Most CT strategies in likeminded countries apply this type of framework. Public documents, however, tend to tell the story more simply, rather than emphasising the framework. It is proposed that New Zealand should follow this approach and develop a publicly accessible New Zealand CT Strategy document once Ministers agree a package of reforms or action plans for officials to pursue under the strategy.

General Gaps Identified by the Independent Review

Strengthening community engagement

28. While New Zealand has an admirable record of settling new migrants and refugees, it is the experience of many destination countries that some new arrivals can subsequently pose security risks. As the number and diversity of new arrivals in New Zealand increases and changes, these groups may have challenges in settling and integrating into New Zealand. This may be due to a range of reasons including employment prospects, perceived or real discrimination based upon ethnicity, religion, or nationality, and the level of engagement and welcome in the localities they settle. At worst, these challenges may make individuals susceptible to radicalisation leading to violent extremism.
29. With the number and diversity of new arrivals growing and changing, new initiatives are needed to ensure a more targeted, responsive and co-ordinated approach that supports both initial settlement and longer term integration. Government's settlement Strategies for migrants and refugees aim to build newcomers' sense of belonging to New Zealand through participation and inclusion. There are opportunities to broaden current community engagement mechanisms, including with new arrivals, so that they include stronger cross-agency collaboration in dialogues – for example, in enhancing understanding of democracy and civic responsibilities; government and individual responsibilities; and maintaining one's cultural identity and being a New Zealander. Importantly, the two-way nature of settlement also needs to be reflected so that such interventions also include existing communities.

Working with the Social Sector to manage domestic violent extremists and returning FTF risks

30. ISIL presents ongoing risks of self-radicalisation and concomitant domestic lone actor attacks in New Zealand. While the number of at-risk high-level radicalised individuals is relatively low, such persons require focused attention. NZ Police and NZSIS are leading the risk management effort against high-risk groups and individuals and are seeking to improve their operations and capabilities (e.g. the 2015 Statutory Review and the SCRR). An opportunity also exists to broaden the risk management options at the lower end of the risk spectrum, using a wider range of social agencies. Such agencies are already practised at collaboration and the sharing of private information within the law. Overseas examples exist of using a wider range of expertise to establish better solutions to lower end risks and New Zealand should adopt options that have been found effective.
31. In New Zealand, social agencies such as the Ministry of Health, Immigration, and MSD are already collaborating in programmes to support and manage young at-risk individuals. In addition, the Department of Corrections is gathering intelligence and information on extremist risks within the prison system and in the wider community sentencing environment. In summary, there is willingness, given the new terrorist domestic context, to include and accommodate counter-terrorist risk management within wider programmes of social support.
32. It should be noted that given the religious, political or ideological nature of terrorism, de-radicalisation or rehabilitation of individuals is difficult and many overseas examples have not succeeded. There are, however, indications that some community-led initiatives are working (such as in Denmark and other European examples). While it is hard to measure impact immediately, as with other youth 'crime' intervention programmes, these initiatives are worth pursuing for their long term impact and potential cost effectiveness.
33. Broad information sharing is a pre requisite of such an approach and stakeholders advise that agencies are, through other programmes, already well-practised at managing privacy risks and applying the Privacy Act appropriately and proportionately while sharing vital personal information. While the Privacy Act is under review, there is no general call from agencies at this stage to amend the act to deal with CT-related risks.

34. A further possible initiative is to follow best practice in likeminded countries by bringing together multi-disciplinary expert groups, academic research and other evidence-based approaches to assist the security authorities to calibrate their methods and establish a wider range of options for dealing with at-risk individuals. OEC and Corrections are also commissioning a broader enquiry into 'at risk' communities to enable officials to better understand social norms and mores.

Improving our risk management approach

35. Despite the modern CT focus on risk management and resilience, the New Zealand system places too much emphasis on *threat* rather than *risk assessment* and has therefore not established a formalised set of risk identification and management arrangements. Given that many of our own security risk assessments are formed on events which take place overseas, it is incumbent on our governance arrangements clearly and formally to specify the amount of risk the government is willing to accept. This requires officials to be able to provide Ministers comparative risk assessments that place New Zealand's terrorism risk against other national security risks so that Ministers can determine the level of mitigation or counter-terrorist measures appropriate to New Zealand's circumstances.
36. In advancing CT governance, DPMC has begun a process of tightening sector coordination efforts. New governance arrangements seek to integrate operational policy development into broader whole-of-government policy. These arrangements bring together policy specialists and operational policy experts from a wide range of agencies who share a focus on both domestic and international CT efforts to produce a more defined and collective approach to CT management. However, the independent review recommends a stronger whole-of-government programme management approach to include requirement and reporting disciplines (such as 'baseline measurements' of community resilience), strong internal control, risk / benefit management and independent quality control. These, it believes, would improve sector Chief Executives' stewardship of this multi-agency effort on behalf of Ministers.

Strengthening Public Engagement

37. The Prime Minister's November 2014 speech has opened the opportunity for regular public engagement on CT to socialise security issues and promote safety advice and encourage risk reporting. Indeed, the approach in other countries is towards greater public discourse on security matters. New Zealand's relative lack of public discourse on terrorism issues, due to our low threat stance, may create challenges in undertaking a proportionate and systematic approach, particularly given a heightening risk of a lone actor attack. A broad public engagement strategy is advocated together with a ministerial lead for community engagement.
38. CT strategies in Australia, the US, the UK, the Netherlands and Scandinavia were reviewed as part of this process. Each strategy, whilst different in content, performs wider communication functions by:
- providing an underlying script for all CT public commentary;
 - being designed for public consumption;
 - simply and frankly outlining the terrorist context and threat specific to its country;
 - describing in broad terms how the government is managing the risk;
 - providing, or pointing to, the source of specific public safety advice and guidance; and
 - asking for assistance to help the authorities by reporting terrorist-related suspicions.
39. In support of the multi-agency Strengthening Communities framework, Ministers might consider personally leading a parallel official outreach programme to form ongoing relationships with communities considered at risk of violent extremist pressures. The engagement would be deliberately couched as a two-way conversation and ask what such communities might need to feel safe and socially included in troubling times, backed up by government action demonstrating

a readiness to listen and provide help where required. This work could be built upon the initial Ministerial community outreach that the Prime Minister and I have already undertaken.

40. This would be a chance to affirm not only New Zealand's values and proportionate approach to CT (as outlined in the Strategy) but also to demonstrate the government's proactive support of at-risk communities and help to set a proactive, inclusive agenda to bank against potential social backlash risks should an attack occur.

Countering the Extremist Narrative

41. Countering the extremist messaging of ISIL and other terrorist groups is recognised as a crucial factor in reducing recruitment and mitigating against FTFs and lone actor attacks. This applies domestically and internationally across the full spectrum from high-exposure media to working with individuals. UNSC Resolution 2178 urges:

".. Member States, to act cooperatively when taking national measures to prevent terrorists from exploiting technology, communications and resources, including audio and video, to incite support for terrorist acts, while respecting human rights and fundamental freedoms and in compliance with other obligations under international law".

42. Developing a strategy to counter ISIL narratives is a complex challenge that many countries are grappling with. In 2014, the Australian Attorney General pledged over \$A15 million for a new Combating Terrorist Propaganda initiative and a further \$A22 million for 2015. Some countries are considering laws enabling ISIL-linked material online to be lawfully disabled and removed.
43. New Zealand needs to consider an approach to counter-messaging which fits our political culture and risk profile. Any narrative would need to go beyond the intellectual (i.e. debunking ISIL's Islamic attestations) and also counter the emotional appeal of the ISIL rhetoric and the psychological and social drivers that leave individuals vulnerable to radicalising messages. Further work would be needed to identify narratives which would have resonance in the New Zealand context and would require partnership with civil society groups.
44. The disruption and disabling of online content is a sensitive area with significant civil libertarian risk, but there are precedents for prosecuting offenders who store and/or publish offensive content (and removing it from the web). The practicalities of this approach will require further policy work; the aim should be to balance individual freedoms against practical measures to control harmful terrorist propaganda from entering New Zealand. Officials could explore international legal precedents in likeminded countries.

Reviewing New Zealand's legislative settings

45. As noted earlier, legislative issues around the NZIC are being dealt with elsewhere (the 2015 Statutory Review), and it is difficult to predict the likely impact of this work upon CT at this juncture. While the Terrorism Suppression Act 2002 remains a key enactment, there is a wide range of both regulatory and core criminal legislation that may also be applicable to the actions of a violent extremist or potential terrorist. The heightened terrorist risks overseas have prompted legislative innovation which should be researched for relevance to perceived problem areas in New Zealand. Potential areas of legal review may include:

- (i) Reviewing part 5 of the Crimes Act, which covers public order offences, and Arms Act offences, to assess whether they are fit for purpose. This would include assessing the applicability of existing offences to the preparatory activities of potential violent extremists and also identifying any gaps in the legislation;
- (ii) Reviewing the law applicable to the *advocacy of terrorism* and developing further legislative proposals specifically to prevent New Zealanders from travelling to designated terrorist areas or regions; and

(iii) Conducting a review of the Terrorism Suppression Act 2002 and developing more explicit standards for offences related to incitement, participation and preparatory activities.

46. The Law Commission is also undertaking a review of 'National Security Information in Proceedings' which will consider how national security information should be used and protected in proceedings. It focuses on instances where national security information is relevant to a decision that affects a person's rights or interests, but disclosure might prejudice national security. In a separate review, the Law Commission is considering issues related to extradition law, which is increasingly relevant in the global context of FTFs and the rapidly changing legislative environment in many international jurisdictions.

Ministerial leadership of the CT work programme

47. I propose to lead public engagement on CT and represent the broader CT work programme involving a number of portfolios including Justice, Police, Internal Affairs, Ethnic Communities, Corrections, Immigration, Foreign Affairs, GCSB, NZSIS and Defence. I also propose that the CT work programme be supervised by the group of Ministers responsible for these portfolios and that this Ministerial group will be led by me and supported by DPMC, Security and Intelligence group.

Options for new CT measures

48. There are a range of reform package options, ranging from the immediate to those over the medium to long term. They differ in terms of likely cost and difficulty (See **Annex 1**), with immediate options within agency baselines and leveraging existing tools and mechanisms. Medium and longer term options will need to be more fully explored and developed, and may require more investment.

The immediate package options.

49. Further engagement with at risk communities and developing initiatives for vulnerable individuals using existing Justice/social sector programmes. These initiatives will require increasing the level of intelligence and risk reporting to both response and social sector agencies (to ensure efforts to prevent individuals radicalising to violent extremism, and that 'rehabilitation' capabilities for FTFs can be properly deployed).

50. A review of the legislative tools used to manage the evolving threat of violent extremism, and particularly, the disruption of extremist content online (and the capability to do so), and reviewing part 5 of the Crimes Act, which covers public order offences, and Arms Act offences, to assess whether they are fit for purpose. This would include assessing the applicability of existing offences to the preparatory activities of potential violent extremists and also identifying any gaps in the legislation;

51. The commencement of a progressive public conversation on CT I will lead and initiate with the release of a public CT strategy about the threat of terrorism and New Zealand's CT approach.

52. The adoption of an all of Government 'programmatic' approach to CT, with key objectives and independent evaluation and review of results. This will be underpinned by framing the CT programme with a comparative risk assessment, risk management approach that will be tested by increasing the frequency of low scale CT readiness exercises.

Medium to long term package options

53. Measures to increase support for grassroots community and 'social cohesion' initiatives. Additional efforts to counter the extremist narrative by reviewing internet oversight mandate/capability and the development of counter messages. Investment to develop capability to prevent individuals radicalising, and the rehabilitation of those who do. Other options include

further consideration of significant legislative reform including a review of the Terrorism Suppression Act and an assessment of current and future levels of readiness and response capability for terrorism related incidents.

Next steps

54. I propose reporting back to Cabinet with progress on any new agreed initiatives by early 2016.

Consultation

55. The New Zealand Police; New Zealand Security Intelligence Service, Government Communications Security Bureau, Ministry of Foreign Affairs and Trade, Ministry of Defence, New Zealand Defence Force (NZDF); Customs; Department of Internal Affairs; Ministry of Business, Innovation and Employment; Ministry of Justice; Ministry of Social Development; and the Department of Corrections; were consulted in the preparation of this paper.

Financial Implications

56. All the current CT activities outlined in this paper, along with the development of proposed new initiatives will be met within departmental baselines. If the development of the new CT initiatives reveals the need for additional funding, this will be set out for Cabinet approval in the proposed next New Zealand CT Work Programme update.

Human Rights

57. While the new counter-terrorism initiatives set out in this paper are likely to require analysis of relevant human rights issues, the proposals in this paper are not inconsistent with the New Zealand Bill of Rights Act 1990 or the Human Rights Act 1993.

Publicity

58. No publicity is proposed in relation to this paper, however if the recommendations are approved a communications media strategy will be developed.

Recommendations

It is recommended that the Committee:

1. **note** the threat of ISIL; the acceleration of factors conducive to extremist radicalisation such as online propaganda; and the rising risk of 'lone actor' violent extremism and terrorism that this presents;
2. **note** the wide range of international and domestic CT initiatives currently being conducted across agencies and the need to take measures to prevent or reduce the underlying causes of radicalisation or violent extremism;
3. **agree** to immediate options to improve New Zealand's CT risk management including:
 - (i) further engagement with at risk communities through the social sector agencies; development of initiatives using existing Justice/social sector programmes for vulnerable individuals; and increasing the level of intelligence and risk reporting to both response agencies and social sector agencies;
 - (ii) undertaking a review of legislative tools and capabilities to disrupt extremist content online and reviewing part 5 of the Crimes Act, which covers public order offences, and Arms Act offences, to assess whether they are fit for purpose. This would include assessing the applicability of existing offences to the preparatory activities of potential violent extremists and also identifying any gaps in the legislation;

- (iii) directing officials to develop a publicly available CT Strategy, accompanied by a public engagement plan;
 - (iv) framing the CT effort with a risk assessment, risk management approach and adopting a programmatic approach with key objectives and results areas; and tested with an increasing frequency of low scale CT readiness exercises.
4. **note** the medium to long term options as set out in **Annex 1** and **direct** officials as to which options should be developed further.
 5. **Invite** the Hon Christopher Finlayson QC, in consultation with the Prime Minister, to lead the wider CT work programme with a Ministerial group (including the Ministers of Justice, Police, DIA, OEC, Corrections, Immigration, MFAT, and Defence) in his capacity as Minister of GCSB and NZSIS, and supported by DPMC; and with these Ministers, approve the CT Strategy and engagement plan.
 6. **direct** officials to report back to Cabinet with progress on any new agreed initiatives by early 2016.

Hon Christopher Finlayson QC
Minister in Charge of the New Zealand Security Intelligence Service (NZSIS)
Minister Responsible for the Government Communications Security Bureau (GCSB)

...../.....2015

Annex 1: New Zealand's Counter Terrorism risk management – 4R's analysis and immediate – medium to long term

Recommended options ✓

	Existing work streams	Gaps/problems	Options: Immediate	Medium to long term options for discussion
Reduction	<p>Deterrence, disruption, and prevention by:</p> <ul style="list-style-type: none"> • Horizon scanning by intelligence collection; • Profiling terrorist entities and designating; • Border and pre-border controls; • Calibrating immigration settings; • Target hardening of critical infrastructure and people through advice and physical security; • Community cohesiveness; • Building partner capacity (BPC) (e.g. Iraq) 	<ul style="list-style-type: none"> • The conditions for radicalisation to extremism can be created by feelings of exclusion within and between communities • Online violent extremist propaganda is radicalising individuals. • Vulnerable individuals are not being dissuaded from radicalising to violent extremism. 	<ul style="list-style-type: none"> • Undertake more targeted and coordinated community strengthening activities with at risk communities, through the social sector agencies such as OEC, MSD, INZ and others to reduce the social conditions conducive to terrorist risk. ✓ • Review of legislative tools including objectionable publications and capabilities to disrupt online extremist content ✓ • Develop initiatives using existing Justice/social sector programmes for vulnerable individuals to reduce risk of individuals being radicalised to extremism. ✓ 	<ul style="list-style-type: none"> • Evaluate direct financial support to 'at risk' communities to develop grassroots initiatives that can target the needs of the community and particularly youth. • Assess feasibility of expanding DIA's internet oversight mandate and capability to include online violent extremist content. • Assess utility of providing support to non Government providers who can mentor and dissuade individuals at risk of radicalisation to extremism. • Given significant demographic shifts in New Zealand, consider increasing the investment in the 'social cohesion' work of OEC and other social sector agencies. • Proactive online public engagement to counter extremist propaganda with websites and other online tools. • Assess utility of a multiagency 'violent extremist prevention fusion centre' providing coordinated guidance.
Readiness	<p>Ready to deal with terrorist activity by:</p> <ul style="list-style-type: none"> • Testing readiness through CT exercises; • Information and intelligence sharing; • Targeted and intensified surveillance; • International counter terrorism engagement; • National and international operational cooperation; • Supporting major events on and offshore; • Strategy, Capability, and Resources Review (SCRR)*; • Police CT review; • 2015 Statutory Review of NZSIS, GCSB*. <p>* Covered through separate reviews/processes</p>	<ul style="list-style-type: none"> • Public awareness of, and readiness for terrorist activity is low. • There is currently a terrorist 'threat' rather than 'terrorist risk management' focus • The more agencies involved in CT, the greater need for proactive programme management 	<ul style="list-style-type: none"> • Undertake a progressive public conversation initiated with the release of a CT strategy and led by a nominated Minister about the threat of terrorism and NZ's CT approach. ✓ • Frame the CT programme with a comparative risk assessment, risk management approach ✓ • All of Government programme management with key objectives and result areas and independent evaluation and review. ✓ • Increased frequency of low scale CT readiness activities ✓ 	<ul style="list-style-type: none"> • Undertaking a proactive public education campaign on staying safe from terrorism through a range of media (including for example an 0800 CT advisory line, social media tools and website run by Police). • Explore the significant expansion of the National Exercise Programme (NEP) to include larger scale terrorist exercises involving international partners every year.
Response	<p>Timely, proportionate response if attack occurs by:</p> <ul style="list-style-type: none"> • Developing the skills, capabilities, capacity to respond to a threat; • Coordinated Governance and command and control; • Public information management systems; • Arrangements for the security of New Zealanders and NZ interests overseas. 	<ul style="list-style-type: none"> • Legislation for violent extremists is insufficient and only captures higher order terrorist offending. • Ensuring optimal levels of intelligence sharing with response agencies to allow tactical coordination. 	<ul style="list-style-type: none"> • Undertake review of part 5 of the Crimes Act, which covers public order offences, and Arms Act offences, to assess whether they are fit for purpose. This would include assessing the applicability of existing offences to the preparatory activities of potential violent extremists and also identifying any gaps in the legislation; ✓ • Require an increasing level of sharing of intelligence and risk reporting (possibly through an Inter-Agency Tactical Level Watch-group) to enable response agencies (such as NZDF) to prepare to respond to a terrorist threat. ✓ 	<ul style="list-style-type: none"> • Consider further legislative reforms to restrict 'advocacy of terrorism' and travel to 'designated terrorist zones'. • Review (NZDF/Police)'tactical response plan' as part of an assessment of the utility of a joint tactical response unit made up NZDF, Police, NZIC, responsible for terrorist incident response planning for a terrorist act in New Zealanders or overseas. • Reviewing the Terrorism Suppression Act by MOJ (by end of 2016) and widening offences to tackle potentially lower forms of preparation or participation. • Review the current national rescue/medical capability for a cordoned 'active shooter' scenario (and if military capabilities would be appropriate for civilian scenarios).
Recovery	<p>Ensuring individuals, communities, and the country recovers from terrorist activity by:</p> <ul style="list-style-type: none"> • Pre-arranged financial, legal, and social recovery systems in place; • Minimisation of further consequential impacts; • Replacing or rebuilding affected infrastructure; • Minimising reputational harm; • Rehabilitation of individuals and communities impacted by terrorism 	<ul style="list-style-type: none"> • Insufficient capability and capacity to manage returning Foreign Terrorist Fighters (FTF's). 	<ul style="list-style-type: none"> • Security agencies required to share more information with social sector agencies to ensure 'rehabilitation' capabilities applicable to returning FTF's can be deployed ✓ 	<ul style="list-style-type: none"> • Consider developing a 'virtual' specialised multi-disciplinary rehabilitation capability responsible for managing FTF's and other individuals at the 'high end' of terrorist risk.