



Cabinet Economic Growth and Infrastructure Committee

Minute of Decision

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Scope of Space Policy and Lead Space Agency

Portfolios **Economic Development / Science and Innovation**

On 6 April 2016, the Cabinet Economic Growth and Infrastructure Committee:

Background

- 1 **noted** that Rocket Lab's intention to establish a commercial satellite launch business in New Zealand has meant that a space policy and regulatory capability is rapidly developing to meet New Zealand's obligations as a launch State, and to manage the safety and security issues arising from frequent launches;
- 2 **noted** that a space policy capability will enable New Zealand to capitalise on emerging economic opportunities, advance New Zealand's interests in space, manage international obligations, and assist in developing international arrangements to ensure the responsible use of space;
- 3 **noted** that on 2 December 2015, the Cabinet Economic Growth and Infrastructure Committee (EGI):
 - 3.1 approved the high-level design of a regulatory regime to enable space launches from New Zealand, with legislation to be enacted during 2016;
 - 3.2 directed officials to report back with further advice on the scope of space policy and on space agencies;

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Space policy scope and guiding objectives

- 4 **noted** that the scope of space policy:
 - 4.1 encompasses the totality of New Zealand's interests in space, including economic development, national security, foreign policy, safety and the environment;
 - 4.2 includes space launch, satellites, satellite applications and technologies operating at very high altitudes;

- 5 **noted** that the proposed guiding objectives for space policy are to:
- 5.1 facilitate the development of a safe and responsible space industry, including managing effects on Earth, in space and on other users;
 - 5.2 promote the use of satellite and very high altitude vehicle applications;
 - 5.3 ensure the equitable, efficient and sustainable access to satellite orbits and radio spectrum resources used for space services;
 - 5.4 preserve and advance New Zealand's position in space and access to space capabilities;
 - 5.5 ensure New Zealand's international rights and obligations in the use of space are met, and that the government's liabilities as a launching State are managed adequately;
 - 5.6 enhance and protect national security;

Space agency's functions and form

- 6 **noted** that in order to meet the objectives outlined in paragraph 5 above, a lead space policy agency will have the following functions:
- 6.1 policy advice, including:
 - 6.1.1 research, information gathering, monitoring and evaluation, and strategic planning;
 - 6.1.2 ongoing risk assessment and advice on how the government can manage its liability associated with being a launching State in the context of a rapidly evolving commercial market, and the development of strategies to manage this liability and pass it on to the space launch and payload operators;
 - 6.2 develop and maintain (jointly with the Ministry of Foreign Affairs and Trade) New Zealand's international relationships and international obligations for space (Defence will continue to manage military-to-military relationships);
 - 6.3 domestic coordination of information and advice across the various policy dimensions (this is likely to be a significant part, e.g. up to 80 percent, of the policy advice function);
- 7 **noted** that the draft legislation establishes the following regulatory functions:
- 7.1 authorisation of space launches, payloads and satellites;
 - 7.2 national security considerations;
 - 7.3 registration of space objects;
 - 7.4 monitoring and enforcement;
 - 7.5 accident investigation;
 - 7.6 designation of secure areas;

- 7.7 issuing of security cards;
- 7.8 education, information and guidance for industry participants;
- 8 **agreed** that the nature and scale of the proposed space policy and regulatory functions does not justify the establishment of a standalone agency;
- 9 **agreed** that the space policy functions be located within an existing agency based on the best strategic fit and alignment with existing mandate and capability;
- 10 **agreed** that the authorisation functions are closely associated with the policy grounds for assessing a license application, and that these functions should be kept with the lead space policy agency;
- 11 **agreed** that a domestic cross-agency coordination committee be established to integrate space policy advice across the range of agencies with space interests, and that the space policy agency will provide a secretariat for the committee;
- 12 **noted** that the two candidates to lead space policy are the Ministry of Business, Innovation and Employment (MBIE) and the Ministry of Transport;
- 13 **noted** that either MBIE or the Ministry of Transport could be the primary agency for the space regulatory functions, but that in practice different regulatory agencies will be involved in different regulatory functions and that this is being worked through as part of the implementation work stream that MBIE has commenced;
- 14 **agreed** that:
 - 14.1 space launches and space applications have a broad economic development and innovation focus that extends into many areas of the economy and society;
 - 14.2 this, along with the need to maintain momentum in the development of the proposed space legislation, means that MBIE is best placed to be the lead space policy agency for an initial period of three years;
- 15 **agreed** that:
 - 15.1 the location of the lead space policy agency be reconsidered as part of the required review of the proposed Space Activities Act (three years after the legislation is enacted);
 - 15.2 the review will take into account developments in international space law and space policy, as well as any changes to the civil aviation regime;
- 16 **directed** the lead space policy agency to report back to the responsible Minister:
 - 16.1 in June 2016, with advice on a domestic coordination mechanism to provide Ministers with integrated and cohesive advice on space policy;
 - 16.2 in October 2016, with advice on a New Zealand space policy, including an assessment of opportunities for New Zealand from satellite applications and a strategy to exploit their utilisation;

Financial implications

- 17 **noted** that when the proposed legislation is enacted, licensing fees on industry participants will be used to recover the costs associated with the regulatory functions;

- 18 **agreed** that until the proposed legislation is enacted, the costs associated with developing and implementing the regulatory regime shall be absorbed within agency baselines, as the process involves a degree of capability building by agencies and there are public good reasons for meeting these costs from Crown funding;
- 19 **agreed** that the ongoing costs associated with space policy work be met from Crown funding;
- 20 **noted** that a dedicated space policy capability (including the licensing function) s 9(2)(f)(iv) and that any budgetary pressures associated with MBIE or the Ministry of Transport taking on these functions will be addressed as part of that agency's four year plan in the 2017 Budget;

Legislative implications

- 21 **noted** that the Space Activities Bill has a category 2 priority on the 2016 Legislation Programme (to be passed in 2016);
- 22 **noted** that officials will report back to EGI as soon as possible to seek final policy approvals to enable the proposed legislation to be introduced into the House in May 2016.

Suzanne Howard
Committee Secretary

Present:

Rt Hon John Key
Hon Bill English (Chair)
Hon Gerry Brownlee
Hon Steven Joyce
Hon Paula Bennett
Hon Amy Adams
Hon Simon Bridges
Hon Michael Woodhouse
Hon Maggie Barry
Hon Craig Foss
Hon Jo Goodhew
Hon Nicky Wagner
Hon Louise Upston
Hon Paul Goldsmith
Hon Te Ururoa Flavell
Hon Peter Dunne

Officials present from:

Office of the Prime Minister
Department of the Prime Minister and Cabinet
Officials Committee for EGI