

Summary of Project STERLING: The NZSIS 10-Year Operational Strategy

Explanatory Note: Project STERLING 2015 to 2019

The STERLING operational strategy was one of several strategic initiatives the NZSIS developed in 2015/16. Other significant pieces of work included organisational transformation and a review of the NZSIS's security intelligence operating model.

STERLING was designed as "version 0.1", with the intention that future iterations would need to evolve in response to environmental changes. It provided the framework for major strategic and operational planning decisions for the next three years.

In 2019, the NZSIS undertook a strategic refresh to address the challenges that had emerged in the intervening years. STERLING came to an end and was replaced by the Discover strategy, introduced at the end of 2019. Much of what we learned from STERLING and many of its initiatives continue to be represented in the new strategy.

Although no longer current, STERLING remains classified to protect the NZSIS's areas of focus and methods. In light of references to the strategy in the Royal Commission of Inquiry report, however, a broad unclassified summary of the document has been prepared to enhance public understanding of the NZSIS's approach to its mission of protecting New Zealand's national security over the 2015/19 period.

Introduction

STERLING aimed to provide NZSIS with its "true North" when making strategic planning decisions, when deciding upon major capability investments, for relationship and stakeholder planning, for determining training needs and priorities, for determining strategic accommodation needs and for the strategic allocation of resources. All significant investment and planning decisions were to go back to the key question:

"How will these decisions help the NZSIS to deliver the long-term outcomes and goals set out in the Operational Strategy?"

Not everything that NZSIS does will always and directly contribute to the outcomes set out in STERLING: the world is never this simple. Fundamentally, however, the strategy aimed to provide guidance as to what mattered most over the long-term.

STERLING was designed as a "version 0.1". Future iterations would need to revisit some of the underpinning assumptions due to unforeseen changes in the threat environment and/or due to decisions to more closely integrate NZSIS's goals with those of the other New Zealand Intelligence Community (NZIC) or security sector agencies.

Background and Context

Ultimately, the NZSIS exists to deliver particular outcomes for New Zealanders. The key questions for the STERLING operational strategy were therefore: what are the NZSIS's key outcomes and strategic goals, and how should NZSIS best go about achieving these?

In terms of security intelligence, success would be measured by our ability to meet the Government's *National Intelligence Priorities (NIPs)*. The NIPs are **annual** Government priorities. The STERLING operational strategy represented our best judgement as to what the NZSIS would need to develop over the long-term to be able to meet whatever NIPs may have been determined in future years.

The Operational Strategy was designed to deliver on the Government's security goals now and into the future. This was represented by the Protective Security Requirements (PSR), our role in vetting candidates seeking access to classified information, and the NZSIS's commitments to wider strategies

The NZSIS's strategic focus would, over time, likely need even greater future alignment with wider NZIC and security and intelligence sector priorities. It was always anticipated that the operational strategy would inevitably need to evolve to ensure that the NZSIS is best able to contribute to the wider national security system. While the strategic outcomes and goals were unlikely to substantially change, the delivery or 'how' these are achieved would likely be affected by decisions relating to collaboration and/or the creation of joint capabilities.

Across the broader security and intelligence sector, success would be achieved when sector agencies were collectively able to align themselves to deliver on government priorities and outcomes.

Environmental Context

STERLING noted that future investment and planning decisions are dependent on judgements as to where the areas of greatest risk and/or opportunity are likely to be over the medium- to long-term. Long-term predictions are, of course, inherently uncertain: for example, few people predicted the rise of ISIL or the annexation of Crimea. Nonetheless, other trends are more knowable, such as: demographic trends, environmental pressures and broad geopolitical shifts, such as global power shifts and the shifting in the economic and military balance between West and East.

NZSIS's Mission

For the NZSIS, the organisational mission is fundamentally about keeping New Zealand and New Zealanders secure. Security in this context is about protection from the most serious national security threats and providing information and insight that will advance New Zealand's interests. What makes NZSIS unique is:

- the staff we employ (and the lifelong commitments required of working for the NZSIS);
- our unique powers and responsibilities;
- the threats and opportunities we are charged with dealing with;
- the secrets we are asked to find out, and the secrets we protect from others;

- our unique capabilities and expertise as a security intelligence agency and our deep understanding of security;
- how we are able to make sense of complicated information – our job is to find the needle in the haystack (from the individual or group who might be planning a terrorist attack to the government employee that might become an insider threat);
- our understanding and long history of working in partnerships with others, including domestic and international partners such as Police, Customs, NZDF and the Five Eyes.

NZSIS's Vision

Given our unique abilities, capabilities, powers and responsibilities *and* in light of the likely changing threats and opportunities facing New Zealand, the next question was: where do we want to be in 10 years' time? What does success look like and how will we know we have achieved this? In other words, what is NZSIS's vision?

The Director of Security articulated the following long-term (10 year) vision for the NZSIS:

"Never in our history have we been better positioned to achieve our mission. But equally, never have the threats New Zealand faces been greater.

*"My vision is that the NZSIS is **ahead of the curve: providing indispensable security and intelligence services underpinned by high public confidence and trust.**"*

The remainder of STERLING set out the key components of the 10-Year Plan to achieve this vision. (The accompanying table illustrated how the components fitted together.)

NZSIS's Primary Long-term Outcomes

The NZSIS adopted the following three primary outcomes:

Primary Outcome	Long-term Strategic Goal	Explanation
New Zealanders are safe	The NZSIS has established an effective baseline picture of emerging terrorism threats.	The NZSIS is able to keep 'ahead of the curve' in terms of emerging terrorism threats so that potential issues can be mitigated early. The NZSIS also has a strong understanding of overseas threats to help protect New Zealanders overseas, to help inform the domestic picture and to support immigration and citizenship decisions.
	The NZSIS has successfully mitigated domestic terrorism threats.	The NZSIS has the capacity and capability to detect and monitor serious domestic terrorism threats and support the active disruption of these threats e.g. through supporting New Zealand Police activities.
	The NZSIS has provided effective and sustainable support for a significant overseas deployment.	The NZSIS has the capacity and capability to effectively and sustainably support an overseas deployment in support of other government agencies, ensuring we help keep New Zealanders safe.
New Zealand's key institutions are protected	The New Zealand Intelligence Community (NZIC) is a protective security exemplar.	The NZIC (including the NZSIS) has strong protective security standards, processes and capabilities. This goal matters in terms of the NZSIS's ability to model good security practice to other agencies.
	The NZSIS has assisted key institutions to mitigate their insider threat risks.	The NZSIS, in partnership with the Government Communications Security Bureau (GCSB), helps key Government and non-Government institutions identify and manage security threats.
	The NZSIS has mitigated espionage and hostile foreign intelligence threats.	The NZSIS has the capacity and capability to identify and mitigate serious espionage threats. The NZSIS can effectively mitigate threats to New Zealand's democratic processes posed by hostile foreign intelligence activities.
New Zealand's national advantage is promoted	The NZSIS has enabled better policy and geopolitical decision-making.	The NZSIS is able to support policy development and geo-political decision making through providing relevant and useful intelligence insights.
	The NZSIS has meaningfully contributed to international security.	New Zealand is able to appropriately contribute to global security. New Zealand is able to fulfil its international security obligations.
	The NZSIS has enhanced security in the Pacific.	New Zealand makes a contribution to regional security in the Pacific.

The top three strategic goals were mitigating espionage and hostile foreign intelligence threats; mitigating domestic terrorism threats; and establishing an effective baseline picture of emerging terrorism threats.

NZSIS's Strategic Long-term Goals

While the long-term outcomes provided the operational “true Norths”, STERLING noted that planning and resource decision-making occurs at a more granular and tangible level: this was the purpose of the long-term *goals*. So, sitting beneath the outcomes were long-term strategic goals.

Guiding Principles

The final component of the STERLING operational strategy was the development of “guiding principles”. These were overarching principles that would:

- guide the development of the specific action plans that would be needed to implement this Strategy; and
- provide overall guidance for agency planning and investment decisions.

These principles provided strategic guidance as to *how* the NZSIS would deliver on its long-term goals. The four guiding principles identified were:

1. Customer, impact and value
2. Success through partnerships
3. Operational excellence
4. Technology enabled people (and people enabled technology)

Making Use of the STERLING Operational Strategy

At its heart, STERLING provided a framework for making major strategic decisions. When taking significant medium and long-term decisions – such as investing in capabilities, determining the types of people to recruit and the training required, or identifying the relationships to establish or develop – STERLING provided the framework for determining what mattered more and, consequently, what mattered less.

Implementing the STERLING Operational Strategy

A strategy only has value if it is incorporated into tangible business plans and actions that are collectively understood and owned. This version of the NZSIS's operational strategy provided that start point. The next stage, however, required a systematic process to turn the strategy into meaningful and useable plans.

Conclusion

This Operational Strategy provided the basis for the NZSIS to understand more clearly than ever before what it was seeking to achieve. It described what good looks like. It also provided the framework for prioritising a range of planning decisions, including strategic capability, workforce, training and relationship plans.