

Annual Report



2021

**COMMISSION FOR
AVIATION REGULATION**





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Foreword



David Hodnett
Deputy Commissioner

I am pleased to present the Annual Report of the Commission for Aviation Regulation for 2021. The Report summarises the activities of the Commission over the past year by reference to functional area together with a work programme for the forthcoming year and presents an extract from the Commission's draft Financial Statements for the year ended 31 December 2021.

The impact of COVID-19 on the aviation and travel industries continues to be devastating. In the first nine months of 2021, almost 4.6 million passengers (4,591,845) travelled through the main Irish airports, a yearly drop of 2.9 million passengers (2,942,715) and a fall of 24.9 million (24,920,621) compared with the same period in 2019¹. During 2021, the Commission tailored its work programme to ensure that it could respond to passengers and provide regulatory responses and support to the industries we regulate.

It is a priority of senior management to lead the Commission through the restructuring programme which will see the functions of the Commission for Aviation Regulation merged with the safety regulation functions of the IAA prior to its dissolution; with the existing IAA company then becoming a single regulatory body responsible for all aviation matters. The current air traffic management functions of the IAA will be transferred to a new commercial semi-State company – the Irish Air Navigation Service. The legislation providing for this restructuring, the Air

Navigation and Transport Bill 2020, was passed by Dáil Éireann in July 2021 and at the time of writing is at Committee Stage in Seanad Éireann. In anticipation of a 2022 dissolution day, the Commission has devoted significant resources to implementing this Government reform program over the course of 2021. In the context of the proposed merger, approximately one third of Commission staff remain working on various key projects to facilitate the implementation of the separation of the Irish Air Navigation Service from the IAA. A significant amount of senior management time has been devoted to working through the myriad of administrative, employment, financial, legal and practical issues that require resolution prior to the finalisation of this project.

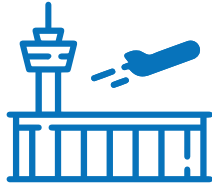
At the end of October 2021, the Commissioner for Aviation Regulation, Ms. Cathy Mannion, departed to take up another aviation regulation role at EU level. I would like to thank her for her contribution to the successful functioning of the Commission, the implementation of economic regulation of the aviation sector in Ireland and for her leadership over the past six years.

I also this opportunity to thank the Minister for Transport, Mr. Eamonn Ryan, T.D., and Minister of State, Ms. Hildegard Naughton, T.D., and the officials of the Department for their ongoing support and assistance to the Commission in discharging its functions. In addition, I thank the staff of the Irish Aviation Authority for their support and assistance to the Commission in discharging its functions, in those areas where our work converges and particularly in relation to progressing the restructuring project described above.

The ongoing achievement by the Commission of its statutory objectives and the discharge by it of its remit would not be possible without the ability, enthusiasm and commitment of its staff and also the temporary staff members who have assisted the Commission in relation to consumer-focused work. I would like to thank them for their effort and contribution over the past year. Most of these staff members have worked from home since March 2020 but have managed to continue to effectively deliver the Commission's service despite that challenge.

¹ Source CRO, Aviation Statistics, quarter 3, 2021: <https://www.cso.ie/en/releasesandpublications/er/as/aviationstatisticsquarter32021/>

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About the Commission for Aviation Regulation



The Commission is Ireland's independent economic aviation regulator and was established in 2001. The Commission's responsibilities are outlined below.

ECONOMIC REGULATION

- Sets and monitors a price cap limiting the revenue per passenger that daa can collect from airport charges at Dublin Airport.
- Ensures compliance with the European Airport Charges Directive (2009/12/EC), which sets out minimum standards in relation to consultation and non-discrimination in an airport's charging strategy.
- Approves, as required, 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 Regulation, appointing a schedules facilitator or coordinator where necessary. Declares the coordination parameters for Coordinated airports- currently, Dublin Airport is Coordinated while the other Irish airports are Uncoordinated.
- The Commission is the National Supervisory Authority (NSA) for the purposes of economic regulation of air navigation services under the Single European Sky regulations.

LICENSING AND APPROVALS

- Licenses Irish-based air carriers transporting passengers, mail or cargo for remuneration and/or hire.
- Regulates businesses established in Ireland and outside the EU who sell or offer for sale packages/linked travel arrangements in the EU/ in Ireland respectively.
- Licenses Irish established travel agents and tour operators selling overseas travel.

- Administers a bonding scheme for licensed 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.

Key Statistics

ECONOMIC REGULATION

Aircraft movements **recovered by 10%** in 2021 compared to 2020 but were still **56% below** the 2019 level.

AIR CARRIER LICENSING AND GROUNDHANDLING

We approved **43 companies** engaged in groundhandling activities.

We licensed **15 Irish-based** air carriers.

TRAVEL TRADE

We licensed and bonded **161 travel firms**.

In 2021 we administered **2246 claims** by customers of collapsed entities who received **€2.2m** in **refunds** from insolvency protection Bonds held by the Commission, the Traveller's Protection Fund and refund credit notes.

AIR PASSENGER RIGHTS/PERSONS WITH REDUCED MOBILITY

We **advised 2,340** individuals on their rights by phone and/or email.

We commenced **investigation** of **1,479 complaints**, **concluding 1,015**. Over **€579,000** was obtained in refunds following our intervention and a further **€35,000** in compensation was awarded to passengers in respect of the **897 valid complaints** that have been concluded.



Economic Regulation



Adrian Corcoran
Director of Markets and Consumer Policy

Adrian Corcoran is the Director of Markets and Consumer Policy. 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. In addition, in 2021, responsibility for Travel Trade and Air Passenger Rights transferred to Adrian Corcoran.

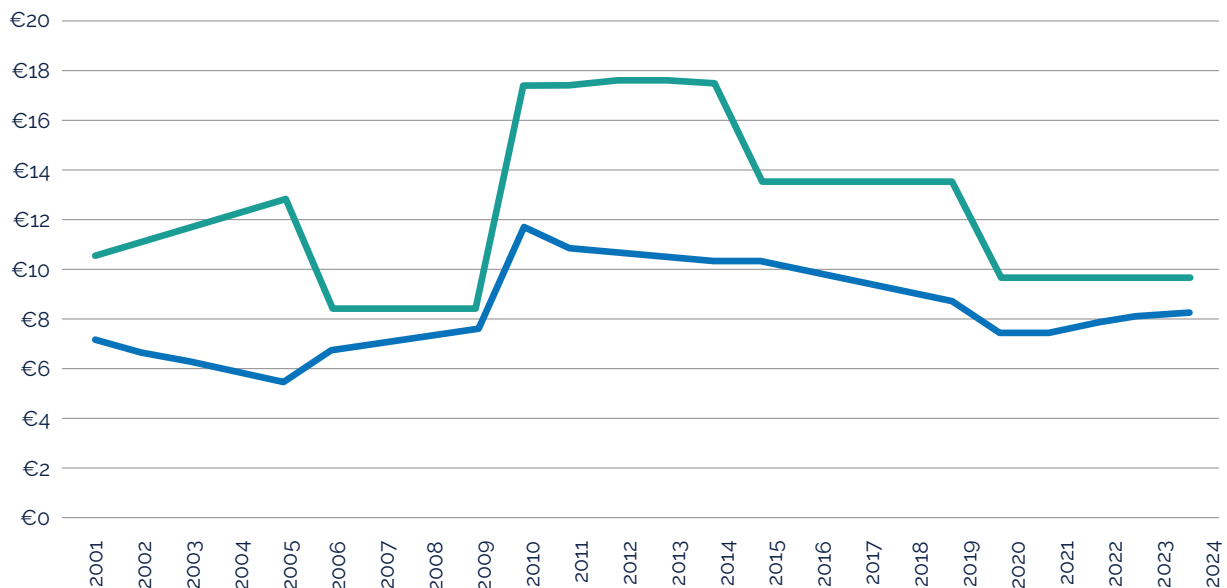


TWENTY YEARS OF ECONOMIC REGULATION

The Commission has regulated Airport Charges at Dublin Airport for 20 years, as part of its role in protecting the interests of passengers. About 90% of all passengers in Ireland fly through Dublin Airport and most do not have an alternative. This means that Dublin Airport, left unchecked, could set higher prices than if they were competing with other airports, which would not be in the best interests of passengers and airlines. Chart 1 below shows

the prices requested by Dublin Airport since 2001, along with the prices that we approved. Our approach to regulation saved airport passengers approximately €1.8bn between 2001 and 2019, and had the Covid-19 pandemic not occurred, we estimate that passengers would have saved a further €320m between 2020 and 2024. It should be noted that despite receiving lower price caps than requested throughout this period, Dublin Airports service quality results have steadily improved. It was also able to deliver key pieces of infrastructure such as Terminal 2 and the North Runway.

Chart 1: Dublin Airport Price Cap compared to its requested price



THE IMPACT OF COVID-19 ON THE AVIATION INDUSTRY

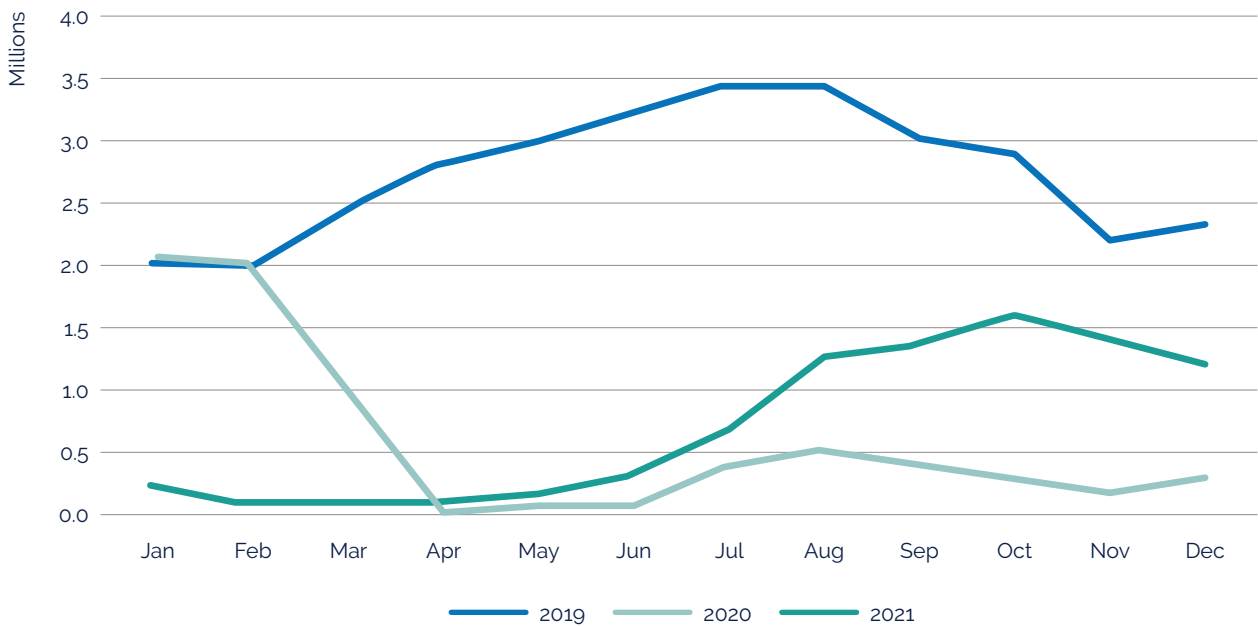
COVID-19 continued to have a significant impact on the aviation industry in 2021, although traffic started to recover from midyear. Eurostat report that European commercial flights in December 2021 was 24% lower than the same month in 2019 (an improvement on the 67% decline between December 2019 and December 2020)². While Europe overall saw strong recovery in traffic from the summer of 2021, this was seen to a much lesser extent in Ireland. Total passenger traffic at Dublin Airport in 2021 was 8.5m, up slightly from 7.4m in 2020, but still far below the 2019 figure of 32.9 million. This was due in part to strict

COVID-19 restrictions which were in force for the first half of 2021, and even as the restrictions eased, some requirements for international travelers remained in place. The impact of the pandemic and subsequent restrictions on flight and passenger numbers is shown in Chart 2 below. In 2021, the aviation industry continued to face similar challenges to 2020, i.e., containing costs while also having the capability to react quickly when traffic ultimately recovers. While considerable uncertainty around the recovery trajectory and the COVID-19 pandemic remains, the outlook for 2022 and beyond is considerably brighter than in previous years. We expect passenger levels at Dublin airport to be between 21m-25m in 2022, and further growth is expected in the following years.

² <https://ec.europa.eu/eurostat/web/products-eurostat-news/-/ddn-20220112-1>



Chart 2: Passenger Numbers at Dublin Airport in 2019 Compared to 2020 and 2021



DELIVERY AGAINST STRATEGIC PLAN

The key strategic goal for the economics section is to incentivise efficient, high-quality and safety conscious airport and air navigation services.

Central to achieving this goal are four objectives and several actions. Chart 3 illustrates the focus of our work in 2021 which included our four objectives and a general Commission objective.

Chart 3: Strategic Objectives We Worked On in 2020



The following paragraphs summarise the work undertaken in 2021 grouped by each of these objectives.

SET EFFICIENT CHARGES AT DUBLIN AIRPORT

Appeals Panel of 2020 Interim Review

An appeals panel was established by the Minister for Transport on 28 April 2021 to consider appeals by Ryanair, Aer Lingus, and daa regarding the Interim Review of the 2019 Determination in relation to 2020 and 2021. Following written submissions and oral hearings the panel reached a decision in July. The panel rejected all points of appeal, concluding that it did not find that the grounds of appeal raised by any of the appellants gave rise to sufficient grounds to refer CAR's Decision back for review.

Price Regulation Response to COVID-19

In April 2021, we published a consultation to consider how price regulation should respond to COVID-19 for the year 2022. After considering the responses to consultation, a Draft Decision on a second interim review of the 2019 Determination was published. This proposed to carry forward to 2022 most of the adjustments that were applied in 2021. This included the continued removal of the Capex reprofiling triggers and the Opex passthrough mechanism. It also included the suspension of the Capex clawback mechanism and of the commercial revenue rolling schemes. Many of these triggers and adjustments were based on Dublin Airport delivering capital projects. Given the circumstances, these incentives were no longer appropriate and may have led to undesirable consequences.

We also maintained the new consultation process for the timing of substantial allowed capital projects, given the need for these projects to be reconsidered in the context of the pandemic. Major projects need to achieve support from airlines representing at least 50% of passenger traffic at Dublin Airport to be approved.

The Final Decision on the Interim Review in relation to 2022 was published in December 2021, and it remained broadly in line with the Draft Decision.

Annual Review of Consultation

The annual consultation on airport charges at Dublin Airport occurred in December 2021, with Dublin Airport engaging with stakeholders. This consultation included discussions on traffic

recovery schemes and the proposed noise-related airport charges.

Quality-of-Service Penalties

In March 2020, we decided that financial penalties associated with Quality-of-Service targets would be suspended. This measure was necessary due to increasing restrictions and social distancing measures making it more difficult for services to operate as normal. The restrictions also made it challenging to collect data on the quality of service at the airport with social distancing requirements making face to face passenger surveys more difficult.

The suspension was maintained throughout 2020 and 2021 but, the financial penalties were partially restored as part of the Interim Review in relation to 2022. We recognise that changes in passenger behaviour and short-term demand have made tasks such as queue management and resourcing more challenging during the pandemic, however, we now consider it reasonable and proportionate to reintroduce an element of financial incentivisation for Dublin Airport to provide an appropriate level of service quality.

INCREASE STAKEHOLDER INVOLVEMENT IN DECISION MAKING

Implement the StageGate Process for Capital Investment Projects

In the 2019 Determination, we introduced a new process, termed StageGate, for large scale Capex projects. The StageGate process allows for greater flexibility in the scope and cost of large Capex projects throughout the regulatory period. Dublin Airport, airport users, the Commission, and an Independent Fund Surveyor (IFS) assess the cost development of projects which then ultimately affects the final cost allowance for the project. 17 projects were given initial StageGate 0 allowances as part of the 2019 Determination process.

In March 2021, we concluded the first round of the StageGate process relating to Hold Baggage Screening Standards in Terminal 1, this was the only project advanced by Dublin Airport to StageGate 1 in this cycle. Dublin Airport proposed a StageGate 1 allowance of €192m, however the IFS concluded that the efficient cost was €183m, which was subsequently accepted by Dublin Airport and not objected to by most airlines. However, Ryanair did not consent to the project proceeding through StageGate 1 on the basis of the IFS' recommendation of €183m.



Consequently, the final StageGate 1 allowance for this project remains in line with StageGate 0, at €160m, and the final decision will ultimately be made by the Commission.

Our original intention was to run this process on a quarterly basis; however, we have instead run it whenever Dublin Airport has proposed projects. This approach has worked well as each round tends to have its own specific issues, some projects are more complex than others, and because the IFS time required to report on a project has varied. The stream of projects has been much less than previously anticipated; as of 2022 only two cycles have taken place so far with a third IFS assessment currently underway.

PROMOTE COMPETITION AND FACILITATE NEW ENTRY

Rolling Forward Coordination Parameters

In April 2021, we published the coordination parameters in line with the International Air Transport Association calendar for slot coordination. The parameters were unchanged from 2020, due to lower demand expectations and the difficulty in accurately forecasting traffic due to COVID-19. The coordination parameters for Summer 2022 were declared in September. The coordination parameters for Summer 2022 were similarly unchanged from those in 2020.

Extension of Local Rule to Implement Capacity Reduction

In 2020, we approved a new local rule to establish a process for the management of reduced capacity, should the need for this arise by measures relating to COVID-19. In September 2021, we decided to roll this rule forward until the end of the Summer 2022 season. While this rule was not activated in 2020 or 2021, we determined that it was appropriate to carry it forward due to the continued uncertainty around COVID-19.

Sanctions for Slot Misuse

Several warnings were issued by the Dublin Airport Coordinator for slot misuse, but none of these incidents led to financial sanctions.

CHARGING AND PERFORMANCE OF AIR NAVIGATION SERVICES UNDER SINGLE EUROPEAN SKY REGULATIONS

Implementing EU Emergency Regulations

In 2020 the EU introduced emergency air traffic regulations on exceptional measures for reference period 3³ (2020-2024) of the Single European sky performance and charging system, due to the COVID-19 pandemic⁴. This outlined the necessity to revise the performance targets and plans that were submitted in 2019. In line with these new regulations, we were required to develop a revised Irish Performance Plan for the period 2020-2024.

Develop a New Performance Plan

Based on this new regulation, we began working on a revised Irish performance plan in early 2021. To calculate the appropriate level of allowed determined costs, we followed the regulatory building blocks approach, which is consistent with the regulations, our previous regulatory decisions and our general approach to economic regulation. This approach is intended to build the cost base from the bottom up, rather than targeting a specific overall outcome. The building blocks used include an efficient level of operating costs, depreciation charges, the cost of capital based on the allowed asset base and an efficient WACC. We published the draft plan on 30 July 2021 and sought stakeholders' views on all aspects of the plan.

On 26 August we held a consultation meeting with stakeholders in order to receive their views on the plan. Stakeholders were advised to also submit their responses in writing to the Commission before the end of August. We received 7 responses in total, which were summarised and included in our final plan along with our responses.

We initially published Ireland's Revised Performance Plan on 1 October, however, due to changes in the STATFOR air traffic forecasts upon which the plan was based, a further update to our targets was required. A supplementary consultation was published on 3 November, and after taking on board the views of the 7 respondents, and incorporating for the new traffic forecasts, we published an updated Decision on 17 November.

³ Reference period 3 (RP3) refers to the third regulatory period of the Single European Sky Performance Scheme, 2020-2024.

⁴ <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32020R1627&qid=1604477086805&from=EN>

REGULATION THAT REPRESENTS BEST INTERNATIONAL PRACTICE

Actively Participate in the Thessaloniki Forum of European Airport Charges Regulators

We were part of the writing team for two Thessaloniki Forum papers this year. The first paper looked at airport charges in a time of crisis, which described the development of airport charges related to the pandemic, and gives recommendations on how to handle situations of this kind in the short term from the perspective of an ISA. The second paper examined concession agreements and ISAs supervisory powers. The purpose of this paper is to check whether and how, ISAs powers and duties can be exercised when airports are operated under concession agreements as defined by Directive 2014/23 on the award of concession contracts and similar frameworks with analogous effects.

LOOKING FORWARD TO 2022

As a result of COVID-19, it is still somewhat difficult to forecast the recovery trajectory of the aviation industry. However, we are expecting a much stronger year for Irish aviation in 2022 than in previous years as restrictions are unwound. Ryanair, for example, has announced that it will operate the largest summer schedule it has ever had at Dublin Airport.⁵

In recognition of the uncertainty that still exists in the Irish aviation sector and of the likely far lower level of air traffic in the next few years than was envisioned in the 2019 Determination, we have committed to undertaking a full Building Blocks Interim Review of the 2019 Determination. We expect to publish our draft determination in June of 2022, which will make specific proposals for the revised regulatory settlements. We will then allow stakeholders two months to respond to our draft proposals before publishing our Final Decision in November.

We will continue to liaise with the European Commission and the PRB in relation to the adoption of the Irish RP3 Performance Plan. We will also monitor and report on the performance of the IAA ANSP on each of the Key Performance Areas (KPA), and on the IAA ANSPs Capital Expenditure.

A StageGate process related to airfield improvement projects is currently underway and is expected to complete StageGate 1 in early 2022.

Finally, the competition for the appointment of a slot Coordinator at Dublin Airport is expected to be completed in early 2022, with the new contract in place for October 2022. Additionally, we expect that the Summer 2023 capacity declaration in September to be the first to declare capacity off the new North Runway at Dublin Airport.

⁵ <https://www.rte.ie/news/business/2022/0120/1274790-new-ryanair-dublin-routes/>



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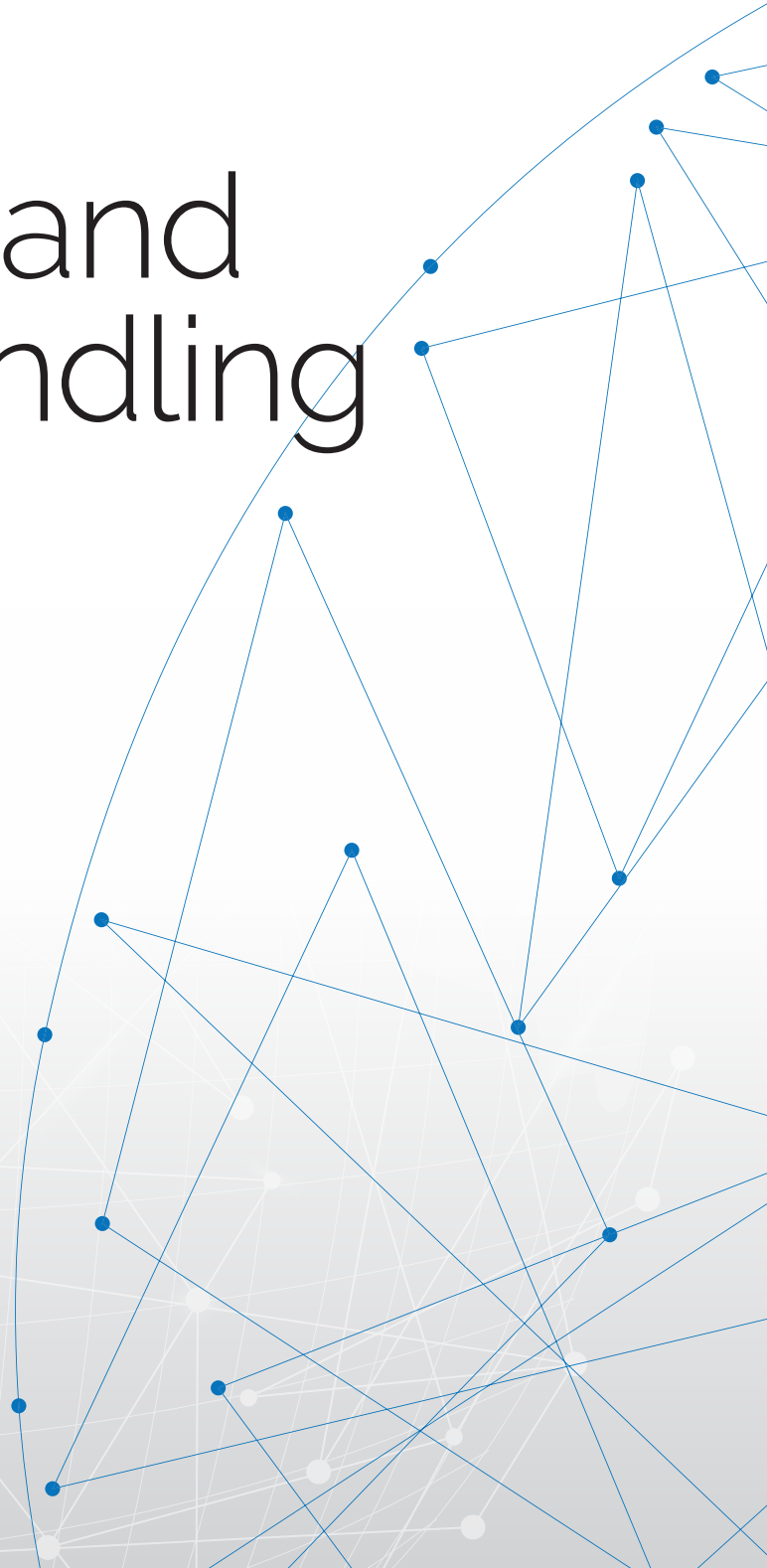


Air Carrier Licensing and Groundhandling Approvals



David Hodnett
Deputy Commissioner/Director of Legal Affairs

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 and Groundhandling Approval. In late 2021 responsibility for Air Passenger Rights passed to Adrian Corcoran.



Licensing and approval regimes for air carriers and groundhandlers are administered in Ireland by the Commission. The table below summarises licensing and approval activity during 2021.

Table 1: Number of Licences and Approvals, 2021

	Air Carriers (Operating Licence)	Groundhandlers (Approvals)	
		Self-Handling airlines	Third Party suppliers
Licence holders, 1 Jan 2021	17	10	38
<i>New licences/approvals</i>	1	1	2
<i>Licences revoked/surrendered</i>	3	2	3
Licence holders, 31 Dec 2021	15	9	37

Due to the ongoing COVID-19 global pandemic and relevant Government/Public Health restrictions in place, the team responsible for licensing air carriers and groundhandlers continued to work remotely during 2021. It was not possible to conduct compliance visits to licence holders during the year as a result. The Commission will keep the situation under review and plans to recommence compliance visits when conditions allow. Monitoring of compliance by Licence/Approval holders continued as normal remotely.

AIR CARRIER LICENSING

At the end of 2021, 15 Irish based air carriers were licensed by the Commission to engage in commercial air transport operations. A new operating licence was issued to Emerald Airlines Ireland Limited in September 2021.

During the year, operating licences held by Stobart Air UC, Babcock Mission Critical Services (Ireland) Limited and Norwegian Air International Limited were voluntarily surrendered.

Two applications for an operating licence which were received during the last quarter of 2020 remained in progress at the end of 2021. 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.

Licences are subject to a review two years after they are first granted. In late 2020, one such review took place, and this remained in progress at the year end. This review was closed out during 2021 and there was no change to the relevant licence.

We received one request during 2021 from an existing licence holder for approval to wet lease aircraft registered outside the European Union. Approval was granted in respect of this request.

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



We received eight submissions during 2021 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, in advance of any intended mergers/acquisitions or where there is a change in ownership and



control. 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 2 below shows a summary of the numbers of submissions received under this Article in 2021 by type of notification:

Table 2: Article 8 (5) Submissions 2021

Article 8 (5) Notification Type	Number of submissions 2021
In advance of any substantial changes to scale of activities (includes changes in the type or number of aircraft used)	7
In advance of any intended mergers or acquisitions	0
Change in ownership and control	1

REDUCTION IN THE NUMBER OF LICENCE HOLDERS

2021 saw a reduction in the number of air carriers licensed by CAR. This represented the first reduction in the number of licence holders since 2015.

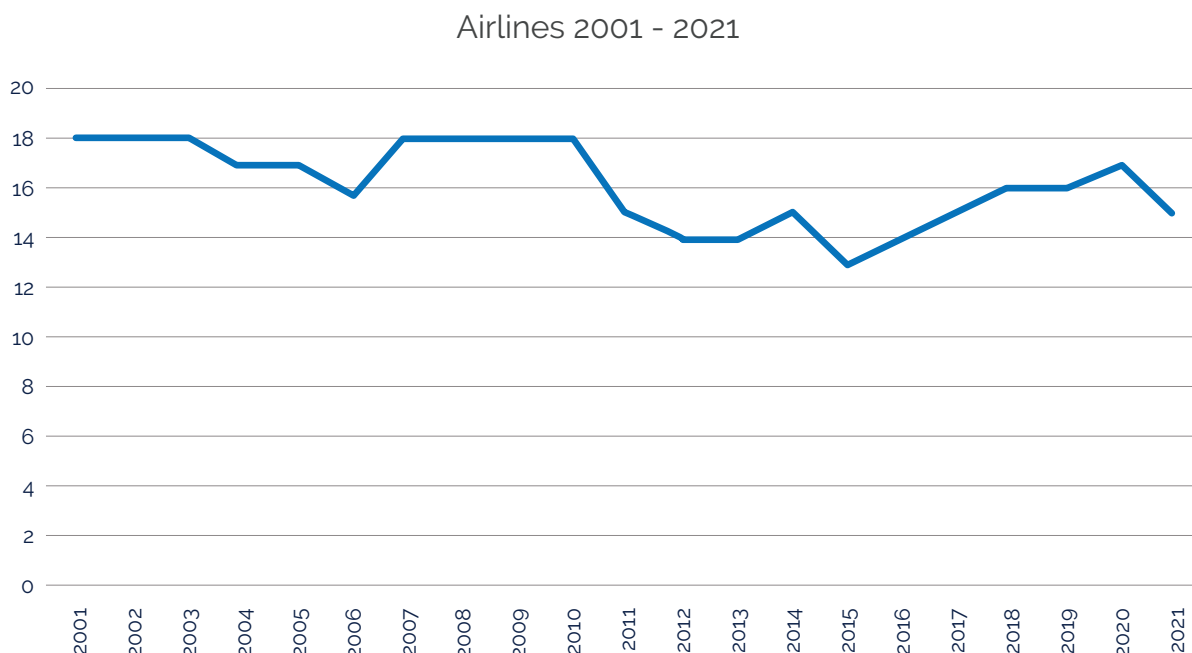
In June 2021, following the announcement that a proposed purchase of the company by new investors would not go ahead, Stobart Air UC terminated its franchise and wet lease arrangements in place and commenced the process of appointing a Liquidator to the company. The company voluntarily surrendered its operating licence shortly afterwards.

In September 2021, the operating licence held by Babcock Mission Critical Services (Ireland) Limited was voluntarily surrendered following the conclusion of its contractual obligations from Cork Airport.

In November 2021, the operating licence held by Norwegian Air International Limited was voluntarily surrendered following a wider Group decision. The company had exited Examinership earlier in the year along with related companies in the Norwegian Group following the implementation of a restructuring plan and sourcing additional financing.

2021 marked the twentieth anniversary of the Commission for Aviation Regulation. The chart below sets out the number of Irish air carriers licensed to operate in that period.

Chart 4: – Number of Air Carriers licensed within the State.



COVID-19: RELIEF MEASURES FOR AVIATION AT EU LEVEL

During 2021, relief measures first introduced by the European Commission in 2020 in response to the COVID-19 pandemic remained in place. This involved the introduction of temporary modifications to certain existing provisions under Regulation (EC) No 1008/2008.

The intention of the temporary modifications was to allow the European Commission and national authorities to more easily address a number of negative consequences of the COVID-19 pandemic, and to mitigate the impacts on the aviation sector for the duration of the crisis. These temporary measures included an amendment to the air carrier licensing rules in the case of financial problems caused by the COVID-19 pandemic. In accordance with Article 9 (1) of Regulation (EC) No 1008/2008, Member States must suspend or revoke the operating licence of an air carrier when, based upon an assessment, it is clear that the air carrier is no longer able to fulfil its actual and potential obligations for the next 12 months. Alternatively, a temporary licence may also be granted. It is likely that many airlines, which were financially healthy before the COVID-19 crisis, will end up in a situation whereby their liquidity problems lead to the legal need for their operating licence to be suspended, revoked or replaced by a temporary licence. In the context of the current crisis, this may create an unnecessary administrative burden without a clear economic or safety benefit. The European Commission therefore temporarily suspended this formal obligation for Member States in relation to assessments carried out under Article 9 (1) until 31st December 2021, provided safety is not at risk and that there is a realistic prospect of a satisfactory financial reconstruction within the following 12 months.

During this period, Member States maintained their obligation to monitor the financial fitness of their air carriers to protect passengers from undue safety risks and be able to provide relevant information to safety authorities.

EVALUATION OF OWNERSHIP AND CONTROL COMPLIANCE

Compliance with the ownership and control requirements as set out under Article 4 (f) of Regulation (EC) No. 1008/2008 is evaluated annually by the Commission. During 2021, this annual monitoring exercise was carried out with

a particular focus on licence holders impacted by Brexit. In all cases, we were satisfied that the relevant ownership and control requirements continued to be met.

OPERATING AN EFFICIENT LICENSING SYSTEM

During 2021, the Licensing team participated in a number of meetings and workshops as part of a wider digitalisation project aimed to transform how we work and to allow for all licence application and monitoring processes to move to a digital system. This work will be progressed further as part of the planned merger between the Commission and the Safety Regulation Division of the IAA and in line with the Strategic Aims identified for the new organisation.

We also continued to work closely with our colleagues in the IAA on air carrier licensing issues in accordance with our existing information sharing agreement. We look forward to the planned merger between the Commission and the Safety Regulation Division of the IAA which is expected to take formal effect in 2022.

In January 2022, we issued our compliance calendar to licence holders which highlights key compliance dates arising during the year in order to assist licence holders with the various information requirements arising during 2022. A summary of all monitoring and compliance requirements which arise, details of expected information for each submission plus a reminder of the list of events which require prior approval from or notification to the Commission accompanies the compliance calendar. The information summary sheet also includes the name of a contact person nominated by each company to liaise with the Commission on all compliance monitoring matters.

REVIEW OF REGULATION (EC) NO 1008/2008 (AIR SERVICES REGULATION)

In July 2019, the EC published a Commission Staff Working Document on the Evaluation of Regulation (EC) No 1008/2008. However, this initiative was put on hold in 2020 due to the COVID-19 pandemic. In November 2021, a call for evidence for an Impact Assessment was published by the EC inviting feedback with a public consultation planned for the first quarter of 2022. The Commission will continue to monitor developments in this area and contribute as appropriate.



GROUNDHANDLING APPROVALS

At the end of 2021, there were 9 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. The Chart below presents an analysis of the numbers of approved self-handlers and suppliers of groundhandling services by airport.

Chart 5: Approved handlers by type and Airport 2021



During 2021, the Commission received three new applications for approval as a self-handler/supplier of groundhandling services. Approvals were issued to the following companies during the year:

Company Name	Airport Location	Approval type
Exolum Aviation Ireland Limited	Dublin	Supplier of groundhandling services
Heli Service International GmbH	Cork	Supplier of groundhandling services
Amapola Flyg AB	Dublin, Cork, Shannon	Self-handling

One application remained under consideration at the end of 2021 which was originally submitted at the end of 2020.

Self-handling Approvals held by Stobart Air UC and Babcock Mission Critical Services (Ireland) Limited were voluntarily surrendered during 2021 following the cessation of air services in both cases. In addition, the third-party handling approvals held by Menzies Aviation (Ireland) Limited, Exolum Aviation Ireland Limited and Boeing Ireland Limited were voluntarily surrendered due to a lack of operations/prospects brought on by the COVID-19 pandemic.

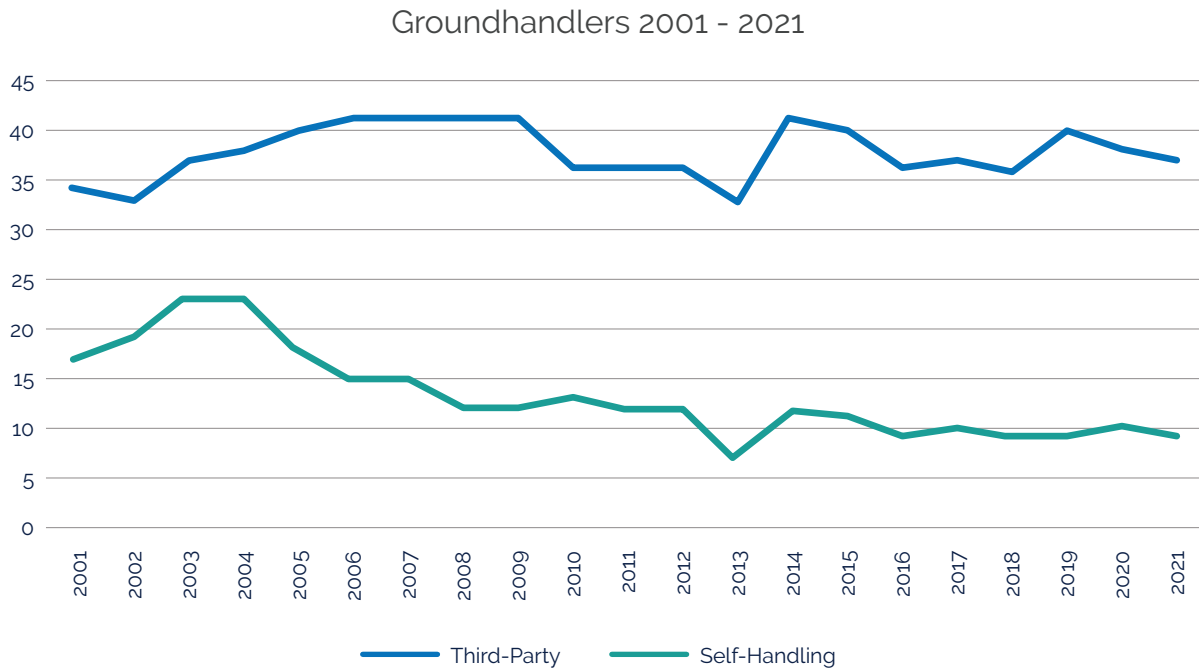
During the year, the Commission examined and approved an application from DHL Express (Ireland) Limited to amend its existing approval to include the provision of groundhandling services at Cork Airport.

Approvals are issued for a period of five years. The Commission renewed six approvals in 2021 following successful completion of the renewal process and this activity is summarised by approval type below:

Table 3: Groundhandling Renewals 2021 by type

Approval Type	Number of renewal applications processed
Self-handling Approval (i.e. self-handling airlines)	2
Third party Approval (i.e. suppliers of groundhandling services)	4
Both self-handling and third party Approvals (i.e. self-handling airlines who also engage in the provision of groundhandling services to other airlines)	0

As stated above, 2021 marked the twentieth anniversary of the Commission for Aviation Regulation. The chart below plots the evolution of the groundhandling industry in Ireland in that period.

Chart 6: Groundhandlers approved within the State

OPERATING AN EFFICIENT LICENSING SYSTEM

During the year, all approval holders were subject to regular monitoring to ensure compliance with the relevant Regulations concerning financial fitness and insurance cover in particular.

The Licensing team participated in a number of meetings and workshops as part of a wider digitalisation project aimed to transform how we work and to allow for all licence application and monitoring processes to move to a digital system. This work will be progressed further as part of the planned merger between the Commission and the Safety Regulation Division of the IAA and in line with the Strategic Aims identified for the new organisation.

In early 2022, all approval holders were issued with a compliance calendar which highlights key compliance dates arising during the year. The compliance calendar was accompanied by a summary of all monitoring and compliance requirements which arise, the information expected for each submission plus a reminder of the events which require prior approval from or notification to the Commission. The information summary sheet also includes the name of a contact person nominated by each company to liaise with the Commission on all compliance monitoring matters.

In line with Regulation 18 of S.I. 505 of 1998, we examined the annual statistical returns submitted by Dublin, Cork, and Shannon airports for 2020 to ensure accuracy of information in respect of the number and names of self-handlers and suppliers of groundhandling services operating in the market. This annual check also involves checking the relevant companies operating in the market are approved for the correct categories of services they undertake.

WORKING WITH AIRPORTS

We continued to work with airports to improve monitoring arrangements for groundhandlers and enforcement compliance with the Rules of Conduct. Meetings in this area recommenced during the year and were held virtually due to ongoing COVID-19 restrictions in place.

In advance of the lifting of travel restrictions in July 2021, CAR, IAA and the airports issued an information document to groundhandlers setting out some important considerations when preparing for a return to service. This document covered topics such as staff training, a return to service plan for equipment and relevant health and safety/security considerations.

We intend to continue this important work with airports during 2022.



NEW EASA BASIC REGULATION (EU) 2018/1139

In September 2018, the new Regulation for EASA and the European aviation system (Regulation (EU) 2018/1139) entered into force. The new Regulation includes requirements for the safe provision of groundhandling services.

Work is underway at EASA level which will eventually result in the publication of implementing rules which groundhandlers will be required to comply with. The Irish Aviation Authority (IAA) is the competent authority for the new Basic Regulation. CAR and the IAA will work together on this as it will be necessary to consider how the implementing rules once published will sit with the existing groundhandling regime in place in Ireland and the Approvals process currently administered by the CAR.

Meetings at EASA level restarted during 2021 after being stalled due to the COVID-19 pandemic and work continued the implementing rules.

Further engagement will be necessary in this area and the intention is to work towards developing guidelines and an enforcement process for non-compliance as work at EASA level progresses.

4



Travel Trade Licensing



Josephine O'Reilly
Director of Finance

In preparation for the merger of CAR with the IAA SRD, during 2021 responsibility for Travel Trade Licensing transferred from Josephine O'Reilly to Adrian Corcoran (Director of Markets and Consumer Policy). Josephine is now the Director of Finance.



WHAT WE DO

The Commission has many roles in this area, as follows:

- 1) Licensing travel agents and tour operators, established in Ireland, buying and selling overseas travel.
- 2) Administering a bonding scheme for travel agents and tour operators established in Ireland.
- 3) Administering the Travellers' Protection Fund (which was built up with a levy on passengers of tour operators between 1983 and 1987). This only applies for licensed travel agents and tour operators.
- 4) Processing claims for refunds and repatriation in the event of a regulated business being unable to meet its obligations. This relates to claims under the bonding scheme and also the refund credit note scheme introduced as a temporary measure in 2020.
- 5) Ensuring organisers established within the EU, selling or offering for sale packages and linked travel arrangements in Ireland comply with the requirement to inform the Commission of the security they have in place.
- 6) Ensuring organisers established outside the EU, selling or offering for sale packages and linked travel arrangements in Ireland provide security for their Irish sales.
- 7) Investigating instances of alleged illegal trading and, when necessary, prosecuting illegal traders.

TWENTY YEARS OF TRAVEL TRADE LICENSING

The Commission for Aviation Regulation took over the regulatory responsibilities for the Travel Trade from the Department of Public Enterprise on 27th February 2001. The customer protection bonding rates of 4% & 10% have not changed since then or since first introduced in 1983. In our first year we issued 419 licenses, comprising of 70 Tour Operators and 349 Travel Agents. Over the past twenty years we have managed over 75 company collapses. We have witnessed many changes since 2001, with the introduction of the revised package travel directive, the impact of 9/11, the Icelandic ash cloud and most recently Covid-19. We currently license 161 firms.

LICENSING AND BONDING

Licences are issued to travel agents and tour operators who are established in Ireland and who are buying and selling overseas travel. Normally, the majority of an entity's sales meet the definition of an overseas travel contract as per the Transport (Tour Operators and Travel Agents) Act, 1982. Where they have sales that do not meet this definition, but which are package travel/linked travel arrangements under the Package Holidays and Travel Trade Act, 1995, they provide the Commission with separate insolvency protection.

We have two licensing rounds each year, in May and November.

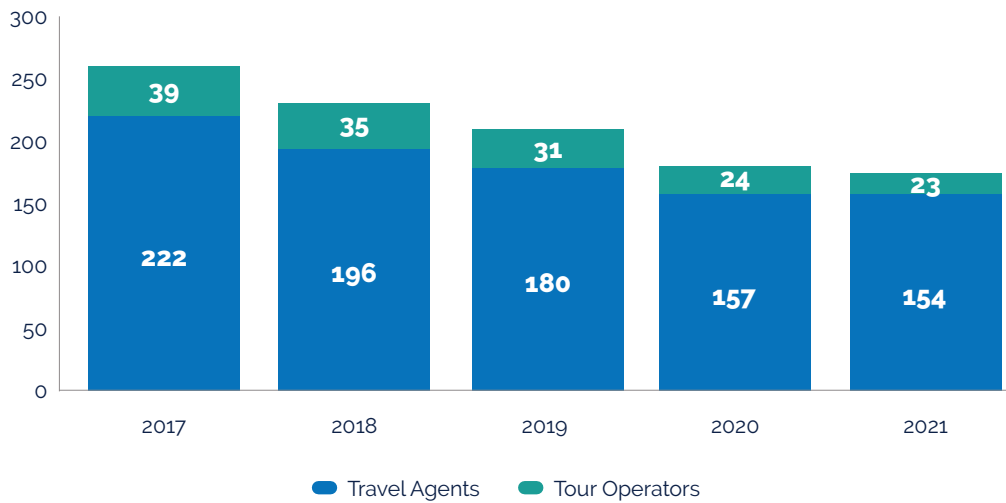
At the end of 2021, 161 travel firms were licensed by the Commission to operate as a travel agent or tour operator in Ireland. Some of these held both a travel agent and tour operator licence.

Table 4: Number of Licences 2021

	Travel Agents	Tour Operators	Total
Licence holders, 1 Jan 2021	157	24	181
New Licences	4	2	6
Licences not renewed	7	3	10
Licence holders, 31 Dec 2021	154	23	177

During the year, 8 firms exited the market entirely and are no longer licensed. A further 2 firms did not renew their Tour Operator licence. At the end of the year, we were still engaging with 5 firms (in relation to the renewal of their licences. There were 4 business failures during the year.

We issued 5 licenses to 6 new applicants and received 43 new licence enquiries during the year.

Chart 5: Licensed Travel Agents and Tour Operators

As can be seen from the above, the number of licences issued has been reducing over the past few years. In 2019 the transposition of Directive EU 2015/2302 meant that we only licensed businesses established in Ireland.

KEY PERFORMANCE INDICATORS

We have two licensing rounds each year (May and November). The key performance indicators that apply to these rounds are set out in the table below.

Table 6: 2021 Performance Indicators

KPI	Result
Respond to applicants within one week of initial contact	99%
Decision in Principle letter issued within one month of completed application submission date	97%
Licence issued within two weeks of Bond/ all documents received	91%
Annual accounts examined within six weeks of receipt	64%
Percentage of licensees' premises visited per annum (Including meetings at CAR)	N/A

Our KPIs have shown improvement in 2021 despite the ongoing challenges faced by the industry. We updated our processes to deal with the pandemic and spent more time working with licence holders examining their financial situations, their bonding requirements and the refund credit note scheme.

Due to the ongoing pandemic restrictions. Our premises visit plan was postponed. We have continued to engage with our licence holders and representative bodies, remotely.

ENTITIES ESTABLISHED IN ANOTHER MEMBER STATE

We verified that security was in place for two organisers established in another Member State, enabling them to trade in Ireland.

As the central contact point for Ireland under Directive (EU) 2015/2302, we have responded to queries from other Member States about the security in place for entities in Ireland.

ENTITIES ESTABLISHED OUTSIDE THE EUROPEAN UNION

We received security from 11 organisers established outside the EU, enabling them to trade in Ireland. Full details are on our website.

TRADERS FACILITATING LINKED TRAVEL ARRANGEMENTS

We received and verified security from two airlines established in Ireland in respect of the sale of travel packages/linked travel arrangements in the EU.



FINANCIAL MONITORING

Each business undergoes an assessment of its financial fitness as part of the licensing process and is also subject to ongoing monitoring. Due to the impact of COVID-19 on the industry, we worked closely with each licence holder to assess their liquidity as they faced such a devastating impact on their financial position.

Bonding levels are also the subject of ongoing and in some cases, additional monitoring. We continued to be flexible to allow businesses to reduce their bonding levels to take account of an expected fall in sales.

We receive a combination of annual financial statements and management accounts on a quarterly, monthly, or ad hoc basis.

For entities outside the licensing regime i.e., entities established outside the EU, we also perform an assessment of their financial fitness. Such businesses are also subject to financial monitoring albeit at a reduced level. This is because they are providing the Commission with full indemnity insurance for their Irish sales.

MONITORING COMPLIANCE

In 2021, we investigated 5 complaints about possible unlicensed trading.

CONSUMER PROTECTION

Table 7: Licensable Turnover and Bonding

Licensed Entities	2021 (€m)		2020 (€m)	
	Bond	PLTO	Bond	PLTO
Travel Agent (4%)	14	345	22	542
Tour Operator (10%)	14	143	11	112
Totals	28	488	33	654

The table above illustrates the large fall off in projected sales and bonds in the year.

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

Licensed entities must provide a bond. The bond is calculated as a percentage of the firm's projected licensable turnover. Bonds are currently set at 4% for travel agents and 10% for tour operators. For all other package travel/linked travel arrangements, where the travel commences in any other EU Member State, they provide additional security to the Commission for these sales in the form of full indemnity insurance.

If the bond does not cover the cost of all claims, the shortfall is covered by the Travellers' Protection Fund. This only relates to licensed entities and only to their sales that meet the definition of an overseas travel contract as per the Transport (Tour Operators and Travel Agents) Act, 1982 (as amended). At the end of 2021, the fund stood at €1.2m. With the onset of COVID-19 and the number of collapses occurring, the Department of Transport has topped up the fund to ensure that consumers are receiving the level of protection required under the Directive.

It is worth noting that the bond and the Travellers' Protection Fund are designed to cover overseas travel contracts. Therefore, there must be a travel element to the booking, and this must have a departure from Ireland. Many non-travel related services are not covered, including travel insurance, visa applications and accommodation only.

For traders established in Ireland who are facilitating linked travel arrangements in the EU, they have to provide full indemnity insurance for this exposure.

For entities established elsewhere in the EU, the consumer protection in place is in line with the requirements of that EU Member State.

For entities, established outside the EU, they need to provide the Commission with full indemnity insurance for any package travel/linked travel arrangements for sale/sold in Ireland.

In 2017, the Commission initiated a review of both the bonding arrangements in place and the operation of the Travellers' Protection Fund to ensure they continue to efficiently meet the objectives of the scheme and provide the travelling public with an appropriate level of protection.

In 2019, following the transposition of the Directive 2015/2302, we proceeded with this review and this culminated with the Commission issuing Commission Paper 9/2019 Travel Trade Consumer Protection Measures-Advice to the Department of Transport. Due to the pandemic in 2020 and 2021,

this work has not progressed any further. We plan to continue this work with the Department in 2022.

COMPANY COLLAPSES

There were 4 company collapses in 2021, resulting in claims against their bond and the Travellers Protection Fund. Details are as follows:

- DK Travel on 12th February 2021. We received 44 claims.
- Joe Walsh Pilgrim tours on 27th April 2021. We received 2,836 claims.
- McGuill Travel Ltd on 05th October 2021. We received 55 claims.
- Brady Travel on 27/10/2021. We received 35 claims.

This demonstrates the continuing difficulties faced by the industry during the year. We took on additional staff to manage such large volume of claims. This was challenging as we had to manage the process whilst working remotely.

REFUND CREDIT NOTE SCHEME

The Package Holidays and Travel Trade Act 1995 gives travellers the right to a refund of all payments where a package holiday is cancelled by the traveller or organiser due to unavoidable and extraordinary circumstances. This was the case with COVID-19, and it gave rise to cashflow difficulties in the travel industry. In 2020 the Government introduced a short-term measure called a Refund Credit Note Scheme. This scheme was established under the Transport (Tour Operators and Travel Agents) Act 1982 (Disbursements from Fund) Regulations 2020. It remains available to travel agents and tour operators, licensed by the Commission, where the refund credit note will cover sales that meet the definition of an overseas travel contract, where that contract was cancelled as a direct result of the pandemic.

The scheme allows customers to voluntarily accept a Refund Credit Note rather than a cash refund, to book another holiday in the future with their travel agent or tour operator. The Refund Credit Note provides important protections to the customer. In the event of a travel agent or tour operator becoming insolvent, the Refund Credit Note is government guaranteed.

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 travelling public against the financial insolvency of tour operators and travel agents and to share knowledge and best practice. We attended a virtual meeting this year. Members provided updates on collapses in their countries, the status of different customer protection funds, developments since the introduction of Directive 2105/2302 and measures introduced to assist with dealing with the effects of COVID-19.

LOOKING FORWARD

2022 will be another busy year for the team. We will oversee two licensing rounds and continue to ensure that organisers selling or offering for sale packages and linked travel arrangements in Ireland/EU have the requisite security in place. We will close off the claims process for the collapses not yet finalised at year end and continue to work with stakeholders to investigate instances of alleged illegal trading. We will further simplify and streamline our processes and procedures and plan to work with the Department of Transport on consumer protection arrangements.

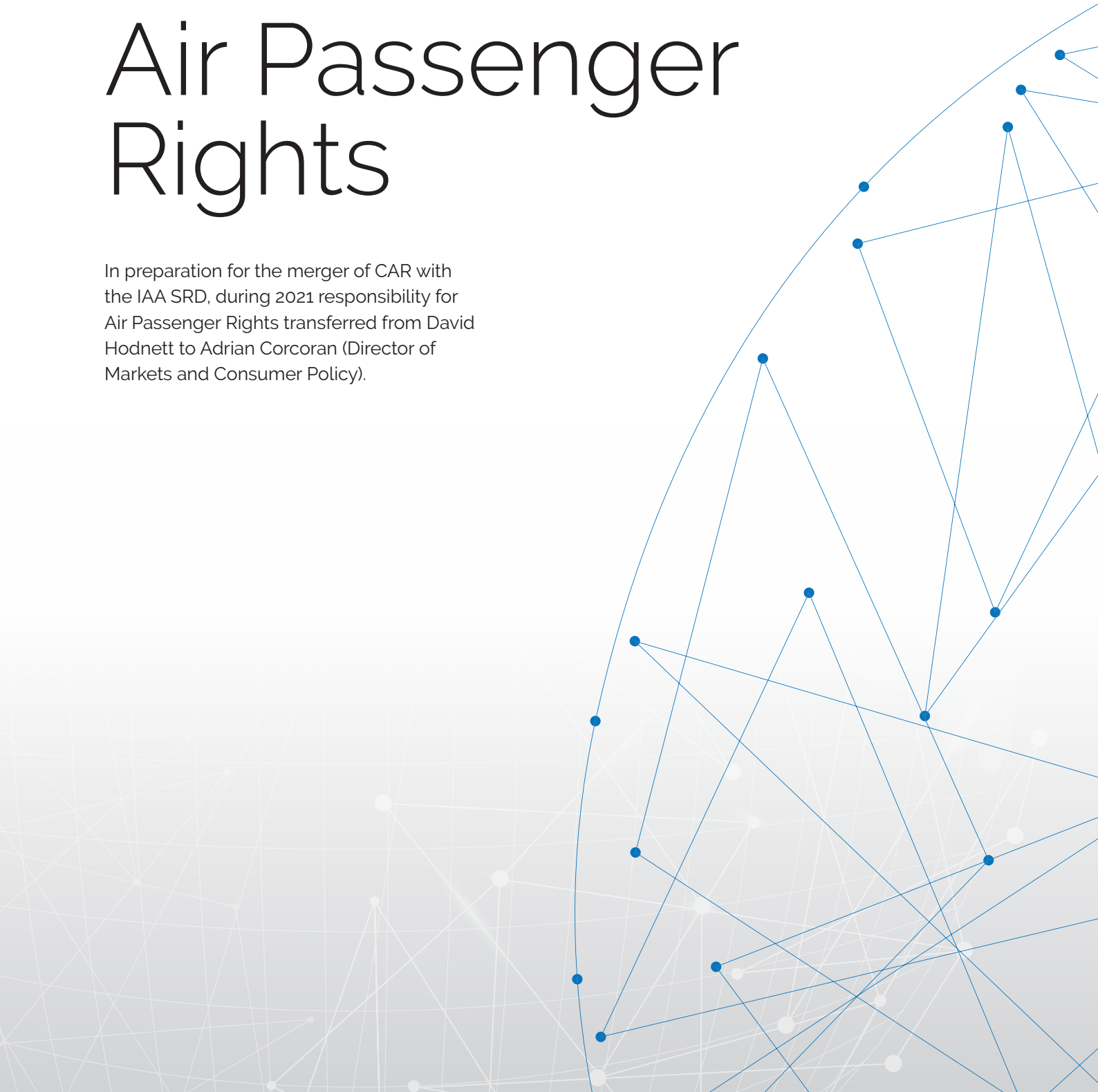


5



Air Passenger Rights

In preparation for the merger of CAR with the IAA SRD, during 2021 responsibility for Air Passenger Rights transferred from David Hodnett to Adrian Corcoran (Director of Markets and Consumer Policy).



The Commission for Aviation Regulation reached its 20th year in existence in 2021. During those twenty years the remit of the Commission has increased as additional regulatory responsibilities were delegated to it. These changes included the role of National Enforcement Body for two Air Passenger Rights Regulations, EC261/2004 establishing common rules on compensation and assistance to passengers in the event of denied boarding and of cancellation or long delay of flights, and EC1107/2006 concerning the rights of disabled persons and persons with reduced mobility when travelling by air.

In the years since these regulations came into effect there has been a steady increase in the number of related queries and complaints received by the Commission. In 2020 the Air Passenger Rights team dealt with an unprecedented volume of complaints and

queries due to the unexpected and widespread disruptions caused by the measures taken to control the spread of SARS-CoV-2 (COVID-19).

As these restrictions continued, passenger numbers, which had declined by 78% in 2020, were slow to recover in 2021, still 69% lower than 2019. However, despite this passenger reduction the volume of complaints and queries received by the Commission was close to the 2019 pre Covid-19 average, which suggests that the public awareness of our role has increased.

The Table below shows how the number of passengers carried through Ireland's main airports has changed over the years that the Commission had a role in Consumer Rights. It also shows the number of complaints requiring investigation received in each calendar year.

Table 8: Historical Passenger numbers and complaints

Year	Passengers carried	Complaints	
	From CSO	EC261/2004	EC1007/2006
2005	25,478,548.00	130	0
2006	29,037,906.00	181	0
2007	31,011,519.00	143	0
2008	30,845,101.00	186	4
2009	26,868,861.00	139	14
2010	23,398,088.00	241	2
2011	23,473,421.00	545	5
2012	23,703,599.00	509	9
2013	24,714,820.00	789	11
2014	26,422,215.00	727	8
2015	29,695,346.00	719	9
2016	32,785,383.00	846	9
2017	34,485,813.00	981	5
2018	36,571,825.00	2,218	19
2019	38,101,960.00	1,560	13
2020	8,311,746.00	4,468	4
2021	9,100,000*	1,477	2

Passenger Numbers – CSO.

Complaints – CAR.

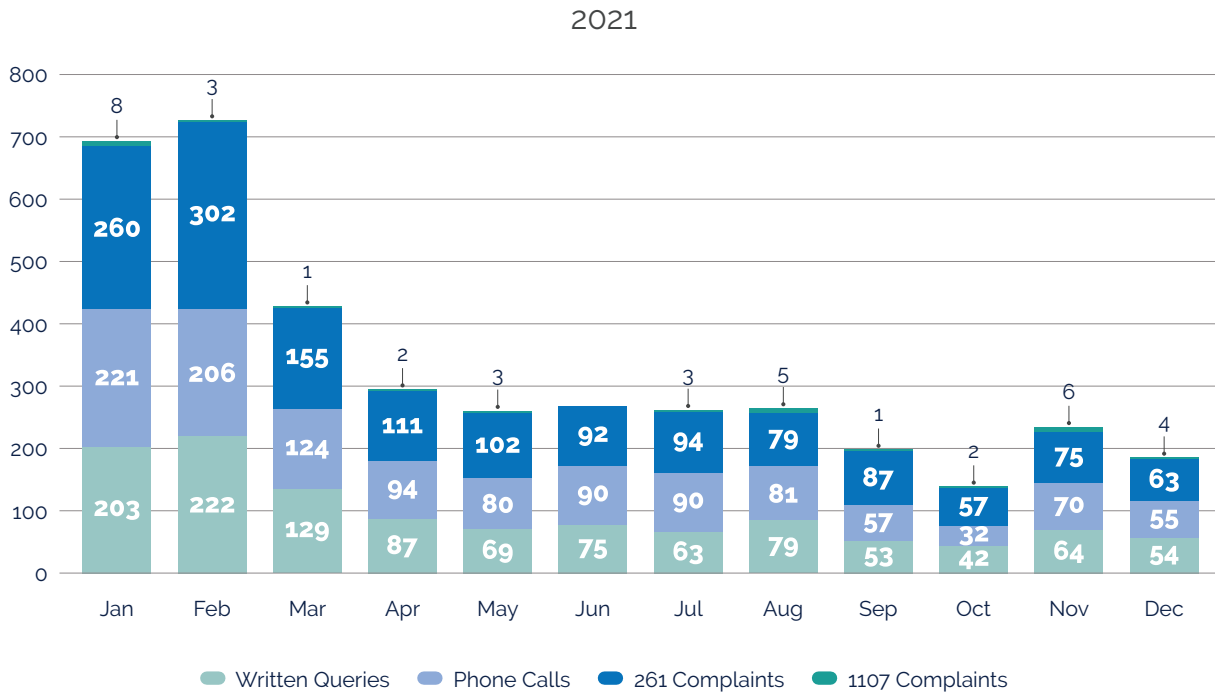


In 2021 the Air Passenger Rights team received the highest volume of queries and complaints in the first quarter of the year as passengers who had hoped to travel towards the end of 2020 encountered difficulties obtaining refunds for cancelled flights. With restrictions ongoing and uncertainty about travel restrictions passenger

numbers stayed low and the volume of complaints and queries returned to pre pandemic levels as a result.

The Chart below shows the complaints and queries received each month broken down by type.

Chart 7: Complaints and Queries by Type

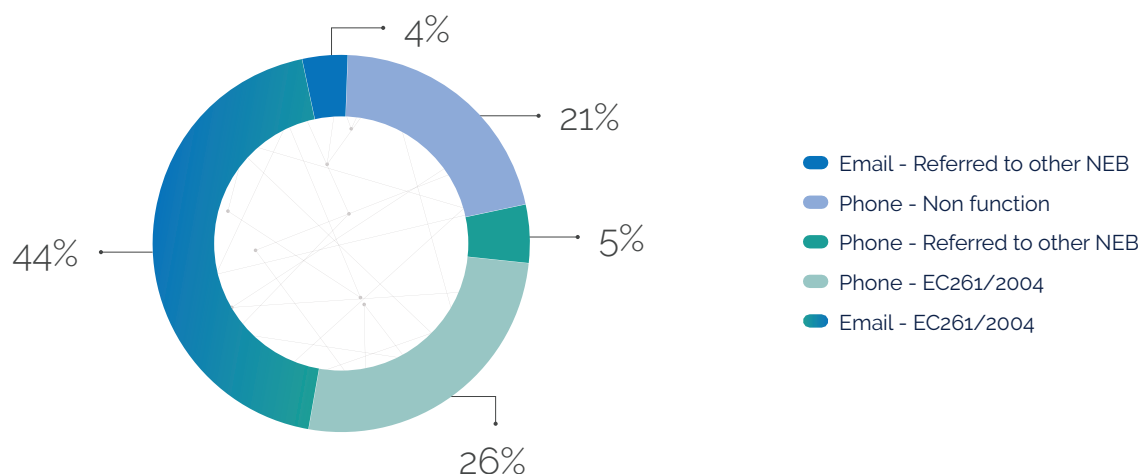


As in previous years a proportion of the queries received were about matters outside of our remit but in place of the usual baggage complaints and pricing queries this year they were related to:

- refunds when unable to travel on operating flights due to travel restrictions;
- misleading information provided by some airlines, which included sending cancellation notices to passengers then later rescinding the notice and operating the flight causing passengers distress, inconvenience and, in many cases, financial loss; and

- difficulties encountered at the airport arising from the travel conditions which still vary greatly around the globe including unexpected delays and confusion among passengers and airlines alike about what rules actually apply to individual passengers making specific journeys.

In total we advised over 2,340 individuals on their rights by either telephone or email, referring them to the relevant competent authority if their query related to matters outside of our remit. The number of people who submitted postal and email queries was 1,140 (3,479 in 2020) while the number of telephone callers decreased from 4,342 to 1,200.

Chart 8: Queries by Type and Outcome

In 2021 a total of 1515 complaints were submitted using our online complaint forms, 1477 using the form for complaints under EC261/2004 and 38 using the complaint form for EC1107/2006. This was a decrease in submitted complaints of 66.7% compared to 2020, decreases of 67% and 55% respectively by complaint type.

CANCELLATIONS, DELAYS, DENIED BOARDING AND DOWNGRADES

With ongoing travel restrictions and a significant reduction in the number of passengers travelling by air the number of complaints received in 2021

was lower than in 2020. Most of these complaints continued to be in relation to refunds for the cost of cancelled flights.

Some airlines were continuing to delay payment of refunds to passengers or incorrectly informing passengers of their rights. The intervention of the Commission was also required to assist passengers who had not received their refund in a manner in line with the regulation.

As travel restrictions were lifted we began to see an increase in cases where compensation may be payable to the passengers in the absence of an extraordinary circumstance.

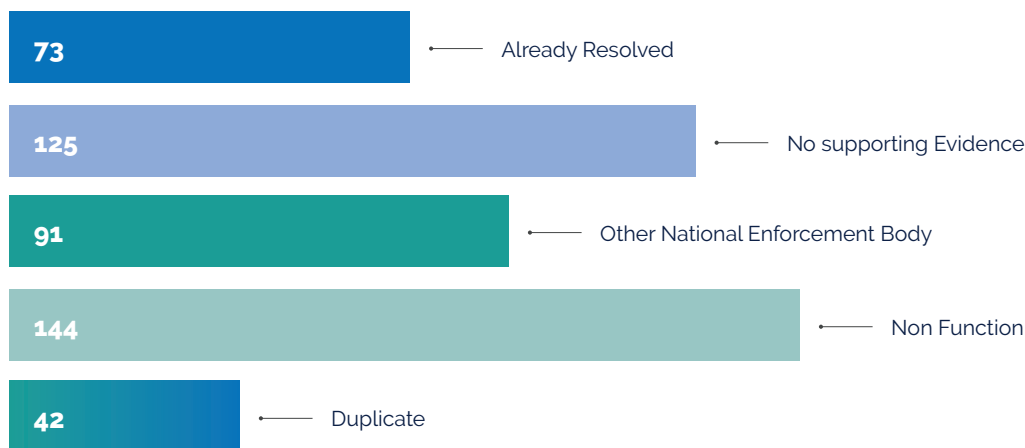
Table 9: Complaints by Type

Type of Complaint	Number of Complaints	Number of Valid Complaints	% of Total complaints
Cancellation	1298	924	88%
Long Delay	109	69	7%
Denied Boarding	69	22	5%
Downgrading	0	0	0%
Upgrading	1	0	0%
Total	1477	1015	100%



On initial investigation 462 of the 1,477 EC261/2004 complaints submitted to the Commission in 2021 were found to be invalid. The following Chart Shows a breakdown of the reasons.

Chart 9: Complaints Withdrawn or Not Sustained by Reason



This left a total of 1,015 valid complaints requiring full investigation and enforcement action.

By 3 February 2021 the majority of these 1,015 valid complaints, 897, had been resolved with the airlines in favour of the passenger. In total the Air Passenger Rights team has completed the investigation of 1,379 of the 1477 (EC) 261/2004

complaints received in 2021. Investigation into the remaining 98 complaints is ongoing. Over €579,000 was obtained in refunds following our intervention and a further €35,000 in compensation was awarded to passengers in respect of the 897 valid complaints that have been concluded.

Table 10: Complaint Outcomes by Complaint Type

Outcome	Cancellation	Delay	Denied Boarding	Downgrading & Upgrading	Total
Compensation & Refund or Expenses	12	1	3	0	16
Compensation only	9	19	3	0	31
Duplicate	38	2	2	0	42
Extraordinary Circumstances & Infringement	0	4	0	0	4
Extraordinary Circumstances only	6	13	1	0	20
Infringement Only	1	0	0	0	1
Not Sustained	150	23	38	0	211
Refund or Expenses only	122	2	1	0	125
Refund or Expenses & Extraordinary Circumstances	701	4	2	0	707
Upheld but Unenforceable	8	3	2	0	13
Withdrawn	186	15	7	1	209
Total	1233	86	59	1	1379

Ryanair (44%) and Aer Lingus (26%) were the subject of the majority of the complaints received with the remaining 30% of complaints relating to 52 other airlines. 96% of all Ryanair complaints

and 97% of Aer Lingus complaints have been concluded and the outcomes are set out in the table below.

Table 11: Complaint Outcomes by Airline

Airline	Total Complaints 2021	No of Complaints Concluded	No of Complaints Upheld	Complaints Upheld Against Airline (%)	Complaints Not Sustained	Investigations Ongoing
Ryanair	647	619	427	69%	192	28
Aer Lingus	387	375	243	65%	132	12
TAP Portugal	90	75	54	72%	21	15
KLM	33	33	17	52%	16	0
Lufthansa	28	25	13	52%	12	3
Turkish Airlines	25	24	7	29%	17	1
British Airways	25	22	11	50%	11	3
Air France	24	22	16	73%	6	2
Iberia	23	21	14	67%	7	2
Qatar Airways	17	16	7	44%	9	1
Blue Air	17	17	15	88%	2	0
Vueling	13	8	7	88%	1	5
Etihad	11	8	4	50%	4	3
SAS	10	10	6	60%	4	0
Aeroflot	9	9	7	78%	2	0
Virgin Atlantic Airlines	8	6	2	33%	4	2
Air Canada	8	8	7	88%	1	0
Air Transat	8	8	4	50%	4	0
Ethiopian Airlines	7	6	3	50%	3	1
Norwegian Airlines	7	6	3	50%	3	1
34 others	80	61	30	49%	31	19
Total	1477	1379	897	65%	482	98

A total of 1,122 (EC) 261/2004 investigations from previous years were also ongoing, bringing the total number of active complaints in 2021 to 2,569.



PERSONS WITH REDUCED MOBILITY

Of 38 complaints submitted using the Regulation (EC) 1107/2006 complaint form only 2 concerned issues which could be addressed under that regulation. The remaining 36 mainly comprised complaints about matters which did not fall under the remit of the Commission, and in 10 cases the passenger had completed the wrong form and was referred to the (EC) 261/2004 form.

Of the remaining two valid complaints which required investigation one was subsequently withdrawn by the passenger. The remaining complaint received in 2021 relates to an incident affecting a person with a hidden disability on board an aircraft. One complaint submitted in 2020 also remains under investigation.

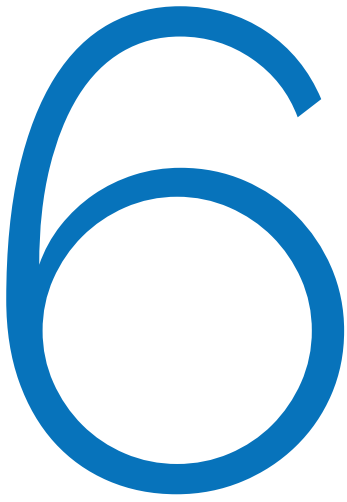
Although it was still not possible to carry out physical inspections at airports, we did hold virtual meetings with Dublin and Shannon airport authority representatives to discuss matters related to the provision of assistance to persons of reduced mobility at those airports.

OTHER WORK

We attended and participated, remotely, in meetings nationally and internationally relating to both regulations, as well as to the ongoing impact and management of the viral pandemic. These included meetings held by the European Commission, the Department of Transport and the European Civil Aviation Conference.

The Commission for Aviation Regulation is in the process of merging with the Irish Aviation Authority and there was a significant amount of work to be done during 2020 in this respect, including working to develop a new passenger complaint and query IT solution.

In May 2019, the Commission directed Ryanair to pay compensation to five passengers whose flights were cancelled due to Ryanair pilot strikes in July 2018. Ryanair appealed this decision by way of an application for Judicial Review. The matter was listed for hearing before the High Court on 21 January 2020. Ms Justice Miriam O'Regan delivered her judgement in that case on 12 February 2020 in favour of the Commission, upholding our investigative processes and legal arguments that led to the decision made in those cases. Ryanair appealed that decision to the Court of Appeal. It the case came on for hearing on 15 April and the appeal was discontinued with an order for costs made in favour of the Commission. The underlying compensation has now been paid to the passengers. The Commission continues to seek payment of its costs from Ryanair.



Corporate Services



Brian Higgins
Director of Corporate Services

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



HUMAN RESOURCES

The Commission employed an average of 25 full-time equivalent staff in 2021 (see appendix). Staff members are paid at rates that compare directly with Public Service posts and all rates have been sanctioned by the Department of Public Expenditure and Reform. The majority of Commission employees have been working remotely since the beginning of March 2020 due to COVID-19. A small number of staff continued to work in our office on a rotational basis to support those working remotely. In this regard, the Commission provided flexible working opportunities amid extraordinary circumstances and continues to do so.

The Commission completed Phase 2 of its Work Force Plan, submitted in 2019 seeking additional resources, which was approved by the Department of Transport and the Department of Expenditure and Reform. The recruitment process for these roles was completed during the second quarter 2021.

The Commission is committed to providing Learning and Development opportunities for its employees in support of its strategic objectives. The majority of external Learning and Development opportunities in 2021 were placed on hold, and an updated Learning and Development Plan was implemented where possible during the year it is envisaged that we will revert to a more traditional plan in 2022.

The HR division of the Commission carried out an employee Wellbeing Programme throughout 2021 which proved invaluable to remote workers and consisted of activities related to Physical Health and Nutrition, Mental Health, Connecting and Teambuilding, Social Responsibility, and Learning. The goal of this and future programmes is to provide a duty of care to employees both individually and collectively and provide the necessary tools and support to increase positive employee wellbeing, which in turn supports our strategic objectives. The programme was well received, and wellbeing initiatives will continue in 2022.

SUPERANNUATION SCHEMES

The Commission operates two pension schemes. A defined benefit scheme was established under the Aviation Regulation Act, 2001. The Single Public Service Pension Scheme applies to all new employees from 1st January 2013 (unless otherwise permitted to join the Commission's

defined benefit scheme). Both pension schemes are administered in accordance with legislative requirements and the current active employees are divided 70/30 between SPSPS and DB schemes, respectively.

HEALTH AND SAFETY

In 2021, we continued to update relevant changes to the evacuation procedures, risk assessment and safety protocols in line with public health advice and adherence to Government Policy. The Commission continued to encourage staff to practice physical distancing using appropriate COVID-19 signage and posters, provision of Personal Protective Equipment (PPE) and requiring remote working for all staff with the exception of those providing essential support to the Commission. We will continue to promote safe practices in the office and ensure compliance with our Health and Safety statement as well as with public health provisions in 2022.

OUTSOURCING AND PROCUREMENT

The Corporate Services team continued to outsource some non-core administrative functions relating to internal audit, temporary staff recruitment, media relations, and IT support and payroll, while still playing an active role in quality service provision and management.

The Corporate Services team endeavours to procure service providers that have environmentally sustainable practices in place, as well as offering cost-efficient and quality services, utilising OGP frameworks, e-tendering, and competitive pricing as appropriate. The Commission's procurement is carried out in line with Public Sector requirements as set out in our policies and procedures. The Corporate Services function continues to review its current OGP frameworks and other service level agreements and implement changes as appropriate.

The Commission's procurement procedures comply with national and EU guidelines and directives, where applicable. 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.

ICT

The success of our Cloud migration and hardware upgrade project has been fundamental to ensuring the Commission maintaining business continuity throughout 2021 and into the future. The Commission continued to update its security and systems policies and procedures, carried out systems audits, penetration tests and operates to the highest cyber security protocols. The Commission maintains a satisfactory rating arising from these evaluation processes. All the investment in our systems to date will complement and facilitate our transition as part of the Regulatory Reform programme.

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. We are therefore required to both comply with the direct provisions of the Act, and to prepare and implement Language Schemes. The Language Scheme details how we will improve Irish language service provision and take measures to make members of the public aware that they can make use of our services through Irish, over an agreed time period. To this end, staff email signatures are now bilingual, details in relation to submitting Freedom of Information requests are published in both languages, and we have amended our websites so that it is clear that Air Passenger Rights related complaints can be made in either language. We are currently closing out the current language scheme work programme for the Commission which will expire in 2022 in line with the Regulatory Reform programme.

FACILITIES

Our energy consumption and activity level in 2021 was maintained at a substantially reduced rate resulting in energy cost and environmental disposal savings. We continued to implement our policy to reduce energy consumption by powering off lights and equipment when not in use. The Commission procures energy efficient and environmentally friendly products from third-party suppliers.

In 2022, we expect to adopt a hybrid working model which will see a balance between office and remote working which should deliver both energy and environmental savings throughout the year as we progress the Regulatory Reform programme.

DIVERSITY AND INCLUSION

The Commission is an equal opportunities employer and does not discriminate against individuals on the basis of gender, age, race, colour, nationality, ethnic or national origin, religion, marital status, family status, sexual orientation, disability or membership of the travelling community. The Commission is committed to a proactive approach towards diversity and inclusion initiatives and will continue to review its policies and practices surrounding diversity and inclusion in 2022 through an evidence-based assessment of equality and human rights issues at the Commission as part of the wider Regulatory Reform programme. The Commission continues to organise events and discussions surrounding global social justice events, such as International Women's Day and PRIDE and looks forward to building on this and future initiatives.

DATA PROTECTION

The Commission's Data Protection Officer is registered with the Office of the Data Protection Commissioner in line with our responsibilities under the General Data Protection Regulation 2016/679 as supplemented by Data Protection Act, 2018. Our Data Protection Officer facilitates, monitors, and implements necessary policies and procedures to ensure compliance with relevant Data Protection legislations. The Commission was prepared for mobile working prior to the pandemic and was able to fulfil its regulatory obligations while promoting data security and data processing in accordance with the GDPR and Data Protection Act, 2018.

CORPORATE GOVERNANCE

The Commission remains committed to maintaining the highest standards of corporate governance. It complies with the Code of Practice for the Governance of State Bodies 2016, where applicable for an organisation of its size. The Commissioner, as accountable person, is responsible to the Minister for Transport for good corporate governance and in support of this we have in place an oversight agreement which is renewed annually with the Department of Transport and we met twice during the year to review progress against our strategic plan.



Table 12: Summary of Corporate Governance

Commission Code of Conduct	There is a code of conduct for Commission employees.
Investment Appraisal	The Commission did not incur any capital expenditure in 2021 coming within the scope of the activities envisaged in the Department's 2005's 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 document sets out the information in this area. The payment of director fees does not apply.
Reporting Arrangements	The Commission prepares reports for the Minister for Transport as required. The Commission has a fully developed accounting system, provided detailed monthly management and financial reports to senior management. We adopt Financial Reporting Standards 102 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 measures 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 on the manner in which its functions have been discharged in the previous year. While we started a consultation to extend our 2017-2019 strategic plan in conjunction with the Regulatory Reform programme, we did not finalise this process given the impact that COVID-19 had on many aspects of our work and the need to refocus our efforts during this period.
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.

TRANSPARENCY

The Commission carries out its functions as transparently as possible. All documents relating to consultations are published on our website (a list for 2021 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 8 Freedom of Information requests, 5 Data Subject Access requests, and answered 38 Parliamentary Questions during the year.

REGULATORY REFORM

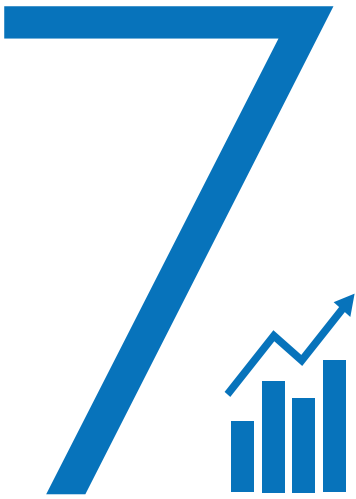
During 2021, the Commission worked with the Department of Transport and the Irish Aviation Authority to progress the regulatory reform process which will result in the merger of the Commission and the Safety Regulation Division of the Irish Aviation Authority. The Air Navigation and Transport Bill was published on 4th December 2020 and will progress through the Oireachtas to be finalised in 2022. Diarmuid O'Conghaile was appointed as Chief

Executive designate in January 2021 in the IAA with responsibility for establishing the new regulatory authority and we will continue to work closely on the simultaneous dissolution of the Commission and the establishment of the new regulator.

LOOKING FORWARD

We will continue to ensure the organisation structure, systems, and processes are fully aligned with our strategic objectives to deliver efficient and effective service to our stakeholders, particularly the travelling public. We will continue to work with the Department of Transport and our Irish Aviation Authority colleagues on the regulatory reform project in 2022.

We will continue to facilitate innovation in our process and methodology ensuring the correct job roles, knowledge and expertise are recruited, developed and retained in order to support a regulatory framework that represents best international practice in support of our strategies and objectives.



Financial Information



Josephine O'Reilly
Director of Finance

Josephine O'Reilly is a member of the Association of Chartered Certified Accountants of Ireland. She joined the Commission in 2001 and is Director of Finance. She also provides support to the travel trade, airline licensing and groundhandling divisions.



Net Income rose by 22.6% in 2021 to €4.33m. In our 2021 levy, we provided for external consultancy support regarding the Airport Charges Determination, slot co-ordination modelling and RP3. This accounts for the majority of the increased Levy Income

We had four collapses in the travel trade sector during the year, and as a result we recharged €68k to the Travellers' Protection Fund for recovery of our costs for this work. We also charged the IAA €151k for recovery of costs related to the merger preparation work. This is reflected in our other income of €219k.

Overall expenditure rose by 5.8% in the year to €3.9m. Staff costs increased due to increasing resources in preparation for the merger with the IAA and the provision of corporate services for the new organisation. Consultancy spend increased due to work on the airport charges determination and was reflected in the increased levy, as set out above. All discretionary spending was minimised again this year as a response to COVID-19.

The CAR returned a Surplus of €451k for the year to 31/12/2021 compared to a Loss of €133k for 2020.

The Statement of Financial Position includes €10.4m in travel trade cash bonds at the end of the year. This is a drop of €12.9m and reflects the fall off in trade in the sector during the year. We expect this to increase as the market improves post Covid-19 restrictions.

The deficit on the Commission's retirement scheme has increased to €1.95m as at 31 December 2021 from €1.62m as at 31 December 2020. The increase is due to the combined effect of scheme experience (primarily salary inflation significantly greater than assumed) resulting in a rise in the deficit of €730k, assumption changes due to changing financial conditions resulting in a further rise in the deficit of €324k and offsetting both these factors was the positive investment performance which reduced the impact of both of these earlier factors. by €745k. The liability on the SPSPS scheme stood at €421k at year end.

STATEMENT ON SYSTEM OF INTERNAL CONTROLS

The Commissioner 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 (ARC) 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 2021.

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 2021 that the Commission conducted a review of the effectiveness of the system of internal financial control and risk management.

The Statement on System of Internal Controls is reviewed by the OCAG on an annual basis.

INTERNAL AUDIT

Crowe are the Commission's current internal auditors and were appointed in August 2020, the previous firm, BDO, having reached the end of their contract term. Crowe's contract runs to 31 August 2023 (with the option to extend for a further year). The internal auditor operates under the guidance of an external Audit and Risk Committee. In 2021, the internal auditors performed 3 audits:

- Fraud Review
- ICT Security Audit
- Review of Internal Financial Controls

AUDIT AND RISK COMMITTEE

The Audit and Risk Committee met 4 times during 2021. 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 annual audit plan and related audit reports. The Audit and Risk Committee's annual report for 2021 did not raise any issues with the Commission's system of internal control.

The Office of the Comptroller and Auditor General's (OCAG) staff and seconded firm, Mazars, conducted their work virtually and met the ARC to discuss their work and findings in December 2021.

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.

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 2020.

INVESTMENT APPRAISAL

The Commission did not incur any significant capital expenditure in 2021 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.

TAX COMPLIANCE

The Commission is liable to pay PAYE, VAT and PSWT. The Commission has submitted all relevant tax returns for 2021 and is fully tax compliant.

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 9th December 2021, the Commission made S.I. 681 of 2021 imposing the Levy for 2022. The Commission expects to receive revenues of €4.6m from the levy in 2022.

Levy income fluctuates in line with expected expenditure needs and cashflow requirements. Licence Fee income has reduced as businesses exit the market and consolidation within the market. Other Income is comprised of cost recharges to the IAA and Income from the Travellers' Protection Fund. The former relates to staff time and other expenditure related to the merger with the IAA. 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 2021, there were four company collapses. We reclaimed the costs of dealing with those claims and administering the fund from the bond and fund respectively.

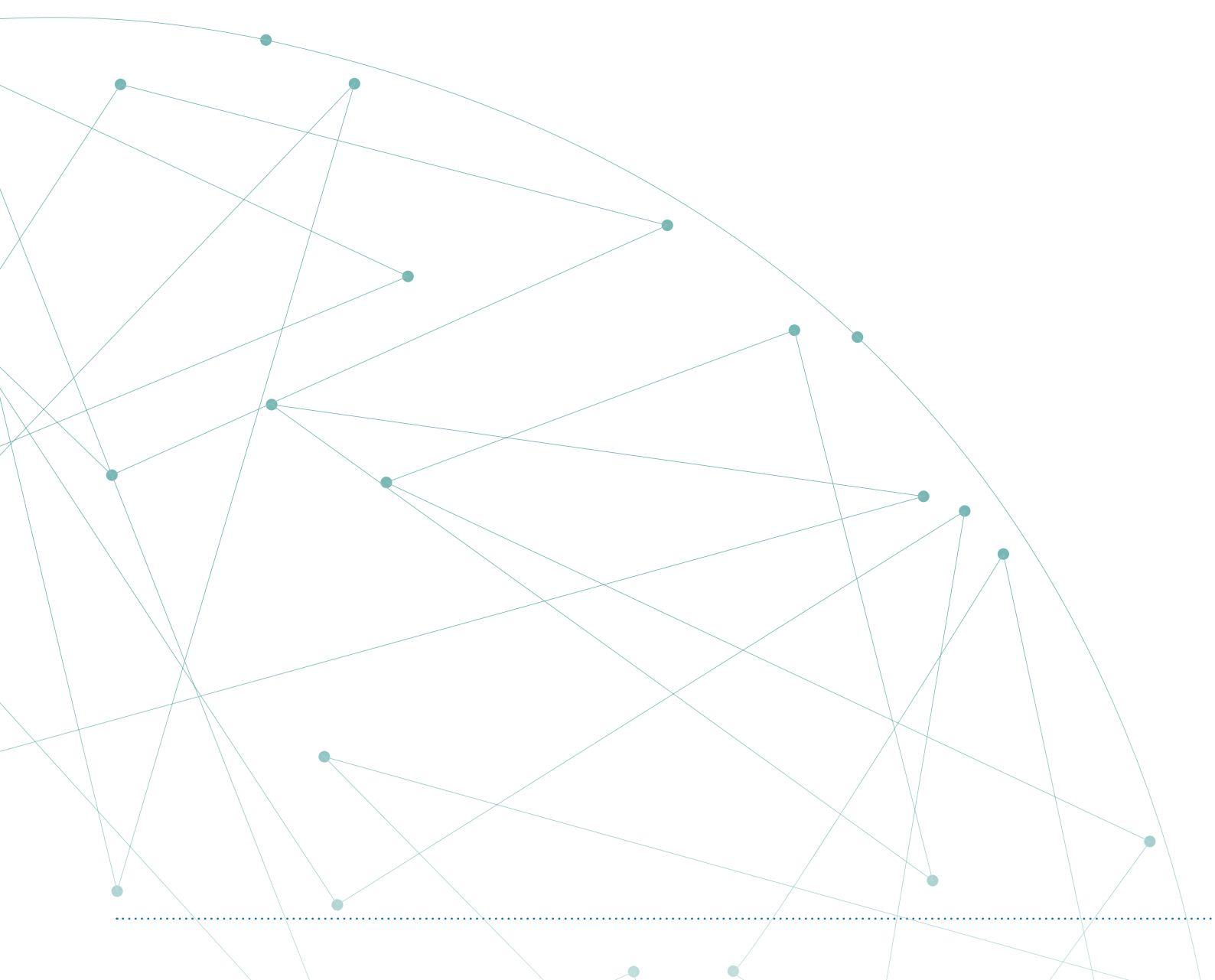
Levy	2021	2020	% Change
Levy	4,024,408	3,294,723	+22.1%
License Fees	100,929	106,888	-5.6%
Other Income	218,966	174,778	25.3%
Total	4,344,303	3,576,389	-21.5%



FINANCIAL STATEMENTS

On 25 February 2021, the draft financial statements for 2020 were submitted to the Office of the Comptroller and Auditor General for audit. On 28 October 2021, on completion of the audit, they were submitted to the Minister for Transport. They were laid before the Houses of the Oireachtas on 2 December 2021 and are available on the Commission's website.

Draft financial statements for the year ended 31 December 2021 have been prepared and were submitted for audit to the Office of the Comptroller and Auditor General on 28 February 2022. 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 2021

	2021 € '000	2020 € '000
Income		
Levy Income	4,024	3,295
Licence Fees	101	107
Other	219	175
Gross Income	4,344	3,576
Transfer (to)/from Capital Account	(15)	(45)
Net Income	4,329	3,532
Expenditure		
Staff Costs	1,723	1,643
Pension Costs	402	330
Consultancy	601	364
Legal Fees	102	266
Rent	289	280
Schedules Facilitation	220	264
Operating Expenses	542	517
	3,879	3,665
Operating (Deficit)	451	(133)

Draft Statement of Comprehensive Income

for the Year Ended 31 December 2021

	2021 € '000	2020 € '000
Operating (Deficit)	451	(133)
Experience gains/(losses) arising on retirement benefit scheme liabilities	(731)	(17)
Actuarial gains (losses) on scheme assets	745	153
Changes in assumptions underlying the present value of the retirement benefit scheme liabilities	(324)	(553)
Transfers in for prior service	-	-
Actuarial gain/(loss)	(310)	(417)
Experience gains/(losses) SPSPS	7	(5)
Changes in assumptions SPSPS	(26)	(37)
	(19)	(42)
Adjustment to deferred in funding	19	42
Total Recognised Gains/(Losses) relating to the Financial Year	140	(550)



Draft Statement of Financial Position

as at 31 December 2021

	2021 € '000	2020 € '000
Property Plant and Equipment		
Property, Plant and Equipment	135	120
Current Assets		
Cash and Cash Equivalents	12,764	25,147
Receivables and Prepayments	328	196
	13,091	25,344
Creditors (Amounts falling due within one year)		
Payables and Accruals	(553)	(326)
Cash Bond Accounts	(10,387)	(23,336)
	(10,940)	(23,661)
Net Current Assets	2,152	1,682
Total Assets less Current Liabilities	2,287	1,802
Net Retirement Benefit Liability	(1,951)	(1,622)
Net Assets including Retirement Benefit Liability	335	180
Representing		
Income & Expenditure Account	2,152	1,682
Capital Account	135	120
Retirement Benefit Reserve	(1,951)	(1,622)
	335	180

Draft Statement of Changes in Reserves and Capital Account

as at 31 December 2021

	Income & Expenditure Account	Capital Account	Retirement Benefit Reserve	Total
Balance as at 1 January 2020	1,764	75	(1,155)	685
Operating Deficit	(133)			(133)
Movement during the year	-	45		45
Actuarial Gain	-		(417)	(417)
Transfer	51		(51)	-
Balance as at 31 December 2020	1,682	120	(1,622)	180
Balance as at 1 January 2021	1,682	120	(1,622)	180
Operating Surplus	451			451
Movement during the year	-	15		15
Actuarial Gain/(Loss)	-		(310)	(310)
Transfer	19		(19)	-
Balance as at 31 December 2021	2,152	135	(1,951)	335



Draft Statement of Cashflows

for Year Ended 31 December 2021

	2021 € '000	2020 € '000
Net cash flows from operating activities		
Surplus/(Deficit) on Income and Expenditure	451	(133)
Difference between Retirement Benefit Cost and Employer Contribution	19	51
Depreciation	28	44
Bank Interest received net of bank charges paid	4	-
Amortisation of capital asset	15	45
Decrease/(Increase) in Receivables	(100)	(62)
Decrease/(Increase) in Prepayments	(32)	97
(Decrease)/Increase in Payables	203	37
(Decrease)/Increase in Accruals	12	50
Net Cash (Outflow) From Operating Activities	601	129
Cash flows from Financing Activities		
Bank Interest & Charges Paid	(4)	-
Payments to Acquire Tangible Fixed Assets	(43)	(88)
Net Cash Flows from Financing Activities	(47)	(88)
Cash flows from Investing activities		
(Decrease)/Increase in Cash Bond Accounts & TPF	(12,936)	4,597
Decrease/(Increase) in Funds on Term Deposit	-	1,000
Net cash flows from Investing activities	(12,936)	5,597
Net Increase/(Decrease) in Cash and Cash Equivalents	(12,384)	5,638
Cash and cash equivalents at 1 January	25,147	19,509
Cash and cash equivalents at 31 December	12,764	25,147

Numbers rounded independently, may not sum to total.

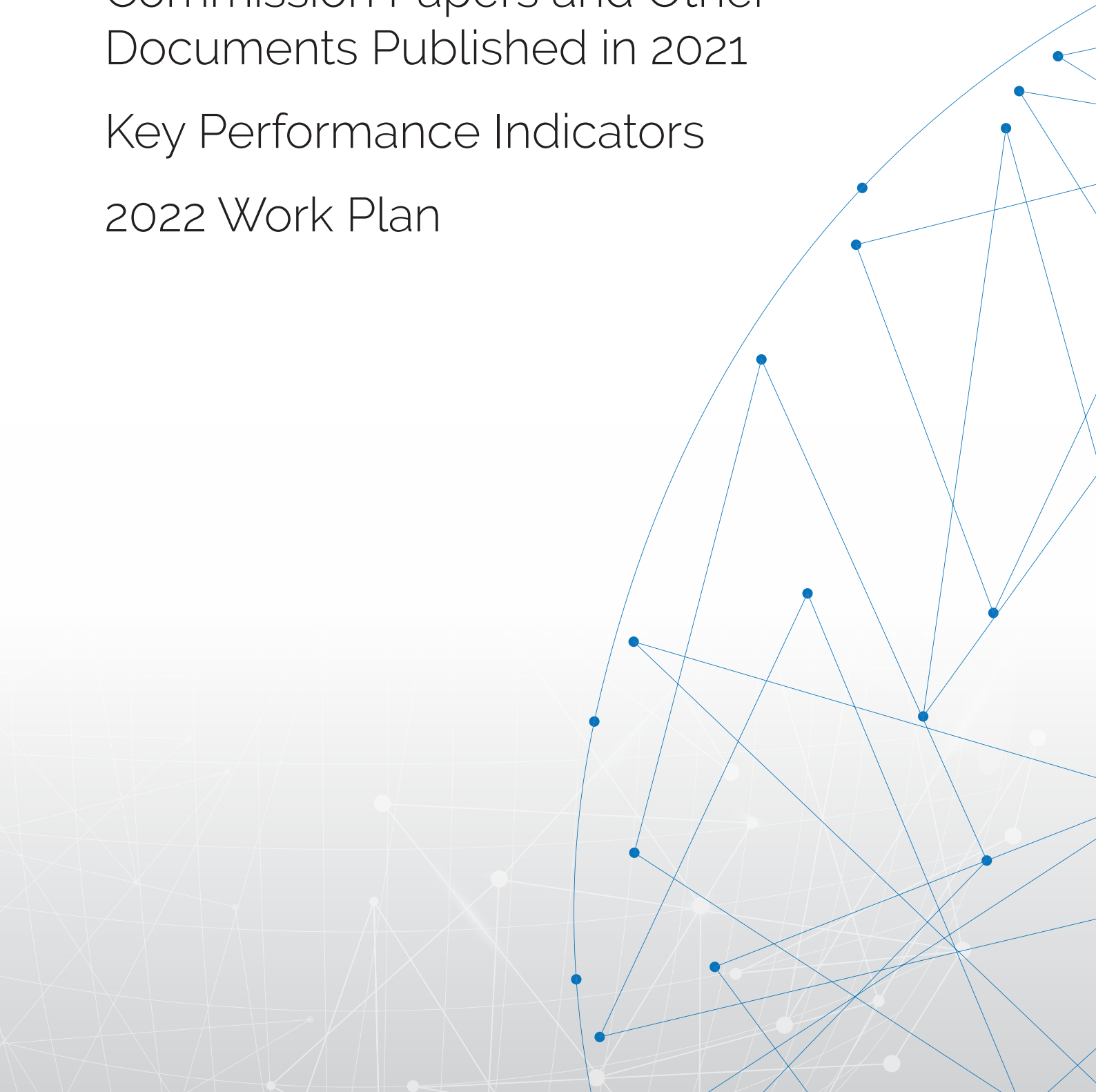
Appendix

Delivery of the 2021 Work Plan
Against Key Performance Indicators

Commission Papers and Other
Documents Published in 2021

Key Performance Indicators

2022 Work Plan



Delivery of the 2021 Work Plan Against Key Performance Indicators

STRATEGIC GOAL 1:

EFFICIENT, HIGH-QUALITY AND SAFETY CONSCIOUS AIRPORT SERVICES

Objective 1: Set efficient charges at Dublin airport		
Actions	2021 Key Performance Indicator	2021 Delivery
Continue to consult on the appropriate price regulation response to COVID-19. Initiate any processes deemed appropriate following industry consultation and engagement.	Collaborative and proactive engagement. Responsive effective solutions. Work on an interim review as required.	An Interim Review of airport charges in relation to 2022 was developed throughout 2021 and was published in late 2021 following extensive collaboration and engagement with stakeholders. This review committed to undertaking a full building Blocks Interim Review of the 2019 Determination.
Monitor the price cap limiting the revenue per passenger that Dublin Airport can collect from airport charges at Dublin Airport.	Publish price cap statements.	The price cap was published in December 2021.
Ensure compliance with the European Airport Charges Directive, which sets out minimum standards in relation to consultation and non-discrimination.	Work with Dublin Airport in relation to a thorough assessment of its pricing structure, including Dublin Airport's plans to develop noise and environmental charging as an element of that structure.	Dublin Airport held its annual consultation on airport charges in December 2021. This consultation included discussions on traffic recovery schemes and the proposed noise charges.
Regulate and monitor the cost-	Publish quarterly reports on progress against timelines made by Dublin Airport on all outstanding allowed projects, as well as expenditure, adjusting the structure	We published quarterly reports on Dublin Airports progress against its Capital Expenditure plans.

Objective 2: Increase stakeholder involvement in decision-making		
Actions	2021 Key Performance Indicator	2021 Delivery
Encourage increased level of consultation on charges and infrastructure.	Implement the StageGate process for capital investment projects and work with Dublin Airport in relation to its pricing structure.	We continued the StageGate process in 2021 and concluded the first round of the StageGate process relating to Hold Baggage Screening Standards in Terminal 1. We also commenced the first round of process for airfield improvement projects.

Objective 3: Promote competition and facilitate new entry		
Actions	2021 Key Performance Indicator	2021 Delivery
Declare slot-coordination parameters at Dublin Airport.	Conduct analysis and engage with stakeholders on the approach we should take in declaring the capacity of the new North Runway.	As part of the decision on coordination parameters for Summer 2022, we engaged extensively with stakeholders and conducted analysis on a variety of possible approaches to the declaration of capacity for the North Runway.
	Publish slot parameter decisions for Winter 2021 and Summer 2022.	We published slot parameter decisions for Winter 2021 in April and for Summer 2022 in September.
Enforce sanctions for airlines misusing a slot.	Report slot misuse sanctions.	There were no slot misuse sanctions in 2021.

Objective 4: Performance and Charging regulation under the Single European Sky Scheme		
Actions	2021 Key Performance Indicator	2021 Delivery
Prepare a new performance plan for Ireland for the RP3 period to 2024.	Conduct analysis, engage with stakeholders, and prepare a revised performance plan for Ireland.	Ireland's Revised RP3 Performance Plan was prepared in 2021 and following extensive stakeholder engagement was submitted, in line with the statutory deadlines, to the European Commission and PRB.
Monitor compliance of en route and terminal actual versus determined costs for 2020 and intended unit rates for 2022.	Conduct analysis and comply with monitoring obligations.	2020 Actual and Determined costs were assessed as part of developing the revised performance plan. Unit Rates for 2022 were set.



STRATEGIC GOAL 2: SAFE AND FINANCIALLY ROBUST AIRLINES AND GROUNDHANDLERS

Objective 1: Operate an efficient licensing system		
Actions	2021 Key Performance Indicator	2021 Delivery
Contribute to the development of a digital system as part of CAR-IAA merger in order to deliver further efficiencies in our licensing processes.	Delivery of tasks as required to facilitate a seamless transfer of records and switchover.	All tasks arising during the year completed. The team participated in a number of meetings and workshops to define the requirements of the system. This work is expected to continue during 2022 in line with the relevant project plan in place.
Work closely with the IAA and the relevant stakeholders in relation to how the implementing rules for the safe provision of groundhandling services under the new EASA Regulation will align with the with the existing Commission approval process in place.	Develop guidelines and enforcement process for non-compliance.	Following a delay in 2020 due to changed priorities as a result of COVID-19, meetings recommenced during 2021 at EASA level and work continued on the implementing rules. Further engagement with the IAA will be necessary as this work progresses.
Continue to work with airports to develop a more robust regulatory framework to support groundhandler compliance with Rules of Conduct.	Delivery of items identified to ensure appropriate enforcement compliance with the Rules of Conduct.	Meetings resumed during 2021 and were held virtually due to COVID-19 restrictions in place. CAR, IAA and the Airports worked together and jointly issued an information document to groundhandlers setting out some important considerations when preparing for a return to service in advance of the lifting of travel restrictions in July 2021.
Evaluation of ownership and control compliance by air carriers, in particular following implications as a result of Brexit.	Continuation of compliance with licensing requirements by licence holders.	Annual compliance monitoring exercise on ownership and control was completed, with a particular focus on licence holders impacted by Brexit.
Strengthen arrangements with European colleagues to underpin air carrier monitoring.	Enter into cooperation agreements with relevant parties.	Meetings/discussions continued with our colleagues in a number of Member States on licensing issues. CAR will continue to identify opportunities for further cooperation/collaboration as they arise.

Objective 2: Digitalisation Project		
Actions	2021 Key Performance Indicator	2021 Delivery
Work to develop and implement a new IT solution to replace current manual processes.	Implement new system.	Ongoing engagement to design/build the new system is progressing in phases with scheduled completion in 2022.

STRATEGIC GOAL 3: FINANCIALLY STRONG TOUR OPERATORS AND TRAVEL AGENTS

Objective 1: Implement requirements of the Transport (Tour Operators and Travel Agents) Act, 1982 and the Package Holidays and Travel Trade Act, 1995.		
Actions	2021 Key Performance Indicator	2021 Delivery
Continue to work closely with stakeholders to implement all necessary arrangements and ensure industry's understanding of these requirements. Improve the Commission's understanding of the market.	Number of entities visited. Number of industry meetings. Conference attendance. Fit for purpose forms. Updated Guidance note if necessary.	Due to continued restrictions, we were unable to conduct on site visits or in person meetings. We engaged with the industry and representative bodies remotely.
Ongoing review of current processes and procedures.	Fit for purpose processes.	We constantly review our processes to ensure they are fit for purpose.
Issue licences in accordance with Irish legislation.	Percentage of applicants responded to in 7 days. Percentage of decision in principle letters issued. Number of licences issued within 2 weeks.	99% 97% 91%
Monitor security arrangements that are in place.	Continue to apply monitoring regime.	We worked with all stakeholders to ensure that security arrangements are sufficient.

Objective 2: Provide adequate protection to travelling public		
Actions	2021 Key Performance Indicator	2021 Delivery
Implement current legislative insolvency measures.	Implement arrangements for Irish and Non-Irish established businesses.	We issued licenses to 161 business established in Ireland and received evidence of insolvency protection cover from 11 non-EU established businesses.
Work with the Department of Transport to strengthen consumer protection arrangements.	Input to policy developments and implement any necessary new arrangements.	Implementation of the Refund Credit Note scheme in the context of various travel trade collapses commenced in March 2021.
Investigate cases of alleged illegal trading.	Report on cases investigated.	We investigated five cases of alleged illegal trading.



Objective 3: Digitalisation Project.		
Actions	2021 Key Performance Indicator	2021 Delivery
Work to develop and implement a new IT solution to replace current manual processes.	Implement new system.	Ongoing engagement to design/build the new system is progressing in phases with scheduled completion in 2022.

STRATEGIC GOAL 4: ROBUST FRAMEWORK TO ENFORCE PASSENGER RIGHTS

Objective 1: Deal with passenger complaints effectively, efficiently, and fairly		
Actions	2021 Key Performance Indicator	2021 Delivery - For 2,987 cases submitted between 1 July 2020 and 30 June 2021
Initiate investigations in a timely manner.	Preliminary review of complaints within one week - target 85%.	100% of complaints were reviewed within 1 week
Pursue investigations with airlines in line with agreed response timeframes.	80% of investigations completed within 3 months. 95% of investigations completed within 7 months.	66% of investigations were concluded within 3 months and 91% were concluded within 7 months. The delays were due to slow responses and lack of co-operation from the airlines.
Inspect Irish Airports for compliance with both regulations.	100% of relevant airports in any given year.	Physical inspections were not possible; however audits were carried out and a number of remote meetings were held with airport authorities and airlines.

Objective 2: Increase travelling public's awareness of air passenger rights		
Actions	2021 Key Performance Indicator	2021 Delivery
Continue to develop and implement communications plan.	Implement communications plan.	The communications plan is under revision again as part of the impending move of the Commission for Aviation Regulation to the Irish Aviation Authority

Objective 3: Work to ensure greater industry compliance with the regulations, to reduce the volume of complaints requiring our intervention

Actions	2021 Key Performance Indicator	2021 Delivery
Continue to develop and implement plan for inspections, enforcement actions, visits and meetings.	Implement plan.	The plan was implemented where possible, however it is also under revision. Due to the ongoing health emergency, it was necessary to improvise but we made good use of technology to maintain good communications with all stakeholders, including increased communications with airlines using online meetings.

Objective 4: Digitalisation Project.

Actions	2021 Key Performance Indicator	2021 Delivery
Work to develop and implement a new complaint and query IT solution to replace current Complaint system and manual processes.	Implement new system.	Considerable work was done in early 2021 by the Air Passenger Rights team. Ongoing engagement to design/build the new system is progressing in phases with scheduled completion in 2022.

STRATEGIC GOAL 5: REGULATION THAT REPRESENTS BEST INTERNATIONAL PRACTICE

Objective 1: Operate efficient and fit-for-purpose systems

Actions	2021 Key Performance Indicator	2021 Delivery
Review and modify systems and processes to deliver best practice performance and customer service.	Collaborate with our colleagues in SRD to develop a digital platform that underpins best practice customer experience and service.	Ongoing engagement to design/build the new system is progressing in phases with scheduled completion in 2022.

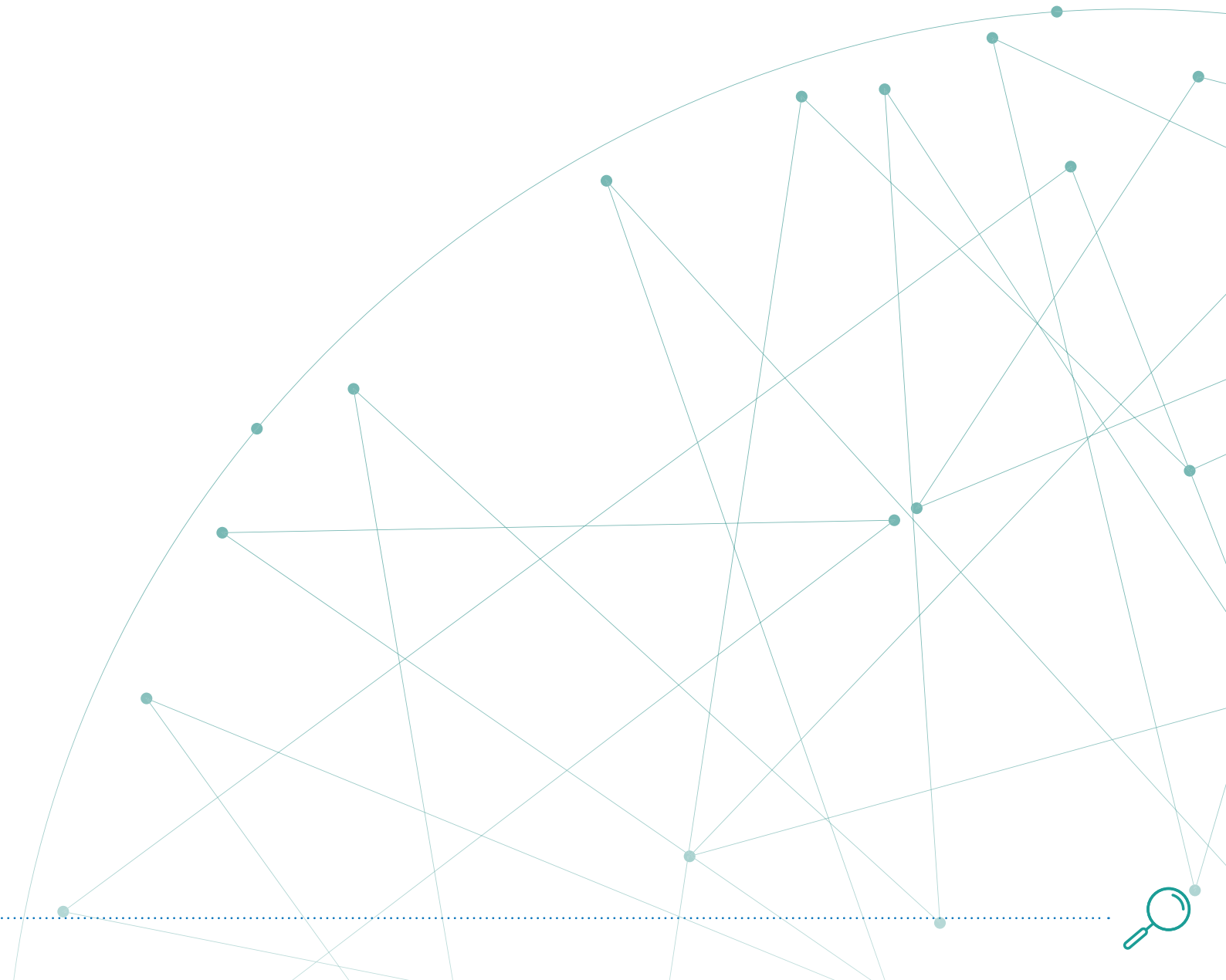


Objective 2: Consult effectively with stakeholders		
Actions	2021 Key Performance Indicator	2021 Delivery
Encourage increased level of consultation on charges and infrastructure.	Continue to implement the StageGate process for capital investment projects and work with Dublin Airport in relation to its pricing structure.	We continued the StageGate process in 2021 and concluded the first round of the StageGate process relating to Hold Baggage Screening Standards in Terminal 1. We also commenced the first round of process for airfield improvement projects.
Participate in the Thessaloniki Forum of European Airport Charges Regulators.	Contribute to the working paper on airport charges in times of crisis.	We were part of the writing team for the Airport Charges paper. This paper was drafted and shared with stakeholders in 2021.
Co-ordinate with other relevant agencies in relation to the regulation of Dublin Airport.	Engage with and share information with relevant agencies, as required.	
Develop regulatory policy in preparation for our next Dublin Airport determination drawing from experience of other regulatory bodies.	Co-ordinate with other regulators in Ireland and in other Member States.	
Actively participate in the NSA Coordination Platform (NCP) that seeks a better implementation of the Single European Sky (SES).	Contribute to 1) EU discussions of relevant issues and solutions, 2) the identification of best practices to implement the SES and 3) the provision of mutual expert assistance between NSAs.	

Objective 3: Maintain a skilled and motivated staff		
Actions	2021 Key Performance Indicator	2021 Delivery
Continue to align and deliver on learning and development actions in support of our Strategic Plan.	Track Learning and Development Plan on a monthly basis.	A limited Learning and Development programme was completed in 2021 as only on line programmes were available and the ability to deliver in-house/in-college programmes were curtailed due to the Pandemic.
Following on from our review of organisation resilience, complete the third phase of our work force plan.	Resources in place by Quarter 2.	All additional resources approved under the work force plan were recruited in line with the plan.
Implement a comprehensive employee Wellbeing Programme in support of our employees and strategic objectives.	Track 2021 Wellbeing Plan on a monthly basis.	The Wellbeing Plan was executed in an on line environment and was highly successful in delivering support to our staff both collectively and individually throughout the year particularly in the context of remote working.

**NEW STRATEGIC GOAL 6:
IMPLEMENT ECONOMIC REGULATION OF AIR NAVIGATION SERVICES**

Objective 1: Implement economic regulation of air navigation services		
Actions	2021 Key Performance Indicator	2021 Delivery
Continue to work on the development of the revised performance plan for RP3.	Conduct analysis, engage with stakeholders, and prepare a revised performance plan.	Ireland's Revised RP3 Performance Plan was prepared in 2021 and following extensive stakeholder engagement was submitted, in line with the statutory deadlines, to the European Commission and PRB.



Commission Papers and Other Documents Published in 2021

January	CN1/2021	May 2021 licenses for Travel Agents and Tour Operators
March		Notification of European Commission's Consultation on Revised RP3 Targets
	CN1/2021	StageGate- Report on Second Iteration, 2020-2021
	CP1/2021	Consultation on a Second Interim Review due to COVID-19 of the 2019 Determination of Airport Charges at Dublin Airport
April		Note on Deadline for responses to CP1/2021 Consultation on a Second Interim Review due to COVID-19 of the 2019 Determination of Airport Charges
	CN2/2021	Draft Decision on Winter 2021 Coordination Parameters
	CN3/2021	Dublin Airport Coordination Parameters- Winter 2021 Season
June		Regulatory Accounts for Dublin Airport 2019
July	CN4/2021	November 2021 licenses for Travel Agents and Tour Operators
		Irish Draft Performance Plan for Air Navigation Services in Reference Period 3 (RP3) of the Single European Sky Regulation
August		Decision of the aviation appeals panel
September	CN5/2021	Draft Decision on Summer 2022 Coordination Parameters and Local Rule A
	CN6/2021	CN6/2021: Dublin Airport Coordination Parameters- Summer 2022 Season
October		Irish Draft Performance Plan for Air Navigation Services for Reference Period 3 (RP3) Single European Sky Regulation Decision Document
	CP2/2021	Draft Decision on the Second Interim Review of the 2019 Determination in relation to 2022
November		Consultation Note on Revised Irish Performance Plan for RP3 based on October STATFOR Forecasts
		Decision Note on Revised Irish Performance Plan for RP3 based on October STATFOR Forecasts
December	CP3/2021	Decision on an Interim Review of the 2019 Determination in relation to 2022
	CN7/2021	Statement of Dublin Airport Price Cap, 2020 and 2022
Quarterly		Dublin Airport Quality of Service Report
		Dublin Airport Capital Projects Delivery Report

Key Performance Indicators

Performance Indicator	2021	2020
Travel Trade Licensing		
Respond to applicants within one week of initial contact	99%	67%
Decision in Principle letter issued within one month of completed application submission date	97%	88%
Licence issued within two weeks of bond/all documents received	91%	92%
Annual accounts examined within six weeks of receipt	64%	82%
Number of licensees' premises visited (target: visit 20% pa)	N/A	2%
Travel Trade Claims and Repatriations		
Number of claims received following collapses	2,970	3,620
Number of claims processed within two months	159	316
Number of claims processed within four months	504	607
Number of claims processed within six months	1427	1,623
Administration costs as a percentage of total claims costs	13.4%	19.4%
Number of passengers repatriated	n/a	n/a
Passengers awaiting repatriation after scheduled return date	n/a	n/a
Passengers awaiting repatriation for more than a week	n/a	n/a
Consumer Protection <i>(cases submitted between 1 July 2019 and 30 June 2020)</i>		
Preliminary reviews of complaints completed within a week	100%	100%
Complaints referred to another NEB within a month of receipt	100%	99%
Investigations completed within three months of receipt	66%	62%
Investigations completed within seven months of receipt	91%	94%
Number of airport inspections	0	0



2022 Work Plan

STRATEGIC GOAL 1: EFFICIENT, HIGH-QUALITY AND SAFETY CONSCIOUS AIRPORT AND AIR NAVIGATION SERVICES

Objective 1	2022 Priorities	Key Performance Indicator
Set efficient charges at Dublin airport.	Continue to develop the Commissions full Building Blocks Interim Review of the 2019 Determination, in response to COVID-19. Consult with Stakeholders on the optimal approach to determining the new price caps.	Complete the full Interim Review and ensure collaborative and proactive engagement and responsive effective solutions. Deliver regulatory settlements which strike an appropriate balance between our statutory objectives.
	Monitor the price cap limiting the revenue per passenger that Dublin Airport can collect from airport charges at Dublin Airport	Publish price cap statements.
	Ensure compliance with the European Airport Charges Directive, which sets out minimum standards in relation to consultation and non-discrimination.	Work with Dublin Airport in relation to plans to develop noise and environmental charging as an element of that structure. Attend consultations and assess any complaints that may be submitted.
	Regulate and monitor the cost- efficient provision, and the implementation, of Capital Investment Programme (CIP) projects.	Continue to publish quarterly reports on progress against timelines made by Dublin Airport on all outstanding allowed projects, as well as expenditure, adjusting the structure as necessary in light of revised timelines established through the Interim Review.

Objective 2	2022 Priorities	Key Performance Indicator
Increase stakeholder involvement in decision-making	Encourage increased level of consultation on charges and infrastructure.	Continue the StageGate process for capital investment projects and work with all stakeholders, including the Passenger Advisory Group, in relation to the Interim Review of airport charges.

Objective 3	2022 Priorities	Key Performance Indicator
Promote competition and facilitate new entry	Declare slot-coordination parameters at Dublin Airport and oversee the system of allocation as required.	Conduct analysis and engage with stakeholders on the approach we should take in declaring the capacity of the new North Runway. Publish slot parameter decisions for Winter 2021 and Summer 2022.
		Appoint a slot Coordinator, to take up the role on conclusion of the current contract in October.
	Enforce sanctions for airlines misusing a slot.	Report slot misuse sanctions.

Objective 4	2022 Priorities	Key Performance Indicator
Performance and Charging regulation under the Single European Sky Scheme	Finalise the development and adoption of a new Performance Plan for Ireland for the RP3 period to 2024.	Liaise with the European Commission and the PRB in relation to the adoption of Irelands Revised RP3 Performance Plan
	Monitor and report on the Irelands Key Performance Areas (KPA), and on the IAA ANSPs Capital Expenditure.	Conduct analysis and comply with monitoring obligations.

STRATEGIC GOAL 2: SAFE AND FINANCIALLY ROBUST AIRLINES AND GROUNDHANDLERS

Objective 1	2022 Priorities	Key Performance Indicator
Operate an efficient licensing system	Work closely with the IAA and the relevant stakeholders in relation to how the implementing rules for the safe provision of groundhandling services under the new EASA Regulation will align with the with the existing Commission approval process in place.	Develop guidelines and enforcement process for non-compliance
	Continue to work with airports to develop a more robust regulatory framework to support groundhandler compliance with Rules of Conduct.	Delivery of items identified to ensure appropriate enforcement compliance with the Rules of Conduct.
	Evaluation of ownership and control compliance by air carriers.	Continuation of compliance with licensing requirements by licence holders.
	Strengthen arrangements with European colleagues to underpin air carrier monitoring.	Enter into cooperation agreements with relevant parties.



Objective 2	2022 Priorities	Key Performance Indicator
Digitalisation Project	Work to develop and implement a new digital system as part of the CAR-IAA merger to replace current manual processes.	Delivery of tasks as required to facilitate a seamless transfer of records and switchover.

STRATEGIC GOAL 3: FINANCIALLY STRONG TOUR OPERATORS AND TRAVEL AGENTS

Objective 1	2022 Priorities	Key Performance Indicator
Implement requirements of the Transport (Tour Operators and Travel Agents) Act, 1982 and the Package Holidays and Travel Trade Act, 1995	Continue to work closely with stakeholders to implement all necessary arrangements and ensure industry's understanding of these requirements. Improve the Commission's understanding of the market.	Number of entities visited. Number of industry meetings. Conference attendance. Fit for purpose forms. Updated Guidance note if necessary.
	Ongoing review of current processes and procedures.	Fit for purpose processes.
	Issue licences in accordance with Irish legislation.	Percentage of applicants responded to in 7 days. Percentage of decision in principle letters issued. Number of licences issued within 2 weeks.
	Monitor security arrangements that are in place.	Continue to apply monitoring regime.
Objective 2	2022 Priorities	Key Performance Indicator
Provide adequate protection to the travelling public	Implement current legislative insolvency measures.	Implement arrangements for Irish and Non-Irish established businesses.
	Work with the Department of Transport to strengthen consumer protection arrangements.	Input to policy developments and implement any necessary new arrangements.
	Investigate cases of alleged illegal trading.	Report on cases investigated.
Objective 3	2022 Priorities	Key Performance Indicator
Digitalisation Project	Work to develop and implement a new IT solution to replace current manual processes.	Implement new system

STRATEGIC GOAL 4: ROBUST FRAMEWORK TO ENFORCE PASSENGER RIGHTS

Objective 1	2022 Priorities	Key Performance Indicator
Deal with passenger complaints efficiently, effectively and fairly	Initiate investigations in a timely manner.	Preliminary review of complaints within one week - target 85%.
	Pursue investigations with airlines in line with agreed response timeframes.	80% of investigations completed within 3 months. 95% of investigations completed within 7 months.
	Issue directions where airlines do not comply.	Direction applied, varied or withdrawn.
	Inspect Irish Airports for compliance with both regulations.	100% of relevant airports in any given year.

Objective 2	2022 Priorities	Key Performance Indicator
Increase the travelling public's awareness of their rights	Continue to develop and implement communications plan.	Implement communications plan.

Objective 3	2022 Priorities	Key Performance Indicator
Work to ensure greater industry compliance with the regulations, to reduce the volume of complaints requiring our intervention	Continue to develop and implement plan for inspections, enforcement actions, visits and meetings.	Implement plan.

Objective 4	2022 Priorities	Key Performance Indicator
Digitalisation Project	Work to develop and implement a new complaint and query IT solution to replace current Complaint system and manual processes.	Implement new system

STRATEGIC GOAL 5: REGULATION THAT REPRESENTS BEST INTERNATIONAL PRACTICE

Objective 1	2022 Priorities	Key Performance Indicator
Operate efficient and fit- for-purpose systems	Review and modify systems and processes to deliver best practice performance and customer service.	Collaborate with our colleagues in SRD to develop a digital platform that underpins best practice customer experience and service.



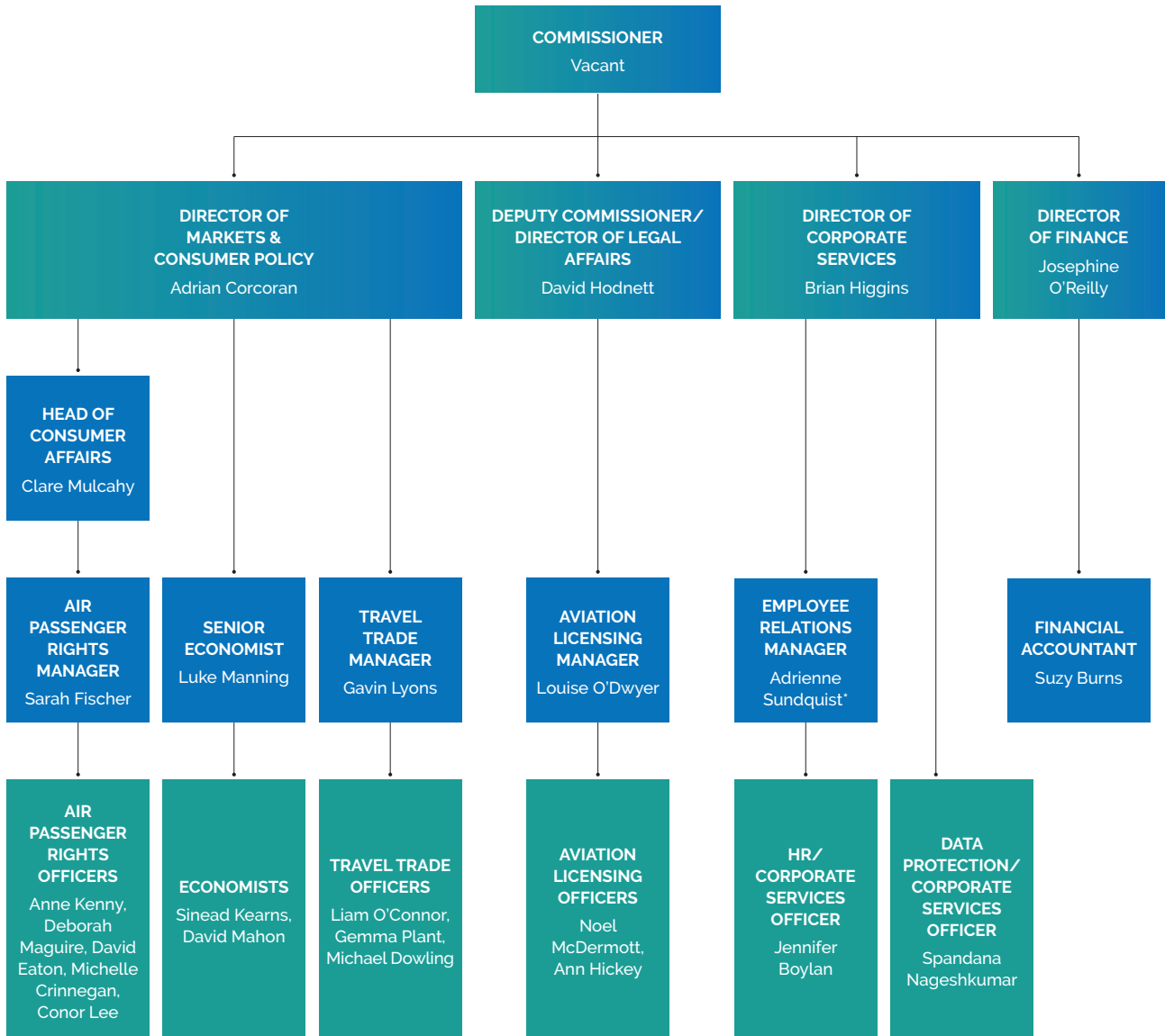
Objective 2	2022 Priorities	Key Performance Indicator
Consult effectively with stakeholders	Encourage increased level of consultation on charges and infrastructure.	Continue to implement the StageGate process for capital investment projects and work with Dublin Airport in relation to its pricing structure.
	Develop regulatory policy in preparation for our next Dublin Airport determination drawing from experience of other regulatory bodies.	Coordinate with other regulators in Ireland and in other Member States.
	Actively participate in the NSA Coordination Platform (NCP) that seeks a better implementation of the Single European Sky (SES).	Contribute to 1) EU discussions of relevant issues and solutions, 2) the identification of best practices to implement the SES and 3) the provision of mutual expert assistance between NSAs.

Objective 3	2022 Priorities	Key Performance Indicator
Maintain a skilled and motivated Staff	Continue to focus on learning and development actions in line with the programme of Regulatory reform.	Track Learning and Development Plan on a monthly basis.
	Review and develop our work force plan in line with the programme of Regulatory reform.	Appointments completed within the requisite timeline.
	Maintain a comprehensive employee Wellbeing Programme in support of our employees and strategic objectives.	Track Wellbeing Plan on a monthly basis.

STRATEGIC GOAL 6: IMPLEMENT ECONOMIC REGULATION OF AIR NAVIGATION SERVICES

Objective 1	2022 Priorities	Key Performance Indicator
Implement Economic Regulation of Air Navigation services	Finalise the development and adoption of a new Performance Plan for Ireland for the RP3 period to 2024.	Liaise with the European Commission and the PRB in relation to the adoption of Irelands Revised RP3 Performance Plan
	Monitor and report on the Irelands Key Performance Areas (KPA), and on the IAA ANSPs Capital Expenditure.	Conduct analysis and comply with monitoring obligations.

Organisation Chart



*Denotes IAA Employee with added CAR function









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