

FIANZ RESPONSE



THE AROTAKE REPORT: A REVIEW INTO NZSIS PROCESSES AND DECISION-MAKING IN THE LEAD-UP TO THE MARCH 15 ATTACKS

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Caveats:

The following caveats are noted as per the NZSIS:

- i) The Report focused firmly on NZSIS's activities and systems and did not have the mandate to review the wider counter-terrorism system.
- ii) There was never an intention or expectation that it would cover the same breadth and depth of issues as the Royal Commission of Inquiry.
- iii) The purpose of the Arotake review was for NZSIS's internal purpose with a commitment to the Royal Commission to give it to them, whatever its findings.
- iv) Immediately following its completion, Arotake was delivered to the Royal Commission in full, without redaction, as one input into their deliberations.
- v) Arotake was led by an external and experienced intelligence expert in counterterrorism from a Five Eyes partner country. The language and terms used are his own.
- vi) The release of this review is not intended to contest any findings made by the Royal Commission. NZSIS accepts the Royal Commission Inquiry's findings as final and the NZSIS continues to stand by that.

¹ The 135-page, extremely detailed report was released to FIANZ lunchtime yesterday and as such this is our initial response.





FIANZ considers the following points as pertinent to the release of the Arotake Report.

1: GREATER TRANSPARENCY:

In the aftermath of the apology by the Prime Minister, the Commissioner of NZ Police and the Director General of Security, NZSIS and the subsequent engagement hui by the Lead Coordination Minister and the Minister for the Community & Voluntary Sector, Diversity, Inclusion & Ethnic Communities the release of this report has been welcomed by FIANZ.

It attests to the commitment to greater transparency which the Lead Coordination Minister Andrew Little promised during his meetings in various part of the country.

FIANZ welcomes this 'openness' of the NZSIS and the importance of more civil society input to the national security strategy of Aotearoa New Zealand.

FIANZ, in its Engagement Process Report,² noted the need for public service agencies to demonstrate competence, reliability and honesty in keeping with the recommendations of the Office of the Controller and Auditor-General, Tumuaki o te Mana Arotake. In the aftermath of the 15 March terrorist massacre of 51 Muslims, it is pivotal that the wider community regains the trust and confidence of the NZSIS. By releasing this hitherto 'Top Secret' Report is a positive step towards this direction.

2: NEED-VALUE AND USE-VALUE OF THE REPORT

That the NZSIS commissioned an internal review, at its own volition, soon after the terrorist attack is an indication of the willingness to benchmark its strategies, systems, processes, and functions against international best practices. The latter evidenced by the selection of an external and experienced intelligence expert in counterterrorism from one of the Five Eyes partner countries.

This need-value however was slightly diluted by limiting its scope by stating that the *"Reviewer has no power to determine the fault or liability of any person."* Whilst we

² <https://assets.documentcloud.org/documents/20493407/fianz-hui-report-march-2021.pdf>





appreciate the balance between requiring NZSIS staff to be open and freely give their information and not be constrained by possible blame or liability, this waiver however must be seen in the context of the gravity of this tragedy. As such, we see scope for the Coroner to pursue further probing into liability, given that this was not a focus of the review.

The use-value of this report for the NZSIS is that it has “*strengthened the way they identify and investigate national security threats and has changed the mechanism through which leads are prioritised and assessed*”³. However as a frame of reference, the use value of this Report for FIANZ is that it has confirmed our assertion that the NZSIS contributed to the systemic securitisation of Islam and the negative impact of Islamophobia in the wider society. This is precisely why the Royal Commission asserted that there was “inappropriate concentration of resources on the threat of Islamist extremist terrorism”⁴ and as the Prime Minister stated as part of her apology, “that before 2018, the concentration of resources was not based on an informed assessment of the threats of terrorism associated with other ideologies.”⁵

3. INCONSISTENCIES REQUIRING CLARIFICATION

FIANZ has noted SOME inconsistencies within the report which require further clarification. The following are two examples.

- i. The Report states that the ‘classical model’ served well for known threats but was limiting for identifying emerging threats in “the modern security environment ...particular on-line”. This raises some issues, given that the NZSIS and the GCSB have some of the most sophisticated IT infrastructure, with a budget to match. The Report states, “the digital revolution has required NZSIS to acquire new capabilities” and that NZSIS has specialised “Knowledge Manager, IT experts”. It was capable of extreme forensic searches to the extent of even using ‘fuzzy logic’ searching tools. Such apparent inconsistency needs to be explained.

³ Comments by the Director General of Security, NZSIS

⁴ <https://christchurchattack.royalcommission.nz/the-report/executive-summary-2/consolidated-findings/>

⁵ <https://www.beehive.govt.nz/speech/prime-minister%E2%80%99s-comments-royal-commission-inquiry-christchurch-terror-attack>



- ii. On the one hand the report mentions the need to refine process of prioritisation of NZSIS intelligence functions, yet *earlier* the report says that “NZSIS implemented broadly effective systems and processes for prioritising its national threat investigations’. This apparent contradiction needs to be clarified.

- iii. There is also the issue of “inadequate staffing” particularly “modern, skilled TOP Secret workforce” . It is noted that the NZSIS was given a budget of \$178 million over 4 years from 2016 for capability development. It must be noted that no government has denied NZSIS budget for improving our national security rather every time there has been any tragic event overseas there has been a rise of budget of the NZSIS.

Year	Events	NZ SIS Budget Increase ⁶
2001-2002	9/11 in New York)	12.5% Increase for counter terrorism (\$13.5m)
2002-2003	12 Oct Bali Bombing	22% Increase for urgency of counter terrorism (\$16.5m)
2003-2007	Bombings in Jakarta, Istanbul, and Madrid	By 2007 budget had increased to \$41.2m
2018	ISIS, Syria, In NZ: Jihadi brides, returning ISIS, NZ Muslims under watch	By 2018 budget increased to \$82.843 million ⁷

The report reveals that from 2016 onwards to present there has almost been a doubling of the staff, as such more clarification is required on why there was inadequate staffing.

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https://books.google.co.nz/books?id=TIGJr3Nqj1QC&pg=PA117&lpg=PA117&dq=NZSIS+budget+increases&source=bl&ots=ogR3VRuLkv&sig=ACfU3U0UVcsK0QsC_ezNiK9QE2UQRfrKIQ&hl=en&sa=X&ved=2ahUKEwibjM70t-fmAhVGeX0KHRq8BucQ6AEwC3oECAoQAQ#v=onepage&q=NZSIS%20budget%20increases&f=false
⁷ <https://www.nzsis.govt.nz/assets/Uploads/2018-NZSIS-Annual-Report.pdf>



4. SYSTEMIC DYSFUNCTION -FAILURE TO DETECT THE TERRORIST

There are several examples of systemic dysfunctions. The following is one notable example. The Report specifically identified that NZSIS did not have the level of “transparency and collaboration” required with its domestic government partners, particular the NZ Police. As FIANZ noted in its submission to the Royal Commission, this was a glaring failure which contributed directly to the inability to prevent this act of terrorism. The net effect of this lack of collaboration can be evidenced below:

BEFORE MARCH 15
NZSIS & NZ POLICE DIDNT ADEQUATELY SHARE INFORMATION :
Sept 2017 Terrorist applies for firearms licence (NZ POLICE) Nov 2017 Terrorist receives license (NZ POLICE) Dec 2017 Terrorist purchases 4 guns 2018 NZSIS Intelligence officer noted 'Barry Harry Tarry' (the Terrorist) on Facebook stating “our greatest threat is the non-violent, high fertility, high social cohesion immigrants .. They will boil the frogs ... Without violence no victory possible.” (NZSIS) [They (NZSIS staff) recalled that, sometime in 2018, while they were on secondment to the Combined Threat Assessment Group, they had seen a report containing images of social media posts made by Barry Harry Tarry. The employee reported their recollection to the external assessor carrying out the Arotake Review.] From Royal Commission
Jan 2018 Emails with Martin Sellner, Austrian Right-Wing leader who promotes violence against Muslims and Jews (NZSIS)
Feb 2018 Referred to Muslim crèche , local Muslim association , with threats such as “ Dude is No 1 in prank list (NZSIS)
NET RESULT OF NOT SHARING, DESPITE BOTH AGENCIES HAVING INFORMATION, WAS THAT THE TERRORIST WAS NOT DETECTED IN TIME.

AFTER MARCH 15
NZSIS & NZ POLICE STARTED SHARING INFORMATION AND “WORKING CLOSELY IN EACH OTHER'S SPACE”
There was sharing of information between the NZSIS and the NZ Police led to the arrest of a right wing extremist who was a member of the NZ army (NZSIS and Police working together in December 2019) ⁸
<i>A member of the white supremacist group Action Zealandia has been arrested in relation to a terror threat made against Masjid Al-Noor in Christchurch (NZSIS and Police working together in March 2020)</i> ⁹
After a member of the public alerted the NZ police about the threat posted by a right-wing extremist on a 4chan site. Within 24 hours an arrest was made. (NZSIS and Police working together in March 2021) ¹⁰
NET RESULT OF SHARING: EXTREMISTS ARRESTED

⁸ <https://www.rnz.co.nz/news/national/405784/soldier-s-arrest-raises-concerns-far-right-could-infiltrate-defence-force>

⁹ <https://www.newsroom.co.nz/action-zealandia-member-arrested-for-threat>

¹⁰ <https://www.odt.co.nz/star-news/star-christchurch/mosque-threats-man-granted-interim-name-suppression>

5. FAILURE TO LEARN FROM OVERSEAS EXPERIENCE OF 'LONE ACTOR' RIGHT WING TERRORISTS

Nowhere in the Arotake Report, does it mention what strategies the NZSIS had in place prior to March 2019 to identify 'lone wolf' or 'lone actor' threats of right-wing extremists. The report completely ignores this and rather focusses on how difficult it is to identify such threats.

Given that lone actor terrorism has been a feature of right-wing extremism ever since Timothy McVeigh in 1995 in Oklahoma, USA, there has been considerable research in this area. In fact , the Royal United Services Institute for Defence and Security Studies, the oldest think tank on security had a Countering Lone-Actor Terrorism Toolkit since 2015 specifically for security practitioners like the NZSIS.¹¹ A basic toolkit which is also available free on-line which clearly identifies successful methods to identify lone actor terrorists.

Furthermore, contrary to the Arotake Report, there is a substantial body of international peer-reviewed empirical research notes such lone actors are not necessarily detached as is often presumed but they "interact with those around them through the social media."¹² This focus on social media by the terrorist was also noted by the Royal Commission.

In this context the NZSIS did have evidence of an IP address (....145) arising out of Dunedin which was downloading the manual of the Oslo terrorist, identifying Magpul gun parts and also tactical methods, yet this was not adequately followed up in our view. After initial checking with local sources , it was abandoned and to our knowledge none of 5 Eye Partners with their sophisticated tracking capability were requested for all their information on this matter. This matter needs further clarification, particular for the coroner's inquiry.

¹¹ https://rusi.org/sites/default/files/201604_clat_toolkit_paper_2.pdf

¹² https://rusi.org/sites/default/files/201604_clat_toolkit_paper_2.pdf



6. MORE LAWS FURTHER DATA MINING ARE NOT THE ANSWER

It is quite common since 9/11 for knee-jerk extension of laws which give greater powers to the security agencies. What 15 March has revealed that there was adequate and extensive legal-set, but the issue was the inappropriate focus of resources on just Muslims at the exclusion of right wing extremists. As our “before and after example” of Police and NZSIS working together (see point 4 above), resulted in three arrests of know right wing extremists. If there is focus, there the probability of detection increases. For this both the NZSIS and the NZ police have to be commended. What is *not* required is yet more set of legal pegpoints through further data-mining and greater power to the security agencies.

SUMMARY STATEMENT

The long process of implementing the 44 Recommendations has started in earnest, and this type of transparency is most appreciated and is an indication of the greater willingness to democratise the national security strategy discussion. FIANZ, as a civil society organisation, welcomes the release of this report by the Director-General of Security, NZSIS.

