

Submission on developing the Aotearoa New Zealand Aerospace Strategy

Your name and organisation

Name	Mark Rocket
Organisation (if applicable)	Aerospace Christchurch (Aerospace New Zealand, Inc)

Overview of the Aerospace Strategy

- Question 1:** Do the four areas above provide the right basis for the Aerospace Strategy?
- Question 2:** What are the critical factors that you see for aerospace sector development?
- Question 3:** How would an Aerospace Strategy help you?

Please type your submission below. If applicable, please indicate the question(s) to which you are responding.

This submission is made on behalf of the members of Aerospace Christchurch, an industry body that promotes the interests of aerospace for Otago Christchurch, Canterbury and Aotearoa New Zealand.

We are pleased that the Ministry of Business, Innovation and Employment and the Government have issued this consultation paper. It is something that was first proposed in 2018 and it is pleasing to see a vital piece of the puzzle start to be articulated.

We believe that the draft Aerospace Strategy being put out for consultation is the start of an important framework to drive sector development towards “an ambitious 2030 Future State”. The goals largely cover what is required however a sustainable funding and investment model, and effective cross-government coordination and collaboration also need to be included as strategic goals.

The success of the future of aviation and space in New Zealand hinges on a clear and effective strategy that companies and investors can see and rely on and strong, practical Government policy and policy implementation. The industry needs to be able to see what is planned, when and how so that it can make the investment decisions that will sustain and grow their operations, which will benefit New Zealand. Other jurisdictions have achieved this with Government/ Aviation Authority/ Industry roadmaps which indicate (and do not bind) all parties to the progress of their industry jurisdictionally and support national policies on the growth and development of the space and aviation industries globally.

Area One - A strategy for building our aerospace sector

- Question 4:** Is the 2030 Future State set out in a way that enables New Zealand to build on its existing advantages to develop a leading place in the global aerospace economy?
- Question 5:** Will the 2030 Future State support your ambitions for growth and participation in the sector?
- Question 6:** What barriers are there to optimising sector growth?
- Question 7:** How could the government and the sector work together to achieve the 2030 Future State?
- Question 8:** How can the Government enable Māori ambitions for the sector?

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One important key to success is a capable and competent regulator, including the need for strong and visionary leadership at all levels of the Ministry of Business, Innovation and Employment, Civil Aviation Authority New Zealand CAA and the Ministry of Transport:

- A lot of the success of the advanced aviation sector hinges on the capability and performance of the Civil Aviation Authority New Zealand. It is an independent regulatory body, and should always be. There is no desire to see that changed in any way. Every company in New Zealand benefits from a strong safety focus. However, the evolution of advanced aviation and space development requires different capabilities and resourcing from the past century..
- Most companies in New Zealand are still developing and operating in this country because of the past reputation and bilateral connections that CAA NZ holds with other aviation authorities and the benefits this provides in terms of global expansion. However, the performance of CAA NZ over the past five years means that New Zealand is now seriously lagging other countries.
- We already have evidence that key aerospace start-ups are leaving (or about to leave) New Zealand, with some relocating to Australia, simply because the CAA NZ is not enabling timely assessment of regulatory issues. This is partly due to funding but is also a structural issue that needs to be addressed. The industry is seeing:
 - CAA NZ staff capability lagging industry due to a lack of capacity/ resourcing, training and development
 - An inability to attract staff with the competencies and experience required to support certification of complex and novel aerospace systems.
 - Lack of accountability to set, monitor and deliver on targets for the industry.
- Ministers and the Ministry of Transport has a key role to play in driving accountability in the aviation sector.
- The split between the Ministry of Business, Innovation and Employment and CAA NZ on advanced aviation technologies seems inefficient and ineffective. Value for money would suggest this function should sit within one organisation and potentially should be a separate business in CAA NZ dedicated to solving certification issues bespoke to innovation and new technologies, as has been achieved in the CAA UK and CAA Singapore.

There are a number of short, medium and long term strategies and plans that could be put in place to solve these issues, these include:

- More effective coordination across government departments (including tertiary education, education and training).
- A single aviation & space regulatory environment
- Greater investment in educating the next generation of aerospace professionals and regulators.

Area Two - Building strong foundations (Three Pillars)

Question 9: What do you think of the Three Pillars and do you think they will support the 2030 Future State?

Question 10: What else would you like to see in the Three Pillars?

Question 11: What actions and initiatives could the sector focus on to support the Three Pillars?

Please type your submission below. If applicable, please indicate the question(s) to which you are responding.

Pillar one - Unlocking Aerospace Potential;

- Ideally, further time bound work will be done to articulate who the beneficiary/ beneficiaries of this pillar is/ are, with clear timeframes and metrics.
- Each of the key stakeholders – either implicitly or explicitly involved in defining and delivering this strategy – needs to align with the overall timeline, by ensuring that individual strategies and associated legislation is complementary to this strategy document.
- This pillar will benefit from a Whole of Government approach to this pillar with key milestones and/ or missions that would involve industry, government, Tangata Whenua and Community.

Pillar Two - Future-Facing Government

- From an advanced aviation perspective, CAA NZ continues to be the most significant barrier and challenge to the growth of Aotearoa New Zealand's aerospace industry and the success of the Aerospace strategy.
- Industry has no interest in any compromise to the safety or reputation of New Zealand aviation regulatory environment and, in fact, most companies have chosen to engage with CAANZ because of its reputation. However, other jurisdictions have a similar reputation (UK, Europe, Australia, Canada and the US) - and have all made concerted efforts to engage with industry and develop regulatory mechanisms to better engage with new technologies. This has not been the case with CAA NZ.

It is also noted under this pillar that there is an opportunity for the Government to support the growth of the sector through procurement. In New Zealand there are strong manufacturing and adjacent application sub-sectors emerging, with cutting-edge research and development capability also growing in several universities across the country.

There is also an opportunity for more focused grant investment through Callaghan Innovation and NZTE to support the scale up of organisations. Government has placed a lot of focus on small business and startups but scale-up is the key to capturing social and economic benefits in the future.

Pillar Three – Aerospace Nation

- Social licence and Tangata whenua/ community engagement is still underdeveloped (both from a Government and industry perspective). It is increasingly important for this to be addressed as more aerospace and advanced aviation companies operate in Aotearoa.

- This pillar will benefit from a Whole of Government approach to this pillar with key milestones and/ or missions that would involve industry, government, Tangata Whenua and Community.
 - The Ministry of Education and the Tertiary Education Sector are vital for practically achieving the pipeline of talent required to ensure that New Zealanders (and particularly our young people/ rangatahi) are able to access the diversity of roles that are available.
 - MBIE/ NZTE and Callaghan Innovation all contribute to this and should be brought into the proposed goals/ milestones.
 - It is also important to set expectations of industry about support for the pipeline of talent and also to engage Tangata Whenua in ways that will actively encourage rangatahi to be in a position to access the opportunities that this emerging industry presents.

Area Three - Goals for 2030

Question 12: What do you think of the Goals for 2030?

Question 13: Are the goals framed in a way that will enable New Zealand to build on its strengths and comparative advantages to achieve the 2030 Future State?

Question 14: What activities and milestones can help us achieve these Goals?

Question 15: Where do you see yourself in realising these Goals?

Please type your submission below. If applicable, please indicate the question(s) to which you are responding.

The Goals seem to fit with Aotearoa New Zealand's principle areas of advantage. However, we would encourage 'bolder' and more focused goals with milestone dates to guide the activities (for example Goal Two: when does New Zealand plan for all forms of autonomous aerial vehicles to be safely integrated?).

It is acknowledged that Goal 3 links to the Space Policy and the consultation occurring there. It is important to note for both consultations that it is important that New Zealand's values are clearly expressed and adhered to - both in international policy development, and in the commercialisation of New Zealand space companies. No one company should be in a position where its commercial activities are dictating Government policy or foreign relations.

Area Four - Pathway to the 2030 Future State

Question 16: What policies, ideas, actions, and/or initiatives would you like to see in the Action Plan to help achieve the ambitious 2030 Future State?

Question 17: What would be the benefits of these actions and how would they help grow the New Zealand aerospace sector?

Question 18: How would you like to be involved in the delivery of the Aerospace Strategy?

Please type your submission below. If applicable, please indicate the question(s) to which you are responding.

Aerospace Christchurch and its members would like to be actively involved in the development, implementation and ongoing review of the Strategy and action plan. We are prepared to commit resources to ensure the success of this strategy and would welcome the opportunity to participate at a governance level.

This is an industry that Aotearoa's to lose. As a group of passionate and committed companies, who are putting their money and energy into developing and building this industry, we have significant 'skin in the game' to make sure it is the best it can be.

We are specifically looking for:

- Mechanisms for government departments to better collaborate more effectively
- Sustainable funding and investment model (including government procurement from New Zealand companies for aerospace projects)
- More tangible aerospace infrastructure investment (more projects like Tāwhaki)
- A roadmap to integrate the space and aviation regulatory systems
- A roadmap to build workforce development
- Closer collaboration between the regulators and industry underpinned by a true co-design process
- Effective and respectful engagement with iwi Māori.
- Strong leadership and a government mandate to drive progress on the strategy.