

Submission on developing the Aotearoa New Zealand Aerospace Strategy

Your name and organisation

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Organisation (if applicable)	Merlin Labs New Zealand Limited

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.

Question 1: 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 strategic goals.

Most of the failings that we're seeing in the aerospace sector's ability to achieve organisational goals are due to a poorly resourced and funded civil aviation regulator. The examples include:

- Many of key aerospace start-ups are leaving New Zealand and relocating to Australia simply because the CAA's funding does not enable timely assessment of regulatory issues.
- CAA staff capability is falling behind due to a lack for sufficient funding for training and development, and the ability to attract staff with the competencies and experience required to support certification of complex and novel aerospace systems.
- MOT's strategy and innovation team were not aware of the future supply chain issues paper authored by another team in MOT. Yet this document opened with details of how the aviation sector maintained an effective global supply chain through the pandemic.
- The split between MBIE and CAA 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 dedicated to solving certification issues bespoke to innovation and new technologies as is done in the CAAUK and CAA Singapore.

Question 2:

- Capable and competent regulator, including the need for strong and visionary leadership at all levels of the CAA and Ministry of Transport.
- More effective coordination across government departments.
- A single aviation & space regulatory environment
- Investment in educating the next generation of aerospace professionals and regulators.

Question 3: It would allow Merlin Labs NZ to:

- Certainty of US funding and continued investment in NZ aerospace system.
- Expanding the scope of activities conducted in NZ to include an expansion of design, software development, AI development and detect & avoid system development test.
- Would help to keep Merlin Labs in NZ due to a strong and clearly signalled commitment from Government.

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?

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

Question 4: Yes however without significant and urgent investment to build regulatory capacity and capability, and ensure our rule-making framework is kept up-to-date, the goals are simply unachievable.

Question 5: Yes it would if it was achievable. The action plan to achieve the goals is critical and urgently needs wide engagement with the aerospace sector if we are to stem the current exit of key aerospace start-ups.

Question 6: Poorly funded and resourced regulator that lacks strategic vision and leadership in this area.

Question 7: Co-design of how we are going to achieve the strategic goals. How can the CAA operate in a truly collaborative way to advance the sector?

Question 8: Truly honour the Treaty by working in partnership.

Encourage aerospace start-ups to build facilities in regional NZ. Note Merlin is building its headquarters in Kerikeri specifically to engage with the Far North Community and encourage the Far North youth to seek employment in the aerospace sector.

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.

Question 9: They are excellent.

Question 10: We need to see the supporting action plan before we can fully comment.

Question 11:

- Being committed to a co-design process by building on the effective collaboration happening in the aerospace start-up sector and expanding this to include a broader cross-section of the aerospace sector.

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.

Question 12: We support goals 1 and 2 however the timeframes are unachievable without considerable and urgent focus and funding. Goals 3 and 4 are incredibly lofty goals for a nation the size of New Zealand, although we should support a global effort to achieve these goals. We support goal 5.

There appears to be too many goals and 3 & 4 could be removed until progress is made on the critical enabling goals i.e. 1 & 2. Goals that are focussed on addressing the challenges faced by the broader aviation sector (decarbonisation, electrification, alternative fuels etc) seem more relevant than space only goals.

Question 13: Yes to 1, 2 & 5, but noting that we no longer have a competitive advantage particularly around autonomy. No to 3 & 4, noting that we have not had a competitive advantage in these areas.

Question 14: These need to be determined through a co-design process with the sector.

Question 15: Merlin is leading the world in the development, test and certification of autonomous aviation systems that incorporate AI. We want to be actively involved to realise these goals in New Zealand, so long as sufficient funding and commitment is made by government.

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.

Question 16:

- Mechanisms for government departments to better collaborate more effectively
- Sustainable funding and investment model
- 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.

Question 17:

- It would build a thriving aerospace sector that generates high value jobs for New Zealanders and repositions New Zealand in the forefront of innovation.
- Retaining and support the current aerospace sector.
- Wider opportunities for other sectors e.g. education and adjacent industries.
- More diverse aviation sector that attracts and retains people.
- Opportunities for iwi Māori.

Question 18:

We 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.