

2017



Contents

Section	Page
1 Foreword	P3
2 About the Commission for Aviation Regulation	P5
3 Key Statistics	P7
4 Airport Charges and Slot Regulation	P9
5 Air Carrier Licensing and Groundhandler Approvals	P17
6 Travel Trade Licensing	P23
7 Air Passenger Rights	P28
8 Administrative	P32
9 Financial Information	P36
10 Appendix	P42

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The Commission acknowledges daa for the provision of high quality images used in this report.





1

Foreword



1

Foreword

Passenger numbers increased at Dublin Airport by 6% in 2017. This represents 29.6 million passengers and the figure is expected to reach 30.5 million by 2019. In April, as a result of the unexpected growth in recent years, we amended the North Runway trigger to better align the runway remuneration with the timeline for project delivery. In addition, we made the regulatory system more flexible by introducing an accelerated approval process for capital investment allowances. In October, the Commission facilitated discussions between Dublin Airport and airlines on additional capital projects designed to address capacity issues at the airport and a full submission was made to the Commission in early 2018.

The National Policy Statement on Airport Charges Regulation was published in September and it envisaged the need for further engagement in relation to flexibility. In 2018, we will work with the Department and industry to explore opportunities to refine the regulatory model to the benefit of passengers, the airport and airlines.

The Policy also stated that the primary objective of regulation will be consumer protection. Our Strategic Plan 2017-2019 is fully aligned with this objective as our mission is to protect the interests of air passengers. In December, we decided on a number of high level proposals to improve passenger representation in our decision making and we will shortly be consulting on their detailed implementation.

This office received 1,483 complaints in 2017 which was a significant increase from 2016. This has meant we have not been able to resolve complaints as



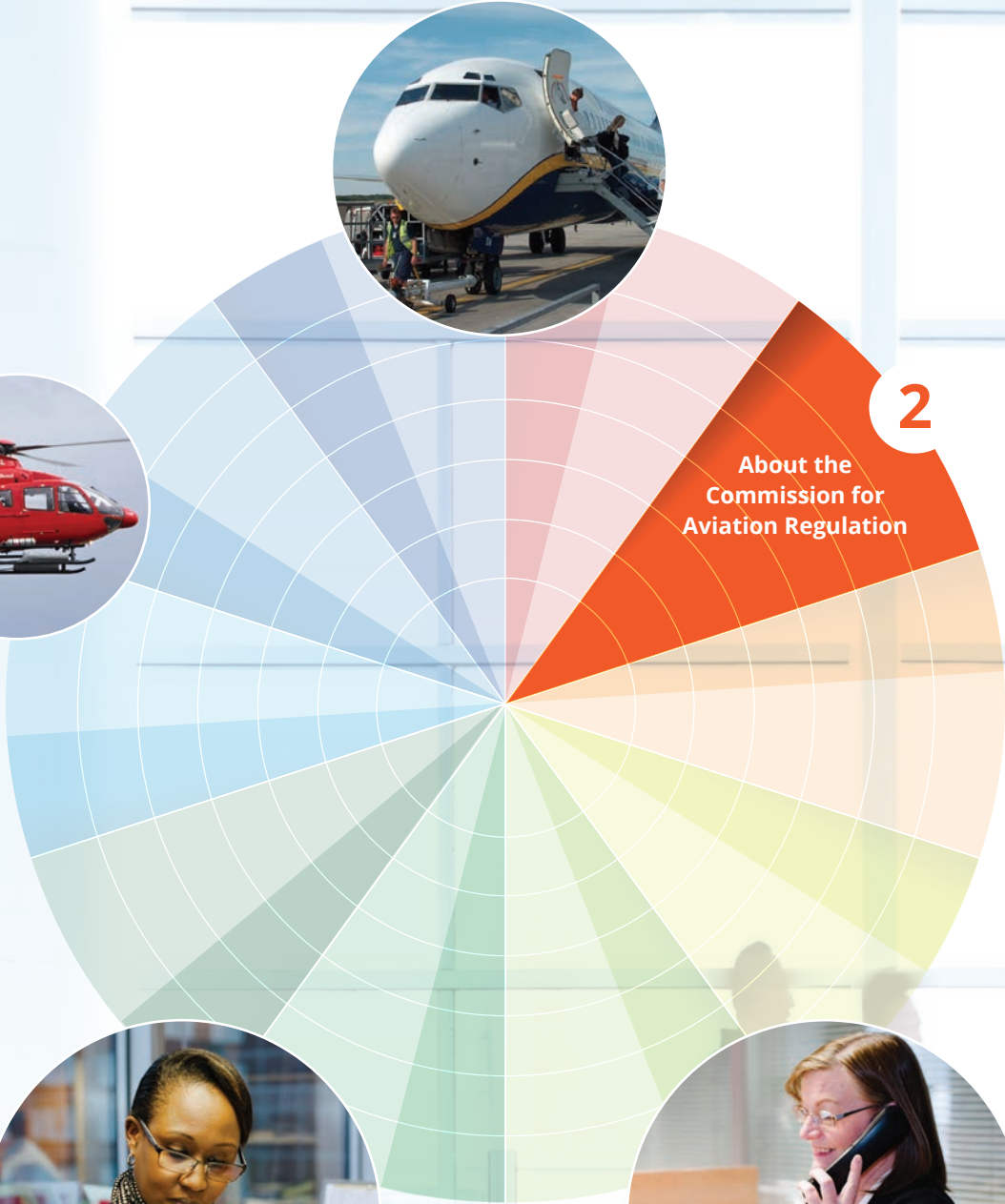
Cathy Mannion
Commissioner

quickly as we would like. Arrangements will be in place to improve this level of service in 2018.

This year we issued licences to and financially monitored 15 air carriers, 47 ground handlers and 261 tour operators and travel agents in the travel trade. There was no significant increase in the total number of licences issued compared to 2016.

Looking forward to 2018, airlines, tour operators and travel agents face a period of uncertainty. In order to have a licence, an air carrier must be majority EU owned and controlled. Next year, a key focus of this office will be to deal with the implications for Irish licensed air carriers if these requirements are no longer met when the UK becomes a third country. In addition, we will monitor the impact of the UK's withdrawal as it affects the rights of air passengers travelling to and from Ireland.

In relation to the travel trade, we operate a scheme that compensates qualifying customers if a tour operator or travel agent goes out of business. The rules of this scheme need to be amended because of a new European Directive. During the year, we worked with the industry to determine the required changes and this work formed the basis of advice that we provided to the Department. The scheme is 35 years old and, in 2017, we commenced a review to see if it continues to offer the same level of consumer protection. Both of these reform projects will continue into 2018.



2

About the Commission for Aviation Regulation

The Commission is Ireland's independent economic aviation regulator and was established on the 27th February 2001. The Commission's responsibilities are outlined below.

Airport Charges and Slot Regulation

- Sets a price cap limiting the total revenues per passenger that daa can collect from airport charges at Dublin Airport
- Ensures compliance with the European Airport Charges Directive
- Approves the charges airports levy on airlines to fund services for passengers with reduced mobility
- Approves fees charged by the airport authorities at Dublin, Cork and Shannon airports for access to installations needed to provide groundhandling services
- Designates the scheduling status of Irish airports under the Slot Allocation Regulations, appointing a schedules facilitator or coordinator where necessary. Declares the capacity parameters for coordinated airports

Licensing and Approvals

- licenses Irish-based air carriers transporting passengers, mail or cargo for remuneration and/or hire
- licenses travel agents and tour operators selling overseas travel
- Administers a bonding scheme for travel agents and tour operators and processes claims if a travel agent or tour operator goes out of business
- Investigates instances of alleged illegal trading and prosecutes where necessary
- Grants approvals to companies engaged in groundhandling activities at Dublin, Cork and Shannon airports

Air Passenger Rights

- Investigates complaints about flight cancellations, delays of at least two hours and instances of denied boarding or downgrading for all flights due to depart from Irish airports and for flights arriving into Irish airports from non-EU countries (if operated by EU-licensed carriers)
- Investigates complaints relating to the assistance received by passengers with reduced mobility when making a reservation, travelling through an airport within Ireland or boarding a flight leaving from an Irish airport





3

Key Statistics



We license 15 Irish-based Air Carriers



In 2017 we handled 2,666 queries from the public on air passenger rights and obtained €138,613 for passengers affected by flight disruptions



We set a cap on charges at Dublin Airport. In 2018 the provisional charge will be €9.59 per passenger



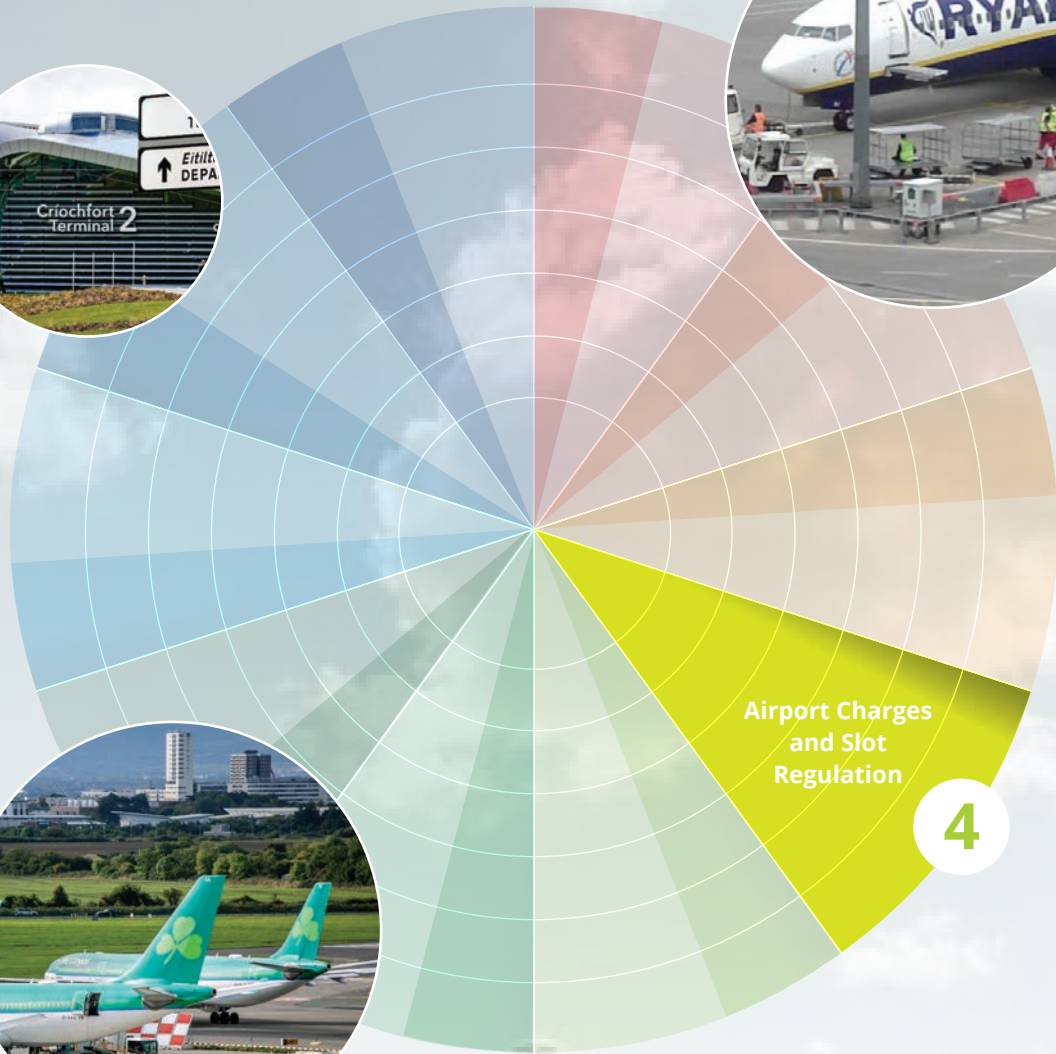
In 2017 we investigated 8 submissions regarding the rights of persons with reduced mobility



We license and bond 261 travel firms



We have approved 47 Groundhandling companies



Airport Charges and Slot Regulation

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Airport Charges and Slot Regulation

Adrian Corcoran is the Director of Economics. He is responsible for the economic regulation of Dublin Airport, slot coordination and the approval of fees relating to access to installations and passengers with reduced mobility. He was appointed to this role in December 2014 after previously working as an Economist at the Commission. He holds a PhD in Economics.

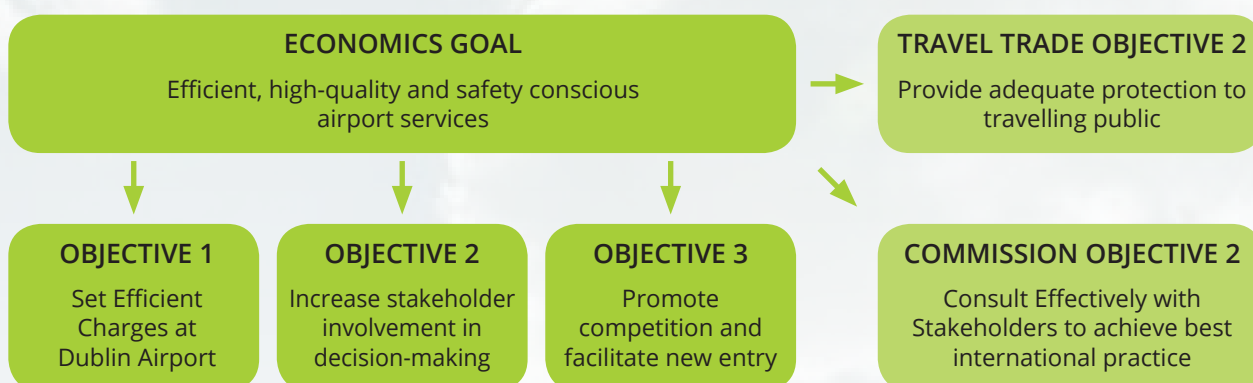


Adrian Corcoran
Director of Economics

4.1 Delivery against Strategic Plan

The appendix to this report summarises the work we have undertaken in 2017 and how this work aligns with our Strategic Plan 2017-2019. The main strategic goal for the economics section is to enable efficient, high-quality and safety conscious airport services. Central to achieving this goal are a number of objectives and actions. Chart 1 illustrates these objectives.

Chart 1: Strategic objectives we worked on in 2017



The following paragraphs summarises the work undertaken in 2017 grouped by each of these objectives.

4.2 Set Efficient Charges at Dublin Airport

4.2.1 Set a price cap for Dublin Airport

In advance of setting a price cap for Dublin Airport for the next regulatory period, which starts in 2020, we are developing policy in accordance with best regulatory practice. In 2017, much of our other work in this area focused on revising the North Runway trigger and implementing the supplementary capex process.

4.2.2 Regulate and monitor the cost-efficient provision of capital projects

North Runway Trigger

In April, we amended the trigger for remuneration of the North Runway project, to better align the remuneration with the timeline for delivery of the project.¹ As a result, recovery of the bulk of North Runway related costs will begin when the runway is operational.

¹ https://www.aviationreg.ie/_fileupload/Decision%20MASTERCOPY%202017-04-28.pdf

3

Airport Charges and Slot Regulation

Approval Process for Supplementary Capital Expenditure

In October, we facilitated Dublin Airport consultations with users on 16 proposed capital projects to address capacity issues. These consultations followed the supplementary capital process introduced in December 2016, to improve flexibility in the regulatory framework.² In December, Dublin Airport submitted 23 proposed projects for regulatory approval, 7 of which were added during the consultation process.³ We are assessing the necessity and cost efficiency of the projects as part of the approval process. We published a draft decision in February 2018 and expect to arrive at our final decision in the second quarter of 2018. As part of this supplementary capex review, we aim to develop a reporting and monitoring process which will be refined for future determinations.

4.2.3 Monitor Compliance of Dublin Airport with the 2014 Determination

We published quarterly results of quality of service monitoring in relation to security queue times, baggage handling facilities and passenger survey results. On 20 August 2017, the security queue in Terminal 1 exceeded 30 minutes. The annual price cap will consequently be reduced by 0.05%, which is equivalent to roughly €140,000 in foregone revenue.⁴ Dublin Airport met all other targets in 2017, including the passenger survey measures displayed in Chart 2.

Chart 2: Dublin Airport has exceeded each passenger survey target in 2017



Source: ACI Airport Service Quality Survey Results provided by Dublin Airport, 2014

² https://www.aviationreg.ie/_fileupload/supplementary%20capex%20decision/2016-12-09%20Decision%20on%20process%20for%20supplementary%20capex%20allowances.pdf
³ https://www.aviationreg.ie/_fileupload/PACE/17-10-5%20DUB-%20PACE%20Document.pdf
⁴ https://www.aviationreg.ie/_fileupload/QoS/2017-10%20DAA%20QoS%20Q3%202017.pdf
⁵ https://www.aviationreg.ie/_fileupload/price%20cap%20statement%202018/2018%20Provisional%20Price%20Cap.pdf

4

Airport Charges and Slot Regulation

In November, we confirmed that Dublin Airport complied with the 2016 price cap of €10.30 per passenger.⁵ The provisional price cap for 2018, shown in Table 1, is €9.59 per passenger.

Table 1: Provisional 2018 Price Cap

Base Price	€9.06
Trigger - Pier 2 Segregation	+ €0.06
CPI Adjustment	- €0.02
Under-collection from 2016	+ €0.48
Provisional 2018 Price Cap	€9.59

Source: CAR Calculations, 2014 Determination

4.3 Increase stakeholder involvement in decision-making

4.3.1 Encourage increased level of consultation and transparency on the annual charges setting and infrastructure proposals

Annual Consultations under the Airport Charges Directive

In June 2017, we consulted on guidelines to improve the level of transparency for the annual consultations at Dublin Airport required under the Airport Charges Directive.⁶ Although we expect to reach our final decision in 2018, in October we set out a number of guidelines which we expected Dublin Airport and users to apply to the annual consultation on 2018 airport charges. The guidelines relate to:

- sufficient rounds of consultation,
- detailed responses from Dublin Airport to user comments/questions, and transparency requirements for users in terms of their forecast traffic at Dublin, and
- for Dublin Airport in relation to an update of their capital investment program, traffic and aeronautical revenue forecasts, and how these link to the price cap.

Ahead of the consultation, Dublin Airport received four airline responses, which represented 48% of passenger traffic. A number of other airlines which did not provide the information on time sent it to Dublin Airport following our request. Dublin Airport provided an update on the delivery of capital investment projects and forecast revenue for the pricing year. Airlines appreciated the increased level of transparency provided at this consultation as a result of our guidelines. However, airlines asked for more information to be provided on:

- the justification for pricing proposals,
- the effectiveness and cost of incentive schemes, as per the Thessaloniki Forum guidelines, and
- Dublin Airport's own forecast cost information to the pricing year as opposed to that in our determinations.

Consultations on Supplementary Capital Expenditure

Extensive consultations between Dublin Airport and users took place in October 2017 in relation to supplementary capital expenditure. This sets a precedent for constructive engagement, which we will look to build on, for the consultations on the capital investment programme for the next regulatory period starting in 2020.

⁵ https://www.aviationreg.ie/_fileupload/price%20cap%20statement%202018/2018%20Provisional%20Price%20Cap.pdf

⁶ [https://www.aviationreg.ie/_fileupload/2017/2017%20Review%20on%20Consultation%20and%20Transparency%20under%20ACD%20\(with%20Annex\).pdf](https://www.aviationreg.ie/_fileupload/2017/2017%20Review%20on%20Consultation%20and%20Transparency%20under%20ACD%20(with%20Annex).pdf)

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Airport Charges and Slot Regulation

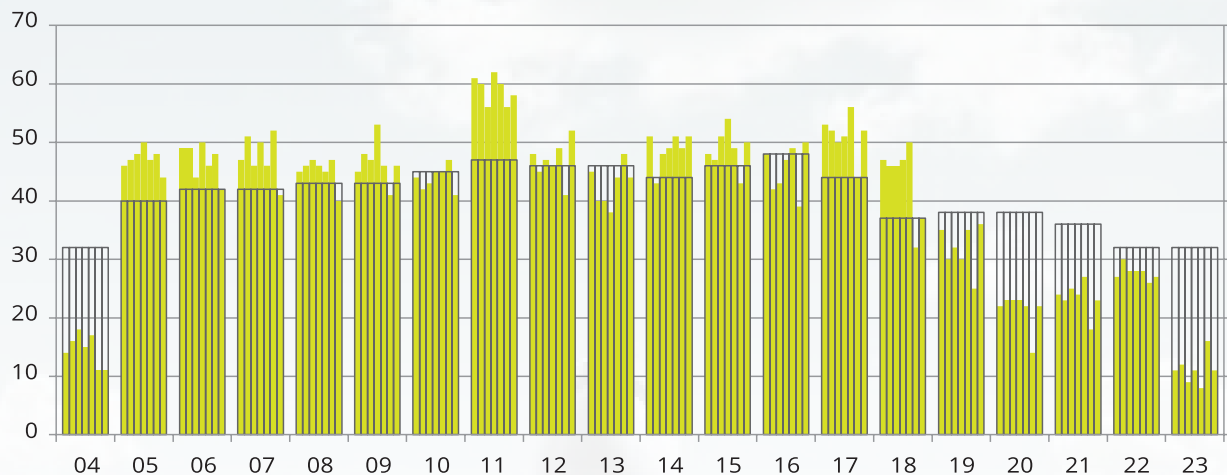
4.3.2 Examine how to better engage the passenger in the regulatory process

In April, we examined how other regulators have sought to improve consumer representation, and developed high-level proposals for our own regulatory framework. In May 2017, we met with passenger representative groups: Competition and Consumer Protection Commission, Disability Stakeholders Group, European Consumer Centre Ireland, Fáilte Ireland, IDA Ireland and the National Disability Authority. We also met with Dublin Airport, Aer Lingus, Etihad Airways and Ryanair. Airports Council International (ACI), an industry body, also gave feedback at that time.

After our consultation on the high-level options to improve passenger representation held in September 2017, we expressed our view that there is insufficient evidence that, to date, the views of passengers have explicitly been taken into account in our regulatory decision-making process. In December 2017, we decided to implement guidelines and incentives in relation to passenger engagement by Dublin Airport, airlines and other stakeholders, and rules governing an ad hoc advisory panel set up by the Commission.⁷ We are currently consulting on the detailed implementation of these mechanisms.⁸

4.4 Promote competition and facilitate new entry**4.4.1 Declare slot-coordination parameters at Dublin Airport to optimise the use of infrastructure, facilitating new airline entrants.**

In the first quarter of the year, we commissioned Helios Technologies Ltd to carry out a full capacity assessment of Dublin Airport to assist us in declaring Slot Coordination parameters for future seasons. In April, we decided that the declared runway capacity would be increased for the Winter 2017 scheduling season.⁹ In September, we also decided on a number of increases to the parameters for Summer 2018.¹⁰ Ahead of Summer 2018, Dublin Airport is becoming increasingly constrained as a result of the growth experienced in 2015-2017. The total demand for slots for Summer 2018 exceeds the declared capacity. Chart 3 shows that, during peak Summer season, there is little spare capacity left through most of the day.

Chart 3: In Summer 2018, runway demand exceeds capacity in many hours

Source: Airport Coordination Limited, Schedule Summer 18 Initial Coordination Report. Peak Week

⁷ https://www.aviationreg.ie/_fileupload/2017/17-12-21%20Decision%20Passenger%20Representation.pdf

⁸ https://www.aviationreg.ie/_fileupload/Winter%202017%20capacity%20declaration%20decision.pdf

⁹ [https://www.aviationreg.ie/_fileupload/s18/Decision%20Summer%202018%20Coordination%20Parameters\(1\).pdf](https://www.aviationreg.ie/_fileupload/s18/Decision%20Summer%202018%20Coordination%20Parameters(1).pdf)

¹⁰ https://www.aviationreg.ie/_fileupload/coordination%20parameters%20timeline%20consultation/Decision%20on%20timeline%20for%20future%20capacity%20decisions.pdf

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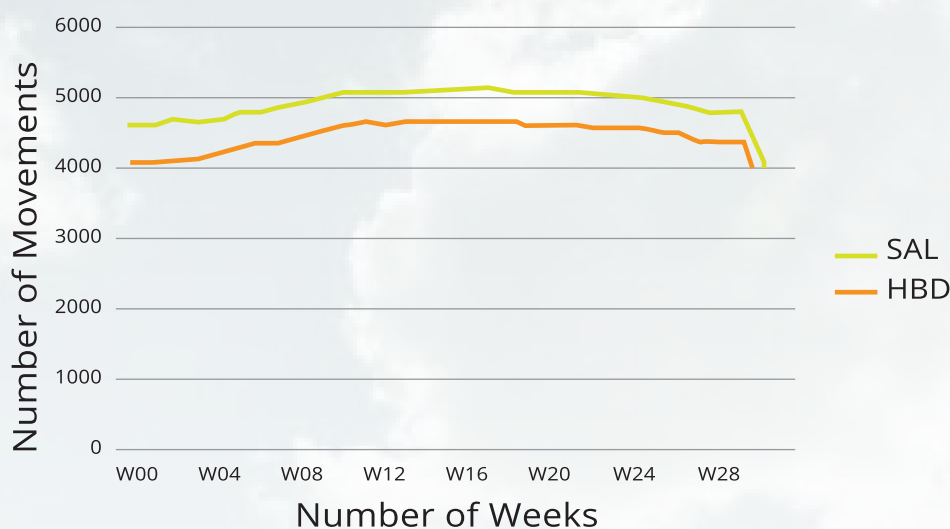
Airport Charges and Slot Regulation

The decision-making process for the declaration of parameters at Dublin Airport includes extensive engagement with the Dublin Airport Coordination Committee and the generation of evidence (for example simulation modelling). In January 2018, we published a timeline for this engagement, which will be implemented for future decisions.¹¹

Overbidding for Slots by Airlines at Dublin Airport

Overbidding, whereby carriers apply for a slot which is then handed back on or before the slot handback deadline, takes valuable slots out of circulation for an extended period. Overbidding is increasingly causing issues given the current capacity constraints at Dublin Airport. Chart 4 displays the extent of overbidding during Summer 2017. In 2018, we intend to explore potential ways to address this issue.

Chart 4: Overbidding shown by difference in movements between Slot Allocation List (SAL) and Hand Back Deadline (HBD)



Source: Airport Coordination Limited

4.4.2 Appoint an independent slot-coordinator

We concluded the tendering process for the appointment of the Dublin Coordinator. Airport Coordination Limited (ACL) are contracted from October 2017 to 2020, with the option to extend for two further years. The tendering process involved significant engagement with Dublin Airport and the airlines to ensure that their coordination requirements were fully considered.

4.4.3 Enforce sanctions for airlines operating without a slot

In October 2017, we decided to amend the current implementation guidelines for the Irish Slot Sanctions Scheme.¹² Proposals for stronger implementation, made in June, were required in the context of increasing passenger numbers at Dublin Airport, which make slot adherence critical for the functioning of the airport.¹³ Our decision is aimed at providing additional financial and reputational slot adherence incentives for operators, as well as further transparency to the regime, allowing stakeholders to satisfy themselves that the scheme is being applied fairly and consistently.

4.4.4 Ensure fees charged to Ground handlers are relevant, objective, transparent and non-discriminatory

In 2017, we received one application for approval of an ATI fee, subsequently withdrawn by the applicant.

¹¹ https://www.aviationreg.ie/_fileupload/coordination%20parameters%20timeline%20consultation/Decision%20on%20timeline%20for%20future%20capacity%20decisions.pdf

¹² [https://www.aviationreg.ie/_fileupload/Slot%20sanctions%20guidelines%20review-%20Oct%202017/Final%20Decision%20Slot%20Sanctions%20Guidelines%20\(with%20appendix\)\(1\).pdf](https://www.aviationreg.ie/_fileupload/Slot%20sanctions%20guidelines%20review-%20Oct%202017/Final%20Decision%20Slot%20Sanctions%20Guidelines%20(with%20appendix)(1).pdf)

¹³ https://www.aviationreg.ie/_fileupload/Slots/Consultation%20sanction%20scheme%20guidelines%20and%20annex.pdf

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Airport Charges and Slot Regulation

4.5 Provide adequate protection to travelling public

4.5.1 Review bonding and travel protection arrangements to ensure they remain effective

In 2017 the Economics and Travel Trade teams jointly worked on a project reviewing the adequacy of the current consumer protection measures for the travel trade industry. This project is discussed in more detail in the travel trade section group of the Forum in which we participated.

4.6 Regulation that Represents Best International Practice

4.6.1 Actively participate in the Thessaloniki Forum of European Airport Charges Regulators and the evaluation of the Airport Charges Directive

In December, the Thessaloniki Forum of European Airport Charges Regulators published two guidance reports written by a working group of the Forum, which we chaired. The first report recommends how economic market power assessments (“MPAs”) should best be used to ensure economic regulation of airports in the EU is appropriately targeted.¹⁴ The second report recommends best practices in conducting MPAs and provides examples of MPAs of airports in Ireland, the Netherlands and the UK.¹⁵ In 2018, we will chair the work of the Forum on three areas:

- The criteria to identify airports likely to have significant market power
- Incentives and discounts
- Guidelines on the range of potential regulatory remedies

4.7 DTTAS Policy Statement on Airport Charges

The Commission welcomed the National Policy Statement on Airport Charges Regulation published by the Department of Transport, Tourism and Sport in September 2017.¹⁶ The policy states that Dublin Airport will continue to be subject to price regulation in recognition of its significant market power. In addition:

- The primary strategic objective of the regulation of airport charges will be customer protection in the form of good value, choice, quality services and safe and secure facilities.
- The Commission shall no longer be mandated to have specific regard to the financial sustainability/ viability of Dublin Airport in making a determination. It is intrinsic in the objective of protecting passengers.
- There will be a single stage appeals process at the High Court or Commercial Court.
- The statutory basis for Ministerial Directions in relation to determinations will be removed and replaced with a requirement to have regard to current Government aviation and airport policy.

On flexibilities in the regulatory regime, the policy statement envisages the need for further engagement.

¹⁴ https://www.aviationreg.ie/_fileupload/2017/1st%20report%20MPA%20FINAL%20_pdf.pdf

¹⁵ https://www.aviationreg.ie/_fileupload/2017/2nd%20report%20MPA%20FINAL%20_pdf.pdf

¹⁶ <http://www.dttas.ie/sites/default/files/publications/aviation/english/national-policy-statement-airport-chargesregulation/nps-airport-charges-regulations-amended-oct-6.pdf>

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Airport Charges and Slot Regulation

4.8 Looking Forward

2018 will be dominated by preparation for setting the price cap for the regulatory period commencing in 2020. There will be extensive consultation in 2018 and 2019 as part of this process. The process begins when we publish an issues paper, due in April 2018. This paper will seek to obtain stakeholder views on the high-level regulatory policies, methodology and data sources to be used in the next determination. This will be followed by industry-led consultations on the passenger forecasts, quality of service regime and capital investment program. We expect that industry-led consultation will take place in 2018. Dublin Airport is expected to publish its final capital investment plan following these consultations. We then aim to publish the draft determination in April 2019 and the final determination in September 2019.





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Air Carrier Licensing and Groundhandler Approvals

David Hodnett is the Commission’s General Counsel and Deputy Commissioner. A solicitor, he joined the Commission in 2003. He is responsible for Legal Affairs, Air Carrier Licensing, Groundhandling Approval and Air Passenger Rights.



David Hodnett
Deputy Commissioner

5.1 Introduction

Licensing and approval regimes for air carriers and groundhandlers are administered in Ireland by the Commission. The table below summarises licensing activity during 2017. During the year, licence and approval holders were monitored for compliance with the legislative regimes governing these sectors.

Table 2: Number of Licences and Approvals, 2017

	Air Carriers	Groundhandlers	
		Self-handlers	Third Party
Licence holders, 1 Jan 2017	14	9	36
<i>New licences/approvals</i>	1	1	2
<i>Licences revoked/surrendered</i>	0	0	1
Licence holders, 31 Dec 2017	15	10	37

5.2 Air Carrier Licensing

At the end of 2017, 15 Irish based air carriers were licensed by the Commission to engage in commercial air transport operations. During the year, the Commission received two applications for an operating licence (both Category A¹⁷). A new operating licence was issued in the case of one application (to Scandinavian Airlines Ireland Limited in December 2017) and the second application remained in progress at the end of 2017. A full list of up to date operating licence holders is available on the Commission’s website.

During the year, all licence holders were subject to regular monitoring to ensure compliance with the relevant licensing legislation concerning financial fitness, insurance cover and ownership and control. We continued to closely monitor the financial situation of air carriers, particularly those in a weaker financial position, through the submission of more frequent financial data and regular meetings.

To provide a readily identifiable means of confirming an operator is licensed, small aircraft and helicopter operators were issued with licence discs to display in each of their registered aircraft as listed on their Air Operators Certificate issued by the Irish Aviation Authority.

Air Carrier Licence Disc



¹⁷ Category A Licence Holders are permitted to carry passengers, cargo and/or mail on aircraft with 20 seats or more and/or over 10 tonnes MTOM (maximum take-off mass).

Air Carrier Licensing and Groundhandler Approvals

We received one request during 2017 from an existing licence holder for approval to wet lease aircraft registered outside the European Union. The relevant licence holder ultimately did not proceed with this approval request due to a change in plans which resulted in the relevant aircraft being wet leased by a sister company instead.

We also received nine submissions during 2017 from Irish air carriers made under Article 8 (5) of the Licensing Regulation which requires the Commission to be notified in advance of any substantial changes in the scale of their activities,¹⁸ in advance of any intended mergers/acquisitions or where there is a change in ownership. In addition to the air carrier setting out the precise changes in detail, the Commission can require the submission of a revised business plan if the changes notified are deemed to have a significant bearing on the finances of an air carrier. Where changes relate to the operation of new aircraft, the Commission is required to examine insurance details to ensure they meet the relevant requirements and details of the method of acquisition (e.g. purchase/leasing) and the terms and conditions associated with the contract.

Table 3 below shows a summary of the numbers of submissions considered under this Article in 2017 by type of notification:

Table 3: Article 8 (5) Submissions 2017

Article 8 (5) Notification Type	Number of submissions 2017
In advance of any substantial changes to scale of activities (includes changes in the type or number of aircraft used)	6
In advance of any intended mergers or acquisitions	1
Change in ownership and control	2

In line with our strategic objectives as set out in the Commission's Strategic Plan 2017-2019, we commenced a review of our systems and internal processes in order to achieve our objective of operating an efficient licensing system and to make sure we are being effective. Work on this particular review was ongoing at the end of 2017. As part of this review, we also introduced new style compliance meetings with air carriers and a new checklist to facilitate these meetings. During 2017, we carried out compliance visits to three licensed air carriers.

Also in line with our strategic objectives for air carrier licensing, we held a first meeting with the IAA on better coordination and cooperation in relation to our respective roles of issuing licences to air carriers and agreed to review our information-sharing arrangements. It is expected that regular meetings will take place going forward on topics of mutual interest.

The Commission participated in a workshop hosted by the UK Civil Aviation Authority in 2017 for aviation licensing regulators. A key aim of this annual workshop is to promote a level playing field in the application of operating licence requirements within the European Union and to help give the industry confidence that such requirements are being fairly and consistently applied. It is also an opportunity to share experiences, develop best practice and to improve mutual working relationships. The workshop was attended by the European Commission and representatives from a number of other Member States. The main topics discussed were airline insolvency, airline leasing, principal place of business requirements, the evolution of long haul low cost airlines and the European Commission also provided an EU regulatory update.

In the context of the European Commission's 'Aviation Strategy for Europe' published in December 2015, the EC identified the need to bring more legal certainty for investors and airlines in relation to the application of Regulation (EC) No 1008/2008 with respect to the provisions on ownership and control of EU airlines. Draft interpretative guidelines were circulated to Member States during 2016 and a targeted consultation was launched. A final version of the interpretative guidelines was published by the European Commission on 8th June 2017 and a copy is available on our website at,

<https://www.aviationreg.ie/airline-licensing-the-commissions-role/ownership-and-control.787.html>.

¹⁸ The relevant changes can include the operation of a new air service to a continent or world region not previously served, changes in the number of aircraft operated or their type or any other change in the scale of its activities.

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Air Carrier Licensing and Groundhandler Approvals

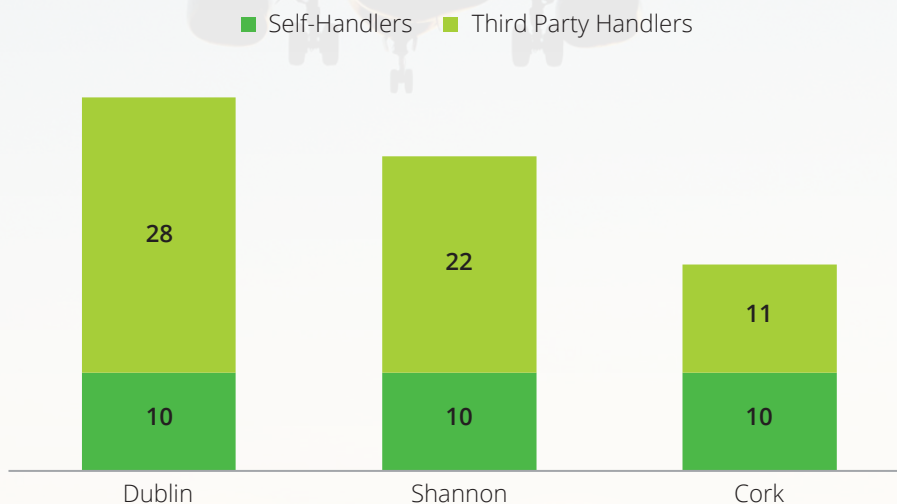
In November 2016, as provided for in the Action Plan of the Aviation Strategy, the European Commission also published a Roadmap for the evaluation of Regulation (EC) No 1008/2008 on common rules for the operation of air services in the Community. An extensive consultation process is expected on this and the Commission will monitor the process and contribute as appropriate.

In December 2017, the European Commission published a 'Notice to operators subject to Union legislation in the field of air transport' which sets out certain legal repercussions stemming from current applicable rules of Union law in the field of air transport when the UK ceases to be a Member of the EU from midnight on 30th March 2019 and will then become a 'third country' for the purposes of all Union primary and secondary law. As one of the conditions for qualifying for and maintaining an operating licence is that an air carrier is majority owned and effectively controlled by EU Member States and/or nationals of EU Member States (i.e. the ownership and control requirements), the main focus for the Commission in following negotiations at EU level will be the implications for certain Irish licensed air carriers if these requirements are no longer met when the United Kingdom becomes a third country.

5.3 Groundhandling Approvals

At the end of 2017, there were 10 approved self-handlers (i.e. where an airline chooses to provide groundhandling services for itself) and 37 approved suppliers of groundhandling services or third party handlers (i.e. a company engaged in the provision of groundhandling services, be it an airline or a dedicated groundhandling company). Of the approved self-handlers, 3 are also approved to provide groundhandling services to third parties. A full list of approval holders is kept up to date on the Commission's website. Chart 5 presents an analysis of the numbers of approved self-handlers and suppliers of groundhandling services by airport. Some operate at more than one airport.

Chart 5: Approved Groundhandlers by type and Airport 2017



During 2017, the Commission granted one new self-handling approval to CHC Scotia Limited and two new third party handling approvals to the following companies:

- Direct Maintenance Ireland Limited (Dublin Airport)
- Metis Technical Limited (Cork Airport)

An additional application for a third party handling approval was received in 2017 and remained in progress at the end of 2017 with further information awaited from the applicant company.

Air Carrier Licensing and Groundhandler Approvals

The third party handling approval held by Aviacare B.V. was withdrawn by the Commission during the year as the company was no longer in a position to meet the necessary requirements of the Groundhandling Regulations.

During the year, the Commission examined and approved applications from QAFBO Services Limited and Alpha Flight Ireland Limited to extend operations to other airport locations. The Commission also received one application from an existing third party approval holder based at Dublin Airport to engage in additional groundhandling activities. This application remained under consideration at the end of 2017 with further documentation awaited from the applicant company.

Approvals are issued for a period of five years. The Commission renewed five approvals in 2017 following successful completion of the renewal process.

In line with our strategic objectives as set out in the Commission's Strategic Plan for 2017 to 2019, we commenced a review of our systems and internal processes in order to achieve our objective of operating an efficient licensing system and to make sure we are being effective. Work on this particular review was ongoing at the end of 2017. As part of this review, we also introduced new style compliance meetings with groundhandlers and a new checklist to facilitate these meetings. During 2017, we carried out compliance visits to five approved groundhandling companies operating at Dublin, Shannon and Cork Airports. We also visited the relevant airport authorities to discuss any issues arising in the context of our groundhandling role.

A new application form for groundhandling was introduced during 2017. The fillable PDF form is fast, easy and convenient to use. It allows for the attachment of documents and can be opened, filled in and saved to the applicant's computer before submitting. As part of the process to introduce a new application form, the Commission also updated its guidance material on applying for a groundhandling approval.¹⁹

During 2017, the Commission also published a new application form and guidance material on its website on applying for an amendment to an existing Groundhandling Approval. Amendment applications typically relate to engaging in the provision of new groundhandling activities or providing groundhandling services at a new airport location.

Prior to the finalisation and publication of our Strategic Plan in May 2017, the Commission carried out a consultation process. The response from Dublin Airport in particular addressed groundhandling and how efficiency in the provision of these services could be improved. The issue of safety of operations was also discussed and daa powers to enforce the necessary safety behaviours on groundhandlers operating at Dublin Airport. This particular concern was also raised by other airports on various occasions in our discussions with them.

One of our strategic goals is to focus on delivering safe and financially robust groundhandlers in Ireland. In order to achieve this, our objective is to focus on operating an efficient licensing system. As part of this, and in response to the points raised by Dublin Airport during our consultation and also by airports in general, we identified a number of action points. One such action point is to explore how relevant groundhandling objectives could be most efficiently achieved at Irish airports within the scope of the existing legislative and regulatory frameworks.

We are of the view that constructive dialogue between the Commission and the Airports will be very helpful in order to progress our work plan in this area. In that regard, the Commission hosted a meeting in August 2017 and invited the relevant airport contacts with responsibility for groundhandling matters. Various action points were identified from this meeting and a further meeting is expected to be held in early 2018 to progress matters further.

At EU level, the European Commission's Aviation Strategy included a proposal for a revision of the European Safety Regulation No 216/2008. The text of the proposed Regulation was published at the end of 2015 and includes requirements for the safe provision of groundhandling services. During 2016, the Commission arranged meetings at Dublin, Shannon and Cork Airports to discuss these proposals with groundhandling approval holders and airport authorities. During 2017, discussions continued at EU level in relation to this proposal with nothing significant to

¹⁹ <https://www.aviationreg.ie/groundhandling-the-commissions-role/apply-for-an-approval.147.html>

5

Air Carrier Licensing and Groundhandler Approvals

report on the discussions relating to the groundhandling provisions. The Commission will continue to monitor progress in relation to this proposal. It will be necessary to consider how any new proposals will sit with the existing groundhandling regime in place in Ireland and the Approvals process administered by the Commission. We will continue to work with other agencies and the airport authorities in relation to the new proposals and will keep the industry informed.

5.5 Looking Forward

In December the EU published a notice setting out the legal repercussions for aviation transport if the UK leaves Europe. In the coming year, we will closely focus on the implications for certain Irish licensed air carriers in relation to ownership and control. We will also continue to administer our licence and approval regime and continue with our meetings with airlines and groundhandlers to discuss licence compliance and financial reporting obligations.





6

Travel Trade Licensing

Josephine O'Reilly is a member of the Association of Chartered Certified Accountants in Ireland. She joined the Commission in April 2001 and is Director of Finance. She is responsible for Travel Trade Licensing and also provides support to the airline licensing and groundhandling areas in respect of the financial performance of their licensed entities.



Josephine O'Reilly
Director of Finance

6.1 What we do

The Travel Trade Team have five main roles under the broad heading of travel trade licensing:

- Licensing travel agents and tour operators buying and selling overseas travel
- Administering a bonding scheme for travel agents and tour operators
- Administering the Travellers' Protection Fund (which was built up with a levy on passengers of tour operators between 1983 and 1987)
- Processing claims for refunds and repatriation in the event of a licensed travel agent or tour operator going out of business
- Investigating instances of alleged illegal trading and, when necessary, prosecuting illegal traders

6.2 Licences Issued

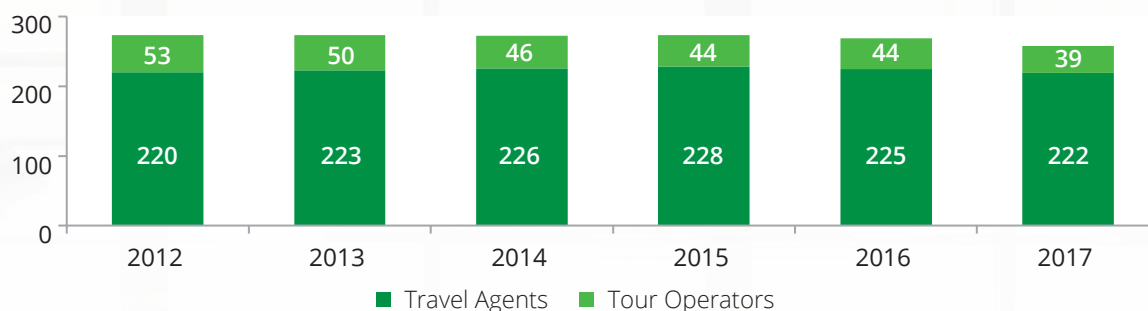
At the end of 2017, 261 travel firms were licensed by the Commission to operate as a travel agent or tour operator in Ireland (Table 4). During the year, 12 firms withdrew from the market for various reasons, and we issued licences to 4 new applicants. We received over 50 new licence enquiries.

Table 4: Number of Licences 2017

	Travel Agents	Tour Operators
Licence holders, 1 Jan 2017	225	44
New Licences	4	0
Licences not renewed	7	5
Licence holders, 31 Dec 2017	222	39

Since 2016 we have seen a small decline in the number of travel agents and tour operators seeking a licence from the Commission. Despite this, the Projected Licensable Turnover (PLTO) and Bond amounts have increased.

Chart 6: Licensed Travel Agents and Tour Operators, 2017



6

Travel Trade Licensing

6.3 Bonding Arrangements

Under existing legislation, travel agents and tour operators are required to put in place arrangements to provide protection to the travelling public in the event of collapse.

Irish established entities must provide a Bond. There are three types of Bond available:-

- 1) Bank Bond – Bank guarantee for the amount of the bond.
- 2) Insurance Bond – Insurance policy covering amount of the bond.
- 3) Cash Bond – Cash lodged with the Commission covering amount of the bond.

The Commission will accept a combination of any two of the above.

The Bond is calculated as a percentage of the firm's projected annual licensable turnover (PLTO) for the period of the licence. Bonds are currently set at 4% for travel agents and 10% for tour operators. Table 5 summarises the licensable turnover figures for the travel trade in 2017.

Table 5: Licensable Turnover and Bonding

Licensed Entities	2017 (€m)		2016 (€m)	
	Bond	PLTO	Bond	PLTO
Travel Agent (4%)	47	1,164	41	1,033
Tour Operator (10%)	19	195	19	188
Totals	66	1,359	60	1,221

Non-Irish established firms must provide a Bond as outlined above or evidence of security in respect of packages offered for sale, as set out in the State Airports Act 2014.

If the bond does not cover the cost of all claims, the shortfall is covered by the Travellers' Protection Fund. This fund was originally financed by a levy on tour operators, but this levy was stopped in 1987. The collapse of Low Cost Holidays Spain SL in 2016 and the consequent draw on the Fund had a significant impact on the amount remaining in the Travellers' Protection Fund. This forms part of the consultation on the consumer protection measures in place referred to below.

6.4 Company Collapses

In October 2017, Chadwell Travel Limited ceased trading. The Commission received only 4 claims against their bond and as such their bond was more than sufficient.

6.5 Monitoring Compliance

The Commission investigated six complaints received concerning possible unlicensed trading during the year. We also carried out a number of visits to companies suspected of unlicensed trading and actively monitor the market as best we can to ensure compliance with licensing conditions. We visit a sample of licence holders or invite them to meet with us at our offices. In 2017 we held 24 such meetings. These meetings enable us to better understand the firms we license and provide an opportunity for knowledge sharing and information gathering.

6.6 New Package Travel Directive (EU) 2015/2302

In December 2015, a European Directive on package travel and linked travel arrangements was issued. This Directive will apply in Ireland from 1st July 2018. In line with our Strategic Plan 2017-2019, we started work in May to identify arrangements that can be applied to meet the requirements of the Directive and highlight those options that may be accommodated under the existing licensing and bonding framework.

6

Travel Trade Licensing

Extensive stakeholder engagement took place throughout the year and in November we issued a consultation paper to the market seeking views on the new Directive.

In December we organised a round table discussion with stakeholders in Dublin to discuss the consultation paper. We plan to hold similar meetings nationwide in January and February 2018. At the end of this process, the Commission will provide a final report to the Department of Transport Tourism and Sport for their consideration.

6.7 Travel Trade licensing

One of our objectives in the Strategic Plan 2017-2019 is to provide adequate protection to the travelling public. Accordingly we issued a consultation paper in August, seeking views on possible reforms to the Travel Trade licensing and bonding regime. The following questions were asked:

- Are there material developments in the market that have been ignored which are relevant when thinking about the effectiveness and efficiency of the current travel trade protection scheme?
- Do you agree with the finding that the current scheme is not effective in protecting consumers?
- Do you agree with the finding that the scope to reduce the costs of the current scheme while maintaining the current level of consumer protection is limited?
- Do you agree that to be effective, the scheme needs to be designed with sufficient contingency to be able to meet all claims in full in the event that there are two collapses in a single year that give rise to the same level of claims as the two largest collapses in the history of the scheme? If not, what criteria would you propose?
- Are there other reforms that you think should have been considered? How would these reforms ensure that all consumers protected enjoy full financial protection?
- Which of the reforms do you think the Commission should pursue, if we conclude that the current scheme needs changing?

The Commission received 42 responses to the consultation and met with the industry in October 2017 to discuss the issues at hand. Due to the fact that the transposition of the package travel directive will impact on the type of scheme in place, it was decided to split this work into two stages. Stage one ended where we set out our initial views on the current scheme. Our view is that it is no longer effective. The scheme needs to be reformed to be able to continue to offer the level of protection expected by consumers of the travel trade industry. Stage two will begin in March 2018 whereby we will assess the options available to us to put in place a scheme that offers the level of protection expected by consumers.

6.8 Key Performance Indicators

In mid-2017, we issued a consultation paper on the key performance indicators used for the travel trade team of the Commission. We explained that current performance indicators date back to 2011 and sought the views of our stakeholders about adopting a revised set of indicators that would reflect more accurately the work carried out by the team. We proposed the following measures:

- Respond to applicants within one week of initial contact.
- Issue a decision in principle within one month of completed application submission date.
- Licence issued within two weeks of a bond or all documents received.
- Annual accounts examined within six weeks of receipt.
- Target percentage of premises visited per annum.

We plan to publish a decision paper in early 2018 and the indicators will be effective from January 2018.

6

Travel Trade Licensing

6.9 Licensing and Financial Monitoring

During 2017, we carried out a review of our entire licence portfolio of tour operators and travel agents to ensure that we were applying the most effective arrangements for issuing licences and financial monitoring. This resulted in changes to the financial reporting requirements for some licensees (in terms of frequency and/or level of detail to be provided). In 2018 we will continue, on an ongoing basis, to review our licensing and monitoring frameworks and the financial reporting requirements.

6.10 European Guarantee Funds Association for Travel and Tourism (EGFATT)

The Commission is a member of the European Guarantee Funds Association for Travel and Tourism. This is a Europe wide organisation that was set up in 2011 with the common goal to protect the traveller against the financial insolvency of tour operators and travel agents and to share knowledge and best practice. We prepared information about Irish Tour Operators and Travel Agents for a redesigned website that was launched in early 2018 (<http://www.egfatt.eu>). This website provides consumers with information about 10,000 travel companies from six EU countries (B, F, IRL, L, NL, UK) as well as Switzerland and Norway. This database represents a first step pending further developments in terms of ease of website use and increased EGFATT membership.

6.11 Looking Forward

2018 promises to be an exciting and busy year. As outlined above, we have a number of projects ongoing in relation to the Package Travel Directive and the consumer protection scheme. The Commission will oversee two licensing rounds and continue to monitor licensed entities on an ongoing basis. We will be updating 2018 licences with a requirement to include on all advertising the fact that entities are licensed by the Commission for Aviation Regulation and their licence number. The Commission will continue to work with stakeholders to investigate instances of alleged illegal trading and will be looking to new initiatives in this regard.





7

Air Passenger Rights

7.1 Introduction

During 2017, some 2,666 members of the general public wrote to the Commission with either a query or a complaint²⁰. We also dealt with 1,843 phone queries during the year. Many of these queries were for information about passenger rights generally, the complaints procedure and matters outside of the Commission's remit. For example we received queries about baggage complaints, safety issues and pricing queries. Where possible we referred people to the appropriate body or authority competent to deal with their complaint.

The above level of contacts results in a total of 1,491 complaints. Eight of the complaints related to the rights of disabled persons and persons with reduced mobility when travelling by air and 1,483 related to possible infringements of Regulation 261/2004. This represents a 58% increase on 2016.

7.2 Cancellations, Delays, Denied Boarding and Downgrades

Table 6 sets out the subject of the 1,483 complaints received by the Commission. Some 34% (502) related to flights departing from airports in other Member States or flights arriving into such Member States from third (i.e. non-EU) countries operated by Community-licensed carriers. The Commission worked with passengers to ensure that all information necessary to conduct an investigation was provided before forwarding these complaints to the appropriate national enforcement bodies or enabling the passengers to do so directly.

Table 6: Air Passenger Complaints by Type & Investigating Body

Type of Complaint	For investigation by the Commission	For investigation by other NEB	Total	
Cancellation	449	289	738	50%
Long delay	487	197	684	46%
Denied boarding	40	16	56	4%
Downgrading	5	0	4	0%
Upgrading	1	0	1	0%
Total	981	502	1483	100%

The remaining 981 complaints fell within both the scope of the legislation and the remit of the Commission and were therefore subject to a full investigation. In 2017, we dealt with 345 of these complaints and the remaining 636 are still under investigation or awaiting attention. We experienced delays in dealing with complaints due to a number of factors including changes to IT systems and the level of queries and complaints received in relation to flight disruptions. This meant that complaints were not addressed as quickly as planned during the period. We took some corrective action in 2017 and will take further action in 2018, to improve the quality of the service we provide.

Of the 345²¹ complaints that we dealt with, 106 cases referred to complaints that were withdrawn on the basis they did not fall within the scope of the Regulation and incidents where we recorded infringements by the air carrier which did not result in any direct redress for the passenger. In 78 cases, extraordinary circumstances were found to apply and it was considered that reasonable measures were taken by the airline to avoid the flight disruption such that no compensation was deemed payable to affected passengers. In 159 cases, compensation was paid to the passenger, and in 31 cases the customer received a refund of the cost of their ticket or expenses.

The Commission obtained €138,613.03 for passengers affected by flight disruptions in 2017: €128,000 in compensation and €10,613.03 in refunds and reimbursements.

²⁰ Multiple communications were received in respect of many of these complaints.

²¹ MA complaint might have more than one outcome. A passenger may have received a refund of expenses but the air carrier might also have successfully demonstrated the existence of extraordinary circumstances.

7

Air Passenger Rights

7.3 Persons with Reduced Mobility

During 2017 the Commission received 8 submissions regarding the rights of persons with reduced mobility. Of these, 3 concerned issues which did not constitute potential infringements of Regulation 1107. The remaining 5 were valid complaints which required investigation. The issues raised included:

- The assistance received at an airport of departure/ arrival specifically the provision of assistance either to/ from a designated point within the airport boundaries.
- The assistance received in disembarking an aircraft.
- The transport of up to two pieces of mobility equipment per person with reduced mobility, in addition to medical equipment and including electric wheelchairs by air carriers.

One of these complaints was appropriate to the national enforcement body of another country while the remaining 4 were investigated by us. Three of the complaints have been concluded and we found in favour of the airline.

7.4 Other Work

We also completed 6 airport inspections during 2017. The airports inspected were Dublin, Donegal, Knock and Shannon. Dublin Airport was inspected three times²². The purpose of these inspections was:

- To monitor the provision of assistance to persons with reduced mobility in accordance with Regulation 1107/ 2006; and
- To ensure that air carriers were displaying the correct passenger information at their check-in desks and kiosks and also providing correct information to passengers affected by long flight delays, cancellations and instances of denied boarding (as required under the EU Regulation 261/ 2004).

In early 2017 we began working with Aer Lingus about their complaint-handling practices in relation to the time taken to deal with a complaint and the standard of response. Aer Lingus is dealing with our concerns and we envisage an improved service in 2018.

The Commission also recorded a significant increase in contacts to the office following Ryanair's announcement in September 2017²³ of two waves of cancellations affecting hundreds of thousands of passengers across Europe. Approximately 30,000 passengers intending to depart from airports in Ireland were directly affected by the cancellations. We were not satisfied with the manner in which these cancellations were announced, nor the content of Ryanair's initial information pieces (both to the media and directly to the affected passengers). We worked extensively with Ryanair to ensure that passengers were advised of their full suite of entitlements under Regulation 261 as quickly as possible. We also monitored their handling of those claims and complaints received from affected passengers in the aftermath of these disruptions.

In other work we hosted an information stand at the annual Holiday World Fair in Dublin in January 2017 in order to promote consumer awareness of the rights and entitlements afforded by Regulations 261 & 1107. We also participated in the Active Retirement Show which was held in Dublin in May 2017 with the same objective. Additionally, we ran several targeted media campaigns as a means of increasing public awareness of their rights and entitlements.

At national level the Commission actively participated in the bi-annual Facilitation Committee Meetings and we also continued our participation in the Accessibility Consultative Committee which aims to improve accessibility across the entire transport sector in Ireland.

²² The inspections of both Kerry and Cork airport were postponed until early 2018 by virtue of resource availability.

²³ Between the 18th September and the 31st October 2017, the Commission received 353 emails, 247 telephone calls and 41 online complaint submissions regarding the two waves of Ryanair cancellations alone.

7

Air Passenger Rights

7.5 EU Developments

The UK submitted notification of its intention to withdraw from the EU on 29 March 2017. This means that, unless a withdrawal agreement establishes another date, all EU legislation will cease to apply to UK from 30 March 2019. Subject to any transitional arrangement that may be contained in a possible withdrawal agreement, as of the withdrawal date, the general EU rules in the field of EU passenger rights legislation no longer apply to the UK.

7.6 Looking Forward

In 2018, we will put in place arrangements to improve the quality of the service we provide when dealing with complaints. We will look at opportunities to further promote passenger rights and will continue to work with airlines and airports to ensure that passenger rights are upheld. In addition, given the extensive volume of passenger traffic between Ireland and the UK, we will continue to monitor the impact of the UK's withdrawal from the EU as it affects passengers travelling to and from Ireland.





8

Administrative

Brian Higgins is a Fellow of the Chartered Institute for Personnel and Development and joined the Commission in July 2016 as Director of Administration following an HR and Operational career in manufacturing, finance and aviation. He is responsible for HR, general administration, corporate governance, health and safety, facilities, IT management and public relations.



Brian Higgins
Director of Administration

8.1 Human Resources

The Commission employed an average of 18 full-time equivalent staff in 2017 (see appendix). Staff members are paid at rates that compare directly with Public Service posts and all of these rates have been sanctioned by the Department of Public Expenditure and Reform. Flexibility in our organisation structure and job roles has been and will continue to be the cornerstone of our service delivery. Actions in support of our strategic objective to achieve a regulatory framework that represents best international practice have seen us align and implement education, development, and training plans based on an analysis of the skill and competency requirements of the Commission.

8.2 Superannuation Schemes

All full-time staff members were obliged to join the Commission's pension scheme. The scheme was established under the Aviation Regulation Act 2001. All new employees from 1st January 2013 are members of the Single Public Service Pension Scheme unless otherwise permitted to join the Commission's scheme. Both pension schemes are administered in accordance with legislative requirements.

8.3 Health and Safety

In continuance of a proactive approach to health and safety, we continue to encourage all staff to become involved in promoting safe practices at work and have completed training programmes in all aspects of manual handling, fire safety and first aid (including AED use) and will continue to do so in the future. We operate a health screening programme and also provide flu vaccinations on an annual basis. The Commission was audited by the Health and Safety Authority during the year and our Safety Statement and Risk Analysis were deemed both comprehensive and compliant.

8.4 Outsourcing and Procurement

As in previous years, the Commission continues to outsource non-core administrative functions relating to Internal Audit, Disaster Recovery, Media Relations, IT and Payroll and will continue to do so as long as it remains both cost-effective and efficient. In addition to this, we pursue best value practices in all aspects of our procurement utilising OGP services, e-tendering and competitive pricing as appropriate. Significant annual savings (€60k) were achieved on communications/IT support/rent.

8.5 Official Languages Act, 2003

The Commission for Aviation Regulation is listed as a public body in the First Schedule of the Official Languages Act, 2003. In August 2016, the Commission's first Language Scheme was approved by the Minister for Arts, Heritage, Regional, Rural and Gaeltacht Affairs. This Scheme is valid for three years and contains several commitments to increase the number of services the Commission provides in Irish. Following approval of the Scheme, implementation of the commitments outlined in the Scheme were commenced in accordance with the agreed timeline which continues until August 2019 and are currently on target.

8.6 Facilities

During the year we introduced a secure desk policy with the added impetus of reducing electricity consumption by powering off equipment on a daily basis. Utility bills were reduced by 27% as a direct result of this action. Our energy consumption under the SEAI report is on track for our 2020 target with a green status and savings since baseline of 26.7%.

8.7 Transparency

The Commission carries out its functions as transparently as possible. All documents relating to consultations are published on our website (a list for 2017 is included in the appendix to this report). Since March 2012, the Commission has published quarterly notes on our website detailing its purchase orders for amounts in excess of €20,000. The Commission received three Freedom of Information requests, one Data Protection request and answered twenty-two parliamentary questions during the year, together with appearing before the Oireachtas Committee on Transport, Tourism and Sport with reference to Ryanair cancellations and the impact on consumers.

8.8 Litigation

Following an investigation by its authorised officers, the Commission prosecuted Apex Travel Consulting Limited for illegal trading as a travel agent before Dublin Metropolitan District Court. Following a plea of guilty, the Court directed the company to pay over €2,000 to Our Lady's Children's Hospital Crumlin, which was done in July 2017.

8.9 Corporate Governance

The Commission is committed to maintaining the highest standards of corporate governance. Where applicable for an organisation of its size, the Commission complies with the Code of Practice for the Governance of State Bodies. The Commissioner, as Accountable Person, is responsible to the Minister for Transport, Tourism and Sport for good corporate governance.

Table 5: Summary of Corporate Governance

Commission Code of Contact	There is a code of conduct for Commission employees.
Investment Appraisal	The Commission did not incur any capital expenditure in 2016 coming within the scope of the activities envisaged in the Department's 2005 Guidelines for the Appraisal and Management of Capital Expenditure Proposals in the Public Sector.
Remuneration of Senior Management and Directors' Fees	The HR section of this Section set out the information in this area. The payment of director fees does not apply.
Reporting Arrangements	The Commission prepares report for the Minister for Transport, Tourism and Sport as required. The Commission has a fully developed accounting system, provided detailed monthly management and financial reports to senior management. We adopt International reporting Standards for our accounting. We calculate our accounts on an accrual accounting system, except where specified in the notes to the financial statements. These statements are audited by the Comptroller and Auditor General. The Commission has taken measure to comply with the obligation to keep proper books of accounts. These are kept at its sole office.
Strategic and Corporate Planning	The Commission's functions and responsibilities are set out in the Aviation Act 2001, the State Airports Act 2004, the Aviation Act 2006 and the State Airports (Shannon Group) Act 2014 together with various Statutory Instruments. The Commission reports annually to the Minister for Transport, Tourism and Sport on the manner in which its functions have been discharged in the previous year. Since early 2017, the Commission has been implementing its Strategic Plan 2017-2019.
Travel Policy	The Commission complies with Governmental travel policy requirements.
Disclosure of Interests	The Commission, its staff and all consultants and advisers are required to comply with the relevant disclosure requirements arising out of Section 18 of the Ethics in Public Office Act 1995 and Sections 17-18 of the Aviation Regulation Act, 2001.
Risk Management	The Commission maintains a risk register which is regularly reviewed by senior management, and works with the audit committee to manage risks.

8

Administrative

8.10 Looking Forward

In addition to our day-to-day operational functions, we will be actively reviewing the resilience of the organisation's systems and processes in order to evaluate their fitness for purpose in pursuit of greater efficiency and improved customer service. The continued requirement for flexibility in organisation structure and job roles will be key in retaining knowledge and expertise in order to support a regulatory framework that represents best international practice in support of our strategic objectives.





9

Financial Information



Financial Information

9.1 Introduction

2017 was another busy year for the Commission. Our Budget for 2017 rose due to a planned increase in stakeholder engagement and an increase in the need for economic consultancy support for specific areas. This is reflected in the 20% increase in Levy Income in the year.

Overall expenditure rose by 17% in the year and the increase in economic consultancy accounted for most of this increase. Full time equivalent staff numbers increased to 17 in the year, up from 16 in 2016. Legal costs reduced significantly in the year due to the fact that the Commission was not involved in any on-going legal cases. Our advertising spend increased also as the Commission stepped up its efforts to increase consumer awareness in the area of Regulation (EC) 261/2004.

The Statement of Financial Position shows that the level of travel trade cash bonds has remained fairly level in the year, with just a €143,000 uplift in the year. There were 123 cash bonds in place at the end of 2017 compared to 126 cash bonds at the end of 2016. This had been increasing over the past few years, due to this type of bond becoming more attractive for the industry, but seems to have levelled out at this stage.

There was a decrease in the net liability for the retirement benefit scheme from €935,283 as at 31/12/16 to €878,347 as at 31/12/17. The principal factors behind the movement in the Plan's deficit were actuarial changes in assumptions and investment outperformance during the year. The actuarial assessment of the liability in respect of the SPSPS scheme stood at €63,280 as at 31/12/17.

9.2 Statement of Internal Control

The Commissioner for Aviation Regulation has overall responsibility for ensuring that an effective system of internal control is maintained and operated in the Commission for Aviation Regulation. This responsibility takes account of the requirements of the Code of Practice for the Governance of State Bodies (2016). The system of internal control is designed to manage risk to a tolerable level rather than to eliminate it.

In order to discharge this responsibility in a manner that ensures compliance with legislation and regulations, the Commissioner has established an organisational structure with clear operating and reporting procedures, lines of responsibility, authorisation limits, segregation of duties and delegated authority.

The Commission has an Audit and Risk Committee which operates under a written charter approved by the Commissioner and which consists of three external members, with financial and audit expertise, one of whom is the Chair. The ARC met four times in 2017.

The Commission also has an internal audit function that is outsourced. The work of internal audit is informed by analysis of the risks to which the Commission is exposed, and annual internal audit plans are based on this analysis and agreed with the ARC. All internal audit reports are presented to the ARC.

The Commission has developed a risk management policy which sets its risk appetite, outlines the risk management processes in place and details the roles and responsibilities of staff in relation to risk.

The Commissioner has confirmed, in the Draft Financial Statements for the year to 31 December 2017 that the Commission conducted a review of the effectiveness of the system of internal control and risk management.

9.3 Internal Audit

BDO Ireland are the Commissions internal auditors and their contract runs to 15th August 2019. The internal auditor operates under the guidance of an external Audit and Risk Committee. In 2017, the internal auditors performed 4 audits:

- Data Protection Review
- IT Follow Up Review
- Low Cost Holidays Failure Claims Process Review
- Statement of Internal Control and Risk Management Review

9

Financial Information

9.4 Audit and Risk Committee

The Audit and Risk Committee met 4 times during 2017. At each meeting the Committee was updated by the Commissioner on the Commission's activities, ongoing work and key issues. Key management staff attended meetings as required and where appropriate. The independent internal auditors also attended meetings on a regular basis to update the Committee on the audit plan and related audit reports. The Audit and Risk Committee's annual report for 2017 did not raise any issues with the Commission's system of internal control.

9.5 Prompt Payment of Accounts

The Commission acknowledges its responsibility for ensuring compliance, in all material respects, with the provisions of the European Communities (Late Payments in Commercial Transactions) Regulations, 2002 ("the Regulations"). Procedures have been put in place to identify the dates upon which invoices fall due for payment and to ensure that payments are made by such dates. Such procedures provide reasonable assurance against material non-compliance with the Regulations. The payment policy is to comply with the requirements of the Regulations.

9.6 Procurement

The Commission's procurement procedures comply with national and, where applicable, EU guidelines and directives. The value of the majority of the contracts is such that national guidelines tend to apply. The Commission has a procurement plan, setting out the areas in which it expects to tender for services.

9.7 Disposal of Assets and access to assets by third parties

The Commission has no assets of the scale and value envisaged under the guidelines (€150,000). No significant asset disposals took place during 2017.

9.8 Investment Appraisal

The Commission did not incur any significant capital expenditure in 2017 coming within the scope of the activities envisaged in the Department's 2005 Guidelines for the Appraisal and Management of Capital Expenditure Proposals in the Public Sector.

9.9 Tax Compliance

The Commission is liable to pay PAYE, VAT and PSWT. The Commission has submitted all relevant tax returns for 2017 and is fully tax compliant.

9.10 Levy

Under Section 23 of the Aviation Regulation Act 2001, the Commission may make regulations that impose a levy to meet properly-incurred expenses in discharging its functions. The levy is payable by such classes of undertakings as may be specified by the Commission.

On 11th December 2017, the Commission made S.I. 560 of 2017 imposing the Levy for 2018. The Commission expects to receive revenues of €3.2m from the levy in 2018.

Levy income fluctuates in line with expected expenditure needs and cashflow requirements (Table 7). In recent years we have under-levied in order to run down our cash balances. Licence Fee income has remained fairly static over the year. Other Income is comprised of Interest income and Income from the Travellers Protection Fund. The former moves in line with deposits and interest rates each year. The latter relates to instances where the Commission incurs expenditure in the administration of the Travellers Protection Fund and Bond Accounts and recoups these costs from the fund or bond accounts. In 2017, the Commission dealt with the collapse of Chadwell Travel Ltd and reclaimed the costs of dealing with those claims and administering the fund from the bond and fund respectively.

Financial Information

Table 7: Commission Levy

Levy	2017	2016	% Change
Levy	2,680,100	2,224,642	20%
Licence Fees	200,848	178,063	13%
Other Income	4,956	105,193	-95%
Total	2,885,904	2,507,898	15%

9.11 Financial Statements

On 28th February 2017, the draft financial statements for 2016 were submitted to the Comptroller and Auditor General for audit. On 26th July 2017, on completion of the audit, they were submitted to the Minister for Transport, Tourism and Sport. They were laid before the Houses of the Oireachtas on 4th October 2017 and are available on the Commission's website.

Draft financial statements for the year ended 31 December 2017 have been prepared and were submitted for audit to the Comptroller and Auditor General on 28th February 2018. An extract from these draft statements is provided below. The statement of accounting policies and the notes to the financial statements, which are not presented below but will be part of the final published accounts, form an integral part of the financial statements.

Draft Statement of Income & Expenditure for the year ended 31 December 2017

	2017 € '000	2016 € '000
Income		
Levy Income	2,680	2,225
Licence Fees	201	178
Other	5	105
Gross Income	2,886	2,508
Transfer (to)/from Capital Account	5	(1)
Net Income	2,891	2,507
Expenditure		
Staff Costs	1,391	1,170
Pension Costs	221	256
Consultancy	547	35
Legal Fees	9	300
Rent	280	280
Schedules Facilitation	307	331
Operating Expenses	591	488
	3,346	2,860
Operating (Deficit)	(455)	(353)

Financial Information

Draft Statement of Comprehensive Income for the year ended 31 December 2017

	2017 € '000	2016 € '000
Operating (Deficit)	(455)	(353)
Net Interest on pension scheme liabilities		
Experience gains/(losses) arising on retirement benefit scheme liabilities	(45)	(175)
Actuarial gains (losses) on scheme assets	103	(19)
Changes in assumptions underlying the present value of the retirement benefit scheme liabilities	69	-
Transfers in for prior service	-	-
Actuarial gain/(loss)	127	(262)
Total Recognised Gains/(Losses) relating to the Financial Year	(328)	(585)

Draft Statement of Financial Position as at 31 December 2017

	2017 € '000	2016 € '000
Property Plant and Equipment		
Property, Plant and Equipment	16	21
Current Assets		
Cash and Cash Equivalents	20,781	20,892
Long Term Deposits	516	516
Receivables and Prepayments	177	344
	21,475	21,752
Creditors (Amounts falling due within one year)		
Payables and Accruals	(360)	(395)
Cash Bond Accounts	(19,334)	(19,190)
	(19,694)	(19,586)
Net Current Assets	1,781	2,165
Total Assets less Current Liabilities	1,797	2,187
Net Retirement Benefit Liability	(942)	(935)
Net Assets including Retirement Benefit Liability	855	1,252
Representing		
Income & Expenditure Account	1,781	2,166
Capital Account	16	21
Retirement Benefit Reserve	(942)	(935)
	855	1,252

Financial Information

Draft Statement of Changes in Reserves and Capital Account as at 31 December 2017

	Income & Expenditure Account	Capital Account	Retirement Benefit Reserve	Total
Balance as at 1 January 2016	2,387	20	(609)	1,798
Operating Deficit	(353)	-	-	(353)
Movement during the year	-	1	-	(1)
Actuarial Gain	-	-	(194)	(194)
Transfer	132	-	(132)	-
Balance as at 31 December 2016	2,166	21	(935)	1,252
Balance as at 1 January 2017	2,166	21	(935)	1,252
Operating Deficit	(455)	-	-	(455)
Movement during the year	-	(5)	-	(5)
Actuarial Gain	-	-	127	127
Transfer	70	-	(70)	-
SPSPS Liability	-	-	(63)	(63)
Balance as at 31 December 2017	1,781	16	(942)	855

Draft Statement of Cashflows for year ended 31 December 2017

	2017 € '000	2016 € '000
Net cash flows from operating activities		
Surplus/(Deficit) on Income and Expenditure	(455)	(353)
Difference between Retirement Benefit Cost and Employer Contribution	70	132
Depreciation	5	5
Bank Interest received net of bank charges paid	1	(2)
Amortisation of capital asset	(5)	(1)
Decrease/(Increase) in Receivables	82	(91)
Decrease/(Increase) in Prepayments	85	9
Increase in Payables	97	36
(Decrease)/Increase in Accruals	(133)	190
Net Cash (Outflow) From Operating Activities	(265)	(70)
Cash flows from Financing Activities		
Bank Interest	-	2
Bank Charges Paid	(1)	(3)
Payments to Acquire Tangible Fixed Assets	-	(6)
Net Cash Flows from Financing Activities	(1)	(8)
Cash flows from Investing activities		
Increase in Cash Bond Accounts & TPF	(143)	(1,561)
Net cash flows from Investing activities	(143)	(1,561)
Net Increase/(Decrease) in Cash and Cash Equivalents	(111)	(1,639)
Cash and cash equivalents at 1 January	20,892	22,531
Cash and cash equivalents at 31 December	20,781	20,892

Numbers are rounded independently and may not sum to total.

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Appendix



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Appendix

Delivery of the 2017 Work Plans against the Strategic Plan

Efficient, High-Quality and Safety Conscious Airport Services

Objective 1: Set Efficient Charges at Dublin Airport

Actions	2017 Delivery
<ul style="list-style-type: none"> Set a price cap for Dublin Airport for the next regulatory period 2020-2024 and consider other regulatory approaches consistent with legislation. Examine Dublin Airport's request for an interim review to allow a supplementary capex allowance for the current regulatory period. Regulate and monitor the cost-efficient provision of capital projects. Monitor the compliance of airport charges and the quality of service measures at Dublin Airport. 	<ul style="list-style-type: none"> In April, we amended the North Runway trigger to align the runway remuneration with the timeline for project delivery. In October, we facilitated consultations by Dublin Airport with airline users on proposed capital projects designed to address capacity issues at the airport. Reporting arrangements are in place for supplementary capex. We published quarterly results of quality of service monitoring. In June, we consulted on guidelines to improve the level of transparency for the annual consultations at Dublin Airport. In October we set out a number of guidelines which we expected Dublin Airport and users to apply to the annual consultation on 2018 airport charges.

Objective 2: Increase Stakeholder Involvement in Decision making

Actions	2017 Delivery
<ul style="list-style-type: none"> Encourage increased level of consultation on charges and infrastructure. Examine how to better engage the passenger in the regulatory process. 	<ul style="list-style-type: none"> In October, we set out guidelines for Dublin Airport and airlines designed to increase transparency in the annual consultation on 2018 airport charges.. In December, we decided to implement three high-level proposals for improving passenger representation in our regulatory framework. In Q1 2018, we are consulting on their detailed implementation.

Objective 3: Promote Competition and Facilitate New Entry

Actions	2017 Delivery
<ul style="list-style-type: none"> Declare slot-coordination parameters at Dublin Airport to optimise the use of infrastructure, facilitating new airline entrants. Appoint an independent slot-coordinator. Enforce sanctions for airlines operating without a slot. Ensure fees charged to Groundhandlers are relevant, objective, transparent and non-discriminatory. 	<ul style="list-style-type: none"> In April, we declared the slot coordination parameters for Winter 2017 at Dublin Airport, and in September those for Summer 2018. In Q1 of 2017, we commissioned a full capacity assessment to assist us in future declarations. We appointed ACL as the slot coordinator. In October, we strengthened the guidelines for implementation of the Irish Slot Sanctions Scheme. We received one application for approval of an ATI fee (subsequently withdrawn by the applicant).

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Appendix

Safe and Financially Robust Airlines and Groundhandlers

Objective 1: Operate an efficient Licensing System

Actions	2017 Delivery
<ul style="list-style-type: none"> ■ Keeping our systems and internal processes under review. ■ Review timelines for responses, processes for licence issue, reviews, renewals, withdrawals or revocations. ■ Further coordinate processes with the IAA in our respective roles of issuing licences to airlines and review our information-sharing arrangements. ■ Explore how relevant groundhandling objectives could be most efficiently achieved at Irish airports within the scope of the existing legislative and regulatory frameworks. 	<ul style="list-style-type: none"> ■ Ongoing. ■ Ongoing. ■ We regularly meet the IAA of common interest and are updating our information sharing arrangements. ■ We commenced work with the airports in relation to monitoring groundhandling performance. This will continue into 2018.

Financially Strong Tour Operators and Travel Agents

Objective 1: Implement requirements of the Package Travel Directive

Actions	2017 Delivery
<ul style="list-style-type: none"> ■ Work closely with stakeholders to determine requirements. ■ Identify options and implement necessary changes. 	<ul style="list-style-type: none"> ■ We consulted with industry and held a number of meetings in Dublin, Athlone and Cork over the winter period. In February 2018, we will issue our paper to DTTAS. ■ Work commenced in 2017 and will continue in 2018.

Objective 2: Provide adequate protection to travelling public

Actions	2017 Delivery
<ul style="list-style-type: none"> ■ Review bonding and travel protection arrangements to ensure they remain effective. ■ Investigate cases of alleged mistrading. 	<ul style="list-style-type: none"> ■ In January 2018, we published a report on travel trade consumer protection measures and concluded that, at this stage, the current scheme is no longer effective. ■ In 2018, we will initiate stage 2 where we will consult with the industry on the detail of arrangements to put in place to offer the level of protection expected by consumers. ■ Travel Trade investigated six complaints during the year.

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Appendix

Robust Framework to Enforce Passenger Rights

Objective 1: Deal with passenger complaints effectively, efficiently and fairly

Actions	2017 Delivery
<ul style="list-style-type: none"> ■ Investigate opportunities to reduce volume of queries that fall outside our remit. ■ Engage with stakeholders to address source of complaints. 	<ul style="list-style-type: none"> ■ Work commenced. ■ Work commenced.

Objective 2: Increase travelling public’s awareness of air passenger rights

Actions	2017 Delivery
<ul style="list-style-type: none"> ■ Develop a communications plan, including a review of our websites, to increase awareness of passenger rights. 	<ul style="list-style-type: none"> ■ In September we placed ads in media to highlight passenger rights. Further work planned for 2018.

Regulation that Represents Best International Practice

Objective 1: Operate efficient systems

Actions	2017 Delivery
<ul style="list-style-type: none"> ■ Review systems for licensing Airlines, Groundhandlers, Tour Operators and Travel Agents to ensure best practice. ■ Benchmark ourselves against others to ensure best practice in enforcing and promoting passenger rights and airline compliance. 	<ul style="list-style-type: none"> ■ Travel Trade licensing and monitoring processes were reviewed and amended. We will be continuing this review in 2018 and will be making any improvements necessary to ensure best practice. ■ Ongoing.

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Appendix

Objective 2: Consult effectively

Actions	2017 Delivery
<ul style="list-style-type: none"> ■ Implement a communications plan to update stakeholders. ■ Continue to engage with regulators and industry both nationally and internationally to improve regulatory practices. ■ Actively participate in the Thessaloniki Forum of European Airport Charges Regulators and the evaluation of the Airport Charges Directive. ■ Co-ordinate with other relevant agencies in relation to the regulation of Dublin Airport. ■ Develop regulatory policy in preparation for our 2019 Dublin Airport determination drawing from experience of other regulatory bodies. ■ Keep up-to-date and provide information to stakeholders (including the impact of Brexit on aviation) in a timely manner. ■ Publish a strategic plan. ■ Review and improve websites. 	<ul style="list-style-type: none"> ■ At all levels of the organisation we regularly meet our stakeholders and provide them with updates. ■ The Commission is a member of the Network of Economic Regulators in Ireland, a member of EGFATT (an EU body concerned with travel trade consumer protection measures) and partakes in the Thessaloniki Forum. ■ We chaired a Thessaloniki Forum workgroup. Two reports on market power assessments were published. In 2018, we will chair the work of the Forum on other areas. ■ Ongoing. ■ We introduced more flexibility into the regulatory arrangements and increased constructive engagement between Dublin Airport and airlines. ■ Ongoing. ■ Plan published in May. ■ Due to higher priorities, this work is deferred.

Objective 3: Maintain a skilled and motivated staff

Actions	2017 Delivery
<ul style="list-style-type: none"> ■ Align resource education and development plans with this strategic plan. ■ Put in place a training plan based on an analysis of the skill and competency requirements of CAR. ■ Continue to use our Performance Management Development System to ensure best business practice. ■ Develop and implement a knowledge-management system. 	<ul style="list-style-type: none"> ■ Ongoing. ■ Plan in place. ■ Ongoing. ■ Ongoing.

Commission Papers Published in 2017

CP1/2017	Draft Decision on the Interim Review of the 2014 Determination regarding the Regulatory Treatment of the North Runway at Dublin Airport
CP2/2017	Consultation to Strategic Plan 2017-2019
CP3/2017	Decision on the Winter 2017 Coordination Parameters at Dublin Airport
CP4/2017	Decision on the Interim Review of the 2014 Determination Related to the North Runway
CP5/2017	Decision Strategic Plan 2017-2019
CP6/2017	Consultation on KPIs for Travel Trade Licensing Section of Commission for Aviation Regulation
CP7/2017	Review of Consultation and Transparency under the Airport Charges Directive at Dublin Airport
CP8/2017	Consultation on Travel Trade Consumer Protection Measures
CP9/2017	Consultation on Passenger Representation in Regulatory Decision Making for Dublin Airport
CP10/2017	Draft Decision on Summer 2018 Slot Coordination Parameters at Dublin Airport
CP11/2017	Decision on Summer 2018 Slot Coordination Parameters at Dublin Airport
CP12/2017	Decision on Updating the Slot Sanctions Scheme Implementation Guidelines
CP13/2017	Consultation on Transposition of Directive on Package Travel
CP14/2017	Consultation on Timeline for Coordination Parameters Decision
CP15/2017	Decision on Passenger Representation in Regulatory Decision Making for Dublin Airport
CP16/2017	Consultation on Guidelines, Incentives and Ad hoc Advisory Panel for Passenger Representation at Dublin Airport
	Consultation on Draft Report on Dublin Airport Capacity Assessment
	Consultation on Revising the Slot Sanctions Scheme Guidelines
	First Report on Market Power Assessments and the Appropriate Economic Regulation of EU Airports
	Second Report on Practices in Conducting Market Power Assessments
	Quality of Service Monitoring of Dublin Airport, Q42016, Q1 Q2 Q3 2017
CN1/2017	Travel Trade licensing Arrangements for Spring 2017
CN2/2017	Application from Shannon Airport for ATI fee approval CUPPS
CN3/2017	Provisional 2018 Price Cap and Compliance with 2016 Price Cap of Dublin Airport
CN4/2017	Confirmation of the Attainment of the Pier 2 Segregation Project Trigger

Key Performance Indicators

Performance Indicator	2017	2016
Travel Trade Licensing		
Licence applicants notified of missing documents within a week	18%	8%
Licence applicants receiving a decision in principle within a month	42%	43%
Licences issued within two weeks of all documents being received	90%	86%
Number of licensees' premises visited	24	27
Travel Trade Claims and Repatriations		
Number of claims received following collapses	3	4,174
Number of claims processed within two months	3	2,573
Number of claims processed within four months	-	4,174
Number of claims processed within six months	-	4,174
Administration costs as a percentage of total claims costs	40%	7%
Number of passengers repatriated	-	0
Passengers awaiting repatriation after scheduled return date	-	n/a
Passengers awaiting repatriation for more than a week	-	n/a
Consumer Protection		
Preliminary reviews of complaints completed within a week	65% Est. ²⁴	94%
Complaints referred to another NEB within a month of receipt	40%	64%
Investigations completed within three months of receipt ²⁵	49%	86%
Investigations completed within seven months of receipt ²⁶	89%	99%
Number of airport inspections	6	8
Costs		
Annual change in CAR costs	17%	+20%

²⁴ Our complaint handling system was off line (for development work) for the first half of 2017. As queries and complaints were manually dealt with for that period, it is not possible to report a definitive KPI for the entire year. However the sample we have examined suggests that 65% is an accurate extrapolation.

²⁵ For complaints received between 1 July 2016 and 30 June 2017; similar lag for previous year.

²⁶ For complaints received between 1 July 2016 and 30 June 2017, similar lag for previous year.

Commission for Aviation Regulation 2018 Work Plan

Strategic Goal 1: Efficient, High-Quality and Safety Conscious Airport Services

Objective 1	2018 Priorities	Key Performance Indicator
Set efficient charges at Dublin airport.	<ul style="list-style-type: none"> ■ Set a price cap for Dublin Airport for the next regulatory period and consider other regulatory approaches consistent with legislation. ■ Examine Dublin Airport's request for an interim review to allow a supplementary capex allowance for the current regulatory period. ■ Regulate and monitor the cost-efficient provision of capital projects. ■ Monitor the compliance of airport charges and the quality of service measures at Dublin Airport. 	<ul style="list-style-type: none"> ■ Publish issues paper for next price review. ■ Consultation and decision on supplementary capex allowance. ■ Implement reporting arrangement. ■ Publish quarterly quality of service reports.
Objective 2	2018 Priorities	Key Performance Indicator
Increase stakeholder involvement in decision-making.	<ul style="list-style-type: none"> ■ Encourage increased level of consultation on charges and infrastructure. ■ Examine how to better engage the passenger in the regulatory process. 	<ul style="list-style-type: none"> ■ Issue Dublin Airport with guidance on effective consultation. ■ Improve passenger representation in regulatory decisions.
Objective 3	2018 Priorities	Key Performance Indicator
Promote competition and facilitate new entry.	<ul style="list-style-type: none"> ■ Declare slot-coordination parameters at Dublin Airport. ■ Enforce sanctions for airlines operating without a slot. 	<ul style="list-style-type: none"> ■ Publish parameter decisions. ■ Publish compliance report.

Strategic Goal 2: Safe and Financially Robust Airlines and Groundhandlers

Objective 1	2018 Priorities	Key Performance Indicator
Operate an efficient licensing system.	<ul style="list-style-type: none"> Keep our systems and internal processes under review. Review timelines for responses, processes for licence issue, reviews, renewals, withdrawals or revocations. Further coordinate processes with the IAA in our respective roles of issuing licences to airlines and review our information-sharing arrangement. Explore how relevant groundhandling objectives could be most efficiently achieved at Irish airports within the scope of the existing legislative and regulatory frameworks. 	<ul style="list-style-type: none"> Amend existing processes as necessary. Amend existing processes as necessary. Update our licensing process and our information-sharing arrangement. Review existing arrangements with the airports and publish updated regulatory approach.

Strategic Goal 3: Financially Strong Tour Operators and Travel Agents

Objective 1	2018 Priorities	Key Performance Indicator
Implement requirements of the Package Travel Directive.	<ul style="list-style-type: none"> Input to DTTAS' work in determining requirements of the Package Travel Directive. Identify and implement changes to Licensing process to reflect requirements of the Package Travel Directive. 	<ul style="list-style-type: none"> Complete consultation on Package Travel Directive and provide final advice to Department. Implement revised requirements; guidelines, forms and updated process.
Objective 2	2018 Priorities	Key Performance Indicator
Provide adequate protection to the travelling public.	<ul style="list-style-type: none"> Implement Stage 2 of the process to identify solution and necessary changes to existing processes for licensing, bonding and traveller protection measures that are consistent with the requirements of the Package Travel Directive. Continue to administer the Licensing regime and monitor compliance with the scheme. 	<ul style="list-style-type: none"> Implement revised passenger protection arrangements. Publish revised guidelines for licensees, revised passenger protection measures and implement awareness programme. Issue renewals and new licences on time, issue responses on time, investigate allegations of illegal trading and take appropriate action, improve awareness of licensing regime.

Strategic Goal 4: Robust Framework to Enforce Passenger Rights

Objective 1	2018 Priorities	Key Performance Indicator
Deal with passenger complaints effectively, efficiently and fairly.	<ul style="list-style-type: none"> Investigate opportunities to reduce volume of queries that fall outside our remit. Engage with stakeholders to ensure efficient complaint handling process for passengers. 	<ul style="list-style-type: none"> Implement plan to reduce volume of non-Commission related queries. Publish complaint handling process.
Objective 2	2018 Priorities	Key Performance Indicator
Increase travelling public's awareness of their rights.	<ul style="list-style-type: none"> Develop a communications plan to increase awareness of passenger rights. 	<ul style="list-style-type: none"> Implement awareness programme.

Strategic Goal 5: Regulation that Represents Best International Practice

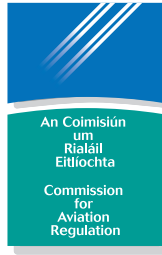
Objective 1	2018 Priorities	Key Performance Indicator
Operate efficient systems.	<ul style="list-style-type: none"> Review systems for licensing airlines, groundhandlers, tour operators and travel agents to ensure best practice. Benchmark ourselves against others to ensure best practice in enforcing and promoting passenger rights and airline compliance. for the current regulatory period. Implement general data protection regulations requirements. 	<ul style="list-style-type: none"> Update licensing system as necessary. Update processes as necessary. Have compliant systems in place in a timely manner.
Objective 2	2018 Priorities	Key Performance Indicator
Consult effectively.	<ul style="list-style-type: none"> Encourage increased level of consultation on charges and infrastructure. Actively participate in the Thessaloniki Forum of European Airport Charges Regulators and the evaluation of the Airport Charges Directive. Co-ordinate with relevant agencies in relation to the regulation of Dublin Airport. Develop regulatory policy in preparation for our 2019 Dublin Airport determination drawing from experience of other regulatory bodies. Keep up-to-date and provide information to stakeholders (including the impact of Brexit on aviation) in a timely manner 	<ul style="list-style-type: none"> Implement plan. Input to working group and forum meetings and report on progress. Share information with the IAA and INIS (as required) in the process for regulating Dublin Airport. For example, on capacity and capital projects. Publish issues paper. Provide updates as necessary.

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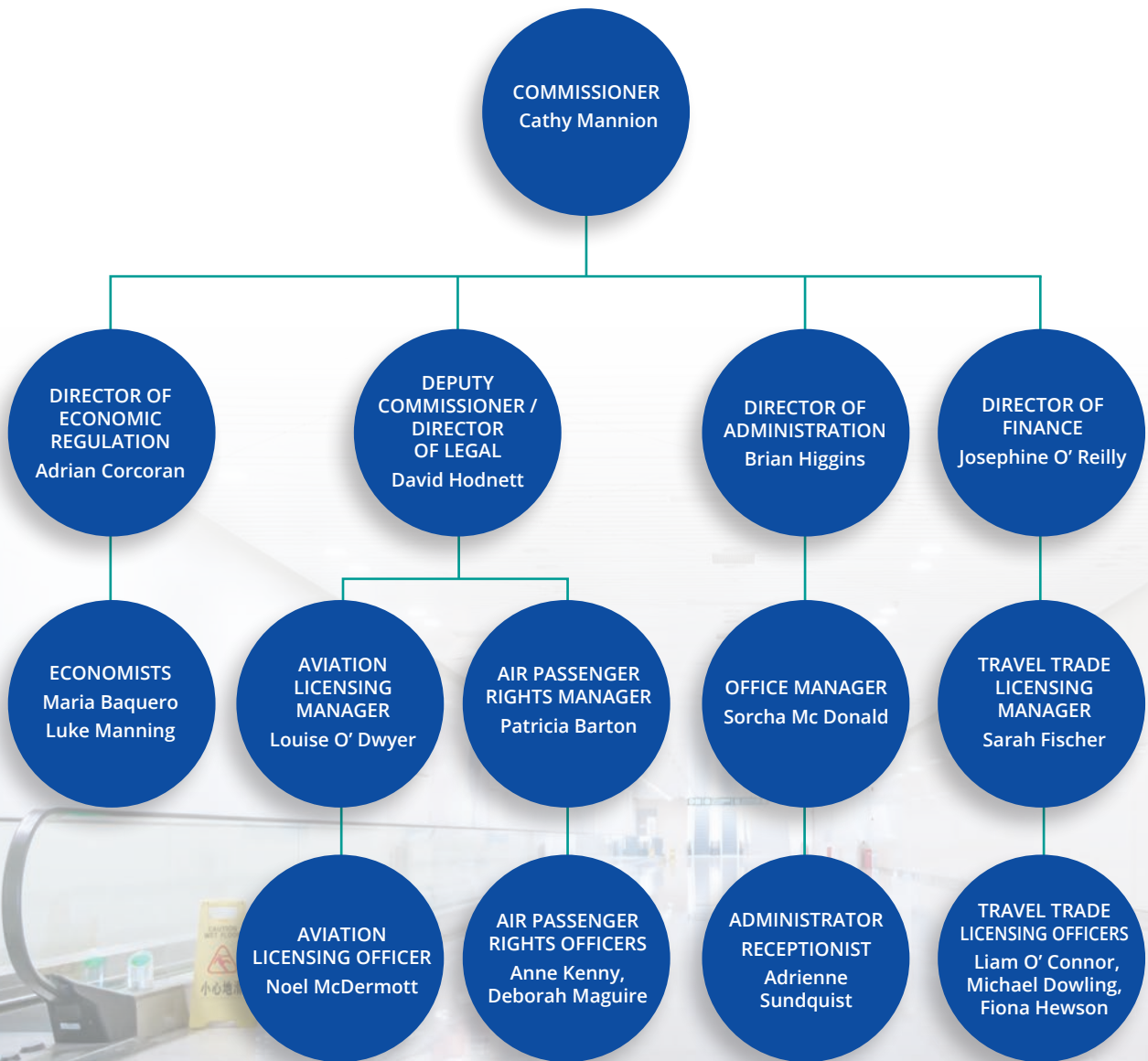
Appendix

Objective 3	2018 Priorities	Key Performance Indicator
Maintain a skilled and motivated staff.	<ul style="list-style-type: none"> Align resource, education and development plans with our strategic plan and put in place a training programme based on an analysis of the skill and competency requirements. Continue to use our Performance Management Development System to ensure best business practice. Review organisational resilience. 	<ul style="list-style-type: none"> Implement 2018 Commission training plan. Conduct goal setting, interim and annual progress review. Follow up on recommendations.
Objective 4	2018 Priorities	Key Performance Indicator
Support implementation of the national policy statement on airport charges regulation.	<ul style="list-style-type: none"> Input to DTTAS's work on the economic regulatory framework. Input to DTTAS's work on the merger of the Safety Regulatory Division's (SRD) functions of the IAA with the existing functions of CAR. 	<ul style="list-style-type: none"> Implement any resulting DTTAS decisions. Implement any resulting DTTAS decisions.





Commission for Aviation Regulation Organisation Chart



2017



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