

<b>Title: Amendment to the Air Navigation Order to enable the Civil Aviation Authority to administer Article 223 and 225 Permits</b>  <b>IA No:</b> DfT00261  <b>Lead department or agency:</b> DfT  <b>Other departments or agencies:</b> Civil Aviation Authority	<b>Impact Assessment (IA)</b>		
	<b>Date:</b> 12 December 2013		
	<b>Stage:</b> Final		
	<b>Source of intervention:</b> Domestic		
	<b>Type of measure:</b> Secondary legislation		
<b>Contact for enquiries:</b> Jeremy Ketley, IASE, 1/22 GMH 0207 944 5114			
<b>Summary: Intervention and Options</b>		<b>RPC Opinion:</b> RPC Opinion Status	

Cost of Preferred (or more likely) Option			
Total Net Present Value	Business Net Present Value	Net cost to business per year (EANCB on 2009 prices)	In scope of One-In, Two-Out? Measure qualifies as
-0.64m	-1.47m	0.14m	No   N/A

**What is the problem under consideration? Why is government intervention necessary?**  
 Before foreign-registered aircraft can take on board or discharge passengers or cargo in the UK, or undertake aerial work, they must be in possession of an operating permit issued by the Secretary of State under Article 223 or 225 of the Air Navigation Order 2009 (the ANO). Applications for permits are currently dealt with by the Department for Transport. The Government proposes to transfer the administration of permit applications to the Civil Aviation Authority (CAA), which is deemed the most competent authority to deal with the safety aspects of the permits process. This will require amendments to secondary legislation which requires Government intervention.

**What are the policy objectives and the intended effects?**  
 The Government considers that the permit function fits better with the CAA's existing safety regulation functions than it does with DfT's aviation policy remit. With its long established safety expertise, the CAA is better placed to exploit synergies with its wider statutory and non-statutory functions on aviation safety. Transferring the function to the CAA will also help reduce pressure on DfT's admin budget. CAA expect to recover its administrative costs through charges for permit applications, which is line with the "User Pays" principle.

**What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)**  
 Only one Option, transfer of the function to the CAA is being considered against maintaining the status quo (do nothing). Transfer of the function to the CAA is our preferred Option because it will enable the CAA to exploit synergies and efficiencies from embedding the permit function within its existing functions including those relating to safety. It will also help remove price distortions associated with this aviation function currently being funded by the taxpayer rather than industry. Transferring the cost of the permit function from the taxpayer to industry should help ensure prices that consumers pay better reflect the costs of aviation. This Option will also reduce the size of Government, reduce costs to the taxpayer and transfer a front-line service to a front-line organisation.

<b>Will the policy be reviewed?</b> It will not be reviewed. <b>If applicable, set review date:</b> N/A					
Does implementation go beyond minimum EU requirements?			N/A		
Are any of these organisations in scope? If Micros not exempted set out reason in Evidence Base.	<b>Micro Yes</b>	< 20 Yes	<b>Small Yes</b>	<b>Medium Yes</b>	<b>Large Yes</b>
What is the CO <sub>2</sub> equivalent change in greenhouse gas emissions? (Million tonnes CO <sub>2</sub> equivalent)			<b>Traded:</b> 0	<b>Non-traded:</b> 0	

*I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.*

Signed by the responsible SELECT SIGNATORY: \_\_\_\_\_ Robert Goodwill \_\_\_\_\_ Date: 19/12/2013

# Summary: Analysis & Evidence

# Policy Option 1

**Description:** Amend the Air Navigation Order to enable the Civil Aviation Authority to administer Article 223 and 225 Permits

## FULL ECONOMIC ASSESSMENT

Price Base Year 2013	PV Base Year 2014	Time Period Years 10	Net Benefit (Present Value (PV)) (£m)		
			Low: -0.73	High: -0.55	Best Estimate: -0.64

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	0.2	0.2	1.6
High	0.2	0.2	1.8
Best Estimate	0.2	0.2	1.7

### Description and scale of key monetised costs by 'main affected groups'

The CAA expect to incur transitional one-off costs of around £200,000, which will be met by DfT.

The CAA have said that they will recover their ongoing administrative costs through charges to permit applicants. Therefore, there will be an indirect cost to businesses as a result of this regulation. The CAA is proposing an initial charge of £75 per permit. Since 2010, the annual volume of permits has fluctuated between 2,200 and 2,500. Based on a mid-range volume of 2,350 permits, this would lead to an estimated annual cost to businesses of £176,250. In 2014, the cost will be three quarters of the ongoing annual total because the transfer of the function is planned to take place from April 2014. Most of the annual cost of permits will be incurred by foreign businesses. However, some UK businesses use foreign-registered aircraft for aerial work, and will therefore incur charges for Article 225 applications. Over the last three years, Article 225 applications accounted for between 6% and 7.5% of total applications. Therefore, the ongoing cost to UK businesses should not exceed £13,000 per annum.

### Other key non-monetised costs by 'main affected groups'

Some UK airlines raised the possibility that if CAA start charging to recover the administrative costs of deciding foreign aircraft permits, then other countries may follow suit, and therefore UK airlines may incur new charges. However, some countries already charge to cover their costs and it is not possible to quantify how many countries, if any, may choose to do so in future as a result of CAA charging.

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	N/A	N/A	N/A
High	N/A	N/A	N/A
Best Estimate	0	0.1	1.0

### Description and scale of key monetised benefits by 'main affected groups'

The administrative costs of deciding these permits will transfer from DfT to the CAA. CAA indicate that they would meet the administrative costs of permit applications through user charges. This option should generate an annual saving to the DfT of £120,000 per annum. Over 10 years, taking into account the £200,000 transitional costs, this policy should generate a total saving to the taxpayer of £1million.

### Other key non-monetised benefits by 'main affected groups'

There should be enhancements in safety oversight of foreign-registered aircraft operating into and out of the UK through the CAA embedding the permits function within their wider safety oversight regime.

Key assumptions/sensitivities/risks

3.5%

As discussed above, the CAA have indicated that they would meet the administrative costs of permit applications through user charges. CAA are proposing to charge £75 per permit application in 2014 but charges in future years could be higher or lower.

## BUSINESS ASSESSMENT (Option 1)

Direct impact on business (Equivalent Annual) £m:			In scope of OITO?	Measure qualifies as
Costs: 0.1	Benefits: 0	Net: -0.1	No	N/A

## Evidence Base (for summary sheets)

### PROBLEM UNDER CONSIDERATION AND RATIONALE FOR INTERVENTION

Before foreign-registered aircraft can take on board or discharge passengers or cargo in the UK, they must be granted an operating permit by the Secretary of State under Article 223 of the Air Navigation Order 2009 (the ANO). In addition, aircraft registered in a foreign country outside the EEA may not carry out aerial work without a permit from the Secretary of State under Article 225 of the ANO.

At present, applications for these permits are assessed and decided by staff in the Department for Transport.

The permits system forms part of the UK's aviation safety oversight regime. The UK State Safety Programme identifies foreign aircraft flying to the UK as one of our biggest aviation safety risks, principally because the responsibility for oversight of foreign aircraft rests with the State of registration. The Chicago Convention requires States to respect other states oversight procedures. The UK's permit system provides the first opportunity to ensure that an aircraft's documentation is in order before it can enter UK airspace and that it is compliant with international safety obligations.

Although DfT currently issues these permits, the Civil Aviation Authority (CAA) has primary responsibility for safety in the UK. We believe that the permit function fits better with the CAA's safety regulation functions than it does with DfT's aviation policy remit.

The CAA's Strategic Plan objective for aviation safety is to enhance aviation safety performance by pursuing targeted and continuous improvements in systems, culture, processes and capability.

We believe the CAA, with its long established safety expertise, is better placed to exploit the synergies with its wider functions on aviation safety. For example, the Secretary of State already delegates to the CAA the carrying out of the Safety Assessment of Foreign Aircraft (SAFA) ramp inspections on foreign aircraft where he suspects non-compliance with international standards<sup>1</sup> (about 1,000 assessments are performed each year). In addition, the CAA would be able to adapt the permit requirements to account for future safety developments, including SAFA and the European Commission proposals for Community legislation regarding safety standards of third country operators flying in Europe.

Transferring the function to the CAA will also help reduce pressure on DfT's admin budget by about £120,000 a year. These staff costs saving are based on the standard calculation of the costs of the current Permits team which comprises three full-time members of staff (1xPB3 and 2xPB2). In the Government's view, these costs should be met by industry, rather than the taxpayer. The transfer of the administration of permits to the CAA fits with wider Government aviation policy that the aviation industry, rather than taxpayer, should meet the costs of regulation and oversight.

Enabling the CAA to decide permit applications will require amendments to the Air Navigation Order 2009 which requires Government intervention.

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<sup>1</sup> Civil Aviation (Safety of third country aircraft) Regulations 2006

## **POLICY OBJECTIVE**

The UK needs to operate the permit system for foreign-registered aircraft in support of its safety oversight of foreign aircraft flying into the UK and to ensure that the flights comply with the rights granted in Air Services Agreements (ASAs).

However, the Government believes that the permit function should be exercised by the CAA rather than DfT. The overall policy objectives are to:

- exploit synergies and efficiencies from the CAA embedding this function within its existing functions including those relating to safety;
- remove price distortions associated with this aviation function being funded by the taxpayer rather than industry. Transferring the cost of the permit function from the taxpayer to industry should help ensure prices consumers pay better reflect the costs of aviation; and
- reduce the size of Government and reduce costs to the taxpayer.

In line with the Coalition Government's policy to localise decision making, we are also working with the Overseas Territories and Crown Dependencies to enable them to decide permit applications for flights into and out of their territory. The Overseas Territories and Crown Dependencies would benefit from being able to make decisions on significant issues of connectivity and services for their consumers and economies, which in some cases they may be better placed than DfT to make. However, this is a matter between Her Majesty's Government and the OTs and CDs, and was not part of the consultation.

## **BACKGROUND**

### **Article 223 permits**

Under Article 223 of the ANO, all flights by foreign-registered aircraft taking on board or discharging passengers or cargo for valuable consideration in the UK require the permission of the Secretary of State. Most other countries have similar requirements.

Before granting a permit for scheduled services, DfT checks that the proposed services are in conformity with the provisions of the relevant Air Services Agreement (ASA). ASAs are bilateral or multi-lateral agreements between States which grant rights to airlines to operate scheduled air services between the two States. In the case of non-scheduled services, DfT seeks reciprocity to secure similar opportunities for UK and Community carriers established in the UK in the foreign-registered carrier's home country.

DfT also ensures that a number of administrative requirements are completed before an operating permit is granted. This includes requiring the provision of certain documents evidencing that foreign-registered aircraft are safe and capable of operating in compliance with international obligations and UK national requirements. These include provision of valid certificates that have been issued in accordance with the requirements of the Chicago Convention and provide evidence of competency (i.e. air operators certificate), insurance, registration, aircraft airworthiness and noise, together with written confirmation that aircraft are fitted with a recognised enhanced ground proximity warning system, airborne collision

avoidance system and that crews are aware of the UK approach requirements and comply with aerodrome operating minima requirements.

### **Article 225 permits - aerial work**

Under Article 225 of the ANO, foreign-registered aircraft cannot be used to carry out aerial photography, aerial survey or other aerial work unless permission has been granted by the Secretary of State. As with Article 223 permits, the DfT ensures that a number of administrative arrangements are completed before an operating permit is granted to ensure that foreign-registered aircraft are safe and capable of operating in compliance with international obligations and UK national requirements.

Unlike in the case of Article 223 of the ANO, the provisions of the relevant ASA are not relevant.

### **Overseas Territories and the Crown Dependencies**

A permit is also required by foreign-registered aircraft wishing to operate in and out of the Overseas Territories and Crown Dependencies. To date, the Secretary of State has delegated the full power to issue permits to Bermuda, the Cayman Islands and the Turks and Caicos Islands, and delegated a more limited power to certain other Overseas Territories to issue ad hoc permits and short season permits of up to 14 days. The Secretary of State currently grants permits on behalf of the Crown Dependencies, though not many applications are received. As noted above, we are working with the Overseas Territories and Crown Dependencies to enable them to decide all permit applications for flights into and out of their territory.

## **THE PERMIT FUNCTIONS POST TRANSFER**

The Government proposes to transfer the administration of the Article 223 permit function to the CAA, to exercise within its powers.

The transfer would embed the safety aspects of the permits system into the CAA's wider safety oversight function. In addition, it would provide synergies with other safety related tasks already undertaken by the CAA, for example, the Safety Assessment of Foreign Aircraft (SAFA).

The Secretary of State would retain a power to exercise the Article 223 permit function where necessary. For example, he might wish to withhold a permit for reasons connected to the Air Services Agreement (ASA) or wider diplomatic relations with the operator's home state. However, it is anticipated that he would only exercise the function in respect of a small number of applications. The grant of Article 225 permits only takes into account whether an aircraft is safe and capable of operating in compliance with international and domestic requirements. The Government proposes to transfer the administration of the Article 225 permit function to the CAA.

## **DESCRIPTION OF OPTIONS CONSIDERED (INCLUDING DO NOTHING):**

### **OPTION 0: DO NOTHING**

Business as usual will see the entire permit function remain with the DfT. UK taxpayers will continue to meet the costs, estimated at £120,000 per annum (present value). This option does not meet the policy objectives set out above.

### **OPTION 1: AMEND THE AIR NAVIGATION ORDER TO ENABLE THE CIVIL AVIATION AUTHORITY TO ADMINISTER ARTICLE 223 AND 225 PERMITS:**

The Secretary of State will amend the ANO to grant CAA concurrent powers to decide Article 223 permits, and transfer the function of deciding Article 225 permits to the CAA. The DfT will also delegate the function for article 223 permits to all OTs and CDs.

Option 1 is the preferred option.

## **MONETISED AND NON-MONETISED COSTS AND BENEFITS OF EACH OPTION (INCLUDING ADMINISTRATIVE BURDEN);**

### **OPTION 0 (DO NOTHING)**

This is the option against which all other options are assessed. As a result, there are no costs or benefits associated with this option.

### **OPTION 1 (TRANSFER OF POWERS TO THE CAA)**

#### **Costs**

#### Transition costs

The CAA have said that that they expect to incur transitional one-off costs of £200,000. This cost includes the process development, mapping and IT systems required to support the administration of the permits system following transfer to the CAA. This totals £158,000 and is broken down as follows:

Internal CAA Staff costs	£90,000
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Form Build (design of the fee calculation web-service, look ups for Airline Operators and Insurance Calculators)

Requirements and design	£3,250
Build and Test	£2,100
Live Deployment	£4,200

MS Dynamics Build (to install and configure an MS Dynamics instance that will process incoming permits requests)

Build and Test	£35,500
Live deployment	£2,400
Licence and on-costs up to Transfer	£1,425

The CAA also estimate that they incurred an additional £42,000 of overall project management costs, which includes preparation and attendance at steering group meetings and familiarisation with the DfT Permits team over the last 18 months.

As part of the agreement to work on this project, DfT said that it would meet the CAA's transition costs because the CAA does not have a capital budget. Therefore, these costs will not be passed through to permit applicants through user charges. This means the transition costs will be subtracted from the annual savings to DfT.

### Ongoing costs

The CAA will incur ongoing costs to administer the permit applications and have said that they will recover these costs through charges to permit applicants. CAA propose an initial charge of £75 per permit. Since 2010, the annual volume of permits has fluctuated between 2,200 and 2,500. Based on a mid-range volume of 2,350 permits, this would lead to estimated annual costs to businesses of £176,250. However, in 2014, the cost should only be three quarters of the annual total because the transfer of the function is planned to take place from April 2014. This would provide an estimated mid-range cost of £132,225 in 2014.

Most of the costs to business will be incurred by foreign businesses. However, we understand that some UK businesses use foreign-registered aircraft for aerial work, and will therefore incur the £75 charge for Article 225 applications. This was flagged up by DfT during the consultation, but did not elicit any response or evidence of impact. Nevertheless, we anticipate that the total cost incurred by UK business will be very small. This is because over 2010, 2011 and 2012, Article 225 applications accounted for between 6% and 7.5% of total applications. Therefore, the maximum ongoing cost to UK businesses should not exceed £9,750 in 2014 and £13,000 (7.5% \* £176,250) per annum thereafter.

## **Benefits**

### Ongoing cost savings

The DfT's permit related workload will reduce from the current £120,000 per annum based on three operational staff (1xPB3 and 2xPB2), to zero post transfer.

Over ten years, this should generate a net saving to the taxpayer of £1million, taking into account the one-off cost of £200,000 and annual savings of £120,000.

### Synergies from the CAA embedding this function with its overall safety functions and SAFA ramp checks.

This option should help mitigate the risk posed by foreign-registered aircraft flying to the UK identified in the UK's State Safety Programme. The CAA's Strategic Plan objective for aviation safety is to enhance aviation safety performance by pursuing targeted and continuous improvements in systems, culture, processes and capability. We believe that the permit function fits better with the CAA's safety regulation functions than it does with DfT's aviation policy remit as the Permit Process provides the UK with the first opportunity to check a foreign operator's compliance with international standards before entering the UK. We believe that the CAA, with its long established safety expertise, is better placed to exploit the synergies with its wider functions on aviation safety. For example, the Secretary of State delegates to the CAA the carrying out of the Safety Assessment of Foreign Aircraft (SAFA) ramp inspections on

foreign aircraft where he suspects non-compliance with international standards<sup>2</sup> (about 1,000 a year). In addition, the CAA will be able to adapt the permit system to reflect future safety developments, including SAFA and the European Commission proposals for Community legislation with regards to safety standards of third country operators flying in Europe.

Transfer of the permit issuing function to the CAA will enable it to develop a way of exercising the permit function in the context of its existing work. It would present an opportunity for CAA to review the process for carrying out the necessary checks in order to ensure that it is consistent with the principles of better regulation and that the best use is made of staff resources.

### Removal of Distortions

The costs of the function will transfer from DfT to the CAA (and eventually be passed on to passengers via airports and airlines as described below).

The CAA derives its funding from industry through charges and so will pass on all additional costs incurred as a result of the proposed transfer to airlines applying for permits.

Given the airline sector is generally competitive, both of these costs would subsequently be passed on to the passenger or the owner of cargo. Therefore, we expect that the majority (if not all) of the indirect costs to business to be passed on to consumers (which may include passengers and people shipping cargo by air).

The bearing of the cost on consumers is considered to be in line with the 'user pays' principle. This principle states that it is appropriate for users (passengers and cargo owners) to pay for safety regulation and compliance. Currently the taxpayer pays for the permit function and compliance so these costs are not reflected in the price the passenger pays for air travel. In theory this could lead to inefficiencies in the air travel market and an over-consumption of air travel. We do not attempt to quantify this inefficiency but recognise that the removal of this inefficiency is an indirect benefit.

## **RISKS AND ASSUMPTIONS**

### **Assumptions**

- CAA costs of taking on the function will be fully recovered through charges on those applying for permits
- That the DfT staffing requirements to carry out the function remains stable until the date of transfer

### **Risks**

Risks of transferring the function to the CAA.

As discussed above, the CAA have indicated that they would meet the administrative costs of permit applications through user charges. CAA are proposing to charge £75 per permit application in 2014 but charges in future years could be higher or lower.

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<sup>2</sup> Civil Aviation (Safety of third country aircraft) Regulations 2006



## **One-in, Two-out**

The CAA's costs incurred as a result of this policy will be recovered through an increase in CAA's charges to industry. The policy is out of the scope of One-in, Two-out (OITO) because there is not an increase in the level of regulatory activity.

## **DIRECT COSTS AND BENEFITS TO BUSINESS CALCULATIONS**

The transition costs are borne by DfT and are netted off the total annual savings expected to DfT accrue over a 10 year period.

CAA plan to pass their annual administrative costs on to permit applicants through user charges of £75 per permit. Since 2010, the volume of permits has fluctuated between 2,200 and 2,500 permits a year. We are planning towards CAA taking on the permits administration from April 2014. Therefore, our low, mid and high cost estimates for 2014 are based on 75% of annual volumes of permits. This provides cost to business estimates of:

### 2014

Low 1,650 permits = £123,750

Mid 1,763 permits = £132,225

High 1,875 permits = £140,625

### 2015 onwards

Low 2,200 permits = £165,000

Mid 2,350 permits = £176,250

High 2,500 permits = £187,500

Overall, the business NPV is significantly lower than the overall NPV because it does not include the staff cost savings to DfT.

## **Micro-Businesses**

Most applicants for 223 permits will be foreign Charter cargo and passenger carriers. Due to the size of their operations they are unlikely to be micro-businesses. However, applicants for aerial work (Article 225 permits) tend to be smaller scale operations and may include micro-businesses. However, we did not receive any responses to consultation on this. Following transfer of the administration of the permits function to the CAA, if UK businesses uses foreign-registered aircraft to conduct aerial work, they will need an Article 225 permit and will therefore incur a charge of £75. As discussed above, the total cost of Article 225 permits is unlikely to exceed £9,750 in 2014 and £13,000 per annum thereafter, and not all of this will be incurred by UK micro-businesses. Again, consultation did not enable any further quantification of this aspect.

## **SUMMARY AND PREFERRED OPTION WITH DESCRIPTION OF IMPLEMENTATION PLAN**

### **Summary**

Following consultation, the Government decided to amend the ANO to grant CAA concurrent powers to decide Article 223 permits, and transfer the function of deciding Article 225 permits to the CAA.

### **Implementation Plan**

The DfT convened a Steering Group comprising DfT and CAA officials to oversee development of options and implementation of the transfer of the function to the CAA.

The amendment to the ANO and grant of powers for CAA to administer the permits is expected to take place on 6 April 2014.

### **Review**

The statutory instrument amending the Air Navigation Order to enable the CAA to administer Article 223 and 225 Permits does not contain a sunset or review clause. However, DfT will be retaining overall policy lead on foreign airline permits and will work closely with the CAA to keep the effectiveness of the new permits administration system under continuous review.

## **ANNEX 1**

The following specific impact tests apply.

### **Statutory equality duties**

#### Race

1. The proposals relate to all passengers, therefore we do not anticipate that these reforms will lead to:
  - Different consequences according to people's racial group;
  - People being affected differently according to their racial group in terms of access to a service, or the ability to take advantage of proposed opportunities;
  - Discrimination unlawfully, directly or indirectly, against people from some racial groups;
  - Different expectations of the policy from some racial groups;
  - Harmed relations between certain racial groups, for example because it is seen as favouring a particular group or denying opportunities to another; or
  - Damaged relations between any particular racial group (or groups) and the DfT.

#### Disability

2. The Disability Discrimination Act (DDA) 1995 now gives rights to disabled people in the area of access to goods, facilities and services. The proposals apply equally to all passengers, and so we do not anticipate any disadvantages or discrimination for disabled people, in line with this Act.

#### Gender

3. The proposals will apply to all passengers. Therefore, we do not anticipate that these reforms will lead to:
  - Different consequences according to people's gender;
  - People being affected differently according to their gender in terms of access to a service, or the ability to take advantage of proposed opportunities;
  - Discrimination unlawfully, directly or indirectly, against genders; or
  - Different expectations of the policy from between genders.

#### Competition

4. This Impact Assessment demonstrates the costs envisioned to be transferred from the taxpayer to the end-user. Costs would be passed on proportionately.

#### Greenhouse gas assessment

5. The aviation sector already has targets and policies in place to ensure it plays its part in helping to reduce greenhouse gas emissions and thus achieve the UK's climate change targets. These proposals do not affect such policies or targets, and more generally are not expected to affect the amount of greenhouse gas producing activity in the industry. We therefore do not anticipate any direct impact of these proposals on greenhouse gas emissions.

#### Wider environmental issues

6. There are two wider environmental issues relevant to the aviation sector as a whole: noise pollution and air quality. None of the proposals directly influences the overall level of activity in the industry, however, and so we do not anticipate any direct impact in these areas.

### **Social impacts**

#### Health and well-being

7. None of the proposals are expected to have a direct impact on health. We anticipate that most or all of the indirect costs to business will be passed on to end users (i.e. passengers and those shipping cargo by air). However, once spread over all aviation passengers and cargo carried by foreign registered aircraft to the UK this cost pass through should have a negligible impact on wider determinants of health such as income or the environment, or on relevant lifestyle related factors such as physical activity or diet. There is no anticipated impact on the demand for health and social care services.

#### Human rights

8. It is not anticipated that our proposals will have any human rights impacts.

#### Justice system

9. The proposed transfer will not create any new criminal offences and Ministry of Justice has assessed the impact of the proposal and considers that it will have a minimal impact on the justice system.

#### Rural proofing

10. We do not believe that any of the proposals will have a different impact on people in rural areas because of their particular circumstances or needs.

#### Sustainable development

11. Sustainable development entails the current generation satisfying its basic needs and enjoying an improving quality of life without compromising the position of future generations. The proposals do not affect the resources available to future generations, and are therefore compatible with sustainable development.