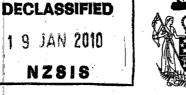
Telephone:





Reference:

NEW ZEALAND SECURITY INTELLIGENCE SERVICE

P.O. Box 900, Wellington, New Zealand

15 November 2001



Dr M Prebble Chairman **ODESC** Department of the Prime Minister & Cabinet Parliament Buildings WELLINGTON

NZSIS BUDGET PROPOSALS POST 11 SEPTEMBER

Attached is a table of requested increases in the Service budget for the current financial year and the following two years, to enable the Service to make an appropriate contribution against international terrorism. (Increases for other purposes will be sought through normal budgetary processes.)

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8. In respect of some of the points in paragraph 7, there are United Nations obligations with which New Zealand needs to comply. There are also strong expectations on the part of our traditional partners that New Zealand will play a full role in combating international terrorism, by ensuring that New Zealand is not used in any way as a safe haven.

Page 2

There is in my view no other element of the Service's current work which should be dropped or further reduced. Indeed some other elements of the Security Intelligence effort - work against proliferation, illegal immigration and money-laundering - are linked with counter-terrorism.

9.

10. Therefore a greater Service effort against international terrorism requires additional funding. What is sought would enable the Service to more than double its / effort in this area

It is in my view necessary to do that in light of the situation outlined in paragraphs 3-8 above and of the events of 11 September, which showed the capacity of international terrorists to wreak massive destruction by hitherto unexpected means.





Page 3

12. The Service's contributions are and will be distinct from those made by other agencies, such as the Police // The Police have

the prime responsibility for detecting and preventing an act of terrorism in New Zealand, for dealing with an act if it occurred, and for bringing any individuals involved in such acts before the Courts. The Service's contributions are, through various means including covert, to improve our understanding of what is being said and done in New Zealand, so that the Police and/or other agencies can take appropriate action; to detect links between New Zealand and terrorist groups elsewhere; and to cooperate with foreign liaison partners for these purposes.

16. The third proposed component is an additional officer in the Protective Security Branch, to assist in meeting the already increasing demand from government agencies for physical security advice which has gained added importance since 11 September. More site inspections and more advice to departmental officers are needed, including to respond to the increased risk of terrorist attack (paragraph 6 above). The cost would be

17. The costs above include additional dedicated staff, some support staff, and other costs such as office space, vehicles and communications. If the proposed increases are implemented, Service numbers would rise from the present 110 to about

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18. In summary, the proposed increased funding would enable the Service to be more effective in helping to ensure that New Zealand is neither the victim nor the source of an act of international terrorism. Although it would still be impossible, given the scale of the problem, to give a complete assurance that no such act would occur, we would be much better placed than we are at present

E R Woods Director of Security