



Commission for Aviation Regulation  
2015 Annual Report

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# 1. Foreword

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Air travel grew at an exceptional rate in 2015. Dublin Airport led this growth with a 15% increase in passenger numbers. By the end of 2015 Dublin airport served just over 25m passengers; an increase of 3.3m. This is an all-time record for Dublin Airport, the previous record was 23.5m in 2008. The growth was largely delivered by Air Lingus and Ryanair, but was aided by an additional six new carriers starting operations in Dublin Airport. In total, 22 new routes were launched from Dublin in 2015. This scale of increase highlights the importance of Dublin Airport increasing capacity to meet future demand.

Growth was not uniform throughout Ireland. Shannon experienced growth of 5%, serving 1.7m passengers. Whilst encouraging, this is still about 50% less than pre-recession levels. Passenger numbers continued to decline at Cork Airport. In 2015 it served 2.1m passengers representing a decline of 3% on 2014.

During the year, there has been considerable discussion both on the form of economic regulation and the future of the Commission as a stand-alone entity. In 2015, the Minister announced a review of the airport charges regulatory regime in its National Aviation Policy. Indecon International Economic Consultants was appointed to conduct this review and the Department is expected to publish a consultation paper on this matter in 2016.

Against this background, the Commission continues to be responsible for economic regulation and consumer protection in Irish aviation. Our work in 2015 is described in the remainder of this report.

In 2015 we indicated we would review one aspect of the 2014 determination. Originally the costs of the parallel northern runway could be included in charges once daa served more than 25m passengers which was expected to occur sometime around 2019.

It became clear that the target would probably be reached in 2015 and we decided that collecting amounts in 2016 (prior to the project being more advanced) would represent too large a degree of prefunding by users. Therefore we will consult in 2016 on the timing of the trigger, examining if further conditions are required to protect the interests of current and prospective users.

## Licences

The Commission continues to issue and monitor licences of air carriers, groundhandlers, tour operators and travel agents. All told we licensed 337 firms across these sectors. This number is reduction of 3 on 2014.

## Air Passenger Rights

In the area of air passenger rights we processed 4,863 queries and complaints from passengers in relation to denied boarding, cancellations, delay and reduced mobility. This represents an increase of 15.5% on 2014 figures. During the year we worked to reduce the time taken to resolve complaints by totally re-designing our online forms to make them more accessible and user friendly. The new simplified forms will be launched in January 2016 and can be used in all browsers.

For the 8<sup>th</sup> consecutive year the Commission, under its flightright.ie banner, hosted a passenger rights information stand at the Holiday World show in the RDS in January. Our aim was to increase public awareness of passenger rights and entitlements. Staff from the office were on hand throughout the weekend and distributed information and offered practical advice to over 4,000 consumers.

## Looking Ahead

Looking ahead to 2016, the Commission will actively engage with the Department of Transport, Tourism and Sport in its consultation process and will work with our stakeholders to further enhance the regulatory framework in line with the outcome of that consultation and international best practice. Work will also commence to make sure that the additional protection measures given to those booking package holidays are in place by July 2018.

At a time of such uncertainty, I would like to especially thank the Commission's talented and dedicated staff for their hard work and David Hodnett for taking on the role of Deputy Commissioner in February due to the departure of John Spicer.



Cathy Mannion  
Commissioner

## 2. About the Commission for Aviation Regulation

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

### Airport Charges and Slot Regulation

- Sets a price cap limiting the total revenues per passenger that daa can collect from airport charges at Dublin airport
- Ensures compliance with the European airport charges directive
- Approves the charges airports levy on airlines to fund services for passengers with reduced mobility
- Approves any changes to the fees charged by the airport authorities at Dublin, Cork and Shannon airports for access to installations needed to provide ground-handling services
- Designates the scheduling status of Irish airports under the Slot Allocation Regulations, appointing a schedules facilitator or co-ordinator where necessary

### Licensing and Approvals

- Licenses Irish-based air carriers transporting passengers, mail or cargo for remuneration and/or hire
- Licenses travel agents and tour operators selling overseas travel
- Administers a bonding scheme for travel agents and tour operators, and processes claims if a travel agent or tour operator goes out of business
- Investigates instances of alleged illegal trading and prosecutes where necessary

- Grants approvals to companies engaged in groundhandling activities at Dublin, Cork and Shannon airports

### Air Passenger Rights

The Commission 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).

It also 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.

## Executive Team

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Cathy Mannion was appointed Commissioner on 7<sup>th</sup> December 2015. She had previously held the position of Director in the Commission for Energy Regulation with a variety of responsibilities over the years. Most recently she led the Irish National Smart Metering Programme.



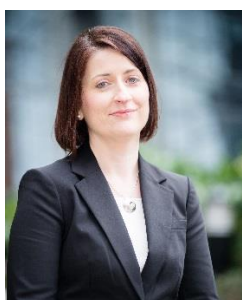
David Hodnett is the Commission's General Counsel and Deputy Commissioner. A solicitor, he joined the Commission in 2003. He is responsible for Legal Affairs, Air Carrier Licensing, Groundhandling Approval and Air Passenger Rights.



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



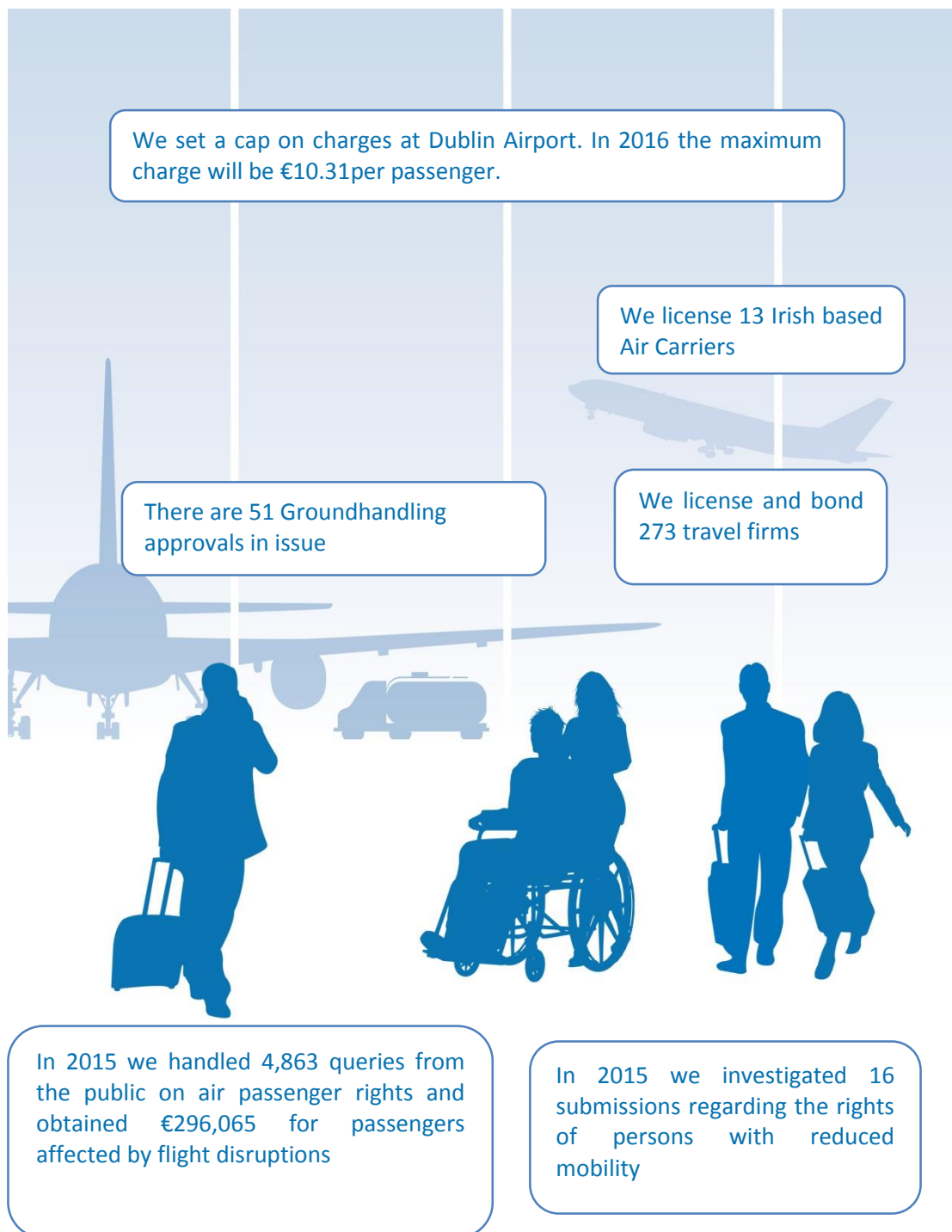
Alan Richardson has been working in the Commission since February 2007. He is Director for travel trade licensing and office management. Prior to his time in the Commission, Alan headed up the National Safety Council.



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

## Key Statistics

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## 3. Airport Charges and Slot Regulation

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Adrian Corcoran

The work of the Economics section of the office was varied in 2015 with no one large project dominating. The Commission welcomed the timely review of regulation of airport charges by the Department of Transport, Tourism and Sport. In 2015 we received a request from Dublin Airport to reopen the 2014 Determination with the view of removing the cap on recovery of under collection. We decided there were not substantial grounds to conduct this review. In examining that request however, we came to the view that there are substantial grounds to review the runway trigger, potentially revising it to better align the trigger with the realities of the timeline of the project. The rest of this section discusses some key elements of our work on charges and slot regulation in 2015.

### Airport Charges

#### *Review of Regulatory Regime*

The Department of Transport, Tourism and Sport are conducting a review of the regulatory regime for airport charges in Ireland. In 2015 it appointed Indecon (an economic consultancy firm) to draft a report to review the current regime and provide recommendations.

The Commission met with Indecon to discuss the topic and drafted a submission to the process. The Commission looks forward to the publication of the report and will participate in any future consultations held as part of the review.

#### *Interim Review of 2014 Determination*

In November 2015 Dublin Airport requested a review of the 2014 Determination of the Maximum Level of Airport Charges at Dublin Airport, and thereafter the removal of the 5% cap on the k factor in the price cap formula. The Commission came to the conclusion that there were no substantial grounds to conduct a review.

While deliberating the above, the Commission decided that there are substantial grounds to review the timing of when the runway trigger enters the price cap. The 2014 Determination includes a trigger to remunerate the

capital costs of the parallel northern runway. It adds €0.59 to the price cap the year following 25m passengers being served in a 12 month period. Passenger numbers exceeded 25m in 2015 however commencement of construction and opening for operations of the parallel runway is some time away. The review will possibly amend the runway trigger to better align remuneration with the reality of the timeline of the project.

The review will commence in Q2 2016 and will include a public consultation.

#### *The 3<sup>rd</sup> Determination, 2010-2014*

The Commission has now received and published regulatory accounts for the full period of the 3<sup>rd</sup> Determination of the Maximum level of Airport Charges at Dublin Airport, 2010-2014.

Outturns were significantly different to the forecasts of the Commission. Over the 5 year period passenger numbers were 5.4m lower than forecast. Lower passenger numbers resulted in Dublin Airport not being able to collect about €57m in forecast airport charges. It also resulted in lower commercial revenues than forecast; for the period Dublin Airport collected €23m less than the Commission forecast.



These two losses to Dublin Airport were more than offset by its lower than forecast levels of operating costs. In 2010, the first year of the Determination, operating costs were €26m less than forecast by the Commission and this performance continued through to 2014 resulting in total opex in the period being €144m less than forecast.

In summary, the total possible revenue after opex of Dublin Airport during the period was €64m higher than anticipated. As the 2009 Determination used incentive based regulation with the volume risk remaining with the airport, this gain is retained by Dublin Airport.

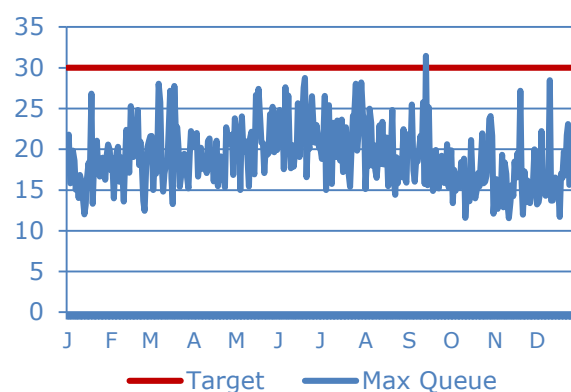
### Compliance

In December the Commission confirmed that Dublin Airport complied with the 2014 price cap of €10.68. The same publication stated that the provisional price cap for 2016 is €10.31. €0.49 of this was due to under collection in 2014 whereby Dublin Airport choose not to price to the cap of €10.68 but rather charged €10.18, under collection is recoverable in future years up to a maximum of 5% of the price cap.

Dublin Airport experienced significant traffic growth in 2015 serving over 25m passengers. This exceeded the Commission's forecast of 22.1m and Dublin Airport's forecast of 21.3m, both made just one year previously in 2014.

The 2014 Determination includes a quality of service regime covering 10 subjective survey measures, 2 baggage handling measures and a target for the length of time passengers spend queuing for the security checks. In 2015 the Commission published quarterly reports on these measures. There was only one failure by Dublin Airport. On September 13 the maximum queue for security check exceeded the 30 minute target. This will result in a financial penalty to Dublin Airport of approximately €100k.

**Figure 3.1: Maximum Daily Security Queue at Dublin Airport (minutes)**



### Airport Charges Directive

The Commission is the independent supervisory authority for the purposes of the EU airport charges directive. In Ireland this directive only applies to Dublin Airport. In 2015, the Commission monitored the required consultations between daa and the airlines on airport charges, passenger forecasts and capital investment plans.

The Commission plays an active part in the Thessaloniki forum which was convened by the EU Commission to advise it on the implementation of the Airport Charges Directive and to promote best practices in the economic regulation of airports. In 2015 the forum established a sub group to develop guidelines for best practice on consultation and to establish if a common approach to setting the cost of capital is feasible. We are leading this sub group and its first meeting will be hosted in Dublin in March 2016.

### ATI Fees

In 2015 the Commission received three applications for the approval of access to installation (ATI) fees. These are the charges ground handlers pay to airport authorities to access equipment necessary to provide ground-handling services. The Commission is required to assess these fees under four criteria: relevancy,

objectivity, transparency and non-discrimination.

In November, Dublin Airport applied for approval to charge €4,635 per linear meter for desks in the baggage halls. We consulted with users on this charge and gave approval in January 2016.

In December, the Commission received applications from Dublin and Cork airport to charge €0.08 and €0.13 respectively per departing passenger for access to the Common User Passenger Processing System (CUPPS). A decision on this fee is pending.

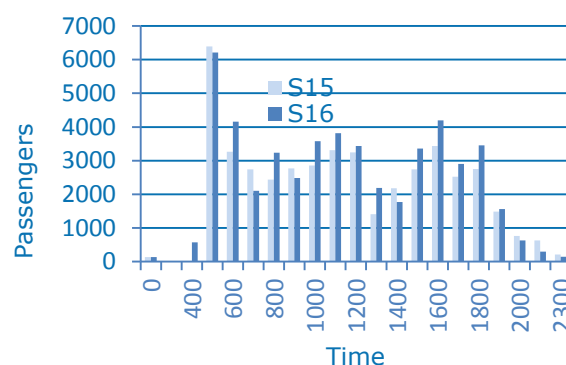
## Slots

The Commission is responsible for the designation of the coordination status of Irish airports. Currently only Dublin Airport is designated as slot coordinated. The Commission appoints a coordinator to carry out the day-to-day coordination. Airport Coordination Limited (ACL) provided this service at Dublin Airport in 2015.

Demand at the airport continues to grow and at certain times in the day demand exceeds capacity. Figure 3.2 shows how demand is expected to continue to grow in 2016. The coordinator coordinates the

excess demand to other times of the day where excess capacity exists.

**Figure 3.2: Demand pre coordination Summer Seasons 2015 V 2016**



The Commission is responsible for the implementation of the Irish slot sanction scheme. In 2015 we issued one fine under the scheme of €2,000 for operation without a slot. In addition 22 warnings issued. While the number of operations without a slot at Dublin Airport has decreased substantially since the introduction of the sanctions regime, the level at Dublin still remains high when compared to airports in the UK. 2014 was the first full year of the sanctions regime. The Commission will continue to monitor slot performance in the coming year.

## Looking Forward

In addition to our more usual areas of work, we will be consulting widely to see if there are ways in which we can improve our approach to economic regulation. This will include looking at areas such as stakeholder engagement, customer representation, information sharing and incentivisation of timely investments. As part of this process we will be working with our European colleagues to develop best practice. The Commission will also be consulting on the point at which Dublin Airport can recover the costs of the parallel runway and will audit the quality of service regime that is currently in place in Dublin Airport.

## 4. Air Carrier Licensing and Groundhandler Approvals



David Hodnett

During the year, licence and approval holders were monitored for compliance with the legislative regimes governing these sectors. Nearly one third of all groundhandling approvals expired during the year with the firms involved being granted new approvals to continue trading. The number of air carriers reduced by two over the course of the year with the exit of two helicopter operating licence holders. On the air carrier side, the most high profile event during the year was the takeover of Aer Lingus Group plc by International Consolidated Airlines Group, S.A. (IAG).

### Air Carrier Licensing

At the end of 2015, 13 Irish based air carriers were licensed by the Commission to engage in commercial air transport operations. During the year, the Commission revoked one operating licence following a decision taken by the company to voluntarily surrender its Air Operators Certificate. Another operator voluntarily surrendered its operating licence due to a general downturn in the helicopter industry (see Table 4.1).

**Table 4.1: Licences and Approvals, 2015**

	Air Carriers	Groundhandlers	
		Self-handlers	Third Party
1 Jan 2015	15	12	41
<i>New</i>	0	1	2
<i>Revoked/Surrendered</i>	2	2	3
31 Dec 2015	13	11	40

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

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

### Air Carrier Licence Disc



During 2015, Aer Lingus Group plc, parent company of Irish operating licence holder Aer Lingus Limited, was sold to the International Consolidated Airlines Group, S.A. (IAG) following its offer to acquire the airline. Aer Lingus Limited will continue to operate as an Irish licensed air carrier under the Aer Lingus brand and its principal place of business and management of the airline will continue to be Dublin, Ireland.

CityJet Limited announced that the company had been awarded a major wet lease contract by SAS (Scandinavian Airlines) to operate for their regional network. The services, which

are due to commence in March 2016, will be operated by 90-seat Bombardier CRJ900 regional jets to be acquired by CityJet. The airline also announced re-fleeting plans which will see the company take delivery of 15 Sukhoi Superjet SSJ100 aircraft, commencing in 2016, to replace the current fleet of Avro RJ85 aircraft.

The parent company of Irish airline, Norwegian Air International Limited (NAI), embarked on a restructuring process which resulted in a new Group structure and business model. As part of this process, a number of Boeing 737 aircraft are to be transferred to the Irish operating licence. By the end of 2015, this process was well underway and the company operated a fleet of 24 Boeing 737 aircraft with further aircraft to be transferred in early 2016. The company also continued to await a decision from the US Department of Transportation on its application for a Foreign Air Carrier Permit which would allow NAI to operate flights from anywhere in the EU to the US.

We received four requests in 2015 from an existing licence holder for approval to wet lease aircraft registered outside the European Union. Approval was granted in respect of three of these requests.

Licences are subject to a review two years after they are first granted. In 2015, one such review took place. There was no change to the relevant licence. We also examined six submissions in 2015 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,<sup>1</sup> in advance of any intended mergers/acquisitions or where there is a change in ownership. In addition to the air carrier setting out the precise changes in detail, the Commission can require the submission of a revised business

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<sup>1</sup> The relevant changes can include the operation of a new air service to a continent or world region not previously served, changes in the number of aircraft operated or their type or any other change in the scale of its activities.

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. At the end of 2015, three of these submissions were still under consideration with further details awaited from the relevant air carriers.

The Commission attended a workshop hosted by the UK Civil Aviation Authority in 2015 to discuss the application of the Licensing Regulation with a particular focus on monitoring ownership and control compliance. The meeting was attended by the European Commission and representatives from a number of other Member States. It is intended that this Group will engage further on other topics of interest related to air carrier licensing in order to share experiences, consider best practice and to provide an opportunity to broaden and improve working relationships with our colleagues from other Member States.

In June 2015, the Commission and the Irish Aviation Authority took the opportunity to remind intending passengers to always check if their chosen air carrier holds an operating licence and AOC to carry passengers for hire/reward by publishing news items on their respective websites.<sup>2</sup> The Commission also updated the 'Passenger Guidance' section<sup>3</sup> of its website to remind non-paying passengers intending to take a flight with a General Aviation operator of important safety considerations which are published by the Irish Aviation Authority.

The Commission participated in user testing and provided feedback to the European

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<sup>2</sup> <http://www.aviationreg.ie/news/is-your-air-carrier-licensed-.686.html>  
<https://www.iaa.ie/general-aviation/is-your-aircraft-operator-licensed->

<sup>3</sup> <http://www.aviationreg.ie/airline-licensing-the-commissions-role/passenger-guidance.216.html>

Commission on a new IT tool designed to improve and simplify the process for Member States to file their notifications to the European Commission of decisions to grant, suspend or revoke operating licences.

In December 2015, the European Commission published 'An Aviation Strategy for Europe'. As part of this initiative, the European Commission has proposed to publish interpretative guidelines on the application of Regulation (EC) No 1008/2008 with respect to the ownership and control of EU airlines in order to bring about more legal certainty for investors and airlines. We welcome the proposals put forward in this document and will continue to monitor developments at EU level.

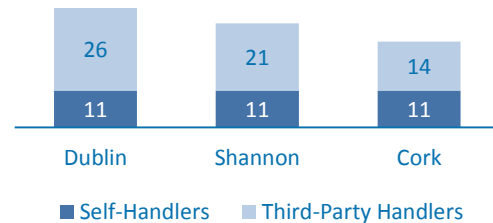
### Groundhandling Approvals

At the end of 2015, there were 11 approved self-handlers (i.e. where an airline chooses to provide groundhandling services for itself) and 40 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. Figure 4.1 presents an analysis of the numbers of approved self-handlers and suppliers of groundhandling services by airport.

During 2015, the Commission granted one new self-handling approval to Etihad Airways PJSC and two new third party handling approvals to the following companies:

- Aviacare B.V. (Dublin Airport)
- Business Aviation Centre T/A Weston Aviation (Cork Airport)

**Figure 4.1: Approved handlers by Type and Airport 2015**



One self-handling approval expired in April 2015 following failure by the applicant company to supply all information required in order to process its renewal application on time. The company made a fresh application to the Commission and was issued a new self-handling approval in July 2015.

One airline company who was the holder of both a self-handling approval and third party handling approval voluntarily surrendered both approvals as the closure of its engineering base in Ireland meant that they were no longer engaged in groundhandling activities at Irish airports.

In addition, two third party handling approvals were voluntarily surrendered as the relevant companies were no longer engaged in the provision of groundhandling services at Irish airports.

During the year, the Commission examined and approved an application from an existing third party approval holder based at Dublin Airport to extend operations to Cork Airport. The Commission also received an application from an existing third party approval holder based at Shannon Airport to expand operations to Dublin Airport. This application remained under consideration at the end of 2015.

Approvals are issued for a period of five years. The Commission renewed seventeen approvals in 2015 following successful completion of the renewal process.

In January 2015, an Interim Examiner was appointed to Transaero Engineering Ireland

Limited, holder of a third party groundhandling approval from the Commission. The company successfully exited examinership under new ownership in April 2015 and the business was renamed as Atlantic Aviation Group Limited.

The third party handling approval held by Shannon Aerospace Limited was amended in 2015 to reflect a change of legal name to Lufthansa Technik Shannon Limited.

The Commission continued with informal visits to existing groundhandling approval holders in order to improve dialogue and

promote a better understanding of routine compliance requirements. In addition, the Commission visited Dublin and Shannon airports to meet the relevant personnel responsible for managing groundhandling operations and discussed any issues arising.

At EU level, the European Commission's Aviation Strategy for Europe initiative also provides for an evaluation of the current Groundhandling Directive after which a decision will be taken on whether it needs to be reviewed. We will continue to monitor any developments at EU level in this regard.

## Looking Forward

In the coming year, the Commission will continue to administer our licensing and approvals regime. We anticipate meeting with air carriers and groundhandlers to discuss continued compliance with license and financial reporting obligations and in relation to business plan evolution. In this regard, we will continue to work in close cooperation with the Irish Aviation Authority.

## 5. Travel Trade Licensing



Alan Richardson

The Commission is responsible for licensing Travel Agents and Tour Operators. Licenses are annual and are issued in two licensing rounds, from 1 May and from 1 November. The total number of licenced firms changed only marginally in 2015. During the year, licence holders were monitored for compliance with the legislative regimes governing these sectors.

### Travel Trade Licensing

In 2015 the Commission licensed 273 travel firms. Although there were a number of firms that withdrew from the sector 19 licenses were issued to new applicants resulting in a net increase in the total number of licenses issued.

Licensed firms are required to provide the Commission with a bond, which can be drawn down in the event that a licence holder ceases trading, leaving customers stranded abroad or travel contracts unfulfilled before the due date of travel. The Commission uses the bond to pay for repatriations and refunds. Bonds are set at 4% of projected licensable turnover for travel agents and 10% for tour operators. The values in Table 5.1 do not include non-licensable turnover e.g. accommodation alone. Projected licensable turnover for travel agents increased by 7% in 2015 showing a continued upturn (there was a 6% increase in 2014).

Bookings made with an unlicensed entity are not protected by the bonding scheme operated by the Commission.

**Table 5.1: Licensable Turnover and Bonding of Travel Industry**

Licensed Entities	2015 (€m)		2014 (€m)	
	Bond	PLTO	Bond	PLTO
Tour Operator (10% rate)	18	179	17	167
Travel Agent (4% rate)	42	1053	39	982
<b>Totals</b>	<b>61</b>	<b>1232</b>	<b>56</b>	<b>1149</b>

### State Airports (Shannon Group) Act 2014

Under this legislation retailers and organisers established in other Member States of the European Union can be exempt from requiring a licence from the Commission if they satisfy certain conditions.

Although this exemption has been available for over a year now it has not yet been availed of and a number of EU/EEA established companies have instead chosen to apply for a licence, and previously licenced firms which qualify for the exemption have chosen to remain within the licensing regime.

### Monitoring Compliance

In 2015 the Commission commenced or continued investigations into 10 complaints received concerning possible

unlicensed trading. Continuing a trend that emerged in 2014 several of the complaints related to individuals and/or companies attempting to operate under the licence of another legal entity, something that is not permissible under Irish legislation.

As with previous years a number of the complaints could not be substantiated as insufficient details were provided and no evidence could be found. On occasion the Commission visited the unlicensed entity under warrant to gather evidence. At the end of the year only one complaint remained open.

Where the Commission finds evidence of unlicensed trading it is our practice to notify the individual/company and make them aware of the legal requirements and request that they apply for the relevant licence or provide sufficient evidence of security if the State Airports Act 2014 applies or cease trading. This approach has been successful and there are a growing number of entities who are

licensed and bonded with the Commission as a result.

To monitor compliance with licence conditions, each year we visit the business premises of a sample of licence holders. 27 licence holders were visited in 2015, with a small number receiving additional follow-up visits. In addition to compliance checks, these visits allow the Commission to obtain a better understanding of the organisations licensed and provide an informal opportunity for information exchange.

### Licensing system upgrade

2015 saw the introduction of a significant upgrade to the licensing system for renewing licences and new applications. This made applying for a license easier than before, making the system browser neutral and introducing a number of changes which helped to reduce delays for applicants.

## Looking Forward

We will continue to administer our licensing and approvals regime. We will also work to promote communication between the Commission and those we licence and regulate. It is intended to hold a series of meetings to which all Irish license holders will be invited. We also intend to engage with industry bodies and other stakeholders on a regulator basis to develop a series of information notes on different areas of compliance that will be of benefit to licensed entities. On 25 November 2015 the new Package Travel Directive was adopted by the EU. The Member States have until 1 January 2018 to transpose it and it will be applicable from 1 July 2018. The Commission will be working closely with the industry, other EU counterparts and our Department to introduce a robust but fair system that will provide security to the industry and protect Irish consumers.



## 6. Air Passenger Rights

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David Hodnett

For all flights due to depart from Irish airports and for certain flights arriving into Irish airports from non-EU countries, the Commission has a role in investigating flight cancellations, delays and denied boarding. In addition, we also investigate complaints relating to the assistance received by disabled persons and persons with reduced mobility when making a reservation or travelling by air. In some cases, the Commission is entitled to require that compensation be paid to passengers.

### Queries and Complaints

In 2015 the Commission received a total of 4,863 queries from the public. This figure is a 15% increase on the number of queries received in 2014. Just under 80% related to requests for information on passenger rights in general and the complaint procedure as well as matters outside of the remit of the Commission e.g. baggage complaints, safety issues, pricing queries etc. In these cases we engaged with the individual and where appropriate referred them to the body or authority competent to deal with their complaint.

The remaining 1,003 submissions related to possible infringements of Regulation 261/ 2004 and were treated as complaints. This represents a drop of 13% on 2014 complaint numbers.

A further 16 related to Regulation 1107/ 2006 which concerns the rights of disabled persons and persons with reduced mobility when travelling by air.

### Cancellations, Delays, Denied Boarding and Downgrades

Of the 1,003 complaints received in 2015 almost 60% related to flight delays.

In the context of Regulation EC261/2004, the most important development of the year occurred in September 2015 when

the Court of Justice of the European Union (CJEU) issued its findings in the case of Corina van der Lans vs KLM. This ruling resulted in a significant change as to when compensation is payable.

The ruling stated that technical faults which occur unexpectedly, which are not attributable to poor maintenance and which were not detected during routine maintenance checks do not fall within the definition of 'extraordinary circumstances' for the purposes of compensation claims. The effect of the ruling was that air carriers could no longer rely on using technical faults as a reason for being exempt from payment of compensation.

Of the 1,003 complaints received 28% (284) related to flights departing from airports in other Member States or flights arriving into such airports from third (i.e. non-EU) countries operated by Community-licensed carriers. The Commission liaised with passengers to ensure that all information necessary to conduct an investigation was provided before forwarding these complaints to the appropriate national enforcement bodies (NEBs) or enabling the passengers to do so directly. For the second year running we have seen a fall in the number of cases requiring onward referral to other NEBs as many NEBs now operate on-line complaint forms and some of these are

easier for the passenger to complete directly.

The remaining 719 complaints fell within both the scope of the legislation and the remit of the Commission and were therefore subject to a full investigation by the Commission. Of these complaints, 653 have been concluded and 66 are still under investigation. A breakdown of the complaints is presented in Table 6.1.

In 159 cases, the complaint was found to be unsustainable under the Regulation, was withdrawn by the passenger, or related to an infringement for which there was no redress available to the passenger. In 157 cases, extraordinary circumstances were found to apply and reasonable avoidance measures taken by the airline.

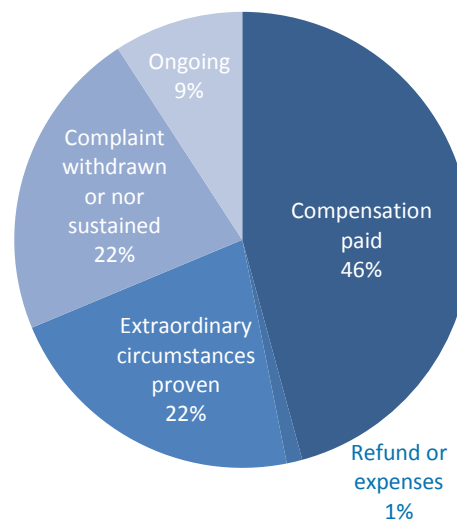
In 329 cases, compensation was paid to the passenger, and in 8 cases the customer received a refund of the cost of their ticket as no other redress was available. Cases where compensation was deemed payable rose by 96% compared with 2014 due in no small part to the ruling in the van der Lans case.

**Table 6.1: Complaints by Type and Investigating Body**

Type	CAR	Other	Tot.	%
Cancellation	215	81	296	30
Long delay	441	154	595	60
Denied boarding	37	18	55	5
Downgrade	4	0	4	0
Other	22	31	53	5
<b>Total</b>	<b>719</b>	<b>284</b>	<b>1003</b>	<b>100</b>

The Commission obtained €296,065 for passengers affected by flight disruptions in 2015: €285,700 in compensation and €10,365 in refunds and reimbursements.

**Figure 6.1: Outcomes of Air Passenger Complaints in 2015**



### Persons with Reduced Mobility

During 2015 the Commission received 16 submissions regarding the rights of persons with reduced mobility. Seven did not constitute potential infringements of the Regulation 1107. The remaining 9 were valid complaints which required investigation. The issues concerned were varied and included:

- The assistance received at the airport of departure, transit or arrival
- The treatment of blind passengers at the security screening area
- The availability of on board wheelchairs on aircraft.

Four of these complaints were appropriate to NEBs in other countries whilst the remaining complaints fell within our remit and were investigated. All but one of these 5 complaints have been completed. No infringements of Regulation 1107 were noted during the course of the 4 completed investigations. Enforcement action was taken against Norwegian Air Shuttle in early 2015 vis-à-vis a complaint regarding carriage of assistance dogs. The air carrier ultimately complied with our requests and made the appropriate changes to its website.

## Other Work

In addition to complaint-handling the Commission also completed 8 inspections of airports during 2015. The purpose of these inspections was:

- To monitor the provision of assistance to persons with reduced mobility by airport management.
- To ensure that air carriers were providing correct information to passengers affected by long flight delays, cancellations and instances of denied boarding.

In 2015 the Commission undertook a review of all Irish air carriers' websites to ensure that the information provided to passengers was to a high standard, principally regarding carriage of persons with reduced mobility. In 2015 we worked with two air carriers in particular, Air Contractors and Cityjet, in order to significantly improve the standard of information on their websites.

2015 saw the commencement of work on a total upgrade of the Commission's online complaint forms and internal complaint handling systems. The focus of this work was to make the complaint forms compatible with modern mobile devices and browsers and to streamline the questions in order to make them more user friendly. The system will go live in early 2016.

Work on the recast of Regulation 261 continued in 2015, albeit at a very slow pace. Given that the ongoing legislative process is very slow, a revised Regulation is not expected to enter force for some years.

## Looking Forward

We will continue to work closely with passengers, airlines and airports to ensure that air passenger rights are vindicated and enforced and will carry out number of inspections at Irish airports next year to monitor compliance with the underlying regulations.

However, during 2015 a significant ruling was delivered by the CJEU in the case of van der Lans and it is likely that the recast will need to be further amended to reflect this judgement.

In January we hosted an information stand at the annual Holiday World Fair in Dublin with the aim of increasing public awareness of passenger rights. We also concluded an information drive which was started in late 2014 reminding all Tour Operators and Travel Agents licensed by the Commission of their obligations under Regulation 1107.

During 2015 the Commission participated in a number of meetings and workshops. These included a joint meeting of the European Commission, NEBs and European Consumer Centre, on Regulation 261, and a meeting of the European Commission and NEBs on Regulation 1107. The Commission also sits on the DTTAS Accessibility Consultative Committee which met twice in 2015. We also made a presentation to the Industry Affairs Group of the European Regions Airline Association regarding the implementation of Regulation EC261 and the recast process.

Finally in September 2015 the Commission hosted a delegation from the Albanian Ministry of Transport and Infrastructure funded by the European Commission's TAIEX program. The delegation wished to visit this office in order to study Regulation 1107/2006 and how we implement and enforce this Regulation in Ireland. The Commission also hosted a delegation from Norway who were interested in our enforcement of Regulation EC261.

## 7. Administrative



*Alan Richardson*

### Human Resources

The Commission employed an average 15 full-time equivalent staff in 2015. Staff members are paid at rates that compare directly with Civil Service posts and all of these rates have been sanctioned by the Department of Public Expenditure and Reform.

### Superannuation Schemes

All full-time staff members were obliged to join the Commission's pension scheme. The scheme was established under the Aviation Regulation Act 2001. New employees must now join the Single Public Service Pensions scheme unless otherwise permitted to join the Commission's scheme. The schemes have been formally approved by the Minister for Transport, Tourism and Sport with the consent of the Minister for Public Expenditure and Reform in June 2015.

### Outsourcing

As in previous years, the Commission continued to outsource non-core administrative functions relating to internal audit, disaster recovery, media relations, IT and payroll administration.

### Administrative obligations

The Commission seeks to comply with the Code of Practice for the Governance of State Bodies. Based on the scope of our activities and the small number of staff, certain aspects of the Code are not applicable.

The Commission consumed 33,873 kilowatt hours (kWhs) of energy in 2015 compared with 35,660 kWhs used in 2014.

### Transparency and Freedom of Information

The Commission carries out its functions as transparently as possible. All documents relating to consultations are published on our website (and a list for 2015 is included in the appendix to this report). Since March 2012, the Commission has published quarterly notes on our website details of its purchase orders for amounts in excess of €20,000. The Commission received no Freedom of Information request in 2015.

### Litigation

As previously reported, legal proceedings by the Commission continued to enforce payment of a bond. Similar proceedings were initiated during the year to enforce payment of a separate bond. In addition, we reached a compromise in an action by a travel agent for payment of an amount of money which it alleged was due to it following its taking over the bookings of customers affected by another travel firm's going out of business. This action was discontinued with each side bearing its own costs.

**Table 7.1: Summary of Corporate Governance**

Commission Code of Conduct	There is a Code of Conduct for Commission employees.
Investment appraisal	The CAR did not incur any capital expenditure in 2015 coming within the scope of the activities envisaged in the Department's 2005 Guidelines for the Appraisal and Management of Capital Expenditure Proposals in the Public Sector.
Remuneration of senior management and directors' fees	The Human Resources section of this chapter set out information on this area. The payment of director fees does not apply.
Reporting arrangements	<p>The CAR prepares reports to the Minister for Transport as required. The CAR has a fully developed accounting system, providing detailed monthly management and financial reports to senior management. The CAR adopts International Reporting Standards for its reporting. It calculates its accounts on the accrual accounting system except where specified in the notes to the financial statements. These statements are audited by the Comptroller and Auditor General.</p> <p>The CAR has taken measures to comply with the obligation to keep proper books of account. These are kept at its sole office.</p>
Strategic and corporate planning	<p>The CAR'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 CAR reports annually to the Minister for Transport on the manner in which these functions have been discharged in the previous year.</p> <p>The CAR has not prepared a strategic plan for a number of years but intends to publish one in 2016.</p>
Travel Policy	The CAR complies with Government travel policy requirements.
Disclosure of interests	The Commissioner, CAR staff, and all consultants and advisers as required comply with the relevant disclosure requirements arising under section 18 of the Ethics in Public Office Act 1995 and sections 17-18 of the Aviation Regulation Act, 2001.
Risk Management	The CAR maintains a risk register which is regularly reviewed by the senior management and the CAR works with the audit committee to manage risks.

## 8. Financial Information



Josephine O'Reilly

Overall expenditure in 2015 showed a reduction of 13% compared to 2014; this mostly relates to staff costs, legal and consultancy costs. The reduction in staff costs was as a direct result of staff turnover where positions were not refilled before year end (most materially the Commissioners post). The reduction in legal and economic consultancy costs directly relates to the work schedule for the year i.e. the airport charges price cap was set in 2014.

During 2015, the Commission upgraded its online travel trade license application system and online consumer protection complaint form which resulted in a spending increase. We have seen real improvements in both of these areas.

The Statement of Financial Position shows an increase of circa €7.8m in travel trade cash bonds; whereby the industry is choosing this form of bond over the alternatives of a bank bond or insurance bond.

The deficit on the pension reserve has moved from €737,515 as at 31/12/14 to €552,674 at the end of 2015. There were no changes in actuarial assumptions for calculating the present value of the scheme obligations at the end of 2015 (unlike 2014) and the actual return on scheme assets exceeded the expected return which led to an actuarial gain of €184,841 for the year.

### Corporate Governance

The Commission is committed to maintaining the highest standards of corporate governance. It complies with the Code of Practice for the Governance of State Bodies, where applicable for an organisation of its size. The Commissioner, as Accountable person, is responsible to the Minister for Transport,

Tourism and Sport for good corporate governance.

### Statement of Internal Financial Control

The Commissioner for Aviation Regulation has overall responsibility for the Commission for Aviation Regulation's system of internal financial control and for monitoring its effectiveness. This system is designed to provide reasonable but not absolute assurance against material misstatement or loss.

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 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. The Commission also has an Audit Committee which operates under a written charter approved by the Commissioner and which consists of three external members. All internal audit reports are presented to

the Audit Committee. The internal auditor provides the Commission with an opinion on the adequacy and effectiveness of the system of internal financial control.

The Commissioner has confirmed, in the Draft Financial Statements for the year to 31 December 2015 that the Commission conducted a review of the effectiveness of the system of internal financial control.

### **Internal Audit**

The CAR has appointed a firm of auditors (D'Arcy Lynch Partners Ltd) to undertake its internal audit function. The internal auditor operates under the guidance of an external Audit Committee. In 2015, the internal auditors performed 3 audits:

- Corporate Governance Review
- Risk Management Review
- Statement of Internal Financial Control Review

### **Audit Committee**

The Audit Committee met 4 times during 2015. At each meeting the Committee was updated by the Commissioner or the Deputy Commissioner on the Commission's activities, ongoing work and key issues. Staff attended meetings from time to time as required and appropriate. The independent internal auditors also attended meetings on a regular basis to update the Committee on the audit plan and related audit reports.

### **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.

### **Procurement**

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

### **Disposal of Assets and access to assets by third parties**

The CAR has no assets of the scale and value envisaged under the guidelines (€150,000). No significant asset disposals took place during 2015.

## Investment Appraisal

The CAR did not incur any significant capital expenditure in 2015 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 CAR is liable to pay PAYE, VAT and PSWT. The CAR has submitted all relevant tax returns for 2015 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 11 December 2015, the Commission made S.I. 552 of 2015 imposing the Levy for 2016. The Commission expects to receive revenues of €2,385,250 from the levy in 2016.

Levy income fluctuates in line with expected expenditure needs and cashflow requirements over a five year period while Licence Fee income has remained fairly static over the year. Other Income is comprised mostly of Interest income and fluctuates in line with deposits and interest rates each year.

Levy	2015	2014	% Change
Levy	1,968,651	2,323,433	(15%)
License Fees	188,060	192,596	(2%)
Other Income	20,606	30,537	(32%)
<b>Total</b>	<b>2,177,317</b>	<b>2,546,566</b>	<b>(14.5%)</b>

## Financial Statements

In February 2015, the draft financial statements for 2014 were submitted to the Comptroller and Auditor General for audit. In October 2015, on completion of the audit, they were submitted to the Minister for Transport. They were laid before the Houses of the Oireachtas in November 2015 and are available on the Commission's website.

Draft financial statements for the year ended 31 December 2015 have been prepared and were submitted for audit to the Comptroller and Auditor General on 26<sup>th</sup> February 2016. An extract from these draft statements is provided below. The statement of accounting policies and the notes to the accounts, 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 and Retained Revenue Reserves for the year ended 31 December 2015

	2015 € '000	2014 € '000 (as restated)
<b>Income</b>		
Levy Income	1,969	2,323
Licence Fees	188	193
Other	21	31
<b>Gross Income</b>	<b>2,177</b>	<b>2,547</b>
Transfer (to)/from Capital Account	(19)	7
<b>Net Income</b>	<b>2,158</b>	<b>2,553</b>
<b>Expenditure</b>		
Staff Costs	969	1,089
Pension Costs	127	102
Consultancy	6	283
Legal Fees	12	138
Rent	280	280
Schedules Facilitation	320	321
Operating Expenses	586	429
	<b>2,300</b>	<b>2,641</b>
<b>Operating Surplus / (Deficit)</b>	<b>(142)</b>	<b>(88)</b>
Balance as at 1 January	2,472	2,560
Balance as at 31 December	2,330	2,472

## Draft Statement of Comprehensive Income for the year ended 31 December 2015

	2015 € '000	2014 € '000 (as restated)
Operating Surplus / (Deficit)	(142)	(88)
Actual return less expected return on pension scheme assets	163	203
Experience gains/(losses) arising on pension scheme liabilities	22	(34)
Changes in assumptions underlying the present value of the pension scheme liabilities	-	(858)
Actuarial gain/(loss)	185	(690)
<b>Total Recognised Gains/(Losses) relating to the Financial Year</b>	<b>43</b>	<b>(778)</b>

The cumulative gain recognised from actuarial gains and losses arising in the last four years amounts to €633,894.

## Draft Movement in Pension Reserve

	2015 € '000	2014 € '000 (as restated)
Balance at 1 January	(738)	(48)
Actuarial Gain/(Loss)	185	(690)
<b>Balance at 31 December</b>	<b>(553)</b>	<b>(738)</b>

## Draft Statement of Financial Position as at 31 December 2015

	2015 € '000	2014 € '000 (as restated)
<b>Fixed Assets</b>		
Tangible Assets	20	1
<b>Current Assets</b>		
Bank Accounts	23,045	15,396
Debtors and Prepayments	262	264
	<b>23,307</b>	<b>15,660</b>
<b>Creditors (Amounts falling due within one year)</b>		
Creditors and Accruals	(169)	(277)
Cash Bond Accounts	(20,751)	(12,879)
	<b>(20,921)</b>	<b>(13,156)</b>
<b>Net Current Assets /(Liabilities)</b>	<b>2,386</b>	<b>2,504</b>
<b>Total Assets less Current Liabilities</b>	<b>2,406</b>	<b>2,505</b>
<b>Provisions for Liabilities and Charges</b>	-	-
<b>Net Assets Excluding Pension Liability</b>	<b>2,406</b>	<b>2,505</b>
Net Pension Asset/(Liability)	(609)	(770)
<b>Net Assets / (Liabilities) including Pension Asset/(Liability)</b>	<b>1,797</b>	<b>1,735</b>
<b>Financed By</b>		
Income & Expenditure Account Surplus/(Deficit)	2,330	2,472
Capital Account	20	1
Pension Reserve	(553)	(738)
	<b>1,797</b>	<b>1,735</b>

*The Statement of Accounting Policies, Cashflow Statement and the Notes 1 to 18 form an integral part of these Financial Statements.*

## Draft Statement of Cashflows for year ended 31 December 2015

	2015 € '000	2014 € '000 (as restated)
<b>Reconciliation of operating surplus to net Cash inflow/(outflow) from operating activities</b>		
Surplus/(Deficit) on Income and Expenditure	(142)	(88)
Difference between Pension Cost and Employer Contribution	24	(19)
Depreciation	4	4
Bank Interest received net of bank charges paid	(9)	(27)
Amortisation of capital asset	(4)	(4)
Decrease/(Increase) in Debtors	(4)	8
Decrease/(Increase) in Prepayments	6	(31)
(Decrease)/Increase in Creditors	5	25
(Decrease)/Increase in Accruals	(113)	103
(Decrease)/Increase in Provisions	-	-
Net Cash Inflow/ (Outflow) From Operating Activities	(232)	(31)
<b>Cash Flow Statement</b>		
Net Cash Inflow/ (Outflow) From Operating Activities	(232)	(31)
Returns on Investments		
Bank Interest	12	31
Bank Charges Paid	(3)	(3)
Financing		
Increase / (Decrease) in Cash Bond Accounts & TPF	7,872	696
(Increase) / Decrease in Funds on Deposit	1,249	(31)
<b>Increase/(Decrease) in Cash Balances</b>	<b>8,898</b>	<b>662</b>
<b>Reconciliation of net cash flow to movements in net funds</b>		
Increase/(Decrease) in cash in hand in the period	8,898	662
Cash used to (decrease)/ increase liquid resources	(1,249)	31
Change in Net Funds	7,649	692
Opening Net Funds	15,396	14,703
Closing Net Funds	23,045	15,396

*The Statement of Accounting Policies, Cashflow Statement and the Notes 1 to 18 form an integral part of these Financial Statements.*

*Numbers rounded independently, may not sum to total.*

## 9. Appendix

### Commission Papers Published in 2015

Paper	Title
CP1/2015	2015 Consultation on Conducting an Interim Review of the 2014 Determination
CP2/2015	Decision on Conducting an Interim Review of the 2014 Determination
CN3/2015	Application by daa for ATI Fee approval – Dublin Airport – Baggage Hall Desks
	Quarterly Quality of Supply Reports
	Air Passenger 6 monthly Reports
CN1/2015	Arrangements for Travel Trade Licensing in Spring 2015
CN2/2015	Arrangements for Travel Trade Licensing in Autumn 2015

### Output Reports

#### Charges and Slot Regulation

2015 Goal	2015 Outturn
Monitor daa's compliance with the price cap and ensure continued smooth operation of the current scheduling regime at Dublin Airport	<p>Published 2014 compliance statement and quarterly service quality results for Dublin Airport</p> <p>Attended Dublin Airport Co-ordination Committee meetings and liaised with ACL and users</p> <p>Responded to Dublin Airport's request for an interim review of the 2014 Determination</p>
Re-examine the existing approach to making determinations for Dublin airport charges	<p>Participated in the Department's review of airport charges</p> <p>Identified a number of areas where further work is required, as detailed in the 2016 work plan</p>

## Licensing and Approvals

2015 Goal	2015 Outturn
<p>Continue to administer the licensing and approvals regimes for air carriers, groundhandlers and travel trade firms</p>	<p>All applications processed in a timely manner and all existing licence holders were monitored for compliance with legislation</p> <p>Two year review of operating licence held by one air carrier completed</p> <p>Groundhandling Approvals held by 17 companies expired and were successfully renewed</p> <p>Travel Trade licensing issued licences to 228 travel agents and 45 tour operators. 19 of these licences were issued to first time applicants. A total of 18 previously held licenses were not renewed</p>
<p>Promote understanding of the licensing regime amongst industry &amp; public</p>	<p>Licence discs for 2016 were issued to all helicopter and small aircraft operators</p> <p>Informal visits to airports and a total of 5 groundhandling companies were completed in 2015 to improve dialogue and promote awareness of licensing requirements</p> <p>Travel Trade licensing visited licensed entities during the year for the purposes of monitoring compliance and gaining a better understanding of the issues faced by the industry.</p>

## Air Passenger Rights

2015 Goal	2015 Outturn
Ensure compliance with EU laws concerning passenger rights	1011 complaints received under both Regulations. 288 for counterpart enforcement bodies. 724 complaints investigated. 657 concluded. 8 airport inspections carried out.
Seek to increase public understanding of air passenger rights issues	Took part in 2015 Holiday World fair. Print media campaign and presented at industry events.
Advise on possible changes to Regulation 261	Contingent upon completion of recast process

## Key Performance Indicators

Performance Indicator	2015	2014
<b>Travel Trade Licensing (note 1)</b>		
Licence applicants notified of missing documents within a week	39%	82%
Licence applicants receiving a decision in principle within a month	70%	87%
Licences issued within two weeks of all documents being received	84%	93%
Number of licensees' premises visited	27	27
<b>Travel Trade Claims and Repatriations (note 2)</b>		
Number of claims received following collapses	222	0
Number of claims processed within two months	58	n/a
Number of claims processed within four months	86	n/a
Number of claims processed within six months	86	n/a
Administration costs as a percentage of total claims costs	-	n/a
Number of passengers repatriated	0	0
Passengers awaiting repatriation after scheduled return date	n/a	n/a
Passengers awaiting repatriation for more than a week	n/a	n/a
<b>Consumer Protection</b>		
Preliminary reviews of complaints completed within a week	81%	88%
Complaints referred to another NEB within a month of receipt	88%	79%
Investigations completed within three months of receipt	77%	76%
Investigations completed within seven months of receipt	98%	100%
Number of airport inspections	8	8
<b>Costs</b>		
Annual change in CAR costs	-13%	+12%
Annual change in CAR costs (excluding legal fees, airport coordination and claims processing costs)	-14%	+10%

Notes to Table:

1. In 2015 the Commission notified applicants of missing documents 39% of the time within one week. This compared to 82% in 2014. However as can be seen in the table below the figure in 2013 was 28%. The low percentage is indicative of the fact that many applications arrived at much the same time and the Commission did not have the resources to deal with this volume of notifications at the same time leading to inevitable delays. In 2016 we will look to see if it is possible to deal with applications more evenly across the year to reduce delays. At the same time it is worth noting that notification of missing documentation does not have a clear correlation with the timely issuing of Licences. In 2016 we (in consultation with our stakeholders) will also review the indicators used to measure our performance in issuing Travel Trade Licences in a reasonable timeframe.

Travel Trade Licensing	2015	2014	2013
Licence applicants notified of missing documents within a week	39%	82%	28%
Licence applicants receiving a decision in principle within a month	70%	87%	64%
Licences issued within two weeks of all documents being received	84%	93%	92%

2. There were two collapses in travel agents during 2015 compared to none in 2014. Neither firm was able to fulfil its contractual obligations to its customers, resulting in claims on their bonds. In the case of Just Sunshine Ltd, all of their sales products focused on Tunisia which was subject to an outbreak of violence in the summer. As a result of the tour operator pulling out of this market, Just Sunshine Ltd did not have the available resources to refund passengers and survive trading. Travelcolumn Ltd trading as onestoptravel.ie was unable to generate sufficient profits from trading to avoid a collapse.