

ANNUAL REPORT 2018



Contents

01	About the Commission for Aviation Regulation	3
	Key Statistics	5
02	Airport Charges and Slot Regulation	6
03	Air Carrier Licensing and Groundhandling Approvals	11
04	Travel Trade Licensing	16
05	Air Passenger Rights	20
06	Corporate Services	24
07	Financial Information	28
08	Appendix	34
	Organisation Chart	47

Foreword

In 2018 passenger numbers at Dublin airport increased by 6.5%, to 31.5 million. Due to the on-going and strong growth, we made the regulatory model more flexible to allow Dublin Airport to carry out some necessary capital investment to relieve constraints at the airport. In June, we approved a capital programme of €269.3 million. In November, Dublin Airport submitted a €1.7 billion draft capital investment plan for the period 2020-2024; for consultation with airlines and other stakeholders. We will review the final submission in detail and in September 2019 we will publish a decision on the maximum level of airport charges at Dublin Airport from 2020.

In September, we established a Passenger Advisory Group to improve our understanding of passenger requirements in our decisions for the airport. The main topics that the group will consider are quality of service levels and key infrastructure projects. This group consists of thirteen organisations that represent a diverse range of passengers at Dublin Airport.

In 2018 we received 2,319 valid passenger complaints against airlines which was 56% higher than in 2017. The volume we receive has grown significantly in the last two years and has impacted on how quickly we can deal with each complaint. We put in place a plan to deal with the backlog of complaints and this is working well. We also plan to strengthen our Air Passenger Rights team, in Q1 2019, to deal with the increase in volume.

This year we issued licences to and financially monitored 16 air carriers and 45 groundhandlers. While, there was no significant increase compared to 2017, we have received an increasing number of queries from parties considering entering the Irish market. In addition, during the year we focused on the implications for Irish-licensed airlines if the UK becomes a third country. This will continue to feature in our workplans for 2019.

In 2018, we licensed 231 tour operators and travel agents in the travel trade. The Package Travel Directive (setting out consumer protection arrangements if a travel firm becomes insolvent) applied in all Member States from July. As a result, 30 companies, established in other Member States, did not have to renew their licences in Ireland. In 2019, we will keep this under review.



Cathy Mannion
Commissioner

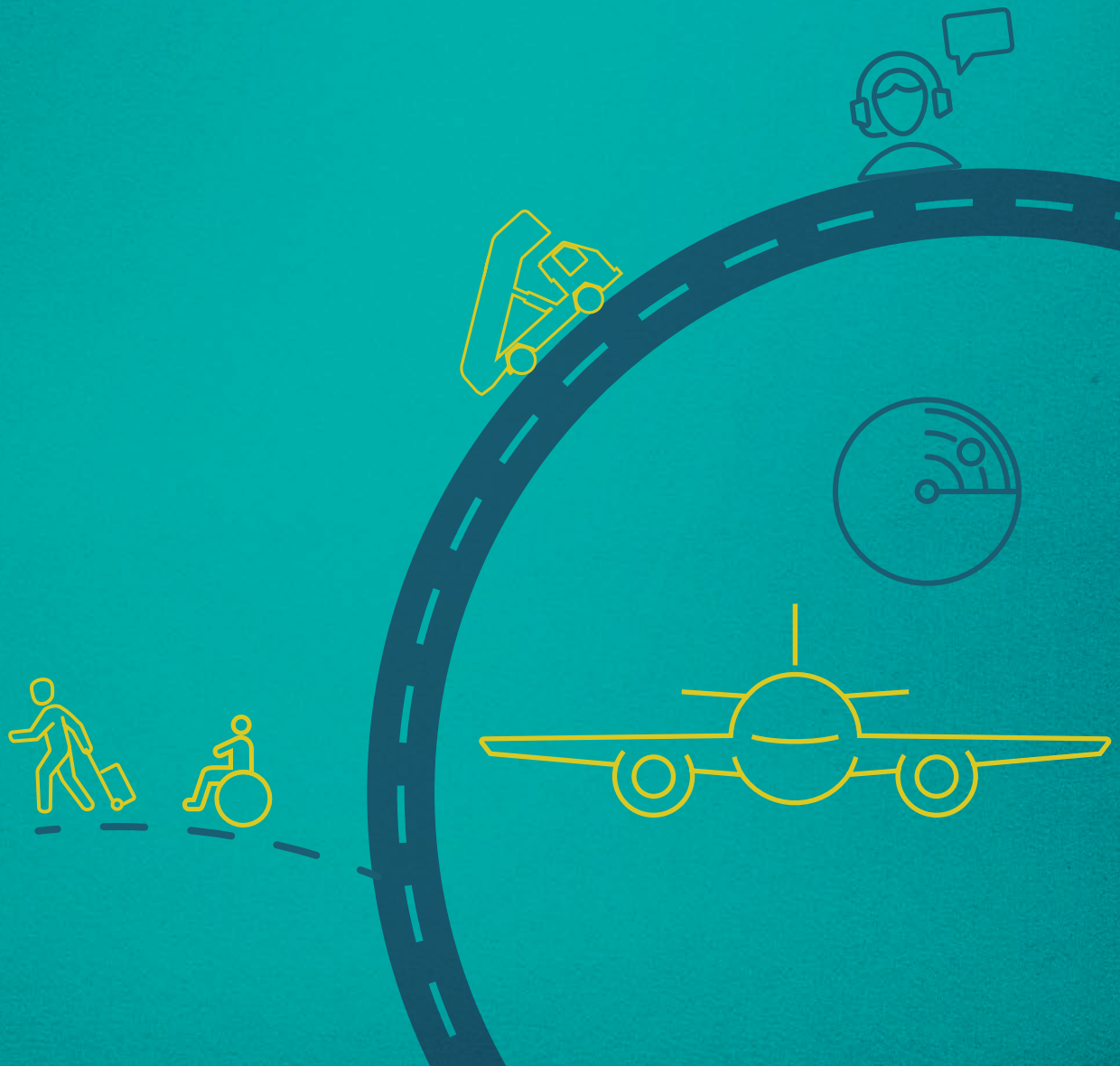
During the year there were three collapses in the travel trade industry; Premier Irish Golf Tours Limited, Sindaco Limited and Heffernan's Shipping and Tourist Agency Limited. We received 345 claims in relation to these and used the Travellers' Protection Fund to help settle these claims. I would like to acknowledge the assistance provided to us by Cello Aviation Limited to repatriate 141 passengers from Bulgaria and Aer Lingus for providing preferential fares for an additional 59 passengers.

In 2019, we will complete our review of the travel trade insolvency protection arrangements that apply in Ireland, advise DTTAS on any amendments that need to be made to ensure compliance with the Package Travel Directive and implement any necessary changes.

Finally, throughout the year we worked closely with DTTAS and our IAA colleagues to progress the regulatory reform process which will result in the merger of the Commission and the Safety Regulatory Division of the IAA. To date work has progressed in the areas of organisational design and draft legislation. We will continue with this regulatory reform work in 2019 with the objective of having a new aviation regulator in 2020.

01

About the Commission for Aviation Regulation



1. 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.

Airport Charges and Slot 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, which sets out minimum standards in relation to consultation and non-discrimination.
- 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 Dublin Airport.

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 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



We license **16**
Irish-based Air Carriers



In 2018 we investigated
14 submissions
regarding the rights of
persons with reduced
mobility



In 2018 we handled
4,420 queries
from the public on air
passenger rights and
obtained €458,817 for
passengers affected by
flight disruptions



We licensed and bonded
231 travel firms



In 2018 we established
a new Passenger
Advisory Group with
13 organisations that
represent the diversity
of passengers at Dublin
Airport.



We have approved
45 Groundhandling
companies

02

Airport Charges and Slot Regulation



2. Airport Charges and Slot Regulation

Adrian Corcoran is the Director of Economics. He is responsible for the economic regulation of Dublin Airport, slot coordination and the setting of capacity at Dublin Airport. He was appointed to this role in December 2014 after previously working as an economist at the Commission. He holds a PhD in Economics.



Adrian Corcoran
Director of Economics

2.1. Delivery against Strategic Plan

The key strategic goal for the economics section is to enable efficient, high-quality and safety conscious airport services. Central to achieving this goal are three objectives and several actions (see Chart 1).¹

The following paragraphs summarise the work undertaken in 2018 grouped by each of these objectives.

2.2. Set Efficient Charges at Dublin Airport

2.2.1 Set a price cap for Dublin Airport

In 2019, we will set a new price cap that will take effect from 1 January 2020. In preparation for setting the new price cap, we began engaging with stakeholders in 2018. In April, we published an issues paper that sought stakeholder views on the high-level regulatory policies, methodology and data sources to be used in arriving at the new price cap.²

Examples of the topics discussed in the Issues Paper are:

- The methodology for passenger forecasts and the allowed cost of capital.
- The assessment and regulatory treatment for operating costs and capital expenditure.
- How we should monitor quality of service at Dublin Airport.
- The assessment of financial viability.

In July, we published the five submissions received from Aer Lingus, Dublin Airport, Irish Air Line Pilots' Association (IALPA), International Air Transport Association (IATA) and Ryanair.³ We will carefully consider these submissions and our ongoing engagement with stakeholders in drawing up the draft Determination on the new price cap, to be published in April 2019.

Chart 1: 2018 Strategic objectives



¹ The appendix to this report summarises the work we have undertaken in 2018 and how this work aligns with our Strategic Plan 2017-2019.

² www.aviationreg.ie/_fileupload/2019%20Determination/2018-04-30%20CP7%20Issues%20Paper.pdf

³ www.aviationreg.ie/regulation-of-airport-charges-dublin-airport/2019-determination.841.html

At the end of July, the Department of Transport, Tourism and Sport notified us about the policy statements that we should have regard to when making the 2019 Determination, namely the 2015 National Aviation Policy and the National Policy Statement on Airport Charges.⁴

In 2018, we commenced work on all the building blocks which will lead to the price cap. This work will continue up to September 2019 when we will publish our final Determination of the maximum level of airport charges for Dublin Airport.

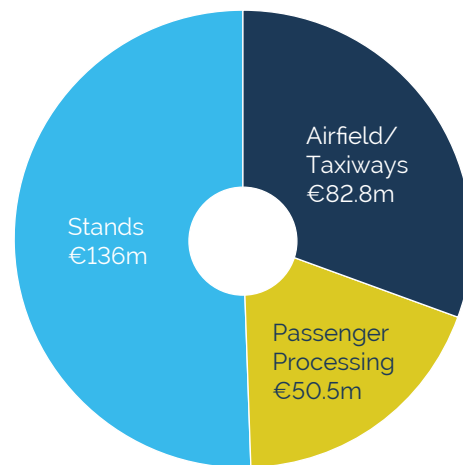
2.2.2 Regulate and monitor the cost-efficient provision of capital projects

In December 2017, Dublin Airport sought an interim review for a supplementary capital expenditure allowance of €284m to deliver a suite of 23 projects termed the Programme of Airport Campus Enhancement (PACE).⁵

In February 2018, we published a draft decision on the estimate of efficient cost of delivering all projects and our proposed regulatory treatment of these allowances.⁶ Aer Lingus, Dublin Airport, Emirates, Ethiopian Airlines, Etihad, Irish Aviation Authority, IALPA, Ryanair and Stobart Air responded to the consultation.

In June we decided on a cost allowance of €269.3m, based on submissions received and on our assessment of the efficient cost.⁷ Following our decision, in the second quarter of 2018 we started publishing quarterly reports on the progress made by Dublin Airport in delivering each approved capital project.⁸ Airfield projects represent 82% of the allowances: 51% correspond to stand projects and 31% to taxiways and other airfield projects. Allowances for passenger processing in the terminals represent 19%. Chart 2 shows the project allowances classified into these three categories.

Chart 2: Supplementary Capital Expenditure Allowed



2.2.3 Monitor Compliance of Dublin Airport with the 2014 Determination

In 2018, we published quarterly results of quality of service monitoring in relation to security queue times, baggage handling facilities and passenger survey results.⁹ The annual price cap is adjusted on each occasion that Dublin Airport does not meet any of the quality of service targets. One of the targets is that the security queue must not exceed 30 minutes in a day. In 2018, the queue in Terminal 1 exceeded 30 minutes in four dates:

- 12 May - 55 minutes,
- 27 May - 31 minutes,
- 9 June - 30 minutes and 8 seconds,
- 29 September - 32 minutes.^{10 11}

Consequently, the annual price cap for 2018 was reduced by 0.2%, which results in about €600,000 in foregone revenue. Dublin Airport met all other targets.

2.3. Increase stakeholder involvement in decision-making

2.3.1 Encourage increased level of consultation and transparency on airport charges and infrastructure proposals

In October, we set out guidance for the 2018 annual consultation on airport charges. First, Dublin Airport should consult on the structure and level of the overall airport charging strategy while focusing on the justification of any proposed changes or the introduction of new charges or incentive schemes.

⁴ www.aviationreg.ie/_fileupload/2019%20Determination/2018-07-23%20FT%20to%20CM%20re%202019%20Determination.pdf

⁵ www.aviationreg.ie/_fileupload/PACE/20180118%20DAP%20PACE%20Submission%20to%20CAR%20corrected.pdf

⁶ www.aviationreg.ie/_fileupload/PACE%20Draft%20Decision/2018-02-20%20Draft%20Decision%20final%20draft.pdf

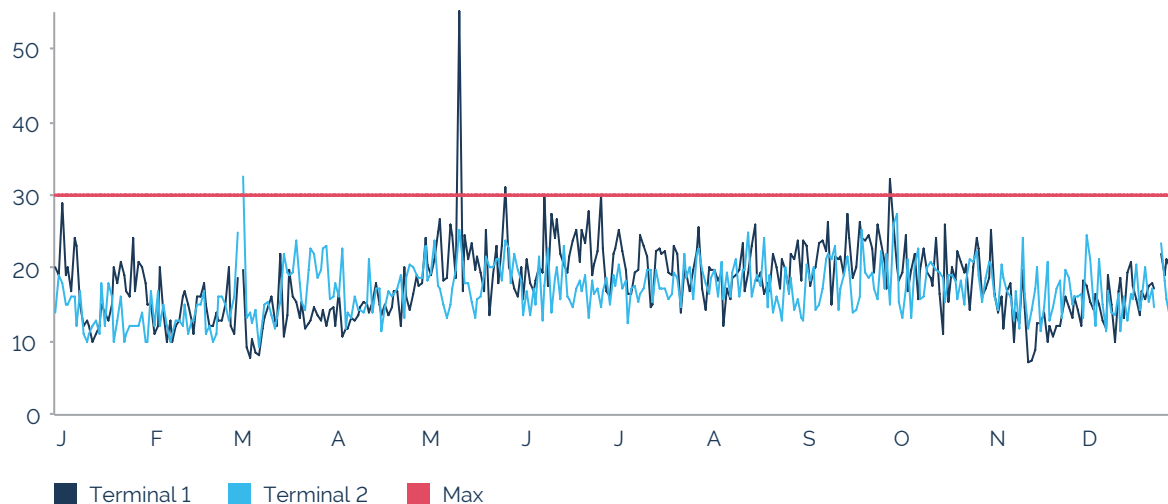
⁷ www.aviationreg.ie/_fileupload/PACE%20final%20decision/Final%20Decision%20Final%20Draft.pdf

⁸ www.aviationreg.ie/regulation-of-airport-charges-dublin-airport/compliance-papers.123.html

⁹ www.aviationreg.ie/regulation-of-airport-charges-dublin-airport/quality-of-service-.820.html

¹⁰ www.aviationreg.ie/_fileupload/QoS/2018-07%20DUB%20QoS%20Q2%202018.pdf

¹¹ www.aviationreg.ie/_fileupload/2018/2018-07%20DUB%20QoS%20Q3%202018.pdf

Chart 3: 2018 security queue times

Note: The security queue in Terminal 2 exceeded 30 minutes on the 3 March due to severe weather conditions. Therefore, there will be no price adjustment in relation to this day.

Second, the Airport should justify any proposed changes in the charging strategy based on the criteria in the Airport Charges Directive. In parallel to our development of local guidelines, in December 2018 the Thessaloniki Forum published European-wide recommendations in relation to assessing non-discrimination under the Directive.

Evaluation of the 2018 Annual Consultation

In November, we observed the annual consultation of airport charges at Dublin Airport. Ahead of the consultation, Dublin Airport received four airline responses, which represented 74% of passenger traffic. At the consultation meeting, Dublin Airport discussed and justified the menu of charges, including incentive schemes. The Airport also provided an update on the delivery of capital investment projects. The Airport showed the 2019 forecast revenue to airlines.

As noted above, from 2020 there will be a new price cap in place at Dublin Airport. The annual consultation that will take place in 2019, in relation to 2020 airport charges, will be an opportunity for Dublin Airport to comprehensively review the charging strategy.

CIP2020+ Consultations

In November, Dublin Airport submitted a Capital Investment Plan for 2020-2024.¹² The proposed projects in this CIP consultation comprise:

- 73 core and 15 revenue generating commercial projects with an estimated cost of €580m.
- 20 capacity projects estimated to cost €876m for terminal related projects and €210m for airfield related projects.

From 3 to 6 December, Dublin Airport consulted with users on the above projects, as well as on additional optional projects with an estimated cost of €1 billion. We chaired the meetings on those four days. We expect Dublin Airport to make a final regulatory submission to us taking account of views and needs of passengers and airline users.

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

In September, we decided to establish a new Passenger Advisory Group which gives passenger representatives direct input to the 2019 Determination process.¹³ The group consists of thirteen organisations that represent a diverse range of passengers at Dublin Airport:

- National and International leisure passengers, including families, are represented by the Consumer's Association of Ireland, the European Consumer Centre and Failte Ireland.
- Young passengers are represented by the National Youth Council of Ireland and the elderly by Age Action.
- People with reduced mobility or disabilities are represented by the National Disability Authority, the Disability Stakeholders Group, the Irish Society for Autism, the National Council for the Blind Ireland and Alzheimer's Europe.
- National and International business passengers are represented by the Irish Business and Employers Confederation (IBEC), Chambers Ireland and Ireland's inward investment promotion agency (the IDA).

¹² www.aviationreg.ie/_fileupload/2019%20Determination/Dublin%20Airport%20Consultation%20-%20CIP%202020%20.pdf

¹³ www.aviationreg.ie/_fileupload/2018/2018-09-27%20CP12-2018%20Decision%20Passenger%20Engagement.pdf

The group is tasked with improving our understanding of passenger requirements in our decisions for the airport. The main topics that the group will consider are quality of service levels and key infrastructure projects.

At the first meeting in November, the group discussed existing and possible new measures of quality of service that we should monitor.

2.4 Promote competition and facilitate new entry

2.4.1 Declare Slot Coordination Parameters at Dublin Airport to optimise the use of infrastructure, facilitating new airline entrants.

In March, we published a full capacity assessment of Dublin Airport.¹⁴ This assessment will assist us in declaring Slot Coordination parameters for future seasons.

In May and September, we declared the coordination parameters for the Winter 2018 and Summer 2019 scheduling seasons.^{15,16} These declarations involve significant engagement between stakeholders. We allowed for some targeted, incremental increases in the number of aircraft which can operate at Dublin; our approach, informed by simulation modelling, is to strike an appropriate balance between facilitating new entrants and ensuring that delivering the flight schedule is operationally feasible.

In September, we approved and published a Local Guideline, as provided for in the Slot Regulation, in relation to Dublin Airport. This guideline allows time critical operations, for example technical flights or flights to recover passengers impacted by an unforeseen event, to be allocated a slot above the normal parameters (maximum one overage per hour). The rule has been in effect from 1 October 2018.

2.5 Regulation that Represents Best International Practice

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

In December, the Thessaloniki Forum of European Airport Charges Regulators published two guidance reports written by a working group of the Forum, which we chaired. The first report discusses the use of selective criteria in the context of the economic regulation of airports. The report discusses the use of

criteria in the following circumstances:

- To distinguish airports likely to have significant market power from those which are not, to inform decisions on whether to conduct a market power assessment.
- To decide on an appropriate form of economic regulation, or alternatively that further regulation, beyond the behavioural type regulation set out in the Airport Charges Directive, is not required.¹⁷

The second report recommends how to assess non-discrimination in airport charges under the Directive. The report sets out an example of an effective process for investigating a complaint relating to discrimination.¹⁸

In 2019, the Forum will work on regulatory remedies and benchmarking airport charges.

2.6. Looking Forward

Setting a price cap is a significant undertaking, with consequences for the airport, passengers, airlines and national economic development. Price cap decisions may affect the attractiveness of the airport to airlines and the ability of the airport to deliver connectivity.

In 2019 we will set a new price cap for Dublin Airport commencing in 2020 and lasting 4 plus years. We will consider revenues in the region of €2 billion in the next regulatory period and a €1.8 billion investment plan which has the potential to serve passengers for decades to come.

Extensive consultation will continue in 2019. In February and March, we will meet with the Passenger Advisory Group to discuss and evaluate the proposals of Dublin Airport on capital infrastructure projects and the future measures and targets of the quality of service regime.

We aim to publish a draft determination in April 2019. Stakeholders will have the opportunity to make submissions to us. In May and June, we will meet with the Passenger Advisory Group to discuss and evaluate the proposals in our draft Determination about the allowed infrastructure projects and the future measures and targets of the quality of service regime.

We plan to publish the final Determination in September 2019. This Determination will consider the feedback that we receive from stakeholders and the Passenger Advisory Group.

As well as the 2019 Determination, we will also decide on Coordination Parameters for the Winter 2019 and Summer 2020 seasons and continue to contribute to the work of the Thessaloniki Forum.

¹⁴ [www.aviationreg.ie/_fileupload/Helios%20capacity%20assessment%20workstream%202/P2410D008_FinalReport_v1_5_1%20\(clean\).pdf](http://www.aviationreg.ie/_fileupload/Helios%20capacity%20assessment%20workstream%202/P2410D008_FinalReport_v1_5_1%20(clean).pdf)

¹⁵ www.aviationreg.ie/_fileupload/W18%20Slot%20Parameters/Final%20Decision%20W18%20Mastercopy.pdf

¹⁶ www.aviationreg.ie/_fileupload/S19%20Final%20Parameters/Final%20Decision_S19%20Parameters.pdf

¹⁷ http://www.aviationreg.ie/_fileupload/2018/Criteria.pdf

¹⁸ http://www.aviationreg.ie/_fileupload/2018/Incentives%20and%20Discounts.pdf

03

Air Carrier Licensing and Groundhandling Approvals



3. Air Carrier Licensing and Groundhandling Approvals

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



David Hodnett
Deputy Commissioner

3.1 Introduction

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 2018. During the year, licence and approval holders were monitored for compliance with the legislative regimes governing these sectors.

Table 1: Number of Licences and Approvals, 2018

	Air Carriers	Groundhandlers	
		Self-handlers	Third Party
Licence holders, 1 Jan 2018	15	10	37
New licences/ approvals	1	0	1
Licences revoked/ surrendered	0	1	2
Licence holders, 31 Dec 2018	16	9	36

3.2 Air Carrier Licensing

At the end of 2018, 16 Irish based air carriers were licensed by the Commission to engage in commercial air transport operations. During the year, the Commission received two applications for an operating licence (both Category A¹⁹). A new operating licence was issued in the case of one application (to Hibernian Airlines Limited in November 2018) and the second application (submitted in December 2018) remained in progress at the end of 2018. A full list of up to date operating licence holders is available on the Commission's website.

¹⁹ Category A Licence Holders are permitted to carry passengers, cargo and/or mail on aircraft with 20 seats or more and/or over 10 tonnes MTOM (maximum take-off mass).

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.

We also carried out compliance visits to two licensed air carriers during 2018.

Licences are subject to a review two years after they are first granted. In 2018, one such review took place. There was no change to the relevant licence.

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 one request during 2018 from an existing licence holder for approval to wet lease aircraft registered outside the European Union. Approval was granted in respect of this request.

We also received five submissions during 2018 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,²⁰ in advance of any intended mergers/acquisitions or where there is a change in ownership. In addition to the air carrier setting out the precise changes in detail, the Commission can require the submission of a revised business plan if the changes notified are deemed to have a significant bearing on the finances of an air carrier. Where changes relate to the operation of new aircraft, the Commission is required to examine insurance details to ensure they meet the relevant requirements and details of the method of acquisition (e.g. purchase/leasing) and the terms and conditions associated with the contract.

Table 2 below shows a summary of the numbers of submissions considered under this Article in 2018 by type of notification:

Table 2: Article 8 (5) Submissions 2018

Article 8 (5) Notification Type	Number of submissions 2018
In advance of any substantial changes to scale of activities (includes changes in the type or number of aircraft used)	3
In advance of any intended mergers or acquisitions	0
Change in ownership and control	2

In line with our strategic objectives as set out in our Strategic Plan for 2017-2019, we continued with a review of our systems and internal processes in order to achieve our objective of operating an efficient licensing system and to make sure we are being effective. As part of the action points identified for 2018 for this review, we updated our files in relation to the continued compliance of Irish air carriers with the good repute requirements under Article 7 of Regulation (EC) No 1008/2008.

This exercise required all Irish licensed air carriers to provide evidence that the persons who continuously and effectively manage the operations of the company are of good repute. In addition, we designed a compliance calendar for issuing to licence holders in early 2019 which highlights key compliance dates arising during the year. The compliance calendar will be accompanied by a summary of all monitoring and compliance

requirements which arise and a list of events which require prior approval from or notification to the Commission.

In November 2018, we issued a paper to Irish air carriers on the new leasing accounting standard, IFRS 16, and what it means for the aviation industry and in the context of the Commission's role to monitor ongoing compliance with the financial fitness requirements under Regulation (EC) No 1008/2008. As regards next steps, the Commission has requested an assessment from all Irish air carriers in relation to the expected impact on the financial position and performance of the airline as a result of the implementation of IFRS 16 by 30th June 2019.

We have also taken the opportunity as part of this request to update our records regarding the method of acquisition for each aircraft operated by Irish air carriers which relates to the core requirement on possession of aircraft for the granting and maintenance in force of an operating licence. This exercise was also identified as an action point for 2018 as part of the ongoing review of our systems and processes.

The Commission participated in a workshop hosted by the UK Civil Aviation Authority in June 2018 for aviation licensing regulators. A key aim of this annual workshop is to promote a level playing field in the application of operating licence requirements within the European Union and to help give the industry confidence that such requirements are being fairly and consistently applied. It is also an opportunity to share experiences, develop best practice and to improve mutual working relationships.

The workshop was attended by the European Commission and representatives from several other Member States. The main topics discussed were managing airline insolvency, airport slots, drone licensing, alternative dispute resolution in the context of consumer rights and the European Commission also provided an EU regulatory update.

In November 2016, as provided for in the Action Plan of the Aviation Strategy, the European Commission also published a Roadmap for the evaluation of Regulation (EC) No 1008/2008 on common rules for the operation of air services in the Community. During 2018, we participated in a survey of national authorities conducted by consultants, Ricardo, appointed by the European Commission as part of this evaluation.

During 2018, the European Commission published further notices setting out how it believes the departure of the United Kingdom from membership of the European Union may impact on the aviation sector. These notices were circulated to licence holders for information and consideration as

²⁰ 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.

appropriate. As one of the conditions for qualifying for and maintaining an operating licence is that an air carrier is majority owned and effectively controlled by EU Member States and/or nationals of EU Member States, the Commission continued to interact with all air carriers in relation to their ongoing compliance in this area. In particular, the Commission engaged with a small number of Irish air carriers who would be affected by the potential re-categorisation of UK nationals as third country nationals in the context of a "No Deal Brexit" in relation to their plans for continued compliance with the ownership and control requirements.

3.3 Groundhandling Approvals

At the end of 2018, there were 9 approved self-handlers (i.e. where an airline chooses to provide groundhandling services for itself) and 36 approved suppliers of groundhandling services or third-party handlers (i.e. a company engaged in the provision of groundhandling services, be it an airline or a dedicated groundhandling company). Of the approved self-handlers, 3 are also approved to provide groundhandling services to third parties.

A full list of approval holders is kept up to date on the Commission's website. Chart 4 presents an analysis of the numbers of approved self-handlers and suppliers of groundhandling services by airport.

Chart 4: Approved handlers by type and Airport 2018



During 2018, the Commission received five applications for approval as a supplier of groundhandling services. One new third-party handling approval was issued to Menzies Aviation (Ireland) Limited for the provision of groundhandling services at Dublin Airport. The remaining four applications were in progress at the year end at various stages in the application process. In addition, during the year an application received in 2017 for a third-party handling approval was closed due to lack of engagement on the part of the applicant

company in line with our guidance on applying for a groundhandling approval.

The third-party handling approval held by Flightcare Multiservices Ireland Limited was voluntarily surrendered during the year as the activities of the company were integrated into its sister company, Swissport Ireland Limited. In addition, the groundhandling approval held by the company, Metis Technical Limited, was withdrawn for failure to meet the necessary requirements of the legislation in this area and the terms and conditions of the Grant of Approval issued by the Commission.

During the year, we examined and approved applications from OCS One Complete Solution Limited and Stobart Air UC to add additional activities to their existing Approvals. We also received a third application from an existing third-party approval holder based at Dublin Airport to engage in additional groundhandling activities. This application remained under consideration at the end of 2018 with further documentation awaited from the applicant company.

Approvals are issued for a period of five years. We renewed five approvals in 2018 following successful completion of the renewal process.

One of our strategic goals is to focus on delivering safe and financially robust Groundhandlers in Ireland. In order to achieve this, our objective is to focus on operating an efficient licensing system. During 2018, we continued to work with airports with a view to developing a framework for the monitoring and enforcement of compliance by groundhandlers operating at Dublin, Shannon and Cork airports. It is proposed that further engagement with groundhandlers will take place in early 2019 with a view to adopting a formal process.

Also, in line with our strategic objectives, we carried out compliance visits to eleven approved groundhandling companies operating at Dublin and Shannon Airports. We also visited the relevant airport authorities to discuss any issues arising in the context of our groundhandling role.

We designed a compliance calendar for issuing to Approval holders in early 2019 which highlights key compliance dates arising during the year. The compliance calendar will be accompanied by a summary of all monitoring and compliance requirements which arise and a list of events which require prior approval from or notification to the Commission.

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. EASA has commenced work on a Road Map which will eventually result

in implementing rules which groundhandlers will be required to comply with. The Irish Aviation Authority (IAA) is expected to be designated as the competent authority for the new Basic Regulation. The Commission will continue to monitor progress on this and will work with the IAA 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 administered by the Commission.

3.4 Looking Forward

We will continue to administer the licensing and approvals regime for air carriers and groundhandlers. We will also closely monitor the implications for Irish air carriers and groundhandlers as a result of the intention of the UK to withdraw from the EU pursuant to Article 50 of the Treaty on European Union.



04

Travel Trade Licensing



4. Travel Trade Licensing

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



Josephine O'Reilly
Director of Finance and Travel Trade

4.1 What we do

The Commission has five main roles under the heading of travel trade licensing:

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

At the end of 2018, 231 travel firms were licensed by the Commission to operate as a travel agent or tour operator in Ireland. During the year 40 firms exited our licensing regime. We issued licences to 10 new applicants. We received over 150 new licence enquiries.

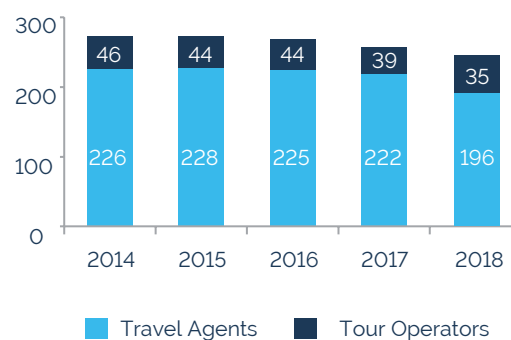
Table 3: Number of Licences 2018

	Travel Agents	Tour Operators
Licence holders, 1 Jan 2018	222	39
New Licences	8	2
Licences not renewed	34	7
Licence holders, 31 Dec 2018	196	35

Of the 40 Licence holders who exited the regime, 30 of these were from other EU Member States (mainly UK) who did not renew their licence because from 1 July 2018, on the introduction of Directive (EU)

2015/2302 on Package Travel and Linked Travel Arrangements, these entities are now regulated in the countries in which they are established.

Chart 5: Licensed Travel Agents & Tour Operators, 2018.



4.2 Directive (EU) 2015/2302 on Package Holidays and Linked Travel Arrangements

Member States were required to implement Directive (EU) 2015/2302 on package travel and linked travel arrangements by 1 July 2018. The Department of Transport, Tourism and Sport is working on a Statutory Instrument to give effect to the Directive. In the interim, we have put in place transitional arrangements.

The Commission issues most licences to tour operators and travel agents in May and November of each year. In May, we issued licences to 113 entities for 12 months. This meant that they remained licensed for sales out of Ireland until the expiry of the licence. Entities established elsewhere in the EU were given the option of terminating their licences early. No entities chose to do so. From 1 July, any entities established in Ireland who had sales out of any other EU Member State other than Ireland provided evidence of security to the Commission for these sales. For any entities established elsewhere in the EU,

the Commission required them to provide sufficient evidence of security for all packages offered for sale/ or sold in Ireland. For entities established outside the EU, we decided to treat them as we have in the past and to license them for sales out of Ireland.

In November, we issued licences to 112 entities for 12 months. We did not license any entities established elsewhere in the EU. Any entities established in Ireland who had sales commencing out of any other EU Member State other than Ireland provided evidence of security to the Commission for these sales. For any entities established elsewhere in the EU, the Commission required them to provide sufficient evidence of security for all packages offered for sale/ or sold in Ireland. For entities established outside the EU, we decided to treat them as we have in the past and to license them for sales out of Ireland.

We attended a Workshop on the Package Travel Directive at the European Commission during the year. Central contact points for each Member State were agreed and an on-line shared communication platform was launched to enable prompt communication between each contact point. The obligations of each central contact point were also agreed upon and detailed discussions on the Directive were held.

4.3 Key Performance Indicators

In 2017, we consulted on the key performance indicators that should be applied to our travel trade team. We published a decision paper in January 2018 and the indicators have been in effect from 2018.

Table 4: 2018 Performance Indicators

KPI	Result
Respond to applicants within one week of initial contact	94%
Decision in Principle letter issued within one month of completed application submission date	95%
Licence issued within two weeks of Bond/all documents received	94%
Annual accounts examined within six weeks of receipt	73%
Percentage of licensees' premises visited per annum (Including meetings at CAR)	20%

Our performance in examining the annual accounts within six weeks of receipt is affected during our rounds when we focus on responding to applicants and issuing the licences; we aim to improve this in the coming year. We have increased our engagement with the industry this year (we reached our KPI of 20%).

We had 44 meetings in 2018 compared to 24 in 2017 and aim to exceed this number in 2019.

4.4 Licensing and Financial Monitoring

Each entity undergoes an assessment of its financial fitness as part of the licensing process and where necessary is subject to ongoing monitoring. Bonding levels are also the subject of ongoing monitoring. At a minimum, we receive annual financial statements from entities but in many cases, we receive management accounts on a quarterly, monthly or ad hoc basis. In 2018, we continued to review our licensing and monitoring frameworks to simplify the process where possible.

4.5 Monitoring Compliance

In 2018, we investigated eight complaints about possible unlicensed trading during the year. We also carried out a number of visits to companies suspected of unlicensed trading.

4.6 Consumer Protection

Table 5: Licensable Turnover and Bonding

Licensed Entities	2018 (€m)		2017 (€m)	
	Bond	PLTO ²¹	Bond	PLTO
Travel Agent (4%)	43	1083	47	1164
Tour Operator (10%)	19	180	19	195
Totals	62	1263	66	1359

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

Irish established 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.

As a transitional arrangement, we have been accepting full indemnity insurance cover from Irish established entities for all sales commencing in the UK not covered under the above bond.

If the bond does not cover the cost of all claims, the shortfall is covered by the Travellers' Protection Fund. This only relates to entities licensed by the Commission. As noted in last year's report, the fund has been depleted over the past number of years.

²¹ Projected Licensable Turnover

In 2017, the Commission undertook work to review 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. We conducted stage 1 of this review in 2017.

At that time, we took the view that the existing level of consumer protection may not be adequate and that changes to the scheme were required. We expect to complete this work in 2019 following the publication of a Statutory Instrument to transpose the Directive into Irish legislation.

For Linked Travel Organisers, we have accepted full indemnity insurance cover from Irish established airlines involved in this activity.

4.7 Company Collapses

During 2018 there were three collapses:

- Premier Irish Golf Tours Ltd on 11 July 2018. We received 35 claims.
- Sindaco Ltd trading as Fanfare, Irish Film Tours & Buzz Travel on 20 July 2018. The Commission received 179 claims. We repatriated 141 passengers from Bulgaria by organising two charter flights home with Cello Aviation Limited. Separately, we arranged preferential fares with Aer Lingus for the repatriation of a further 59 passengers.
- Heffernan's Shipping & Tourist Agency on 3 October 2018. We received 131 Claims and the bond was insufficient.

4.8 Conferences

We attended the Worldchoice Annual Conference in Kilkenny on 3 November 2018 and provided an update on our licensing rounds and the transposition of the Directive.

4.9 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 one meeting in Norway in 2018 and plan to hold a meeting in Dublin in 2019.

4.10 Looking Forward

2019 looks to be a challenging and busy year for the team. As outlined above, we have several workstreams ongoing in relation to the Package Travel Directive and the consumer protection scheme. We will have to monitor the industry in relation to the impact of Brexit.

The Commission will oversee two licensing rounds and continue to monitor entities on an on-going basis. We will continue to work with stakeholders to investigate instances of alleged illegal trading and we will again be looking to new initiatives.



05

Air Passenger Rights



5. Air Passenger Rights

In 2018 the Commission received written contacts from the public in relation to 4,420 different complaints and queries²², up 66% from 2017. We were also contacted 2,713 times by telephone and this was a 47% increase on last year.

Many of these were requests for information on passenger rights generally, the complaint procedure and matters outside of our remit; e.g. baggage complaints, safety issues and pricing queries. Where possible we referred people to the appropriate authority competent to deal with their complaint.

In total, over 67% of all queries related to matters outside the remit of the Commission.

We received a total of 2,389 online complaints. Of these, 70 related to the rights of disabled persons and persons with reduced mobility when travelling by air. Some 19 of these complaints were within our remit to address.

The remaining 2,319 complaints related to possible infringements of Regulation 261/ 2004. This is a 56% increase compared to 2017 figures.

5.1 Cancellations, Delays, Denied Boarding and Downgrades

Of the 2,319 complaints, 101 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. We worked with passengers to ensure that all information necessary to conduct an investigation was provided before forwarding these complaints to the appropriate national enforcement bodies or enabling the passengers to do so directly.

The remaining 2,218 complaints are therefore subject to a full investigation by the Commission. In 2017 this number was 981. This represents an increase in valid complaints that required full investigation of 126% relative to 2017. In other words, the number of valid complaints submitted for investigation more than doubled in 2018.

Of these complaints, 1,657 have been concluded and 561 are still under investigation or awaiting decision. A breakdown of the outcomes in the 1,657 concluded cases is presented in Table 6²³.

In 726 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 358 cases, extraordinary circumstances were found to apply, and it was considered that reasonable measures were taken by the airline to avoid the flight disruption such that no compensation was deemed payable to affected passengers.

In 488 cases, compensation was paid to the passenger, and in a further 113 cases the customer received a refund of the cost of their ticket or expenses.

The Commission has obtained €458,817 for passengers affected by flight disruptions in 2018: €390,650 in compensation and €68,167 in refunds and reimbursements.

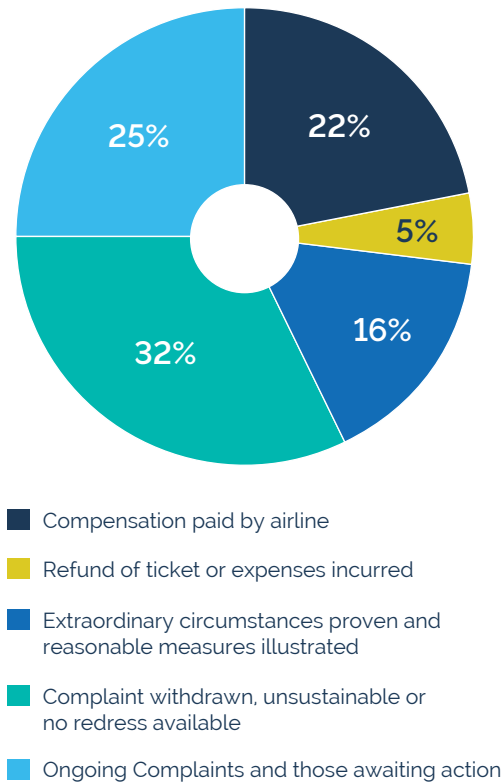
Table 6: Air Passenger Complaints by Type

Type of Complaint	Number of Complaints	%
Cancellation	728	44%
Long delay	861	52%
Denied boarding	64	4%
Downgrading	4	0%
Upgrading	0	0%
Total	1657	100%

²² Multiple communications were received in respect of many of these complaints.

²³ A complaint might have more than one outcome i.e. the passenger may have received a refund of his/her expenses but the air carrier might also have successfully demonstrated the existence of extraordinary circumstances.

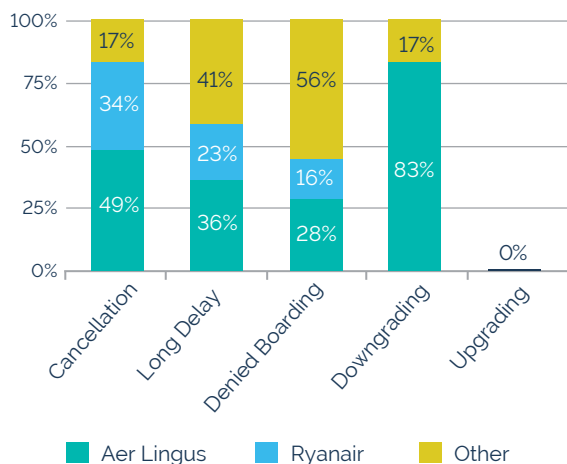
Chart 6: Outcomes of Air Passenger Complaints in 2018 as of 18/01/2019



5.2 Complaints by Air Carrier

As mentioned previously, 2,319 complaints from passengers related to possible infringements of Regulation 261/2004 were submitted to the Commission during 2018. This included 101 that were referred to other National Enforcement Bodies for further investigation. Chart 7 below shows the total complaints for Aer Lingus, Ryanair and an 'Other' category. The 'Other' category represents the sum of all complaints in respect of other airlines received by the Commission. Complaints were recorded in respect of 52 other air carriers during 2018.

Chart 7: 2018 complaints for Aer Lingus, Ryanair and other air carriers



5.3 Persons with Reduced Mobility

During 2018 we received 70 submissions about the rights of persons with reduced mobility. Of these, 51 (73%) concerned issues which did not constitute potential infringements of Regulation 1107. The remaining 19, more than double the number in 2017, were valid complaints which required investigation. The issues raised were varied and included:

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

Eleven of the complaints have been concluded with no infringements of Regulation 1107/2006 noted in relation to same. A further eight investigations remains ongoing and it is not yet clear whether an infringement occurred.

5.4 Other Work

We also completed a number of airport inspections during 2018. The purpose of these inspections was:

- To monitor the provision of assistance to persons with reduced mobility by airport management bodies in accordance with Regulation 1107/2006
- To ensure that air carriers display the text set out in Regulation 261/ 2004 at their check-in desks and kiosks and, also, provide correct information to passengers affected by long flight delays, cancellations and instances of denied boarding.

Tender processes for provision of passenger with reduced mobility assistance at Dublin Airport and Shannon Airport took place during the year. We attended these meetings in an observer role as part of our responsibilities under Regulation 1107/2006.

In Autumn 2018 we signed off on a Complaint Handling agreement with Aer Lingus.

In 2018 we went live with some changes to our online complaints system which improved complaint validation. While complaint volumes continue to increase year on year this enables us to better ensure that all complaints submitted to us are relevant.

In 2017, the Commission received 502 complaints via its online system in relation to flights departing from outside Ireland and thus outside our jurisdiction.

These were forwarded to other National Enforcement Bodies for further investigation. Following changes made to passenger information inputs for the online complaint system, the number reduced to 101. However, as noted above, we forwarded 900 queries to other EU agencies in 2018; 799 of these queries were e-mails received by the Commission from passengers complaining about flights that departed from airports outside Ireland.

Over the last couple of years there have been step changes in the volume of complaints and queries received by this office. This has led to a delay in the processing of complaints. This issue began to materialise in 2017. We began 2018 with some 524 cases not yet examined. By August 2018 this number had increased to 1,303.

In October we put in place an additional team, on a short-term basis, to start clearing this backlog and we expect the work to be finished in Q1 2019. At present 1,071 of these cases have closed. In addition, in early 2019, we plan to strengthen our Air Passenger Rights team to manage the increased volume of claims.

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

5.5 Looking Forward

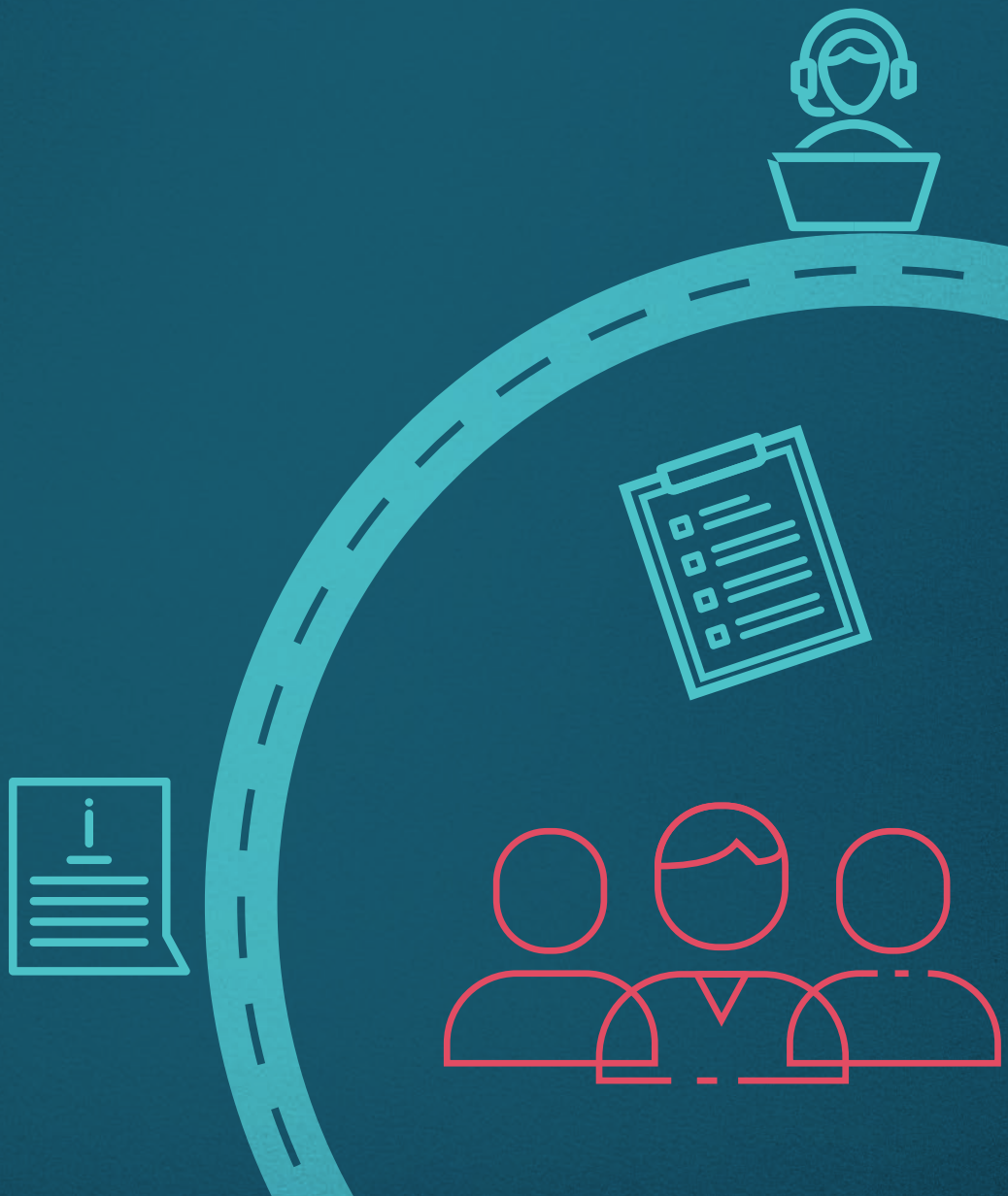
As will be seen from the preceding sections we have seen a dramatic increase in the number of complaints we receive. In 2019, we will continue to regularly monitor the level of complaints processed to ensure that a backlog does not materialise.

In addition, we will monitor the impact that Brexit may have on the volume of complaints and queries received by the Commission. If the UK leaves the EU, all complaints relating to flights entering Ireland from the UK on EU registered carriers may need to be investigated by this office.



06

Corporate Services



6. 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, general administration, corporate governance, health and safety, facilities, IT management and public relations.



Brian Higgins
Director of Corporate Services

6.1 Human Resources

The Commission employed an average of 17 full-time equivalent staff in 2018 (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. Flexibility in our organisation structure and job roles has been and will continue to be the cornerstone of our service delivery. Actions in support of our strategic objective to achieve a regulatory framework that represents best international practice have seen us align and implement education, development, and training plans based on an analysis of the skill and competency requirements of the Commission.

With our Strategic Plan in place, we submitted a Work Force Plan to DTTAS for additional resources in order to ensure our ability to deliver on this plan. The first stage was approved and the second is in train. These roles are essential to ensure delivery of our objectives for both stakeholders and the travelling public.

6.2 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 1 January 2013 (unless otherwise permitted to join the Commission's defined benefit scheme). Both pension schemes are administered in accordance with legislative requirements.

6.3 Health and Safety

In pursuance of a proactive approach to health and safety, we continue to encourage all staff to become involved in promoting safe practices at work and have completed training programmes in all aspects of manual handling, fire safety and first aid (including AED use) and will continue to do so in the future. We operate a health screening programme and also

provide flu vaccinations on an annual basis. Health and Safety is overseen from within the Corporate Services function with responsibilities dedicated at both managerial and officer level, to ensure compliance in accordance with our safety statement and legislative requirements.

6.4 Outsourcing and Procurement

As in previous years, we continued to outsource non-core administrative functions relating to internal audit, disaster recovery, media relations, IT and payroll. We will continue to do so as long as it remains both cost-effective and efficient. In addition to this, we pursue best value practices in all aspects of our procurement utilising OGP services, e-tendering and competitive pricing as appropriate.

During the year, the Commission implemented changes to its phone system and initiated a phased upgrading of its IT capability resulting in improved access speeds and software upgrades to deliver effective use of resources and efficient service delivery in support of our Strategic objectives.

6.5 Official Languages Act, 2003

The Commission for Aviation Regulation is listed as a public body in the First Schedule of the Official Languages Act, 2003. In August 2016, the Commission's 3-year Language Scheme was approved by the Minister for Arts, Heritage, Regional, Rural and Gaeltacht Affairs. This plan will be complete on 31 August 2019 and the Commission will put together a new plan to further enhance our capability to conduct our services through Irish.

6.6 Facilities

We continued to implement our policy to reduce energy consumption by powering off lights and equipment when not in use. Our energy consumption under the SEAI report is on track for our 2020 target

with a green status and savings since baseline of 26.7%. In this vein, the Commission continues to procure 3rd party suppliers who demonstrate capabilities in recycling, environmentally-friendly products and saving energy where possible. We will continue to innovate in areas of energy saving and waste management in 2019.

6.7 General Data Protection

In 2018 we appointed and registered our Data Protection Officer with the Data Protection Commissioner's office in line with our responsibilities under the General Data Protection Regulations 2018. Our Data Protection Officer facilitates and monitors compliance with the GDPR, ensuring that the rights of the Commission's data subjects are upheld.

6.8 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, Tourism and Sport for good corporate governance.

6.9 Transparency

The Commission carries out its functions as transparently as possible. All documents relating to consultations are published on our website (a list for 2018 is included in the appendix to this report).

Table 7: Summary of Corporate Governance

Commission Code of Contact	There is a code of conduct for Commission employees.
Investment Appraisal	The Commission did not incur any capital expenditure in 2018 coming within the scope of the activities envisaged in the Department's 2005 Guidelines for the Appraisal and Management of Capital Expenditure Proposals in the Public Sector.
Remuneration of Senior Management and Directors' Fees	The HR section of this Section set out the information in this area. The payment of director fees does not apply.
Reporting Arrangements	The Commission prepares reports for the Minister for Transport, Tourism and Sport as required. The Commission has a fully developed accounting system, provided detailed monthly management and financial reports to senior management. We adopt International reporting Standards for our accounting. We calculate our accounts on an accrual accounting system, except where specified in the notes to the financial statements. These statements are audited by the Comptroller and Auditor General. The Commission has taken measure to comply with the obligation to keep proper books of accounts. These are kept at its sole office.
Strategic and Corporate Planning	The Commission's functions and responsibilities are set out in the Aviation Act 2001, the State Airports Act 2004, the Aviation Act 2006 and the State Airports (Shannon Group) Act 2014 together with various Statutory Instruments. The Commission reports annually to the Minister for Transport, Tourism and Sport on the manner in which its functions have been discharged in the previous year. Since early 2017, the Commission has been implementing its Strategic Plan 2017-2019.
Travel Policy	The Commission complies with Governmental travel policy requirements.
Disclosure of Interests	The Commission, its staff and all consultants and advisers are required to comply with the relevant disclosure requirements arising out of Section 18 of the Ethics in Public Office Act 1995 and Sections 17-18 of the Aviation Regulation Act, 2001.
Risk Management	The Commission maintains a risk register which is regularly reviewed by senior management and works with the audit committee to manage risks.

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 two Freedom of Information requests, one Data Protection request and answered twenty-nine parliamentary questions during the year, together with appearing before the Oireachtas Committee on Transport, Tourism and Sport with reference to Ryanair cancellations and the impact on consumers.

6.10 Regulatory Reform

During 2018, the Commission worked with DTTAS and the IAA to start the regulatory reform process which will result in the merger of the Commission and the Safety Regulatory Division of the IAA. We are on the project steering group and each of the working groups looking at:

- (a) Organisation structure and governance
- (b) Legislation
- (c) Corporate branding and communications
- (d) Strategic HR and change management
- (e) Finance and funding
- (f) IT and facilities

Work has advanced furthest in the areas of organisation design and legislation. We anticipate work in all areas to progress in 2019. For example, we plan to sign a Memorandum of Understanding with the IAA early in 2019 to commence work on the funding of a single regulatory authority. The steering group's objective is to have a single regulatory authority in operation by 1 January 2020.

6.11 Looking Forward

We will continue to ensure the organisation's systems and processes are aligned with our strategic goals in pursuit of greater efficiency and improved customer service. In addition to this we will continue the programme of work already commenced with DTTAS and our IAA colleagues to form a singular aviation regulatory authority for 2020. We will continue to innovate and ensure 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 strategic and national objectives.



07

Financial Information



7. Financial Information

2018 was another busy year for the Commission. Our 2018 budget rose mainly due to the need for support for the 2019 Airport Charges Determination, determining the coordination parameters decisions, reviewing the Package Travel Directive and the ongoing review of current insolvency arrangements in the travel trade industry. This is reflected in a 19% increase in Levy Income. We dealt with three travel trade collapses during the year. This means other Income increased to recover our costs for this work.

Overall expenditure rose by 2% in the year. Full time equivalent staff numbers remain at 17 for the year. Legal costs increased due in part to issues related to Brexit. Our travel and subsistence have increased as we spend more time talking to an increasing range of stakeholders. Our audit fees increased because we decided to bring forward certain audits from 2019 to 2018. This means there will be a reduction in costs in 2019. We also incurred additional spending under this heading in connection with a paper we issued to industry regarding a new accounting standard (IFRS16) and its implications for our licenced entities. We made significant savings under our Slot Coordination heading as we tendered for this service during the year and the new contract price is lower.

The Statement of Financial Position shows that the level of travel trade cash bonds has increased by €344k by year end. There were 125 cash bonds in place at the end of 2018 compared to 123 cash bonds at the end of 2017. The number of bonds has remained fairly level for the past few years. The deficit on the retirement scheme is largely unchanged since last year; the net liability has moved from €878,348 at 31 December 2017 to €899,111 at 31 December 2018. The principal factors behind the movement in the plan's deficit were actuarial changes in assumptions and investment underperformance during the year. The actuarial assessment of the liability in respect of the SPSPS scheme stood at €107,356 at 31 December 2018.

7.1 Statement of Internal Control

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



Josephine O'Reilly
Director of Finance and Travel Trade

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

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

The 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 Committee. All internal audit reports are presented to the Committee.

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 2018, that the Commission conducted a review of the effectiveness of the system of internal control and risk management.

7.2 Internal Audit

BDO Ireland are our internal auditors and their contract runs to 15 August 2019. The internal auditor operates under the guidance of the external Audit and Risk Committee. In 2018, the internal auditors performed five audits:

- Aviation licensing review
- GDPR implementation review
- Procurement and contract management review
- Risk management review
- Statement of internal control and risk management review

7.3 Audit and Risk Committee

The Audit and Risk Committee met four times during 2018. At each meeting the Committee was updated by the Commissioner on our activities, ongoing work and key issues. Key management staff attended meetings as required and where appropriate. The independent internal auditors also attended meetings on a regular basis to update the Committee on the audit plan and related audit reports. The Committee's annual report for 2018 did not raise any issues with the Commission's system of internal control.

7.4 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. These procedures provide reasonable assurance against material non-compliance with the Regulations. The payment policy is to comply with the requirements of the Regulations.

7.5 Procurement

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

7.6 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 2018.

7.7 Investment Appraisal

The Commission did not incur any significant capital expenditure in 2018 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.

7.8 Tax Compliance

The Commission is liable to pay PAYE, VAT and PSWT. The Commission has submitted all relevant tax returns for 2018 and is fully tax compliant.

7.9 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 17 December 2018, the Commission made S.I. 556 of 2018 imposing the Levy for 2019. The Commission expects to receive revenues of €4.2 m from the levy in 2019.

Levy income fluctuates in line with expected expenditure needs and cashflow requirements. Licence Fee income has remained fairly static over the year. Other Income is comprised of Interest income and Income from the Travellers Protection Fund. The former moves in line with deposits and interest rates each year. The latter relates to instances where the Commission incurs expenditure in the administration of the Travellers' Protection Fund and Bond Accounts and recoups these costs from the fund or bond accounts. In 2018, the Commission dealt with the collapse of three entities; Premier Irish Golf Tours Ltd, Sindaco Ltd trading as Fanfare and Heffernan's Shipping and Tourist Agency. We reclaimed the costs of dealing with those claims and administering the fund from the bond and fund respectively.

Levy	2018	2017	% Change
Levy	3,190,624	2,680,100	19%
License Fees	137,578	200,848	-32%
Other Income	28,016	4,956	465%
Total	3,356,218	2,885,904	16%

7.10 Financial Statements

On 28 February 2018, the draft financial statements for 2017 were submitted to the Comptroller and Auditor General for audit. On 24 September 2018, on completion of the audit, they were submitted to the Minister for Transport, Tourism and Sport.

They were laid before the Houses of the Oireachtas on 25 September 2018 and are available on the Commission's website.

Draft financial statements for the year ended 31 December 2018 have been prepared and were submitted for audit to the Comptroller and Auditor General on 28 February 2019. 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 2018

	2018 € '000	2017 € '000
Income		
Levy Income	3,191	2,680
Licence Fees	137	201
Other	28	5
SPSPS Deferred Funding	55	26
SPSPS Ee Contributions remitted to DPER	(16)	(12)
Gross Income	3,395	2,900
Transfer (to)/from Capital Account	(15)	5
Net Income	3,380	2,905
Expenditure		
Staff Costs	1,372	1,391
Pension Costs	310	237
Consultancy	614	547
Legal Fees	43	9
Rent	280	280
Schedules Facilitation	221	307
Operating Expenses	574	592
	3,414	3,363
Operating (Deficit)	(34)	(458)

Draft Statement of Comprehensive Income for the year ended 31 December 2018

	2018 € '000	2017 € '000
Operating (Deficit)	(34)	(458)
Net Interest on pension scheme liabilities		
Experience gains/(losses) arising on retirement benefit scheme liabilities	143	(45)
Actuarial gains (losses) on scheme assets	(411)	106
Changes in assumptions underlying the present value of the retirement benefit scheme liabilities	293	69
Transfers in for prior service	-	-
Actuarial gain/(loss)	25	130
Experience losses SPSPS	1	-
Changes in assumptions SPSPS	10	1
Adjustment to deferred in funding	11	1
Total Recognised Gains/(Losses) relating to the Financial Year	2	(327)

Draft Statement of Financial Position as at 31 December 2018

	2018 € '000	2017 € '000
Property Plant and Equipment		
Property, Plant and Equipment	32	16
Current Assets		
Cash and Cash Equivalents	20,825	20,781
Long Term Deposits	518	516
Receivables and Prepayments	302	177
	21,645	21,474
Creditors (Amounts falling due within one year)		
Payables and Accruals	(206)	(360)
Cash Bond Accounts	(19,696)	(19,334)
	(19,902)	(19,694)
Net Current Assets	1,743	1,780
Total Assets less Current Liabilities	1,775	1,796
Net Retirement Benefit Liability	(899)	(878)
Net Assets including Retirement Benefit Liability	876	918
Representing		
Income & Expenditure Account	1,743	1,780
Capital Account	32	16
Retirement Benefit Reserve	(899)	(878)
	876	918

Draft Statement of Changes in Reserves and Capital Account as at 31 December 2018

	Income & Expenditure Account	Capital Account	Retirement Benefit Reserve	Total
Balance as at 1 January 2017	2,165	21	(935)	1,251
Operating Deficit	(458)	-	-	(458)
Movement during the year	-	(5)	-	(5)
Actuarial Gain	-	-	130	130
Transfer	73	-	(73)	-
Balance as at 31 December 2017	1,780	16	(878)	918
Balance as at 1 January 2018	1,780	16	(878)	918
Operating Deficit	(34)	-	-	(34)
Movement during the year	-	16	-	16
Actuarial Gain	-	-	24	24
Prior Year Adjustments	(48)	-	-	(48)
Transfer	84	-	(84)	-
Balance as at 31 December 2018	1,782	32	(938)	876

Draft Statement of Cashflows for year ended 31 December 2018

	2018 € '000	2017 € '000
Net cash flows from operating activities		
Surplus/(Deficit) on Income and Expenditure	(34)	(458)
Difference between Retirement Benefit Cost and Employer Contribution	(4)	73
Depreciation	7	5
Bank Interest received net of bank charges paid	(1)	1
Amortisation of capital asset	15	(5)
Decrease/(Increase) in Receivables	(110)	82
Decrease/(Increase) in Prepayments	(15)	85
Increase in Payables	(82)	97
(Decrease)/Increase in Accruals	(72)	(133)
Net Cash (Outflow) From Operating Activities	(296)	(253)
Cash flows from Financing Activities		
Bank Interest	-	-
Bank Charges Paid	(1)	(1)
Payments to Acquire Tangible Fixed Assets	(22)	-
Net Cash Flows from Financing Activities	(23)	(1)
Cash flows from Investing activities		
Increase in Cash Bond Accounts & TPF	363	143
Net cash flows from Investing activities	363	143
Net Increase/(Decrease) in Cash and Cash Equivalents	44	(111)
Cash and cash equivalents at 1 January	20,781	20,892
Cash and cash equivalents at 31 December	20,825	20,781

Numbers rounded independently, may not sum to total.

08

Appendix

Delivery of the 2018 Work Plan against Key Performance Indicators

Efficient, High-Quality and Safety Conscious Airport Services

Objective 1: Set Efficient Charges at Dublin Airport

Actions	2018 Key Performance Indicator	2018 Delivery
<ul style="list-style-type: none"> Set a price cap for Dublin Airport for the next regulatory period 2020-2024 and consider other regulatory approaches consistent with legislation. 	<ul style="list-style-type: none"> Publish an issues paper for the next price review. 	<ul style="list-style-type: none"> In April we published an issues paper and, in July, submissions. Work on aspects of the price cap determination will continue up to September 2019 when we publish our final decision. In November Dublin Airport submitted a capital plan for 2020-2024.
<ul style="list-style-type: none"> Examine Dublin Airport's request for an interim review to allow a supplementary capex allowance for the current regulatory period. 	<ul style="list-style-type: none"> Consultation and decision on supplementary capex allowance. 	<ul style="list-style-type: none"> In June, in line with our more flexible regulatory model, we issued a decision on additional capital expenditure for Dublin Airport.
<ul style="list-style-type: none"> Regulate and monitor the cost-efficient provision of capital projects. 	<ul style="list-style-type: none"> Implement reporting arrangement. 	<ul style="list-style-type: none"> In Q2, we started to publish quarterly report on the progress made by Dublin Airport in delivery each approved capital project.
<ul style="list-style-type: none"> Monitor the compliance of airport charges and the quality of service measures at Dublin Airport. 	<ul style="list-style-type: none"> Publish quarterly results of quality of service monitoring. 	<ul style="list-style-type: none"> We published quarterly results of quality of service monitoring.

Objective 2: Increase Stakeholder Involvement in Decision making

Actions	2019 Key Performance Indicator	2018 Delivery
<ul style="list-style-type: none"> Encourage increased level of consultation on charges and infrastructure. 	<ul style="list-style-type: none"> Issue Dublin Airport with guidance on effective consultation. 	<ul style="list-style-type: none"> We issued guidelines used by Dublin Airport and airlines.
<ul style="list-style-type: none"> Examine how to better engage the passenger in the regulatory process. 	<ul style="list-style-type: none"> Improve passenger representation in regulatory decisions. 	<ul style="list-style-type: none"> In September, we established a passenger advisory group giving passenger representatives direct input to the 2019 Determination process.

Objective 3: Promote Competition and Facilitate New Entry

Actions	2019 Key Performance Indicator	2018 Delivery
<ul style="list-style-type: none"> Declare slot-coordination parameters at Dublin Airport. 	<ul style="list-style-type: none"> Publish parameter decisions. 	<ul style="list-style-type: none"> In March, we published a full capacity assessment of Dublin Airport. In May and September, we declared co-ordination parameters for Winter 2018 and Summer 2019. In September, we published a local guideline which was effective from 1st October 2018.
<ul style="list-style-type: none"> Enforce sanctions for airlines operating without a slot. 	<ul style="list-style-type: none"> Publish compliance report. 	<ul style="list-style-type: none"> We enforce sanctions and provide and update on our annual report.

Safe and Financially Robust Airlines and Groundhandlers

Objective 1: Operate an efficient Licensing System

Actions	2019 Key Performance Indicator	2018 Delivery
<ul style="list-style-type: none"> Keep our systems and internal processes under review. 	<ul style="list-style-type: none"> Amend existing processes as necessary. 	<ul style="list-style-type: none"> Ongoing. We updated our compliance process and issued a compliance calendar highlighting key compliance dates throughout the year.
<ul style="list-style-type: none"> Review timelines for responses, processes for licence issue, reviews, renewals, withdrawals or revocations. 	<ul style="list-style-type: none"> Amend existing processes as necessary. 	<ul style="list-style-type: none"> Ongoing.
<ul style="list-style-type: none"> Further coordinate processes with the IAA in our respective roles of issuing licences to airlines and review our information-sharing arrangements 	<ul style="list-style-type: none"> Update our licensing process and our information-sharing arrangement. 	<ul style="list-style-type: none"> We regularly meet the IAA on matters of common interest and are updating our memorandum of understanding.
<ul style="list-style-type: none"> Explore how relevant groundhandling objectives could be most efficiently achieved at Irish airports within the scope of the existing legislative and regulatory frameworks. 	<ul style="list-style-type: none"> Review existing arrangements with the airports and publish updated regulatory approach. 	<ul style="list-style-type: none"> With the airports, we reviewed existing arrangements and are developing a framework for the monitoring and enforcement of compliance by groundhandlers. This will be finalised in 2019.

Financially Strong Tour Operators and Travel Agents

Objective 1: Implement requirements of the Package Travel Directive

Actions	2018 Key Performance Indicator	2018 Delivery
<ul style="list-style-type: none"> • Input to DTTAS' work in determining requirements of the Package Travel Directive. • Identify and implement changes to the licensing process to reflect the requirement of the Package Travel Directive. 	<ul style="list-style-type: none"> • Complete consultation on the Directive and provide final advice to Department. • Implement revised requirements; guidelines; forms and updated processes. 	<ul style="list-style-type: none"> • We provided advice to DTTAS on the requirements of the Package Travel Directive. • We will continue with this work in 2019 when the Package Travel Directive has been transposed into Irish legislation. As a transitional arrangement, we (a) provided initial guidance to the industry and (b) accepted full indemnity insurance cover from Irish established entities for all EU sales not covered by existing bonding arrangements and for Irish established airlines operating as Linked Travel Organisers.

Objective 2: Provide adequate protection to travelling public

Actions	2018 Key Performance Indicator	2018 Delivery
<ul style="list-style-type: none"> • Implement stage 2 of the process to identify solutions and necessary changes to existing processes for licensing, bonding and traveller protection measures that are consistent with the requirements of the Package Travel Directive. • Continue to administer the licensing regime and monitor compliance with the scheme. 	<ul style="list-style-type: none"> • Implement revised passenger protection arrangements. Publish revised guidelines for licensees, revised passenger protection measures and implement awareness programme. • Issue renewals and licences on time, issues responses on time, investigate allegations of illegal trading and take appropriate action, improve awareness of licensing regime. 	<ul style="list-style-type: none"> • Stage 2 of this work was delayed and will continue in 2019. • Licences were issued to tour operators and travel agents in the May and November rounds. Travel Trade investigated eight complaints during the year.

Robust Framework to Enforce Passenger Rights

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

Actions	2018 Key Performance Indicator	2018 Delivery
<ul style="list-style-type: none"> Investigate opportunities to reduce volume of queries that fall outside our remit Engage with stakeholders to ensure efficient complaint handling process for passengers. 	<ul style="list-style-type: none"> Implement plan to reduce volume of non-Commission related queries. Publish complaint handling process. 	<ul style="list-style-type: none"> We reviewed and amended our claims process to reduce the volume of claims outside our remit. We put in place a process to quickly reduce the volume of complaints to be resolved. We expect to clear the backlog in Q1 2019. We will continue to review this process in 2019.

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

Actions	2018 Key Performance Indicator	2018 Delivery
<ul style="list-style-type: none"> Develop a communications plan, including a review of our websites, to increase awareness of passenger rights. 	<ul style="list-style-type: none"> Implement awareness programme. 	<ul style="list-style-type: none"> While some changes were made to our web site to provide passengers with clearer information, a full review is dependent on progress in the regulatory reform work stream when a single website will be developed.

Regulation that Represents Best International Practice

Objective 1: Operate efficient systems

Actions	2018 Key Performance Indicator	2018 Delivery
<ul style="list-style-type: none"> Review systems for licensing Airlines, Groundhandlers, Tour Operators and Travel Agents to ensure best practice. 	<ul style="list-style-type: none"> Update licensing systems as necessary. 	<ul style="list-style-type: none"> Further changes were made to our licensing and monitoring processes. We will continue this review in 2018; making improvements necessary to ensure best practice.
<ul style="list-style-type: none"> Benchmark ourselves against others to ensure best practice in enforcing and promoting passenger rights and airline compliance. 	<ul style="list-style-type: none"> Update processes as necessary. 	<ul style="list-style-type: none"> Ongoing
<ul style="list-style-type: none"> Implement general data protection regulation requirements. 	<ul style="list-style-type: none"> Have compliant systems in place in a timely manner. 	<ul style="list-style-type: none"> We have a Data Protection Officer to facilitate and monitor our compliance with GDPR.

Objective 2: Consult effectively

Actions	2018 Key Performance Indicator	2018 Delivery
<ul style="list-style-type: none"> Encourage increased level of consultation on charges and infrastructure. 	<ul style="list-style-type: none"> Implement plan. 	<ul style="list-style-type: none"> We regularly meet our stakeholders, set up a passenger advisory group and put in place arrangements to increase the level of consultation between Dublin Airport and airlines.
<ul style="list-style-type: none"> Actively participate in the Thessaloniki Forum of European Airport Charges Regulators and the evaluation of the Airport Charges Directive. 	<ul style="list-style-type: none"> Input to working group and forum meetings and report on progress. 	<ul style="list-style-type: none"> Two guidance reports were written by a working group that we chaired, and the Forum published these papers in December.
<ul style="list-style-type: none"> Co-ordinate with other relevant agencies in relation to the regulation of Dublin Airport. 	<ul style="list-style-type: none"> Share information with the IAA and INIS (as required) in the process for regulating Dublin Airport. 	<ul style="list-style-type: none"> Ongoing. We published an issues paper in April that sought views on high level regulatory policies.
<ul style="list-style-type: none"> Develop regulatory policy in preparation for our 2019 Dublin Airport determination drawing from experience of other regulatory bodies. 	<ul style="list-style-type: none"> Publish issues paper. 	<ul style="list-style-type: none"> Ongoing. The Commission is a member of the Network of Economic Regulators in Ireland, a member of EGFATT (an EU body concerned with travel trade consumer protection measures) and partakes in the Thessaloniki Forum. In addition, we met our counterparts in other Member States.
<ul style="list-style-type: none"> Keep up-to-date and provide information to stakeholders (including the impact of Brexit on aviation) in a timely manner. 	<ul style="list-style-type: none"> Provide updates as necessary. 	

Objective 3: Maintain a skilled and motivated staff

Actions	2018 Key Performance Indicator	2018 Delivery
<ul style="list-style-type: none"> Align resource education and development plans with our Strategic Plan and put in place a training programme based on an analysis of the skill and competency requirements. Continue to use our Performance Management Development System to ensure best business practice. Review organisational resilience 	<ul style="list-style-type: none"> Implement 2018 training plan. Conduct goal setting, interim and annual progress review. Follow up on recommendations. 	<ul style="list-style-type: none"> A 2018 plan was put in place. Completed. We carried out a resilience study which formed the basis of a work force plan that was submitted to DTTAS.

Objective 4: Support the implementation of the national policy statement on airport charges regulation

Actions	2018 Key Performance Indicator	2018 Delivery
<ul style="list-style-type: none"> Input to DTTAS's work on the economic regulatory framework. Input to DTTAS's work on the merger of the Safety Regulatory Division's (SRD) functions of the ITAA¹ with the existing functions of CAR. 	<ul style="list-style-type: none"> Implement any resulting DTTAS decisions. Implement any resulting DTTAS decisions. 	<ul style="list-style-type: none"> We input to DTTAS's work and will reflect their decisions in future work programmes. We worked with DTTAS and the IAA to progress regulatory reform. This work will continue in 2019.

¹ Irish Travel Agents Association

Commission Papers and Other Documents Published in 2018

Jan-18		PACE Consultation Document and Regulatory Submission
Jan-18	CP1/2018	Project Update: Travel Trade Consumer Protection Measures
Jan-18	CP2/2018	Decision on Timeline for Coordination Parameters Decisions
Feb-18	CP3/2018	Draft Decision on the Second Interim Review of the 2014 Determination in relation to a Supplementary Capital Expenditure Allowance for Dublin Airport
Mar-18		Final Report on Dublin Airport Capacity Assessment
Mar-18	CP5/2018	Transposition of Directive (EU) 2015/2302 on package travel and linked travel arrangements
Apr-18	CP6/2018	Draft Decision on Winter 2018 Coordination Parameters at Dublin Airport
Apr-18	CP7/2018	Issues Paper - Maximum Level of Airport Charges at Dublin Airport
May-18	CP8/2018	Final Decision on Winter 2018 Coordination Parameters at Dublin Airport
Jun-18	CP9/2018	Decision on the Second Interim Review of the 2014 Determination in relation to a Supplementary Capital Expenditure Allowance for Dublin Airport
Aug-18	CP10/2018	Draft Decision on Summer 2019 Coordination Parameters at Dublin Airport, and Local Guideline 1
Aug-18		Government Policy Notification
Sep-18	CP11/2018	Decision on Summer 2019 Coordination Parameters at Dublin Airport and Local Guideline 1
Sep-18	CP12/2018	Decision on Passenger Advisory Group and Passenger Engagement Guidelines in Regulatory Decision Making for Dublin Airport
Nov-18		Capital Investment Plan from 2020 at Dublin Airport
Nov-18		Guidance Document and Conclusions of 22 November Meeting with the Passenger Advisory Group
Dec-18		Thessaloniki Forum Reports: -The Use of Selective Criteria in the Economic Regulation of Airports -Non-Discrimination under the Airport Charges Directive.
2018		Q2 Dublin Airport Capital Projects Delivery
2018		Q3 Dublin Airport Capital Projects Delivery
2018		Q4 Dublin Airport Capital Projects Delivery
2018		2017 - Q4 Quality of Service Report
2018		2018 - Q1 Quality of Service Report
2018		2018 - Q2 Quality of Service Report
2018		2018 - Q3 Quality of Service Report

Key Performance Indicators

Performance Indicator	2018	2017
Travel Trade Licensing²		
Respond to applicants within one week of initial contact	94%	
Decision in Principle letter issued within one month of completed application submission date	95%	
Licence issued within two weeks of bond/all documents received	94%	
Annual accounts examined within six weeks of receipt	73%	
Number of licensees' premises visited	20%	
Travel Trade Claims and Repatriations		
Number of claims received following collapses		3
Number of claims processed within two months	185	3
Number of claims processed within four months	279	-
Number of claims processed within six months	279	-
Administration costs as a percentage of total claims costs	12%	40%
Number of passengers repatriated	200	-
Passengers awaiting repatriation after scheduled return date	-	-
Passengers awaiting repatriation for more than a week	-	-
Consumer Protection		
Preliminary reviews of complaints completed within a week	100%	65% Est. ³
Complaints referred to another NEB within a month of receipt	45%	40%
Investigations completed within three months of receipt ⁴	19%	49%
Investigations completed within seven months of receipt ⁵	59%	89%
Number of airport inspections	2	6
Costs		
Annual change in CAR costs	+2%	+17%

² We revised our KPIs to apply from 2018.

³ Our complaint handling system was off line (for development work) for the first half of 2017. As queries and complaints were manually dealt with for that period, it is not possible to report a definitive KPI for the entire year. However, the sample we have examined suggests that 65% is an accurate extrapolation.

⁴ For complaints received between 1 July 2016 and 30 June 2017; similar lag for previous year.

⁵ For complaints received between 1 July 2016 and 30 June 2017; similar lag for previous year.

The 2019 Work Plan

Efficient, High-Quality and Safety Conscious Airport Services

Objective 1: Set Efficient Charges at Dublin Airport

Actions	2019 Key Performance Indicator
<ul style="list-style-type: none"> Set a price cap for Dublin Airport for the next regulatory period 2020-2024 and consider other regulatory approaches consistent with legislation. Regulate and monitor the cost-efficient provision of capital projects. Monitor the compliance of airport charges and the quality of service measures at Dublin Airport. 	<ul style="list-style-type: none"> Publish the Determination in September. Publish quarterly reports. Publish quarterly quality of service reports.

Objective 2: Increase Stakeholder Involvement in Decision making

Actions	2019 Key Performance Indicator
<ul style="list-style-type: none"> Continue to encourage increased level of consultation on charges and infrastructure. Continue to examine how to better engage the passenger in the regulatory process. 	<ul style="list-style-type: none"> Review existing arrangements and implement improvements. Review existing arrangement and implement improvements.

Objective 3: Promote Competition and Facilitate New Entry

Actions	2019 Key Performance Indicator
<ul style="list-style-type: none"> Declare slot-coordination parameters at Dublin Airport. Enforce sanctions for airlines operating without a slot. 	<ul style="list-style-type: none"> Publish parameter decisions. Publish information.

Safe and Financially Robust Airlines and Groundhandlers

Objective 1: Operate an efficient Licensing System

Actions	2019 Key Performance Indicator
<ul style="list-style-type: none"> Keep our systems and internal processes under review; to reflect best practice. Review timelines for responses, processes for licence issue, reviews, renewals, withdrawals or revocations. Continue to coordinate processes with the IAA in our respective roles of issuing licences to airlines and review our information-sharing arrangements Explore how relevant groundhandling objectives could be most efficiently achieved at Irish airports within the scope of the existing legislative and regulatory frameworks 	<ul style="list-style-type: none"> Amend existing processes as necessary. Amend existing processes as necessary. Update our licensing process and our information-sharing arrangement. Complete review and publish updated regulatory approach.

Financially Strong Tour Operators and Travel Agents

Objective 1: Implement requirements of the Package Travel Directive

Actions	2019 Key Performance Indicator
<ul style="list-style-type: none"> Identify and implement changes to the licensing process to reflect the requirements of the Package Travel Directive. 	<ul style="list-style-type: none"> Implement revised requirements, guidelines, forms and processes.

Objective 2: Provide adequate protection to travelling public

Actions	2019 Key Performance Indicator
<ul style="list-style-type: none"> Advice DTTAS on the appropriate insolvency protection arrangements that are consistent with the requirements of the Package Travel Directive. Implement insolvency protection arrangements in line with Government policy. 	<ul style="list-style-type: none"> Provide report to DTTAS. Review and amend existing arrangements, in consultation with stakeholders.

Robust Framework to Enforce Passenger Rights

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

Actions	2019 Key Performance Indicator
<ul style="list-style-type: none"> Engage with stakeholders to ensure efficient complaint handling process for passengers. Ensure that complaints are dealt with in a timely manner. 	<ul style="list-style-type: none"> Publish complaint handling process. Regularly monitor rate of dealing with complaints and take corrective action as required.

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

Actions	2019 Key Performance Indicator
<ul style="list-style-type: none"> Develop a communications plan, including a review of our websites, to increase awareness of passenger rights. 	<ul style="list-style-type: none"> Develop an awareness programme.

Regulation that Represents Best International Practice

Objective 1: Operate efficient systems

Actions	2019 Key Performance Indicator
<ul style="list-style-type: none"> Review systems for licensing Airlines, Groundhandlers, Tour Operators and Travel Agents to ensure best practice. Benchmark ourselves against others to ensure best practice in enforcing and promoting passenger rights and airline compliance. Implement general data protection regulation requirements. 	<ul style="list-style-type: none"> Update licensing systems as necessary. Update processes as necessary. Have compliant systems in place.

Objective 2: Consult effectively

Actions	2019 Key Performance Indicator
<ul style="list-style-type: none"> Encourage increased level of consultation on charges and infrastructure. Actively participate in the Thessaloniki Forum of European Airport Charges Regulators and the evaluation of the Airport Charges Directive. Co-ordinate with other relevant agencies in relation to the regulation of Dublin Airport. Keep up-to-date and provide information to stakeholders (including the impact of Brexit on aviation) in a timely manner. 	<ul style="list-style-type: none"> Implement plan. Input to working group and forum meetings and report on progress. Share information with the IAA and INIS (as required) in the process for regulating Dublin Airport. Provide updates as necessary.

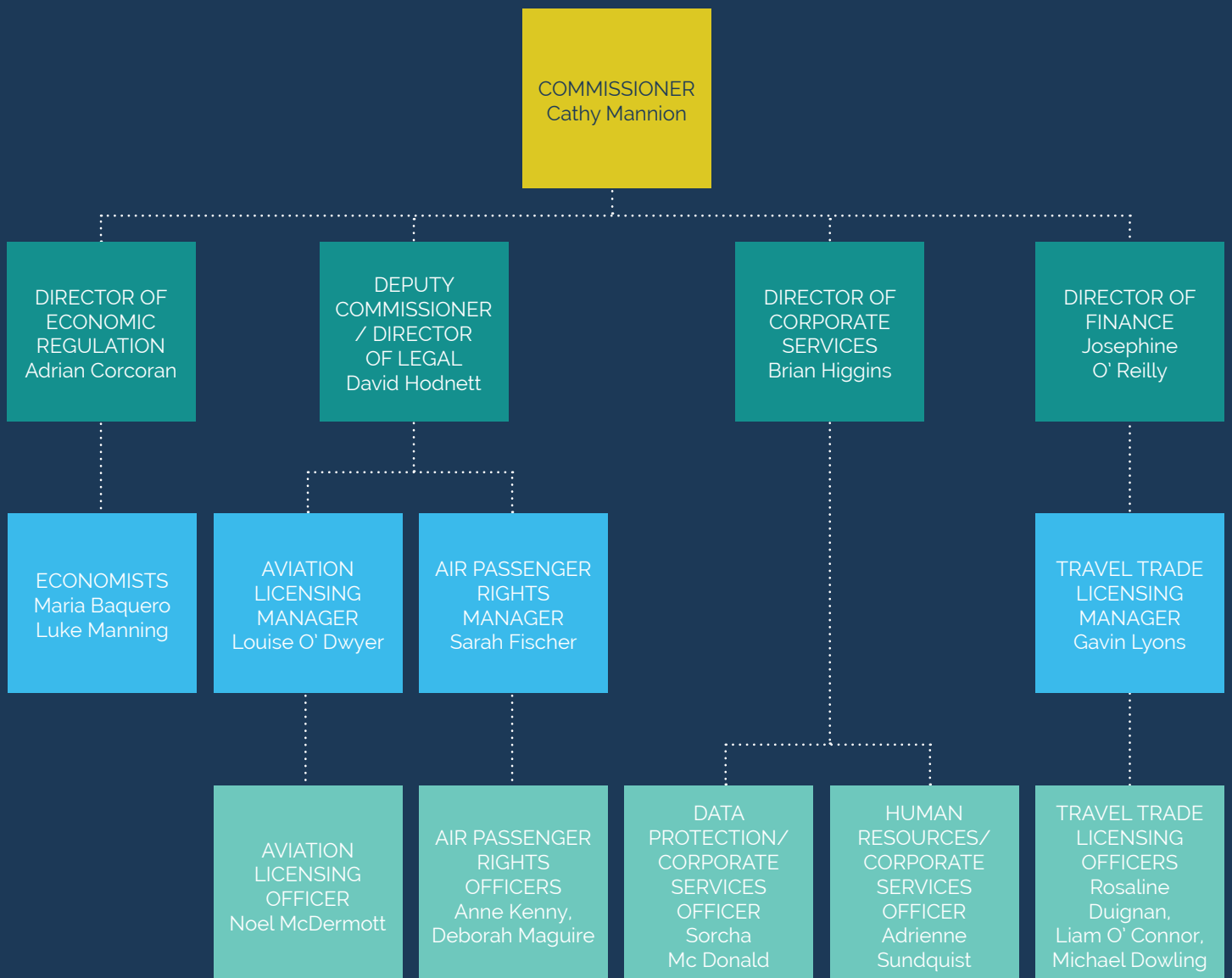
Objective 3: Maintain a skilled and motivated staff

Actions	2019 Key Performance Indicator
<ul style="list-style-type: none"> Align resource education and development plans with our Strategic Plan and put in place a training programme based on an analysis of the skill and competency requirements. Continue to use our Performance Management Development System to ensure best business practice. Review organisational resilience 	<ul style="list-style-type: none"> Implement 2018 training plan. Conduct goal setting, interim and annual progress review. Follow up on recommendations.

Objective 4: Support the implementation of the national policy statement on airport charges regulation

Actions	2019 Key Performance Indicator
<ul style="list-style-type: none"> Implement DTTAS decisions on the economic regulatory framework. Work with DTTAS and the IAA to complete the regulatory reform. 	<ul style="list-style-type: none"> Amend existing practices and procedures to reflect DTTAS decisions. Implement arrangements in a timely manner.

Commission for Aviation Regulation Organisation Chart





Commission for Aviation Regulation,
3rd Floor, Alexandra House,
Earlsfort Terrace,
Dublin 2, D02 W773.

Tel: +353 1 6611700
Fax: +353 1 6611269
www.aviationreg.ie
email: info@aviationreg.ie