

Departmental Disclosure Statement

Outer Space and High-altitude Activities Amendment Bill

The departmental disclosure statement for a government Bill seeks to bring together in one place a range of information to support and enhance the Parliamentary and public scrutiny of that Bill.

It identifies:

- the general policy intent of the Bill and other background policy material;
- some of the key quality assurance products and processes used to develop and test the content of the Bill;
- the presence of certain significant powers or features in the Bill that might be of particular Parliamentary or public interest and warrant an explanation.

This disclosure statement was prepared by the Ministry of Business, Innovation, and Employment (the Ministry).

The Ministry certifies that, to the best of their knowledge and understanding, the information provided is complete and accurate at the date of finalisation below.

09/07/2025

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Part One: General Policy Statement

Purpose of Bill

The purpose of the Bill is to manage national security and other risks to the national interest posed by ground-based space infrastructure (**GBSI**) through the enactment of a proportionate regulatory regime. The regime will manage those risks by deterring certain operators from operating GBSI in New Zealand and by enabling the detection and prevention of GBSI operations that may be inconsistent with the national interest.

Scope of the legislation

The Bill amends the Outer Space and High-altitude Activities Act 2017 by imposing an authorisation regime on persons who operate GBSI to carry out a regulated activity.

The regulated activities are in the following areas:

- telemetry, tracking, and control (including capability that could degrade or disrupt satellite operations) of space objects:
- space surveillance and identification of space objects:
- satellite data reception:
- other activities of concern, if prescribed in regulations.

This Bill defines the term GBSI and introduces the core elements of the regime, including the requirement for authorisation, offences, and penalties. Regulations containing the detail of the authorisation requirements for persons operating GBSI will be developed later in 2025.

How Bill will achieve its purpose

The Bill makes a series of legislative amendments that create a new subpart within the principal Act dedicated to the regulation of GBSI. The key mechanisms include—

- **Authorisation requirement:** any person intending to operate GBSI for a regulated activity must obtain a GBSI activity authorisation from the Minister. The authorisation process requires applicants to declare that they have appropriate protective security arrangements and customer due diligence procedures in place:
- **Ministerial discretion:** the Minister may decline to grant an authorisation if the Minister is not satisfied that the proposed activity is in the national interest. The Minister may also impose conditions on authorisations, vary or revoke them, and consult intelligence and security agencies as part of the decision making process:
- **Transitional arrangements:** to facilitate a smooth transition to the new regime, all persons operating GBSI to carry out a regulated activity will be deemed to hold a transitional authorisation from the date of commencement (29 July 2025) until 29 July 2026, or earlier if regulations relating to GBSI come into force earlier. During this period, enforcement powers apply, and the Minister may suspend or revoke transitional authorisations on national security grounds:
- **Regulatory flexibility:** the Bill enables the making of regulations to prescribe detailed requirements for authorisation, protective security and due diligence arrangements, reporting obligations, and public safety measures. It also allows regulations to amend the definitions of GBSI, operate, and regulated activity to help ensure the regime remains fit for purpose.

Compliance and enforcement

The Bill establishes a compliance and enforcement framework to support the integrity of the authorisation regime. Authorisation holders are required to maintain protective security and partner due diligence arrangements and provide regular information updates to the Minister. Enforcement officers may be appointed with powers to inspect and assess due diligence and protective security arrangements. Key offences include operating GBSI without authorisation, providing false or misleading information to the Minister, and failing to comply with authorisation conditions or ministerial directions.

Where GBSI poses an unmanageable risk to national security or other national interests, the Minister may issue a disposal order requiring the operator to divest their interest in, or right to operate, the GBSI. If the operator fails to comply, an enforcement officer or constable may apply to the District Court for a forfeiture order vesting the GBSI in the Crown and ordering the officer or constable to dispose of the interest or right. The Minister will also hold a power to direct electricity retailers and internet service providers to stop providing services to GBSI that is subject to a disposal order.

These changes will help ensure that New Zealand's national interests, including national security, are protected

The establishment of a regulatory regime for GBSI is to help ensure that New Zealand's national interests, including national security, are safeguarded.

Additionally, the regime aims to support the continued growth and integrity of New Zealand's space sector by—

- protecting the reputation and operational environment of New Zealand-based space activities; and
- ensuring that the country remains a trusted and secure location for space infrastructure and operations.

Part Two: Background Material and Policy Information

Published reviews or evaluations

2.1. Are there any publicly available inquiry, review or evaluation reports that have informed, or are relevant to, the policy to be given effect by this Bill?	No

Relevant international treaties

2.2. Does this Bill seek to give effect to New Zealand action in relation to an international treaty?	No

2.2.1. If so, was a National Interest Analysis report prepared to inform a Parliamentary examination of the proposed New Zealand action in relation to the treaty?	No

Regulatory impact analysis

2.3. Were any regulatory impact statements provided to inform the policy decisions that led to this Bill?	Yes
<p>Regulatory Impact Statement: Managing Risks of Ground Based Space Infrastructure was provided to inform the policy decisions that led to this Bill.</p> <p>Note that some information in the Regulatory Impact Statement is redacted for proactive release, consistent with section 6(a) – to protect the security or defence of New Zealand or the international relations of the Government of New Zealand and section 9(2)(a) – to protect the privacy of natural persons.</p>	

2.3.1. If so, did the RIA Team in the Treasury/Ministry for Regulation provide an independent opinion on the quality of any of these regulatory impact statements?	No
<p>The impact assessment did not meet the threshold for receiving an independent opinion from the RIA team based in the Ministry for Regulation. MBIE's RIA Panel reviewed the RIS and considered it met the quality assurance criteria.</p>	

2.3.2. Are there aspects of the policy to be given effect by this Bill that were not addressed by, or that now vary materially from, the policy options analysed in these regulatory impact statements?	No

Extent of impact analysis available

2.4. Has further impact analysis become available for any aspects of the policy to be given effect by this Bill?	Yes
Yes. Further additions were made to the policy and the Regulatory Impact Statement was updated accordingly. An MBIE panel reviewed the updated statement and considered it met the quality assurance criteria.	

2.5. For the policy to be given effect by this Bill, is there analysis available on:	
(a) the size of the potential costs and benefits?	No
(b) the potential for any group of persons to suffer a substantial unavoidable loss of income or wealth?	No
<p>The costs imposed on regulated parties by the measures in the Bill are likely be low, however given the novel nature of the regime, it is difficult to estimate the potential size of the costs and benefits accurately. We expect that implementing the protective security and due diligence requirements may impose a cost to operators but will result in enhanced management of national security and broader national interest risks as the countervailing benefit. Implementing these measures is considered best practice, and as a result, some operators will already have these systems in place to realise the benefits to their own businesses.</p> <p>We do not expect that any group of persons will suffer a substantial unavoidable loss of income or wealth resulting from the policy that will be given effect by the Bill.</p> <p>Further information is available in the Regulatory Impact Statement.</p>	

2.6. For the policy to be given effect by this Bill, are the potential costs or benefits likely to be impacted by:	
(a) the level of effective compliance or non-compliance with applicable obligations or standards?	Yes
(b) the nature and level of regulator effort put into encouraging or securing compliance?	Yes
<p>The existence of the regime will likely act as a significant deterrent to GBSI activities that are not in the national interest being conducted from New Zealand - this benefit is not impacted by compliance. However, the effectiveness for managing risks posed by GBSI activity taking place in New Zealand will depend upon successful monitoring and where needed, the use of enforcement capability to ensure GBSI activity is compliant with requirements. Further information on the compliance monitoring and enforcement aspects of the regime can be found in the Regulatory Impact Statement.</p>	

Part Three: Testing of Legislative Content

Consistency with New Zealand's international obligations

3.1. What steps have been taken to determine whether the policy to be given effect by this Bill is consistent with New Zealand's international obligations?

The policy was assessed by the Ministry of Foreign Affairs and Trade who have provided advice on New Zealand's international obligations, especially in the case of foreign operators. The Bill and policy are consistent with international obligations.

Consistency with the government's Treaty of Waitangi obligations

3.2. What steps have been taken to determine whether the policy to be given effect by this Bill is consistent with the principles of the Treaty of Waitangi?

In the development of the policy to be given effect by this Bill, preliminary consideration has been given to its alignment with the principles of the Treaty of Waitangi. While formal engagement with Māori stakeholders has not been undertaken due the urgency of the legislation, the policy is consistent with the principles.

Consistency with the New Zealand Bill of Rights Act 1990

3.3. Has advice been provided to the Attorney-General on whether any provisions of this Bill appear to limit any of the rights and freedoms affirmed in the New Zealand Bill of Rights Act 1990?

Yes

The Ministry of Justice has undertaken an assessment of whether the Bill is consistent with the Bill of Rights Act 1990 (BORA) and has provided advice to the Attorney-General. Advice provided to the Attorney-General by the Ministry of Justice, is generally expected to be available on the Ministry of Justice's website upon introduction of the Bill.

In this case, Hon Paul Goldsmith will act as the Attorney General as the Attorney General, Hon Judith Collins KC, is introducing this Bill and therefore, cannot preside over the BORA vet.

Offences, penalties and court jurisdictions

3.4. Does this Bill create, amend, or remove:	
(a) offences or penalties (including infringement offences or penalties and civil pecuniary penalty regimes)?	Yes
(b) the jurisdiction of a court or tribunal (including rights to judicial review or rights of appeal)?	No
<p>The Bill includes a suite of offences and penalties, most of which are aligned with existing offences/penalties in the legislation. The existing ability to apply to the court to impose additional penalties under the OSHAA has also been extended to the GBSI regime to deter offending by operators for commercial gain.</p> <p>Key provisions include:</p> <ul style="list-style-type: none"> Section 68A (new): Creates an offence for operating GBSI to carry out a regulated activity without a GBSI activity authorisation, with penalties of: <ul style="list-style-type: none"> Up to 1 year imprisonment or \$50,000 fine for individuals. Up to \$250,000 fine for bodies corporate. Section 69 (amended): Expands the offence of providing false or misleading information to the Minister to cover all purposes under the Act, including GBSI authorisations. Section 70 (amended): Extends the offence of failing to comply with licence or permit conditions to include GBSI activity authorisations. Section 75A (new): Creates an offence for failing to comply with a direction to stop any person operating GBSI that is subject to a disposal order. (Subject to a fine not exceeding \$5000 for an individual or \$50,000 for a body corporate). <p>Section 83C (new): Empowers the District Court to:</p> <ul style="list-style-type: none"> Issue forfeiture orders if a person fails to comply with a disposal order related to GBSI. Vest interests or rights in the Crown. Direct disposal of forfeited interests or rights. 	

3.4.1. Was the Ministry of Justice consulted about these provisions?	Yes
The Ministry of Justice was consulted on the policy and the drafting of the Bill, which included these provisions.	

Privacy issues

3.5. Does this Bill create, amend or remove any provisions relating to the collection, storage, access to, correction of, use or disclosure of personal information?	Yes
Yes, the existing ability under Section 85 of the principal act, to share information with relevant government agencies will apply to the administration of the new regime. However, the bill does not create, amend or remove provisions in a manner that is inconsistent with the Privacy Act 2020.	

3.5.1. Was the Privacy Commissioner consulted about these provisions?	Yes
The Office of the Privacy Commissioner was consulted on the policy intent and the Bill and had no concerns.	

External consultation

3.6. Has there been any external consultation on the policy to be given effect by this Bill, or on a draft of this Bill?	Yes
<p>Two sets of targeted consultation with industry stakeholders were carried out in 2024 on the policy to be given effect by the Bill. The first round of consultation consisted of consultation meetings with industry, including seeking their technical knowledge to inform the policy, particularly on the scope of the GBSI regime. The second consultation provided a written document outlining the policy intent and potential options for regulatory regime design. This gave stakeholders an opportunity to provide written feedback.</p> <p>We contacted 21 operators of GBSI and industry members looking to establish GBSI in the future. We met with 10 operators during the initial consultation and three operators responded in writing in the second round of consultation. Responses to the regime design were largely positive, with respondents supporting the clarity the GBSI regime would give them as currently we rely on non-regulatory measures and the good will of these operators to report suspicious behaviour. Consultation included both commercial and academic operators.</p> <p>Additionally, we conducted consultation with two GBSI experts on the Bill provisions that set out the regime scope and key definitions. Feedback provided helped to identify where the scope and definitions could be improved for clarity.</p> <p>Discussion was also undertaken with international partners to understand how they manage or seek to manage GBSI installations of concern.</p> <p>Appendix 2 and the Regulatory Impact Statement provide additional information on consultation.</p>	

Other testing of proposals

3.7. Have the policy details to be given effect by this Bill been otherwise tested or assessed in any way to ensure the Bill's provisions are workable and complete?	No

Part Four: Significant Legislative Features

Compulsory acquisition of private property

4.1. Does this Bill contain any provisions that could result in the compulsory acquisition of private property?	Yes
<p>The Bill gives the Minister the power to require an operator to dispose of their interest in or right to the GBSI where the Minister is satisfied on reasonable grounds that the person's operation of the GBSI gives rise, is likely to give rise, or has given rise to a risk to national security or another national interest. If a person fails to comply with the disposal order, an enforcement officer or constable can apply to the District Court for a forfeiture order. The Court can direct the interest or right vested in the Crown and order the officer or constable to dispose of the interest or right and pay any proceeds of the disposal to the recipient of the disposal order.</p>	

Charges in the nature of a tax

4.2. Does this Bill create or amend a power to impose a fee, levy or charge in the nature of a tax?	No

Retrospective effect

4.3. Does this Bill affect rights, freedoms, or impose obligations, retrospectively?	No

Strict liability or reversal of the usual burden of proof for offences

4.4. Does this Bill:	
(a) create or amend a strict or absolute liability offence?	Yes
(b) reverse or modify the usual burden of proof for an offence or a civil pecuniary penalty proceeding?	No
<p>There is an existing strict liability offence in section 71(1)(a) which provides that failing to comply with the request of an enforcement office is an offence.</p> <p>Secondly, section 75A provides that failing to comply with a direction without reasonable excuse is also an offence.</p> <p>Additionally, under section 70(1) it is an offence for failing to comply with conditions on an authorisation without a reasonable excuse.</p> <p>The purpose of the regime is to manage significant national interest risks, including national security risks, strict liability offences as noted above are, therefore, considered necessary.</p>	

Civil or criminal immunity

4.5. Does this Bill create or amend a civil or criminal immunity for any person?	No

Significant decision-making powers

4.6. Does this Bill create or amend a decision-making power to make a determination about a person's rights, obligations, or interests protected or recognised by law, and that could have a significant impact on those rights, obligations, or interests?	No

Powers to make delegated legislation

4.7. Does this Bill create or amend a power to make delegated legislation that could amend an Act, define the meaning of a term in an Act, or grant an exemption from an Act or delegated legislation?	Yes
<p>Yes, there will be a regulation making power in the Act that will enable adjustments to the definition of the terms 'ground-based space infrastructure', 'operate' and 'regulated activity.' This is necessary for future proofing the regulatory regime, as further clarity may be needed on these terms in the future in the context of novel technologies and business operating models.</p> <p>Additionally, existing regulation making powers in Section 88 of the principal act will apply to the GBSI regime.</p>	

4.8. Does this Bill create or amend any other powers to make delegated legislation?	No

Any other unusual provisions or features

4.9. Does this Bill contain any provisions (other than those noted above) that are unusual or call for special comment?	Yes
<p>The Bill includes a power for the Minister to direct an electricity or internet service provider to stop supplying services to specified GBSI in order to prevent the continued operation of that GBSI if it were deemed to be contrary to New Zealand's national interest and national security.</p>	

Appendix One: Further Information Relating to Part Two

Extent of impact analysis available – question 2.5(a)

See the published Regulatory Impact Statement.

Appendix Two: Further Information Relating to Part Three

External consultation – question 3.6

A targeted consultation with domestic GBSI operators was undertaken to seek their views on the regime scope and options for the design of the regime. The industry was provided with a discussion document for consultation, with several weeks to consider and provide comments. Officials also offered meetings with GBSI operators, with gave them the opportunity to provide early feedback on regime scope.

Stakeholders that responded broadly supported the proposed regime scope and no stakeholders were opposed to the recommended authorisation regime for GBSI.

Relevant government agencies were also consulted: Ministry of Foreign and Affairs Trade, Department of Prime Minister and Cabinet, Government Communications Security Bureau, New Zealand Security Intelligence Service, Land Information New Zealand, Ministry of Defence, New Zealand Defence Force, Ministry of Justice, Office of the Privacy Commissioner. Agencies are supportive of the proposed GBSI regime.