



COVERSHEET

Minister	Hon Chris Penk	Portfolio	Space
Title of Cabinet paper	Supporting the next phase of Tāwhaki Joint Venture	Date to be published	3 July 2026

List of documents that have been proactively released		
Date	Title	Author
24 June 2025	<i>Supporting the next phase of Tāwhaki Joint Venture</i>	<i>Office for the Minister for Space</i>
26 June 2025	<i>Supporting the Next Phase of Tāwhaki Joint Venture</i> <i>EXP-25-MIN-0055</i>	<i>Cabinet Office</i>

Information redacted

YES

Any information redacted in this document is redacted in accordance with MBIE's policy on Proactive Release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Information has been redacted to protect commercial information, free and frank advice, ongoing negotiations and information provided to government

In Confidence

Office of the Minister for Space

Cabinet Economic Policy Committee

Supporting the next phase of Tāwhaki Joint Venture

Proposal

- 1 This paper sets out the next phase of government involvement in the Tāwhaki Joint Venture (JV). It seeks Cabinet support of the Crown's continued involvement in the Tāwhaki JV and **Negotiations**

I am seeking the transfer of funding from Science, Innovation and Technology appropriations to support the Business Case I have recently agreed to.
Confidential advice to Government

Relation to government priorities

- 2 The Crown's ongoing investment in Tāwhaki supports the government's Going for Growth strategy and the New Zealand Space and Advanced Aviation Strategy by providing a platform for both domestic and international companies to invest in New Zealand's expanding space and advanced aviation sector. Tāwhaki's infrastructure and value proposition, along with regulatory changes to civil aviation regulations later this year are providing competitive business settings. This is generating business interest in both vertical launch and vehicles that take off from a runway as well as other related services.

Executive Summary

- 3 The Tāwhaki JV was established in May 2021. Cabinet was kept informed of the process [CAB-21-MIN-0193, CAB-20-MIN-0383 refers.] The Tāwhaki JV is an unincorporated joint venture arrangement between the Crown and Kaitōrete Ltd (owned by Te Taumutu Rūnanga and Wairewa Rūnanga) was used to purchase critical parcels of land on Kaitōrete Spit, just south of Bank's Peninsula, to establish aerospace launch and research and development facilities at Kaitōrete and protect and rejuvenate the local environment.
- 4 Additional operational funding of \$8.000 million was provided in 2022 to allow Tāwhaki to continue to support the initial phases of the project. Tāwhaki now has a sealed runway and hangar facilities (largely funded by a Kānoa grant of \$5.400 million in 2023) and a growing base of customers using these facilities. I have been clear since becoming responsible Minister that no new funding should be made

available to the JV until it could provide an acceptable commercially focused business case with a growth plan out to 2030.

- 5 The Ministry of Business, Innovation and Employment (MBIE) received Tāwhaki's Business Case and Funding Request in late February 2025. It seeks additional operational funding of \$5.850 million over three years to 2030 to enable it to advance the Business Case, secure a range of commercial operators, and ensure continued viability. I have agreed to support the Business Case and Funding Request as it provides a credible view of the commercial opportunity that Tāwhaki can work towards. I consider Tāwhaki to be an important component of the Space and Advanced Aviation Strategy to 2030 and its goal of doubling the size of the space and advanced aviation sectors, particularly given the growing interest in Tāwhaki's potential.

6 **Confidential advice to Government**
Commercial Information

- 7 Funding has been identified in Science, Innovation and Technology (SI&T) appropriations and factored into the Budget 25 reprioritisation proposal. Though the proposed funding transfers resources from SI&T to Space, the funding will support the development of commercially focused technology and innovation in New Zealand. Tāwhaki JV is currently operating on underspends from the 2023/24 financial year and needs this additional funding as soon as possible to continue operating and to advance the Business Plan. I seek Cabinet agreement to expedite the funding transfer **Commercial Information**

8 **Confidential advice to Government**

Background

- 9 The Tāwhaki JV was established in May 2021 to purchase critical parcels of land on Kaitōrete Spit to enable the:

9.1 Preservation and advancement of the option to establish space launch and research and development facilities at Kaitōrete

9.2 Protection and rejuvenation of the Kaitōrete environs.

- 10 The government has contributed almost \$30 million towards the Tāwhaki project, including funding for the purchase of the land, investigating the potential of the site for different space and advanced aviation activity and the development of aerospace infrastructure.

- 11 The JV Agreement envisaged the engagement of a facilities operator to manage an aerospace R&D and innovation centre. While there is significant interest from aerospace operators to use the site, it has not proved possible to engage a third-party operator of the facility, particularly without funding subsidies, which are commonly available at similar sites overseas. Tāwhaki's focus has been on attracting customers,

scaling up the site to be attractive to a range of operators and undertaking environmental rejuvenation work. A sealed runway was opened in February 2024 and a 600m² hangar facility opened in March this year (2025). It now has a growing base of domestic customers, and rising interest internationally in its unique offering and key attributes. This includes its ideal site for launch and flight, its proximity to the large city of Christchurch with an international airport and engineering focused university, and the world leading regulatory environment for both space and advanced aviation.

- 12 Two new Crown representatives were appointed to the JV committee in 2024, John Holt and Michael Singleton, who bring aviation and commercial experience and networks. Their expertise was required to develop a commercially focused business case that showed a credible growth path the Crown could fund.

Tāwhaki Business Case and Funding Request

- 13 Tāwhaki JV committee presented the Business Case in February this year. It is focused on advanced aviation, and specifically urban aviation mobility. It provides near term opportunities to continue leveraging the advanced aviation regulatory enhancements that are being implemented this year. Commercial Information

[Redacted]

- 14 Tāwhaki requests a total of \$5.850 million to support operational funding over three years from 1 July 2025. Commercial Information

[Redacted]

Confidentiality

Commercial Information

Confidentiality

- 15 The Business Case presents the opportunity for Tāwhaki to capture up to \$150 million in revenue by 2040, primarily in the emerging urban air mobility market. This is based on securing 0.1 per cent of the global market for companies needing facilities for researching, testing and refining their advanced aerospace technology.

- 16 Commercial Information
There is potential to add customers in space launch, advanced aviation, and a broader range of services outside flight testing altogether.

- 17 The Space and Advanced Aviation sectors are high performing, growing rapidly, and strong economic contributors. Continued investment in Tāwhaki will support the goal laid out in the Space and Advanced Aviation Strategy of doubling the size of the Space and Advanced Aviation sectors by 2030.

- 18 I have accepted advice from MBIE to fund the Business Case. I see Tāwhaki as an important component of our Space and Advanced Aviation strategy to 2030 and links

closely with our Going for Growth strategy and supporting technology and innovation in New Zealand. I am seeing increasing interest in the site from both domestic and international customers and investors. I consider further Crown capital investment is necessary to support the success of this venture over the critical next few years. Free and frank o

A fiscally sustainable plan will be developed over the course of the three years as Tāwhaki secures more paying customers to transition from a reliance on continued Crown funding.

Funding Tāwhaki requires a transfer of reprioritised funding from SI&T to Space appropriations

- 19 The \$5.850 million over three years can be sourced from Science, Innovation and Technology (SI&T) appropriations as factored into MBIE’s reprioritisation proposal as part of Budget 2025. Although the funds are transferring from SI&T, the funding will support commercially focused technology and innovation to grow the sector. I seek a decision to support this **Commercial Information** and progress the business case.

Negotiations

Commercial Information

- 22 I propose we retain existing joint venture arrangements with the two local Rūnanga and focus on how to build this venture into an enterprise that benefits not just the Canterbury region but all of New Zealand. This can be achieved through the spillovers from advanced technology companies located and operating in the area expanding and increasing in number across the country, as well as for their associated supply chains. It can also increase the number and breadth of expertise of our domestic workforce and open up opportunities to expand the Tāwhaki operating model to other parts of New Zealand.

- 23 **Free and frank opinions**

24 Free and frank opinions

Implementation

25 I seek Cabinet's support to Confidentiality

Cost-of-living Implications

26 This paper has no cost-of-living implications.

Financial Implications

27 I am seeking an early post-Budget decision to support the fiscally neutral transfer from Science, Innovation and Technology to Space, totalling \$5.850 million over a three-year period.

28 Commercial Information

which would have benefits to the surrounding community beyond Tāwhaki. I will keep Cabinet updated on this.

Legislative Implications

29 There are no legislative implications.

Impact Analysis

Regulatory Impact Statement

30 A Regulatory Impact Analysis is not required.

Climate Implications of Policy Assessment

31 There are no climate change implications from this proposal.

Population Implications

32 There are no impacts on specific population groups from this proposal.

Human Rights

33 There are no implications under the New Zealand Bill of Rights Act 1990 or the Human Rights Act 1993.

Use of external Resources

34 The business case and funding request was provided by the Tāwhaki Joint Venture Committee and developed using its funding reserves.

Consultation

- 35 The Ministry of Business, Innovation and Employment prepared this Cabinet paper.
- 36 This Cabinet paper was developed in consultation with the Ministry of Transport and The Treasury.
- 37 The following agencies were consulted on the draft paper – The Department of the Prime Minister and Cabinet, Ministry for Primary Industries, Accident and Compensation Commission, New Zealand Customs Service, Climate Commission, Department of Conservation, Department of Internal Affairs, Social Investment Agency, Ministry of Foreign Affairs and Trade, Ministry for the Environment, Public Service Commission, Ministry of Housing and Urban Development, Ministry of Social Development, Te Ara Whiti, Te Puni Kōkiri, Ministry of Culture and Heritage, Inland Revenue Department, Statistics New Zealand, New Zealand Transport Agency, Civil Aviation Authority of New Zealand, Maritime New Zealand, WorkSafe New Zealand, Ministry of Education, Commerce Commission, Financial Management Authority, Energy Efficiency and Conservation Authority, Environmental Protection Authority, Kāinga Ora – Homes and Communities, New Zealand Infrastructure Commission, Fire and Emergency New Zealand, Crown Law Office, Land Information New Zealand, New Zealand Defence Force, Ministry of Defence, New Zealand Intelligence Services.

Communications

- 38 I intend to announce Government's support for the Tāwhaki Business Case and Funding Request and next steps to grow the venture once Cabinet has made decisions.

Proactive Release

I intend to proactively release parts of this Cabinet paper [redacted] Confidentiality [redacted] I expect this to be within four months of Cabinet decisions.

Recommendations

The Minister for Space recommends that the Committee:

- 1 note that the Tāwhaki JV was established in May 2021 to purchase critical parcels of land on Kaitōrete Spit to enable the:
 - 1.1 The preservation and advancement of the option to establish space launch and research and development facilities at Kaitōrete
 - 1.2 Protection and rejuvenation of the Kaitōrete environs;
- 2 note that to date the Crown has invested just under \$30 million into the Tāwhaki Joint Venture to purchase land, support operating costs and build a sealed runway and hangar facilities, and that the JV is seeking further funding to continue growing its operations;
- 3 note that I have approved the recent Tāwhaki Business Case to 2030 and associated Funding Request as it provides a credible view of the commercial opportunity that Tāwhaki can work towards;

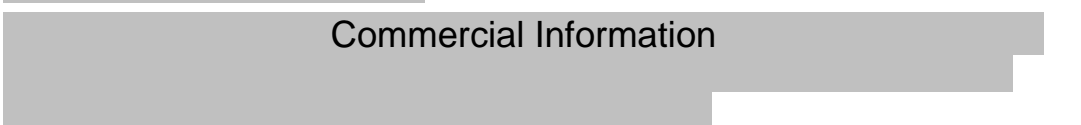
- 4 note the commitment to continue restoring the Kaitōrete environment, as well as building a business ecosystem and that there are other sources of revenue available from land leases and environmental grants;
- 5 approve the following fiscally neutral adjustments to provide \$5.850m to support Tāwhaki operating costs, with no impact on the operating balance and/or net core Crown debt;

	\$m – increase / (decrease)				
Vote Business, Science and Innovation Minister of Science, Innovation and Technology	2024/25	2025/26	2026/27	2027/28	2028/29 & Outyears
Science Innovation and Technology: Strategic Science Investment Fund (MCA)					
Non-Departmental Output Expenses: Strategic Science Investment Fund – Programmes	-	-	(5.850)	-	-
Non-Departmental Output Expenses: Space: Space Sector Development	-	2.500	1.675	1.675	-

- 6 agree that the proposed changes to appropriations for 2025/26, 2026/27 and 2027/28 above be included in the 2025/26 Supplementary Estimates and that, in the interim, the increase be met from Imprest Supply;

7 Commercial Information 

8 Commercial Information 

9 Commercial Information 

Authorised for lodgement

Hon Judith Collins KC

Minister for Space