



Annual Report 2022

COMMISSION FOR
AVIATION REGULATION





Table of Contents

Foreword..... 2

1. About the Commission for Aviation Regulation..... 3

2. Economic Regulation..... 6

3. Air Carrier Licensing and Groundhandling Approvals 12

4. Travel Trade Licensing..... 17

5. Air Passenger Rights 22

6. Corporate Services 31

7. Financial Information..... 35

Appendix 43



Foreword



David Hodnett
Deputy Commissioner

I am pleased to present the Annual Report of the Commission for Aviation Regulation for 2022. The Report summarises the activities of the Commission over the past year by reference to functional areas together with a work programme for the forthcoming year and presents an extract from the Commission's draft Financial Statements for the year ended 31 December 2022.

It remains a priority of senior management to lead the Commission through the restructuring programme which will see the functions of the Commission for Aviation Regulation merged with the safety regulation functions of the IAA prior to its dissolution. The current air traffic management functions of the IAA will be transferred to a new commercial semi-State company – the Irish Air Navigation Service. The legislation providing for this restructuring, the Air Navigation and Transport Act 2022, was commenced in part on 22 December 2022. This has allowed for the incorporation of the Irish Air Navigation Service DAC, an important milestone in the separation and merger process.

In anticipation of a 2023 dissolution day, the Commission has devoted significant resources to implementing this Government reform program over the course of 2022. In the context of the proposed merger, approximately one third of Commission staff remain working on various key

projects to facilitate the implementation of the separation of the Irish Air Navigation Service from the IAA. As with last year, a significant amount of senior management time has been devoted to working through the many administrative, employment, financial, legal and practical issues that require resolution prior to the finalisation of this process.

The ongoing achievement by the Commission of its statutory objectives and the discharge by it of its remit would not be possible without the ability, enthusiasm and commitment of its staff. I would like to thank them for their effort and contribution over the past year. This report describes the scale and scope of the work undertaken by them over the last year in the various functional areas of the Commission's remit.

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



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.

ECONOMIC REGULATION

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

LICENSING AND APPROVALS

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

- Licenses Irish established travel agents and tour operators selling overseas travel.
- Administers a bonding scheme for licensed travel agents and tour operators and processes claims if a travel agent or tour operator goes out of business.
- Investigates instances of alleged illegal trading and prosecutes where necessary.
- Grants approvals to companies engaged in groundhandling activities at Dublin, Cork and Shannon airports.

CONSUMER PROTECTION

The Commission for Aviation Regulation has an important role in protecting the travelling public as Ireland's independent aviation regulator.

The Commission's consumer protection role is delivered through:

- The investigation of complaints and enforcement of air passenger rights for cancellations, delays and instances of denied boarding or downgrading
- The investigation of complaints and enforcement of air passenger rights received by passenger with reduced mobility
- The enforcement of Article 23 of Regulation (EC) No. 1008/2008 which places requirements on airlines to make all the foreseeable components of a air fare transparent to the public
- Management of licensing and bonding of travel agents and tour operators and consumer protection measures for consumer who book through licensed package holiday organisers or tour operators.
- Consumer Protection Policy input through engagement with European and international stakeholders



Key Statistics

ECONOMIC REGULATION

Annual passenger numbers at Dublin Airport **recovered to 28.1m, or 85%** of the 2019 level, compared to 8.5m in 2021.

AIR CARRIER LICENSING AND GROUNDHANDLING

We approved **41 companies** engaged in groundhandling activities.

We licensed **14 Irish-based** air carriers.

TRAVEL TRADE

We licensed and bonded **158 travel firms**.

In 2022 we administered **507 claims** by customers of collapsed entities who received **€844,180 in refunds** from insolvency protection Bonds held by the Commission, the Traveller's Protection Fund and the refund credit note scheme.

AIR PASSENGER RIGHTS/PERSONS WITH REDUCED MOBILITY

We **advised 2380 individuals** on their rights by phone and/or email.

We commenced **investigation** of **3152 complaints, concluding 600**. Over **€579,000** was obtained in **refunds** following our intervention and a further **€228,000** in **compensation** was awarded to passengers in respect of the **567 valid complaints** that have been concluded.



2.

Economic Regulation



Adrian Corcoran
Director of Economics,
Consumer Affairs and Licensing

The Economic Regulation team is responsible for the economic regulation of Dublin Airport and Irish air navigation service providers, airport slot coordination and capacity, and the approval of fees relating to access to installations and passengers with reduced mobility.

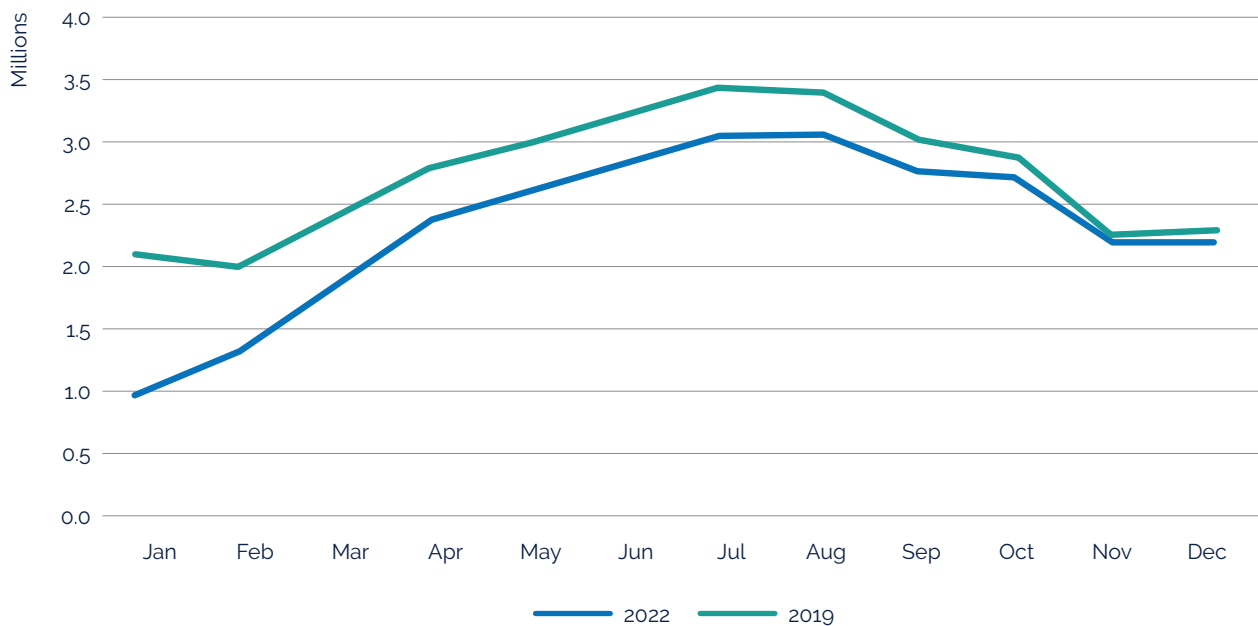
RECOVERY OF THE AVIATION INDUSTRY FROM THE IMPACT OF COVID-19

COVID-19 continued to have an impact on aviation traffic levels in 2022, however, to a much smaller degree than in 2020 and 2021. EUROCONTROL report that Ireland's Instrument Flight Rules (IFR) flights in 2022 were approximately 12% lower than in 2019. However, this is a significant improvement on 2021 which was 61% lower than 2019. Additionally, Ireland's traffic improved throughout the year with IFR flights in December 2022 only approximately 3% lower than the same month in 2019¹.

On a passenger level Dublin Airport's traffic remained low in Q1 2022 due to ongoing Covid-19 restrictions, with passenger levels totaling 64% of 2019. However, the remainder of the year saw strong recovery as the restrictions were removed, with passenger levels averaging 91% of 2019. Total passengers in 2022 was 28.1 million (85% of the 2019 level of 32.9 million). The impact of the Covid-19 restrictions and the pathway to recovery in 2022 are shown below in Chart 1, where the trend is compared to 2019.

In December, we forecast that passenger levels at Dublin Airport would be 31.7 million in 2023 (96% of the 2019 level), with further growth expected in the following years.

Chart 1: Passenger Numbers at Dublin Airport in 2022 Compared to 2019



¹ <https://ansperformance.eu/data/>



The return of pre-pandemic passenger traffic levels in Summer 2022 posed significant operational challenges to certain stakeholders, including Dublin Airport, which struggled, at times with key service quality indicators such as security queue times. It should be noted, however, that Dublin Airport was able to improve performance significantly after the summer, with queue times more in line with pre-pandemic standards.

DELIVERY AGAINST STRATEGIC PLAN

The key strategic goal for the economics section is to incentivise efficient, high-quality and safety conscious airport and air navigation services. Central to achieving this goal are four objectives and several actions. Chart 2 illustrates the focus of our work in 2022 which included our four objectives and a general Commission objective.

Chart 2: Strategic Objectives we worked on in 2022



The following paragraphs summarise the work undertaken in 2022 grouped by each of these objectives.

SET EFFICIENT CHARGES AT DUBLIN AIRPORT

Interim Review of the 2019 Determination in relation to Airport Charges for 2023-2026

Following the impact of Covid-19 on the aviation sector in 2020 and 2021 (where traffic levels at Dublin Airport dropped by approximately 75% relative to 2019), and in recognition of the impact this had on the assumptions and forecasts underpinning the 2019 Determination, in 2021 CAR committed to undertaking a comprehensive 'building blocks' review of the 2019 Determination for the years 2023 to 2026, with a goal of completing the review by the end of 2022.

This was developed across several stages. In February 2022 we published our Issues Paper,

which was a methodological consultation setting out our initial views on how to approach each of the price cap building block forecasts, and which sought comments from interested parties on how we should proceed with the review. The paper received responses from seven stakeholders.

In July 2022 we published our Draft Decision on the Interim Review. The paper developed our initial views into draft proposals and arrived at an average draft price cap for 2023 to 2026 of €8.52 per passenger in real terms (€9.37 in nominal terms). This could increase by €0.59 (€0.66 in nominal terms) on average if Dublin Airport delivered its investment plan according to its own timelines. For context, the final price cap for 2022 was €8.00 per passenger. The paper also considered the stakeholders responses to the Issues paper, incorporating these views into our proposals where relevant, and explaining why where we did not. The paper received thirteen responses from stakeholders.



Our Final Decision was published in December 2022. It addressed stakeholder's views in response to the Draft Decision and used up to date data to arrive at a final set of price caps. We set an average price cap of €7.59 for the period in real terms (€9.02 in nominal terms), which can increase by €0.80 (€0.96 in nominal terms) on average if the key investments are delivered as planned. The Final Decision differed from the Draft Decision in several ways, most notably, it included a higher traffic forecast for the period. The total value of triggered projects was also higher in the Final Decision, at €1.1bn, up from €0.76bn in the Draft Decision. This means that if Dublin Airport delivers its infrastructure plan, the price cap will increase by €0.80 as noted above. If not it is likely to stay closer to the average of €7.59. Regarding Quality of Service, the Decision requires Dublin Airport to restore service standards to pre-pandemic levels from 2023, including in key areas such as security queue times, PRM assistance, asset availability, and passenger satisfaction.

Dublin Airport Charges Consultation

Unlike in previous years, the annual consultation on airport charges at Dublin Airport was not held in December 2022 due to the timelines for the publication of the Final Decision on the Interim Review. Thus, the consultation was delayed until January 2023. Dublin Airport did, however, hold a consultation on miscellaneous charges for 2023 in December 2022 where it engaged with stakeholders. Miscellaneous charges are the non-aeronautical charges levied by the airport, for example, this includes charges for desk rental, training services, and spillage clean-up. This consultation included discussions on the menu of miscellaneous charges for 2023 and any changes compared to 2022.

Quality-of-Service Rebates

In March 2020, we decided that rebates associated with Quality-of-Service targets would be suspended. The suspension was maintained throughout 2020 and 2021 but was partially restored as part of the Interim Review in relation to 2022 as we considered it reasonable and proportionate to reintroduce an element of financial incentivisation for Dublin Airport to provide an appropriate level of service quality. Due to a high number of queue time breaches, most notably in summer 2022, the Airport has accrued the full €0.11 per passenger price cap rebate reintroduced for 2022. This will reduce the allowed aeronautical revenue relating to 2022 by approximately €3.1m.

INCREASE STAKEHOLDER INVOLVEMENT IN DECISION MAKING

Implement the StageGate Process for Capital Investment Projects

In the 2019 Determination, we introduced a new process, termed StageGate, for large scale Capex projects. The StageGate process allows for greater flexibility in the scope and cost of large Capex projects throughout the regulatory period. Dublin Airport, airport users, the Commission, and an Independent Fund Surveyor (IFS) assess the cost development of projects which then ultimately affects the final cost allowance for the project. 17 projects were included in the StageGate process as part of the 2019 Determination process. This number was increased to 27 by the third Interim Review of the 2019 Determination in relation to 2023-2026.

In 2022 we held the first of two StageGate 1 consultations with users on the Critical Taxiways North project. The second consultation will be held in early 2023 and will conclude the StageGate 1 process for that project. The 2022 consultation also included the conclusion of a StageGate 2 process for T1 Hold Baggage Screening (HBS) 3, which increased the allowance for that project by €1.6 million to €185m.

Our original intention was to run this process on a quarterly basis; however, we have instead run it on a more ad-hoc basis from 2020-2022, given that the number of projects being progressed by Dublin Airport was much lower than expected in 2019. We anticipate a return to a quarterly schedule in 2023.

PROMOTE COMPETITION AND FACILITATE NEW ENTRY

Slot Coordination Competition

The competition for the appointment of a slot coordinator at Dublin Airport was completed in early 2022, with the contract awarded to Airport Coordination Limited (ACL). The new five-year contract has been in place since October 2022.

Slot Capacity of Dublin Airport for Winter 2022/2023 and Summer 2023

In 2022, we published capacity declarations for Winter 2022/2023 and Summer 2023 in line with the International Air Transport Association calendar for slot coordination. The Summer 2023 declaration was the first capacity declaration



which included runway capacity delivered by the new North Runway, which came into operation on a phased basis from August 2022. This infrastructure has and will continue to allow for significant increases in runway capacity in daytime hours (which was a constraining factor in 2019), which will facilitate both incumbent operators and potential competition in providing enhanced choice and value to passengers. Cost allowances for this project have also been made in our determination on Airport Charges.

Expiry of Local Rule to Implement Capacity Reduction

In 2020, we approved a new local rule to establish a process for the management of reduced capacity, should the need for this arise due to measures relating to COVID-19. This rule was never activated and expired at the end of October 2022.

Sanctions for Slot Misuse

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

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

Updating Environment KPA Targets

Following the introduction of regulation (EU) 2020/1627 in 2020 in response to Covid-19, we began working on a Revised RP3 Performance Plan in early 2021 and submitted the plan to the European Commission in November of that year. This plan re-established inputs to Ireland's En Route and Terminal Unit Rates for the years 2020 to 2024 and included environmental targets which were updated based on higher traffic forecasts. However, following discussions with the Performance Review Body (PRB), and the IAA ANSP, and having considered their positions, we reverted to our previous targets. These were published in February 2022.

Formal Adoption of the Revised RP3 Performance Plan

Following the adjustment to the environmental targets, the European Commission found that the performance targets contained in Ireland's

Performance Plan were consistent with the Union-wide performance targets. The Plan was formally adopted by Ireland in May 2022.

Annual Consultation on Air Navigation Charges

Air Navigation charges are levied against aircraft operators in order to fund air navigation facilities and services, and to support Air Traffic Management developments. In July 2022 we held a consultation on Ireland's actual Air Navigation costs for 2020/2021 and the intended Terminal² and En Route³ Unit Rates for 2023. This was attended by key stakeholders including the IAA ANSP, the PRB, airline representatives, and IATA.

Capex Monitoring and Reporting

In 2022, following submission of the Performance Plan, we started publishing updates on the progress made by the IAA ANSP in delivering its Capex program. We publish updates on the timelines for delivery of the ANSP's Capex projects biannually, and we will publish cost reports on the ANSP's major Capex projects and major Capex groupings annually.

REGULATION THAT REPRESENTS BEST INTERNATIONAL PRACTICE

Actively Participate in the Thessaloniki Forum of European Airport Charges Regulators

We were part of the writing team for two Thessaloniki Forum papers this year. The first paper is aiming to map, describe, and advise on, the powers of independent supervisory authorities ("ISAs") that are necessary to exercise the economic oversight functions and objectives under the Airport Charges Directive ("ACD"). The second paper examines environmental modulations and investments. This paper will be an update to the 2021 paper "Airport Charges and Environmental issues and considerations"; it will examine new instances of environmental legislation or modulations. Neither of these papers were completed in 2022 and are expected to be adopted by the forum, and subsequently published, in 2023.

² Terminal air navigation services means aerodrome control services or aerodrome flight information services, including air traffic advisory services and alerting services.

³ The En Route phase of flight is defined as that segment of flight from the termination point of a departure procedure to the origination point of an arrival procedure.



LOOKING FORWARD TO 2023

With passenger traffic for 2023 expected to be close to 2019 levels, it is timely for Dublin Airport to progress the major capacity investments we have allowed for in the airport charges determination, as well as the sustainability projects which will be key to Dublin Airport meeting its emissions reduction targets. We look forward to working with Dublin Airport and airport users as these projects progress through the StageGate process. We also expect to be able to move towards a quarterly StageGate cycle from 2023, as originally envisioned in the 2019 Determination. This will facilitate Dublin Airport in delivering its revised investment programme on schedule.

We will continue to report on the timelines and costs of Dublin Airport's and the IAA ANSP's Capex projects in 2023, as well as key Quality of Service metrics at Dublin Airport, including security queue times, and wait times for mobility assistance.

We will also begin work in 2023 on our RP4 Performance Plan, which is intended to be published towards the end of 2024. Our key deliverable in this area for 2023 is expected to be an issues paper laying out our initial views and seeking stakeholder feedback on key issues.

Finally, we will continue work on the two Thessaloniki Forum papers commenced in 2022. These are expected to be adopted by the Forum by the end of 2023.



3.

Air Carrier Licensing and Groundhandling Approvals



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 2022. 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, 2022

	Air Carriers (Operating Licence)	Groundhandlers (Approvals)	
		Self-Handling airlines	Third Party suppliers
Licence holders, 1 Jan 2022	15	9	37
<i>New licences/approvals</i>	0	1	2
<i>Licences revoked/surrendered</i>	1	2	3
Licence holders, 31 Dec 2022	14	8	36

AIR CARRIER LICENSING

At the end of 2022, 14 Irish based air carriers were licensed by the Commission to engage in commercial air transport operations. There were no new operating licences issued during the year.

In December 2022, the operating licence held by Airlinck Airways Limited was revoked following a decision taken by the company to voluntarily surrender its operating licence and Air Operators Certificate.

One application for an operating licence which was received during the last quarter of 2020 remained in progress at the end of 2022. A second application, also received in late 2020, was closed by the Commission during 2022 in line with our processes. During the last quarter of 2022, one new application for an operating licence was received which remained in progress at the end of the year. A full list of up-to-date operating licence holders is available on the Commission's website.

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

Licences are subject to a review two years after they are first granted. During 2022, 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 six submissions during 2022 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 activities⁴, in advance of any intended mergers/acquisitions or where there is a change in ownership and control. In addition to the air carrier setting out the precise changes in detail,

⁴ 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.



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. At the end of 2022, two of these submissions, received in the last quarter of the year, were still under consideration.

Table 2 below shows a summary of the numbers of submissions received under this Article in 2022 by type of notification:

Article 8 (5) Notification Type	Number of submissions 2022
In advance of any substantial changes to scale of activities (includes changes in the type or number of aircraft used)	5
In advance of any intended mergers or acquisitions	0
Change in ownership and control	1

OPERATING AN EFFICIENT LICENSING SYSTEM

During 2022, we continued to work closely with our colleagues in the IAA on air carrier licensing issues in accordance with our existing information sharing agreement. We look forward to the planned merger between the Commission and the Safety Regulation Division of the IAA which is expected to take formal effect during 2023.

In line with our strategic goals and objectives to operate an efficient licensing system, we commenced an exercise in November 2022 to update 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 and also in relation to compliance with relevant requirements under the Regulation relating to aircraft acquisition.

In January 2023, we issued our compliance calendar to licence holders which highlights key compliance dates arising during the year in order to assist licence holders with the various information requirements arising during 2023. A summary of all monitoring and compliance requirements which arise, details of expected information for each submission plus a reminder of the list of events which require prior approval from or notification to the Commission accompanies the compliance calendar. The information summary sheet also includes the name of a contact person nominated by each company to liaise with the Commission on all compliance monitoring matters.

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

During 2022, we continued to monitor the EC Review of the Air Services Regulation. We provided contributions as appropriate to the Department of Transport in response to a public consultation launched by the EC to support this piece of work and also engaged directly with the Directorate-General for Mobility and Transport (DG MOVE) on possible measures to consider in the context of the review. In addition, we also engaged with consultants appointed by the EC regarding this review. The Commission will continue to monitor developments in this area and contribute as appropriate.

COOPERATION

During 2022, we also held a number of meetings/discussions with our colleagues in other Member States on matters arising under Regulation (EC) 1008/2008, in particular in relation to air carriers who are part of Group structures and have a number of separate operating licences across the EU.

We intend to further identify any opportunities for closer cooperation with our colleagues in other Member States as they arise to strengthen our monitoring role.



GROUNDHANDLING APPROVALS

At the end of 2022, there were 8 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 4.1 presents an analysis of the numbers of approved self-handlers and suppliers of groundhandling services by airport.

Chart 3: Approved handlers by type and Airport 2022



During 2022, the Commission received five new applications for approval as a self-handler/supplier of groundhandling services. Approvals were issued to the following companies during the year:

Company Name	Airport Location	Approval type
Emerald Airlines Ireland Limited	Dublin, Cork, Shannon	Self-handling
BOS Aerospace (Ireland) Limited	Dublin and Shannon	Supplier of groundhandling services
Emerald Airlines Handling Limited	Dublin	Supplier of groundhandling services

Two applications remained under consideration at the end of 2022 with further documentation awaited from the applicant companies.

Self-handling Approvals held by Amapola Flyg AB and Cityjet DAC were voluntarily surrendered during 2022. In addition, the third party handling approvals held by Specialist Airport Services (Ireland) Limited, Heli Service International GmbH and Empathy Aviation Limited were also voluntarily surrendered.

During the year, the Commission examined and approved applications from Oceanbridge Groundhandling Limited, DHL Supply Chain (Ireland) Limited and Business Aviation Centre (Ireland) Limited to add additional activities to their existing Approvals. The Commission also received a fourth application from an existing third party approval holder for approval to provide groundhandling services at a new airport location. This application remained under consideration at the end of 2022 with further documentation awaited from the applicant company but was subsequently closed in early 2023 due to a change in plans on the part of the applicant company and in line with our processes.

In April 2022, following the acquisition of the Lufthansa Technik Shannon Limited business by Atlantic Aviation Group Limited (Shannon Airport), the Approval held by Lufthansa Technik Shannon Limited was amended to reflect a change of company name to AAG Hangar 1 Limited.

As a result of the acquisition of TNT Express by FedEx Corporation, the Groundhandling Approval previously held by TNT Express (Ireland) Limited was amended in May 2022 to reflect a change of company name to FedEx Express Ireland Limited. As part of this amendment, a review of the groundhandling activities engaged in by the company was carried out and the Schedule to the Approval was updated to reflect this. Approval was also granted to allow the company to engage in the provision of groundhandling services at Shannon Airport.

Approvals are issued for a period of five years. The Commission renewed five approvals in 2022 following successful completion of the renewal process, all five were third party handling approvals.



OPERATING AN EFFICIENT APPROVALS PROCESS

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

In early 2023, all approval holders were issued with a compliance calendar which highlights key compliance dates arising during the year. The compliance calendar was accompanied by a summary of all monitoring and compliance requirements which arise, the information expected for each submission plus a reminder of the events which require prior approval from or notification to the Commission. The information summary sheet also includes the name of a contact person nominated by each company to liaise with the Commission on all compliance monitoring matters.

In line with Regulation 18 of S.I. 505 of 1998, we examined the annual statistical returns submitted by Dublin, Cork and Shannon airports for 2021 to ensure accuracy of information in respect of the number and names of self-handlers and suppliers of groundhandling services operating in the market. This annual check also involves checking the relevant companies operating in the market are approved for the correct categories of services they undertake.

WORKING WITH AIRPORTS

We continued to work with airports to improve monitoring arrangements for groundhandlers and enforcement compliance with the Rules of Conduct.

We intend to continue this important work with airports during 2023.

DRAFT EU GROUNDHANDLING REGULATION

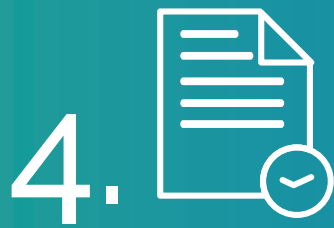
In 2018, the new EASA Basic Regulation (Regulation (EU) 2018/1139) entered into force and includes requirements for the safe provision of groundhandling services. Work continued to progress during 2022 at EASA level on the draft EU Groundhandling Regulation and future implementing rules for the safe provision of groundhandling services.

A focused consultation was launched in June 2022 and, as part of this, EASA held a webinar to clarify the approach in developing the first draft of the EU Groundhandling Regulation and to take questions. CAR participated in this webinar.

In August 2022, the EASA representative leading the rule making task for the new Regulation attended a meeting of the Ground Operations Working Group at the Irish Aviation Authority (IAA) to clarify the approach in developing the first draft of the EU Groundhandling Regulation and to take questions from relevant stakeholders. CAR attended this meeting and also separately made a presentation to the EASA representative on the role of CAR as the competent authority in Ireland for the purposes of Council Directive 96/67/EC on access to the groundhandling market at Community Airports.

The IAA is the competent authority for the new Basic Regulation. Further engagement will be necessary in this area as work at EASA level progresses as it will be necessary to consider how the implementing rules, once published, will sit with the existing groundhandling regime in place in Ireland and the Approvals process currently administered by the CAR. The intention is to work towards developing guidelines and an enforcement process for non-compliance going forward. It is anticipated that the upcoming CAR-IAA merger will facilitate further engagement and collaboration on these issues.





4.

Travel Trade Licensing



WHAT WE DO

The commission protects the customers of travel agents, tour operators and package organisers in the event that a business goes out of business (that is, the provider can no longer meet its obligations). The Commission achieves this by delivering the following functions:

- 1) Licensing travel agents and tour operators, established in Ireland, buying and selling overseas travel.
- 2) Administering a bonding scheme for travel agents and tour operators established and licenced in Ireland. A bond is a sum of money that may be used to refund or reimburse consumers for monies paid for overseas travel, if the license holder goes out of business or to repatriate customers who are abroad at the time of collapse.
- 3) Administering the Travellers' Protection Fund which is used to refund or repatriate in situations where the above bond is insufficient.
- 4) Processing claims for refunds and repatriation in the event of a regulated business being unable to meet its obligations. This relates to claims under the bonding scheme and also the refund credit note scheme introduced as a temporary measure in 2020. The Refund Credit Note scheme was discontinued on 31 December 2022. Meaning no Refund Credit Notes can be issued after this date. Those already issued will expire on 31 December 2024
- 5) Ensuring organisers established within the EU, selling or offering for sale packages and linked travel arrangements in Ireland comply with the requirement to inform the Commission of the security they have in place.
- 6) Ensuring organisers established outside the EU, selling or offering for sale packages and linked travel arrangements in Ireland provide security for their Irish sales.
- 7) Investigating instances of alleged illegal trading and, when necessary, prosecuting illegal traders.

A full list of licensed/bonded travel agents and tour operators including those that have provided Insolvency Protection cover is published on the Commission's website to help consumers identify businesses that provide such protection.

LICENSING AND BONDING

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

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

At the end of 2022, 158 travel firms were licensed by the Commission to operate as a travel agent or tour operator in Ireland. Some of these held both a travel agent and tour operator licence.

Table 3: Number of Licences 2021

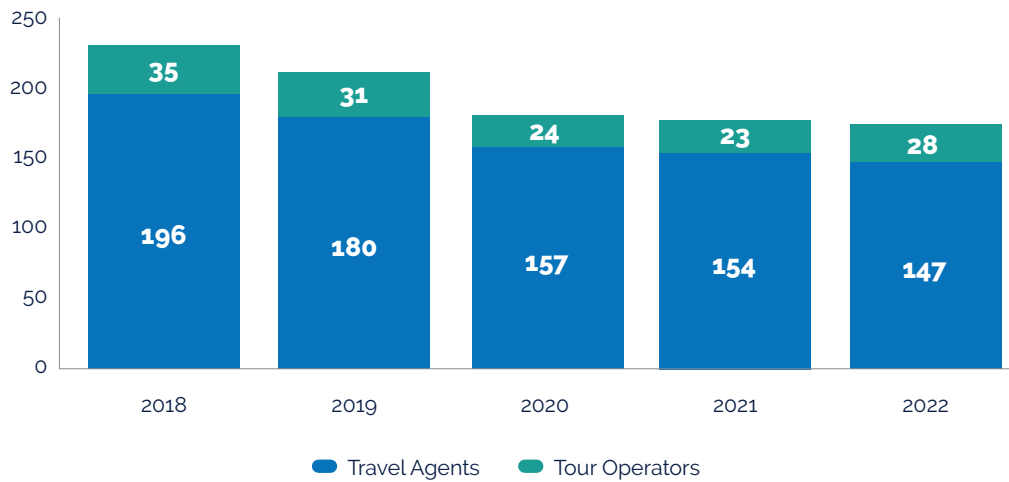
	Travel Agents	Tour Operators	Total
Licence holders, 1 Jan 2022	154	23	177
New Licences	1	7	8
Licences not renewed	8	2	10
Licence holders, 31 Dec 2022	147	28	175

During the year, 10 firms exited the market entirely and are no longer licensed. At the end of the year, we were still engaging with 1 firm (in relation to the renewal of their licence).

We issued 8 new licenses and received 66 new licence enquiries during the year. The number of new licence enquiries increased by 53% compared to 2021.



Chart 4: Licensed Travel Agents and Tour Operators



As can be seen from the above, the number of licences issued has been reducing over the past few years. However, the number of enquiries in relation to obtaining a licence has increased significantly.

KEY PERFORMANCE INDICATORS

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

Table 4: 2022 Performance Indicators

KPI	Result
Respond to applicants within one week of initial contact	97%
Decision in Principle letter issued within one month of completed application submission date	85%
Licence issued within two weeks of Bond/all documents received	94%
Annual accounts examined within six weeks of receipt	86%
Percentage of licensees' premises visited per annum (Including meetings at CAR)	N/A

We continue to review our processes and continue to spend more time working with licence holders examining their financial situations and their bonding requirements.

Our on site visits will resume in early 2023.

ENTITIES ESTABLISHED IN ANOTHER MEMBER STATE

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

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

ENTITIES ESTABLISHED OUTSIDE THE EUROPEAN UNION

We received security from 15 organisers established outside the EU, enabling them to trade in Ireland. Full details are on our website.

TRADERS FACILITATING LINKED TRAVEL ARRANGEMENTS

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

FINANCIAL MONITORING

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



Bonding levels are also the subject of ongoing monitoring. As the market opened in 2022 we have seen a significant increase in Licensable Turnover Projections and we expect this trend to continue.

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

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

MONITORING COMPLIANCE

In 2022, we investigated 4 complaints about possible unlicensed trading.

CONSUMER PROTECTION

Table 5: Licensable Turnover and Bonding

Licensed Entities	2022 (€m)		2021 (€m)	
	Bond	PLTO	Bond	PLTO
Travel Agent (4%)	29	736	14	345
Tour Operator (10%)	22	222	14	143
Totals	51	958	28	488

The table above shows that sales and bonding levels have increased significantly.

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

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

In the event of a collapse, if the bond does not cover the cost of all claims, the shortfall is covered by the Travellers' Protection Fund. This only relates to licensed entities and only to their sales that meet the definition of an overseas travel contract as per the Transport (Tour Operators and Travel Agents) Act, 1982 (as amended). Since 2020, the Department of Transport has topped up the fund regularly to ensure that consumers received the level of protection required under the Directive.

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

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

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

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

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

In 2019, following the transposition of the Directive 2015/2302, we proceeded with this review and this culminated with the Commission issuing Commission Paper 9/2019 Travel Trade Consumer Protection Measures-Advice to the Department of Transport. Due to the pandemic, this work did not progress any further. We will prioritise this work with the Department in 2023.



COMPANY COLLAPSES

There was 1 company collapse in 2022, resulting in claims against the Refund Credit Note scheme (Travellers Protection Fund). Details are as follows:

Katie Doyle T/A Capture Travel on 20th January 2022. We received 3 claims.

We administered a further 504 claims from company collapses reported in 2021 resulting in payments of €844,006 from the bond and the Refund Credit Note scheme.

REFUND CREDIT NOTE SCHEME

The Package Holidays and Travel Trade Act 1995 gives travellers the right to a refund of all payments where a package holiday is cancelled by the traveller or organiser due to unavoidable and extraordinary circumstances. This was the case with COVID-19, and it gave rise to cashflow difficulties in the travel industry. In 2020 the Government introduced a short-term emergency measure called a Refund Credit Note Scheme. At its height, the market had issued over 19,000 Refund Credit Notes with a combined value of over €18m. As the impact of the pandemic on the industry eased, this scheme discontinued on 31 December 2022. No further Refund Credit Notes can be issued beyond that date and those in existence have an expiry date of 31 December 2024. Customers who hold an RCN should use it to purchase travel or convert it to cash before that date.

SUPPORT FOR LICENSED OUTBOUND TRAVEL AGENT & TOUR OPERATOR SCHEME

On 31 March 2022 the Department of Transport announced it would manage a financial support scheme to help the industry with costs incurred as a direct result of the Covid 19 pandemic. €10m was allocated to this scheme and payments were made to eligible applicants in two stages, subject to certain terms and conditions. CAR provided assistance in relation to administering the scheme.

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 two meetings during the year, May and December. Members provided updates on collapses in their countries, the status of different customer protection funds, developments since the introduction of Directive 2105/2302 and discussions with the European Commission in relation to reviewing the Package Travel Directive.

LOOKING FORWARD

2023 will be another busy year for the team. We will work with the Department of Transport to implement the consumer protection arrangements raised in the 2019 Consultation.

We will oversee two licensing rounds and continue to ensure that organisers selling or offering for sale packages and linked travel arrangements in Ireland/EU have the requisite security in place. We will continue to work with stakeholders to investigate instances of alleged illegal trading.





5. Air Passenger Rights



The Commission for Aviation Regulation the National Enforcement Body for two Air Passenger Rights Regulations:

- 1) EC261/2004 establishing common rules on compensation and assistance to passengers in the event of denied boarding and of cancellation or long delay of flights, and
- 2) EC1107/2006 concerning the rights of disabled persons and persons with reduced mobility when travelling by air

REGULATION EC 261/2004

The Commission for Aviation Regulation is the National Enforcement Body for Regulation EC 261/2004 which sets out the rights of Air Passengers in the event that their flight is cancelled or delayed or if they are denied boarding or downgraded.

Passengers may submit complaints to the Commission who will investigate instances in relation to 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).

Since the Air Passenger Rights Regulation came into effect in 2005 and the Commission became the National Enforcement Body for EC261/2004, there has been an increase in the number of complaints. This is partly due to the impact that Covid 19 had on passengers and the resulting disruption to travel, which has increased passengers' awareness of their air passenger rights under the EU Regulations and of the role of the Air Passenger Rights Team in the Commission in investigating complaints.

REGULATION EC 1107/2006

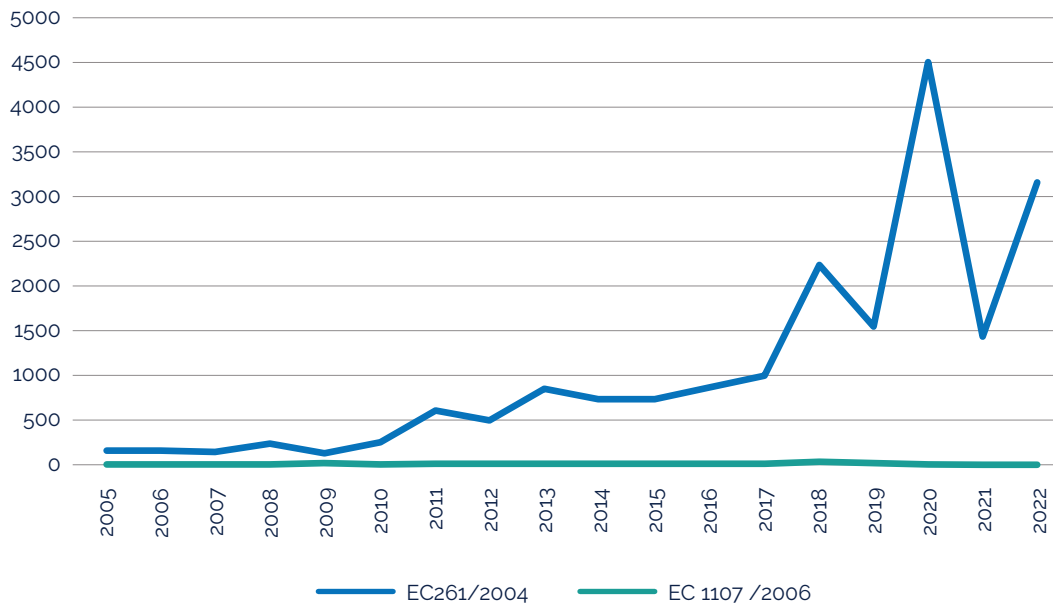
The Commission is also the National Enforcement Body for Regulation EC 1107/2006 concerning Passengers with Reduced Mobility. The Commission monitors compliance by both airlines and airport management bodies to ensure that the rights of passengers with reduced mobility are upheld. If a passenger wishes to make a complaint, the Commission will investigate 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. The European Regulation state that any person who suffers from a disability – whether temporary or permanent and regardless of the reason – is entitled to certain types of assistance when taking a flight. Most importantly any assistance provided is free of charge to the passenger.

The Commission also undertakes an annual airport compliance inspection programme to monitor assistance provided by airports to Persons with Reduce Mobility. The purpose of the inspections is to ensure that airports provide assistance that meets requirement under Regulation (EC) 1107 / 2006. This also inputs to the development of Quality of Service metrics that take account of the views and needs of passengers.

The number of Persons of Reduced Mobility Complaints under EC1107/2006 requiring investigation has remained relatively low. The number of valid complaints received each year is shown in Chart 5.



Chart 5: Historical valid complaint numbers



The volume of EC261/2004 complaints received was significant during the period 2018 to 2022. The numbers in 2022 are higher than the previous pre-pandemic peak in 2018 when there were significant disruptions due to adverse weather and widespread industrial actions.

In 2022, the Air Passenger Rights team received the highest volume of queries and complaints in the second half of the year. In previous years the volume of complaints tended to be much lower

in the final quarter of the year however this was not the trend in 2022. In 2022, over 78% of the total complaints were received in the second half of the year with a daily average of 19 complaints.

The Charts below show the complaints and queries received each month broken down by type. For comparison with Chart 6 2022 the 2021 numbers are set out in Chart 7 showing the trend when travel began to return to normal as pandemic related travel restrictions were lifted.



Chart 6: Complaints and Queries by Type 2022

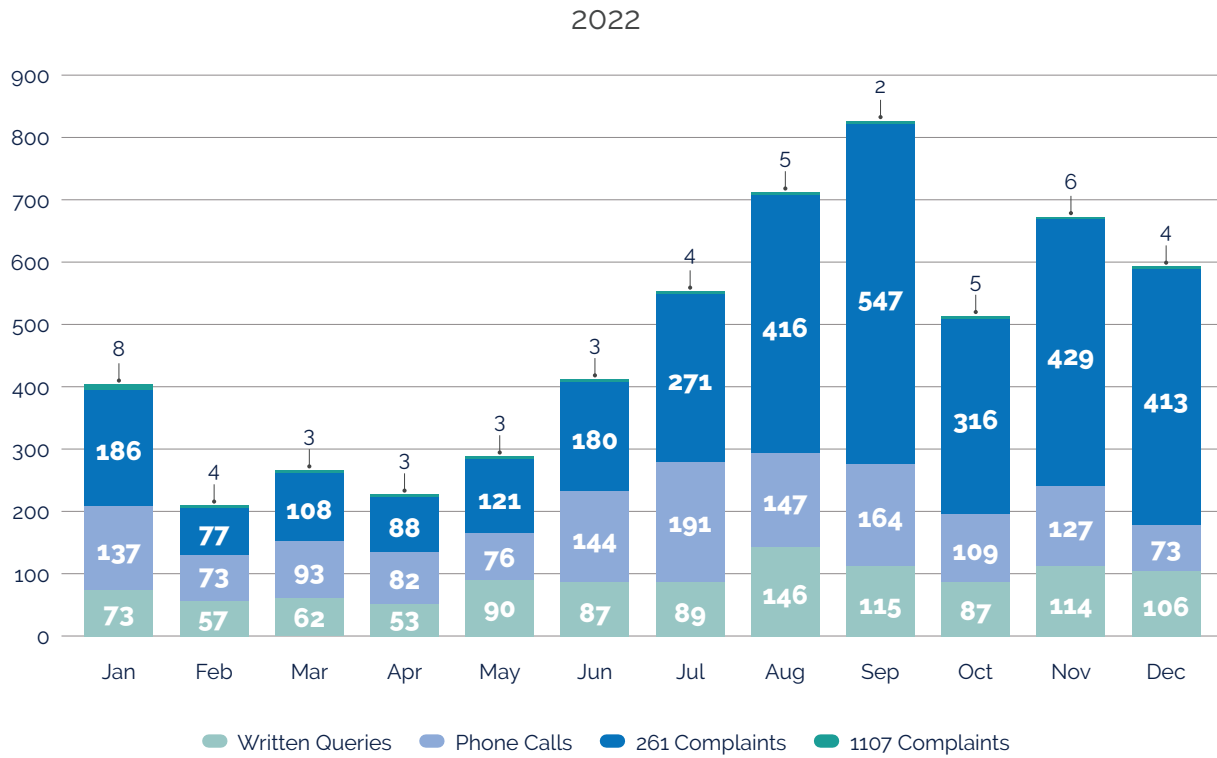
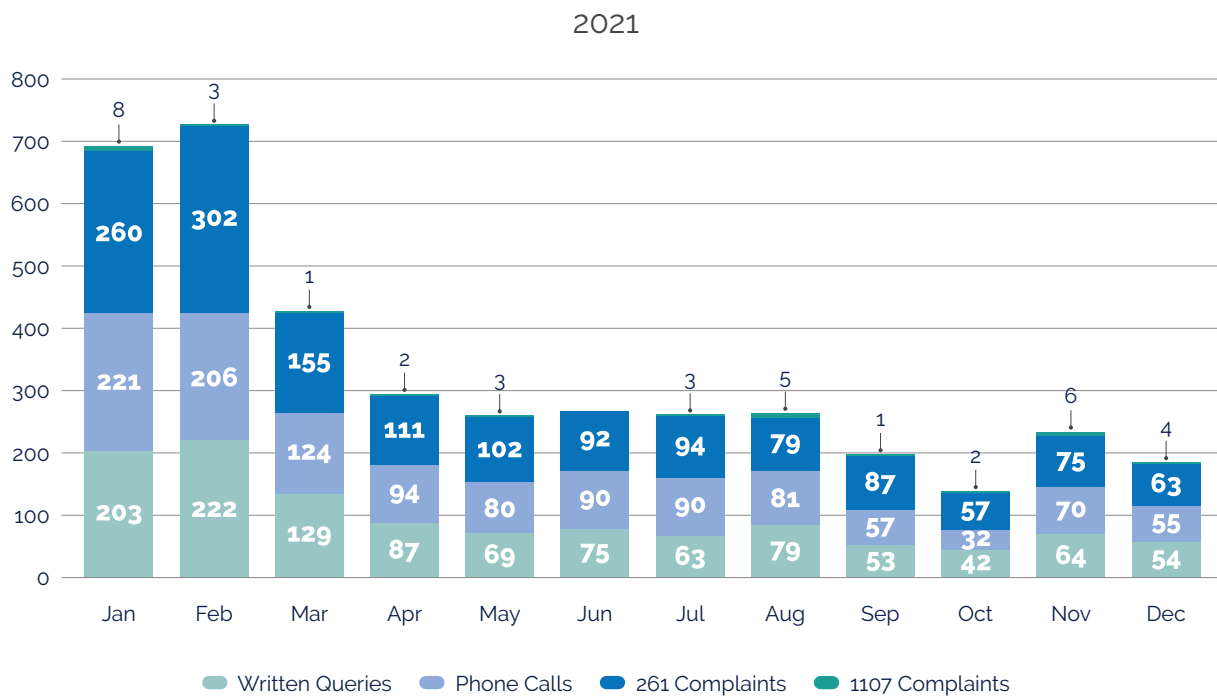


Chart 7: Complaints and Queries by Type 2021



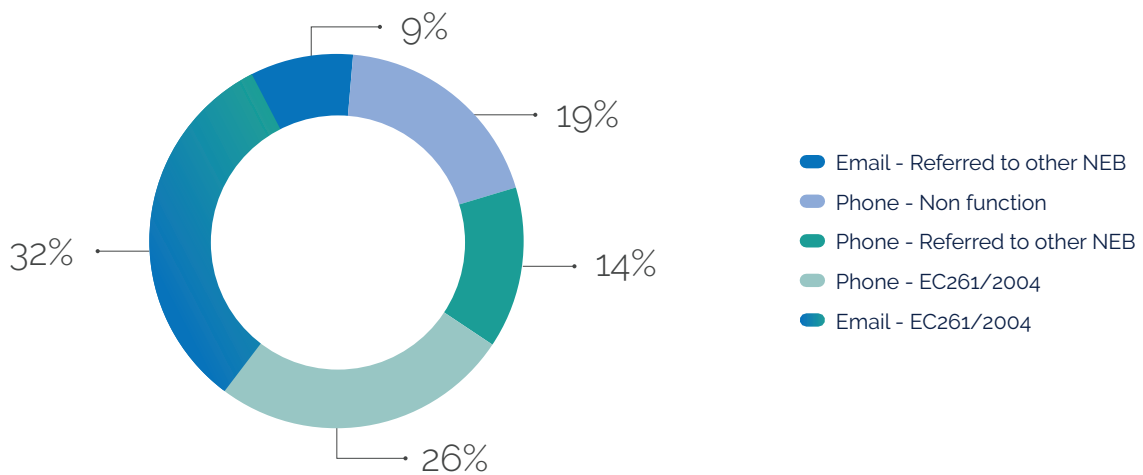
Similar to trends in previous years, a proportion of the queries received by the Commission were in relation to issues that are outside of our regulatory remit and included:

- lost and damaged baggage;
- refunds sought where the passenger was unable to travel on operating flights due to travel restrictions;
- refunds sought for airport charges and taxes where the passengers cancelled their travel plans; and

- difficulty redeeming vouchers accepted in place of refunds during the pandemic.

In 2022 the Commission advised over 2,380 individuals on their rights by telephone or email, referring them to the relevant competent authority where applicable. The number of individuals who submitted postal and email queries to the Air Passenger Rights team was 982 (1,140 in 2021) while the number of telephone callers increased from 1,200 to 1,404.

Chart 8: Queries by Type and Outcome



In 2022 a total of 3,202 complaints were submitted using the Commission's online complaint forms, 3,152 using the form for complaints under

EC261/2004 and 50 using the complaint form for EC1107/2006. This was an increase of over 1,700 in comparison to the number received in 2021.



CANCELLATIONS, DELAYS, DENIED BOARDING AND DOWNGRADES

Since the lifting of Covid 19 restrictions and travel returning to normal with most major airlines operating full schedules, the type of the complaints received returned to a similar trend to before Covid. Before Covid in 2019, 33% of complaints related to Cancellation and 62% related to Long Delays, while in 2018 it was 44% and 52% respectively.

In 2022, 51% of the valid complaints were related to cancellation of flights which is a decrease from 2021, when 88% of complaints related to cancellations. Valid complaints for long delays increased from 7% in 2021 to 46% in 2022.

During Covid, from 2020 to 2021, as a general rule, airlines were exempt from the obligation to pay compensation due to the pandemic being deemed extraordinary circumstances. However, airlines remained obliged to pay refunds and provide care and assistance to passengers. In 2022 complaints received by the Commission were more complex as the Commission sought evidence from the airlines to support their claim that compensation was not payable.

Table 6: EC261/2004 Complaints by Type 2022

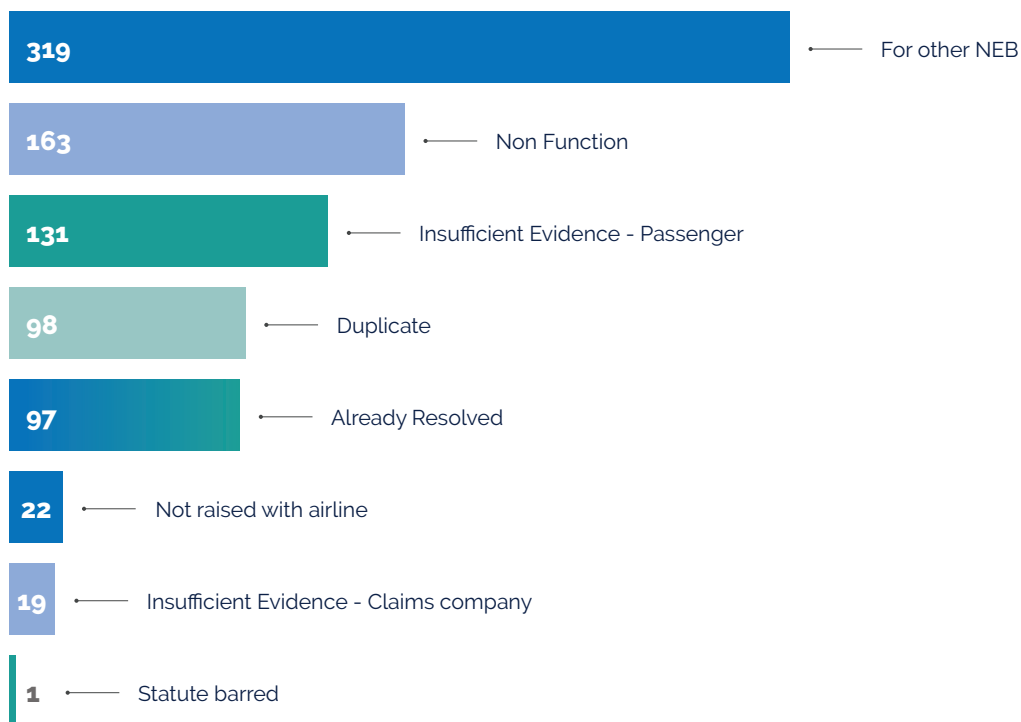
Type of Complaint	Number of Complaints	Number of Valid Complaints	% of Total complaints
Cancellation	1618	1178	51%
Long Delay	1378	1043	46%
Denied Boarding	144	76	3%
Downgrading	11	5	0%
Upgrading	1	0	0%
Total	3152	2302	100%

In total the Air Passenger Rights team has closed 1,450 of the 3,152 (EC) 261/2004 complaints received in 2022.

Following the Commission's investigation, 850 of the 3,152 EC261/2004 complaints submitted to the Commission in 2022 were found to be invalid. Chart 9, provides a breakdown of the reasons.



Chart 9: EC261/2004 Invalid Complaints by Reason



This left a total of 2,302 potentially valid complaints requiring full investigation and possible enforcement action.

By 30 January 2023, 600 of these valid complaints have been concluded with 567 of those upheld. Over €120,000 was obtained in refunds following

our intervention and more than €228,000 in compensation was awarded to passengers in respect of the 567 upheld complaints. Again, this was a very different from 2021 where the majority of the complaints related to refunds of tickets and valid expenses.

Table 7: EC261/2004 Complaint Outcomes for closed 2022 cases by Complaint Type

Outcome	Cancellation	Delay	Denied Boarding	Downgrading & Upgrading	Total
Compensation & Refund or Expenses	58	158	5		221
Compensation only	27	24	6		57
Extraordinary Circumstances & Infringement noted		2			2
Extraordinary Circumstances only	40	64	1		105
Infringement noted only	1				1
Not Sustained		29	4		33
Refund or Expenses & Extraordinary Circumstances	29	1	1	1	32
Refund or Expenses only	116	16	2		134
Upheld but Unenforceable	12	3			15
Total	283	297	19	1	600



In 2022 Aer Lingus (40%) and Ryanair (26%) were the subject of the majority of the complaints received with the remaining 34% of complaints relating to 75 other airlines. In total 1,702 complaints, 53% of all complaints received in 2022, are either under investigation (1210) or

awaiting review (492). This is substantially higher than in previous years and largely due to the unprecedentedly high volume of complaints in the latter half of the year.

Table 8: EC261/2004 Valid Complaint Outcomes by Airline 2022

Airline	Total Complaints 2022	No of Complaints Concluded	Number of Complaints Upheld	% of Concluded Complaints Upheld	Complaints not sustained	Investigations Ongoing
Aer Lingus	1253	443	146	33%	297	810
Ryanair	830	385	161	42%	224	445
TAP Portugal	116	48	19	40%	29	68
KLM	90	56	23	41%	33	34
Lufthansa	90	59	18	31%	41	31
Air Canada	84	52	31	60%	21	32
British Airways	62	50	21	42%	29	12
Vueling	57	37	23	62%	14	20
WestJet	55	28	12	43%	16	27
United Airlines	49	23	10	43%	13	26
Blue Air	46	38	23	61%	15	8
Air France	46	26	9	35%	17	20
Delta	40	9	2	22%	7	31
Turkish Airlines	39	25	11	44%	14	14
Qatar Airways	38	22	12	55%	10	16
Swiss Airlines	34	10	6	60%	4	24
American Airlines	23	11	5	45%	6	12
Thomson Airways	21	19	5	26%	14	2
Iberia	16	9	2	22%	7	7
TUI	14	11	2	18%	9	3
SAS	12	7	2	29%	5	5
Emirates	11	8	1	13%	7	3
55 others	126	74	23	31%	51	52
Total	3152	1450	567	39%	883	1702

A total of 187 (EC) 261/2004 investigations from previous years were also ongoing.



PERSONS WITH REDUCED MOBILITY

In 2022, 50 complaints were submitted using the Regulation (EC) 1107/2006 complaint form. Following the Air Passenger Rights team review¹⁷ 17 complaints related to issues which could be addressed under that regulation, four of which were referred to another National Enforcement Body. The remaining 33 mainly comprised complaints about matters which did not fall under the remit of the Commission, and in a small number of cases the passenger had completed the wrong form and was referred to the (EC) 261/2004 form.

Table 9: PRM Complaint Submissions 2022

Outcome	Number
Not relevant to 1107/2006	33
1107/2006 referred to another NEB	4
Required Investigation	13
Total	50

Of the 13 complaints requiring investigation by the Commission, 5 have been concluded. In two cases no infringement was noted. A further 9 cases are not yet resolved with the airline and are ongoing.

The complaints raised related to a range of issues including:

- Lost, damaged or delayed mobility equipment;
- Failure by airlines to notify airports of the assistance requirements of their passengers;
- Airline seating issues including not publishing seating policies, not following published policies and not providing suitable seating;
- Refusal of carriage of mobility equipment and/or medical aids without providing adequate grounds/explanation; and
- Restrictions on the number of PRM permitted to travel on an individual aircraft.

During 2022, after ongoing discussions and on foot of complaints received in previous years, we obtained a commitment from Aer Lingus to retrofit over 100 aircraft to ensure that on-board wheelchairs are available on most of their passenger flights. This is a very positive step towards greater accessibility.

During the second half of 2022 physical inspections were carried out at all Irish passenger

airports (Cork, Donegal, Dublin, Knock, Kerry and Shannon). During those inspections the physical infrastructure and provision of assistance services to persons of reduced mobility were assessed.

Regulation 1107/2004 requires that persons with reduced mobility who require assistance notify the airline at least 48 hours in advance of the time of departure. However this does not mean that assistance can be refused to those who do not pre-notify as airlines and airports are required to make all reasonable efforts to provide assistance. Failure to pre-notify, whether on the part of the passenger or by an airline failing to transmit the information to the airport, can be disruptive to the service in general as it makes it more difficult for airports and service providers to plan adequately. One of the challenges faced by airlines and airport authorities/service providers is the high number of passengers who present at the airport as requiring assistance without having pre-notified.

REGULATION (EC) NO. 1008/2008

The Commission is also the competent authority for Article 23 of Regulation (EC) No. 1008/2008. Article 23 of places an obligation on airlines to display applicable conditions, such as applicable taxes, and charges, surcharges and fees which are unavoidable and foreseeable at the time of publication to the final price.

CONSUMER PROTECTION – OTHER WORK

One of the key objectives of the Commission is to provide adequate protection to travelling public. We have provided input to policy developments and engage with all relevant stakeholders to put consumer protection at the forefront. The Commission engage through stakeholders in the European Commission, the Department of Transport and European Civil Aviation Conference Working Groups. We have inputted to the ongoing review of EC 261/2004 and the Package Travel Directive. We attended and participated, remotely, in meetings nationally and internationally relating to both regulations. These included meetings held by the European Commission, the Department of Transport, and the European Civil Aviation Conference.

The process of reviewing the Regulations, which had commenced in 2019 and was due to continue into 2020, was recommenced. The Commission contributed to this consultation process by completing a number of questionnaires and providing information and feedback throughout the year.



6.

Corporate Services



Brian Higgins
Director of Corporate Services

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

HUMAN RESOURCES

The Commission employed an average of 26 full-time equivalent staff in 2022 (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. As a post Pandemic world reopened for business the majority of Commission employees began working on a hybrid basis during the year as we evaluated different patterns of working in order to find a balance that worked for staff and service delivery. The Commission continues to evaluate and implement flexible working policies as we prepare for the impending merger with the regulatory functions of the Irish Aviation Authority.

The Commission continued to adapt its Work Force Plan to meet the business needs within existing resources while also taking account of the challenges and resource needs for the future merged organisation, particularly in the areas of Finance, HR and Corporate Services.

The Commission is committed to providing Learning and Development opportunities for its employees in support of its strategic objectives. The majority of identified Learning and Development opportunities were completed during 2022 facilitated by direct attendance or online as appropriate.

Our Employee Wellbeing Programme continued throughout 2022 with delivery of both on line and in house activities which proved invaluable to all our staff, content was focused on Physical Health and Nutrition, Mental Health, Connecting and Teambuilding, Social Responsibility, and Learning. We will continue to develop and maintain future programmes providing a duty of care to employees both individually and collectively applying the necessary tools and support to increase positive employee wellbeing, which in turn supports our strategic objectives. Our programmes have been well received, and will continue throughout 2023 as we transition into the larger Aviation Regulator.

SUPERANNUATION SCHEMES

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

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

HEALTH AND SAFETY

In 2022, we continued to update relevant changes to the evacuation procedures, risk assessment and safety protocols in line with public health advice and adherence to Government Policy. The Commission continued to encourage staff to practice physical distancing, we continued to provide Personal Protective Equipment (PPE) and hand sanitiser in the office environment, as on site attendance numbers increased. We will continue to promote safe practices in the office and ensure compliance with our Health and Safety statement as well as with public health provisions in 2023.

OUTSOURCING AND PROCUREMENT

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

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

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



ICT

The success of our Cloud migration and hardware upgrade project has been fundamental to ensuring the Commission maintaining business continuity throughout 2022 and into the future. The Commission continued to update its security and systems policies and procedures, carried out systems audits, penetration tests and operates to the highest cyber security protocols. The Commission maintains a satisfactory rating arising from these evaluation processes. All the investment in our systems to date have facilitated the preparation for a smooth transition as part of the Regulatory Reform programme.

OFFICIAL LANGUAGES ACT, 2003

The Commission for Aviation Regulation is listed as a public body in the First Schedule of the Official Languages Act, 2003. We are therefore required to both comply with the direct provisions of the Act, and to prepare and implement Language Schemes. The Language Scheme details how we will improve Irish language service provision and take measures to make members of the public aware that they can make use of our services through Irish, over an agreed time period. To this end, staff email signatures are now bilingual, details in relation to submitting Freedom of Information requests are published in both languages, and we have amended our websites so that it is clear that Air Passenger Rights related complaints can be made in either language. We have now closed out the current language scheme work programme for the Commission which is in line with the Regulatory Reform programme.

FACILITIES

Our energy consumption and activity level in 2022 was maintained at a substantially reduced rate resulting in energy cost and environmental disposal savings. We continued to implement our policy to reduce energy consumption by powering off lights and equipment when not in use. The Commission procures energy efficient and environmentally friendly products from third-party suppliers.

In 2023, we will be working a hybrid working model which will see a balance between office and remote working which should deliver both energy and environmental savings throughout the year as we progress the Regulatory Reform programme.

DIVERSITY AND INCLUSION

The Commission is an equal opportunities employer and does not discriminate against individuals on the basis of gender, age, race, colour, nationality, ethnic or national origin, religion, marital status, family status, sexual orientation, disability or membership of the travelling community. The Commission is committed to a proactive approach towards diversity and inclusion initiatives and will continue to review its policies and practices surrounding diversity and inclusion in 2023 through an evidence-based assessment of equality and human rights issues at the Commission as part of the wider Regulatory Reform programme. The Commission continues to organise events and discussions surrounding global social justice events, such as International Women's Day and PRIDE and looks forward to building on this and future initiatives.

DATA PROTECTION

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

CORPORATE GOVERNANCE

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



Commission Code of Conduct	There is a code of conduct for Commission employees.
Investment Appraisal	The Commission did not incur any capital expenditure in 2022 coming within the scope of the activities envisaged in the Department's 2005's Guidelines for the Appraisal and Management of Capital Expenditure Proposals in the Public Sector.
Remuneration of Senior Management and Directors' Fees	The HR section of this document sets out the information in this area. The payment of director fees does not apply.
Reporting Arrangements	The Commission prepares reports for the Minister for Transport as required. The Commission has a fully developed accounting system, provided detailed monthly management and financial reports to senior management. We adopt Financial Reporting Standards 102 for our accounting. We calculate our accounts on an accrual accounting system, except where specified in the notes to the financial statements. These statements are audited by the Comptroller and Auditor General. The Commission has taken measures to comply with the obligation to keep proper books of accounts. These are kept at its sole office.
Strategic and Corporate Planning	The Commission's functions and responsibilities are set out in the Aviation Act 2001, the State Airports Act 2004, the Aviation Act 2006 and the State Airports (Shannon Group) Act 2014 together with various Statutory Instruments. The Commission reports annually to the Minister for Transport on the manner in which its functions have been discharged in the previous year. While we started a consultation to extend our 2017-2019 strategic plan in conjunction with the Regulatory Reform programme, we did not finalise this process given the impact that COVID-19 had on many aspects of our work and the need to refocus our efforts during this period.
Travel Policy	The Commission complies with Governmental travel policy requirements.
Disclosure of Interests	The Commission, its staff and all consultants and advisers are required to comply with the relevant disclosure requirements arising out of Section 18 of the Ethics in Public Office Act 1995 and Sections 17-18 of the Aviation Regulation Act, 2001.
Risk Management	The Commission maintains a risk register which is regularly reviewed by senior management and works with the audit committee to manage risks.

TRANSPARENCY

The Commission carries out its functions as transparently as possible. All documents relating to consultations are published on our website (a list for 2021 is included in the appendix to this report). Since March 2012, the Commission has published quarterly notes on our website detailing its purchase orders for amounts in excess of €20,000. The Commission received 23 Freedom of Information requests, no Data Subject Access requests, and answered 30 Parliamentary Questions during the year.

REGULATORY REFORM

During 2022, the Commission worked with the Department of Transport and our colleagues in the Irish Aviation Authority to progress the regulatory reform process which will result in the merger of the Commission and the Safety Regulation Division of the Irish Aviation Authority. The Air Navigation and Transport Act 2022 was enacted on

7th December 2022 and will form the basis for the simultaneous dissolution of the Commission and the establishment of the new regulator early in 2023.

LOOKING FORWARD

We will continue to ensure the organisation structure, systems, and processes are fully aligned with our strategic objectives to deliver efficient and effective service to our stakeholders, particularly the travelling public. We will continue to work with the Department of Transport and our Irish Aviation Authority colleagues on the regulatory reform project in 2023.

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





7. Financial Information



Josephine O'Reilly
Director of Finance

Gross Income rose by 13.4% in 2022 to €4.93m. In our 2022 levy, we provided for external consultancy support regarding the Airport Charges Determination, independent fund surveyor for Stage Gate, slot co-ordination modelling and RP3 assessment in our new role as economic NSA. This accounts for the majority of the increased Levy Income during the year.

We had one collapse in the travel trade sector during the year and we continued to administer claims outstanding from three 2021 collapses. As a result, we recharged €26k to the Travellers' Protection Fund for recovery of our costs for this work. We also charged the IAA €277k for recovery of costs related to preparatory work in advance of the planned restructuring of the IAA. This is reflected in our other income of €303k.

Overall expenditure rose by 27% in the year to €4.7m. Staff costs increased due to increasing resources in preparation for the merger with the IAA and the build up to provision of corporate services for the new organisation. Consultancy spend increased due to work on the airport charges determination and was reflected in the increased levy, as set out above. All discretionary spending was minimised again this year as a response to COVID-19.

The CAR returned a Surplus of €48k for the year to 31/12/2022 compared to a Surplus of €450k for 2021.

The Statement of Financial Position includes €34.8m in travel trade cash bonds at the end of the year. This is an increase of €24.4m and reflects the recovery in trade in the sector during the year. It is also affected by individual large Travel Agents changing to cash bonds from insurance bonds.

The deficit on the Commission's retirement scheme(s) has decreased to €1m as at 31 December 2022 from €1.95m as at 31 December 2021. The decrease is due to the combined effect of scheme experience and assumption changes due to changing financial conditions. The liability on the SPSPS scheme stood at €380k at year end.

STATEMENT ON SYSTEM OF INTERNAL CONTROLS

The Commissioner has overall responsibility for ensuring that an effective system of internal control is maintained and operated in the Commission for Aviation Regulation. This responsibility takes account of the requirements

of the Code of Practice for the Governance of State Bodies (2016). The system of internal control is designed to manage risk to a tolerable level rather than to eliminate it.

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

The Commission has an Audit and Risk Committee (ARC) which operates under a written charter approved by the Commissioner, and which consists of three external members, with financial and audit expertise, one of whom is the Chair. The ARC met four times in 2022.

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

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

The Commissioner has confirmed, in the Draft Financial Statements for the year to 31 December 2022 that the Commission conducted a review of the effectiveness of the system of internal financial control and risk management.

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

INTERNAL AUDIT

Crowe are the Commission's current internal auditors and were appointed in August 2020. Crowe's contract runs to 31 August 2023 (with the option to extend for a further year). The internal auditor operates under the guidance of an external Audit and Risk Committee. In 2022, the internal auditors performed 2 audits:

- GDPR Review
- Review of Internal Financial Controls



AUDIT AND RISK COMMITTEE

The Audit and Risk Committee met 4 times during 2022. At each meeting the Committee was updated by the Commissioner on the Commission's activities, ongoing work and key issues. Key management staff attended meetings as required and where appropriate. The independent internal auditors also attended meetings on a regular basis to update the Committee on the annual audit plan and related audit reports. The Audit and Risk Committee's annual report for 2022 did not raise any issues with the Commission's system of internal control.

The Office of the Comptroller and Auditor General's (OCAG) staff and seconded firm, Mazars, primarily conducted their work virtually.

PROMPT PAYMENT OF ACCOUNTS

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

DISPOSAL OF ASSETS AND ACCESS TO ASSETS BY THIRD PARTIES

No significant asset disposals (i.e., over €150,000 as specified by the guidelines) took place during 2022.

INVESTMENT APPRAISAL

The Commission has incurred significant capital expenditure in 2022 which comes 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: An IT project commenced in 2021 to digitalise Travel Trade, Air Passenger Rights and Airline Licensing & Groundhandling functions of the organisation. The total capital value of the project is €1.1m (excluding VAT), of which €316k had been paid by 31/12/2022.

TAX COMPLIANCE

The Commission is liable to pay PAYE, VAT and PSWT. The Commission has submitted all relevant tax returns for 2022 and is fully tax compliant.

LEVY

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

On 9th December 2022, the Commission made S.I. 643 of 2022 imposing the Levy for 2023. The Commission expects to receive revenues of €5.1m from the levy in 2023.

Levy income fluctuates in line with expected expenditure needs and cashflow requirements. Licence fee income has increased as new businesses enter the market as the travel industry recovers from the effects of Covid 19.

Other Income is comprised of cost recharges to the IAA and Income from the Travellers' Protection Fund. The former relates to staff time and other expenditure related to the merger with the IAA. The latter relates to instances where the Commission incurs expenditure in the administration of the Travellers' Protection Fund and Bond Accounts and recoups these costs from the fund or bond accounts. In 2022, there was one company collapse. We reclaimed the costs of dealing with those claims and administering the fund from the bond and fund respectively.

Levy	2022	2021	% Change
Levy	4,504,663	4,024,408	+11.9%
License Fees	119,594	100,929	+18.5%
Other Income	302,675	218,966	+38.2%
Total	4,926,932	4,344,303	+13.4%



FINANCIAL STATEMENTS

On 28 February 2022, the draft financial statements for 2021 were submitted to the Office of the Comptroller and Auditor General for audit. On 24 October 2022, on completion of the audit, they were submitted to the Minister for Transport. They were laid before the Houses of the Oireachtas on 14 December 2022 and are available on the Commission's website.

Draft financial statements for the year ended 31 December 2022 have been prepared and were submitted for audit to the Office of the Comptroller and Auditor General on 28 February 2023. 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 2022

	2022 € '000	2021 € '000
Income		
Levy Income	4,505	4,024
Licence Fees	120	101
Other	303	219
Gross Income	4,927	4,344
Transfer (to)/from Capital Account	(183)	(200)
Net Income	4,744	4,145
Expenditure		
Staff Costs	1,842	1,723
Pension Costs	418	392
Consultancy	1,182	416
Legal Fees	149	392
Rent	299	289
Schedules Facilitation	285	220
Operating Expenses	521	552
Operating Surplus (Deficit)	48	450

Draft Statement of Comprehensive Income

for the Year Ended 31 December 2022

	2022 € '000	2021 € '000
Operating Surplus	48	450
Experience gains/(losses) arising on retirement benefit scheme liabilities	(303)	(731)
Actuarial gains (losses) on scheme assets	(1,229)	745
Changes in assumptions underlying the present value of the retirement benefit scheme liabilities	2,568	(324)
Transfers in for prior service	-	-
Actuarial gain/(loss)	1,036	(310)
Experience gains/(losses) SPSPS	(64)	7
Changes in assumptions SPSPS	201	(26)
	137	(19)
Adjustment to deferred in funding	(137)	19
Total Recognised Gains/(Losses) relating to the Financial Year	1,084	140



Draft Statement of Financial Position

as at 31 December 2022

	2022 € '000	2021 € '000
Property Plant and Equipment		
Property, Plant and Equipment	503	319
Current Assets		
Cash and Cash Equivalents	37,541	12,753
Receivables and Prepayments	230	328
	37,771	13,081
Creditors (Amounts falling due within one year)		
Payables and Accruals	(650)	(554)
Cash Bond Accounts	(34,840)	(10,376)
	(35,443)	(10,930)
Net Current Assets	2,282	2,151
Total Assets less Current Liabilities	2,785	1,802
Net Retirement Benefit Liability	(999)	(1,951)
Net Assets including Retirement Benefit Liability	1,786	519
Representing		
Income & Expenditure Account	2,282	2,151
Capital Account	503	319
Retirement Benefit Reserve	(999)	(1,951)
	1,786	519



Draft Statement of Changes in Reserves and Capital Account

as at 31 December 2022

	Income & Expenditure Account	Capital Account	Retirement Benefit Reserve	Total
Balance as at 1 January 2021	1,682	120	(1,622)	180
Operating Surplus	450	-	-	450
Movement during the year	-	199	-	199
Actuarial (Loss)	-	-	(310)	(310)
Transfer	19	-	(19)	-
Balance as at 31 December 2021	2,151	319	(1,951)	519
Balance as at 1 January 2022	2,151	319	(1,951)	519
Operating Surplus	48	-	-	48
Movement during the year	-	183	-	183
Actuarial Gain/(Loss)	-	-	1,036	1,036
Transfer	83	-	(83)	-
Balance as at 31 December 2022	2,282	503	(999)	1,786



Draft Statement of Cashflows

for Year Ended 31 December 2022

	2022 € '000	2021 € '000
Net cash flows from operating activities		
Surplus/(Deficit) on Income and Expenditure	48	450
Difference between Retirement Benefit Cost and Employer Contribution	83	19
Depreciation	37	28
Bank Interest received net of bank charges paid	7	4
Amortisation of capital asset	183	200
Decrease/(Increase) in Receivables	80	(100)
Decrease/(Increase) in Prepayments	18	(32)
(Decrease)/Increase in Payables	15	203
(Decrease)/Increase in Accruals	80	12
Net Cash (Outflow) From Operating Activities	552	785
Cash flows from Financing Activities		
Bank Interest & Charges Paid	(7)	(5)
Payments to Acquire Tangible Fixed Assets	(220)	(227)
Net Cash Flows from Financing Activities	(227)	(232)
Cash flows from Investing activities		
(Decrease)/Increase in Cash Bond Accounts & TPF	24,463	(12,947)
Decrease/(Increase) in Funds on Term Deposit	-	-
Net cash flows from Investing activities	24,463	(12,947)
Net Increase/(Decrease) in Cash and Cash Equivalents	24,788	(12,947)
Cash and cash equivalents at 1 January	12,753	25,147
Cash and cash equivalents at 31 December	37,541	12,753

Numbers rounded independently; totals may contain minor rounding differences.





Appendix

Delivery of the 2022 Work Plan Against Key Performance Indicators

Commission Papers and Other Documents Published in 2022

Key Performance Indicators

2023 Work Plan

Organisation Chart

Delivery of the 2022 Work Plan Against Key Performance Indicators

STRATEGIC GOAL 1:

EFFICIENT, HIGH-QUALITY AND SAFETY CONSCIOUS AIRPORT SERVICES

Objective 1: Set efficient charges at Dublin airport		
Actions	2022 Key Performance Indicator	2022 Delivery
Continue to develop the Commissions full Building Blocks Interim Review of the 2019 Determination, in response to COVID-19. Consult with Stakeholders on the optimal approach to determining the new price caps.	Complete the full Interim Review and ensure collaborative and proactive engagement and responsive effective solutions. Deliver regulatory settlements which strike an appropriate balance between our statutory objectives.	An Interim Review of airport charges in relation to 2023-2026 was developed throughout 2022 and completed by the end of the year, following extensive collaboration and engagement with stakeholders. This review provides short and medium term clarity on pricing and regulatory commitments to both Dublin Airport and airport users, and is expected to conclude our regulatory response to the circumstances brought about by COVID-19.
Monitor the price cap limiting the revenue per passenger that Dublin Airport can collect from airport charges at Dublin Airport.	Publish price cap statements.	The final price caps in relation to 2021 and 2022, and the provisional price cap for 2023, have been published.
Ensure compliance with the European Airport Charges Directive, which sets out minimum standards in relation to consultation and non-discrimination.	Work with Dublin Airport in relation to plans to develop noise and environmental charging as an element of that structure. Attend consultations and assess any complaints that may be submitted.	Dublin Airport held its annual consultation on airport charges following the completion of our Interim Review. This consultation included discussions on traffic recovery schemes and the proposed noise charges. Now that the review of the price caps is complete, in 2023 we expect to work with Dublin Airport in relation to a review of the aeronautical tariffs.
Regulate and monitor the cost- efficient provision, and the implementation, of Capital Investment Programme (CIP) projects.	Continue to publish quarterly reports on progress against timelines made by Dublin Airport on all outstanding allowed projects, as well as expenditure, adjusting the structure as necessary in light of revised timelines established through the Interim Review.	Reporting on the delivery of capital projects relative to the planned timeline was suspended because the timeline itself was being re-assessed as part of the Interim Review.



Objective 2: Increase stakeholder involvement in decision-making		
Actions	2022 Key Performance Indicator	2022 Delivery
Encourage increased level of consultation on charges and infrastructure.	Continue the StageGate process for capital investment projects and work with all stakeholders, including the Passenger Advisory Group, in relation to the Interim Review of airport charges.	We continued the StageGate process in 2022, with projects being progressed including Critical Taxiways North and Hold Baggage Standard 3 in T1. We worked with all stakeholders, including the Passenger Advisory Group, in relation to the Interim Review of airport charges.

Objective 3: Promote competition and facilitate new entry		
Actions	2022 Key Performance Indicator	2022 Delivery
Declare slot-coordination parameters at Dublin Airport.	Conduct analysis and engage with stakeholders on the approach we should take in declaring the capacity of the new North Runway.	As part of the decision on coordination parameters for Summer 2023, we engaged extensively with stakeholders and conducted analysis on a variety of possible approaches to the declaration of capacity for the North Runway, ultimately releasing significant incremental capacity in the day hours.
	Publish slot parameter decisions for Winter 2022 and Summer 2023.	We published slot parameter decisions for Winter 2022 and for Summer 2023 in line with the slot calendar.
Enforce sanctions for airlines misusing a slot.	Report slot misuse sanctions.	There were no slot misuse financial sanctions imposed in 2022.
Slot Coordinator Appointment	Appoint a slot Coordinator, to take up the role on conclusion of the current contract in October.	The Slot Coordinator procurement was completed and took up the role in October.

Objective 4: Performance and Charging regulation under the Single European Sky Scheme		
Actions	2022 Key Performance Indicator	2022 Delivery
Finalise the development and adoption of a new Performance Plan for Ireland for the RP3 period to 2024.	Liaise with the European Commission and the PRB in relation to the adoption of Ireland's Revised RP3 Performance Plan	The RP3 Performance Plan was found to be consistent with Union-Wide performance targets, adopted by the Member State, and is now in effect.
Monitor and report on the Key Performance Areas (KPA), and on the IAA ANSPs Capital Expenditure.	Conduct analysis and comply with monitoring obligations.	2020/2021 costs were assessed and subject to public consultation. Unit Rates for 2023 were set. Capex monitoring has been implemented as planned.



STRATEGIC GOAL 2: SAFE AND FINANCIALLY ROBUST AIRLINES AND GROUNDHANDLERS

Objective 1: Operate an efficient licensing system		
Actions	2022 Key Performance Indicator	2022 Delivery
Work to develop and implement a new digital system as part of the CAR-IAA merger to replace current manual processes.	Delivery of tasks as required to facilitate a seamless transfer of records and switchover.	While it was expected that this work would progress during 2022, a revised project plan meant that the project commenced on a phased basis instead. Work is expected to progress further during 2023 as part of the CAR-IAA merger.
Work closely with the IAA and the relevant stakeholders in relation to how the implementing rules for the safe provision of groundhandling services under the new EASA Regulation will align with the with the existing Commission approval process in place.	Develop guidelines and enforcement process for non-compliance.	Meetings continued during 2022 at EASA level on the future implementing rules for groundhandlers. Further engagement with the IAA will be necessary as this work progresses.
Continue to work with airports to develop a more robust regulatory framework to support groundhandler compliance with Rules of Conduct.	Delivery of items identified to ensure appropriate enforcement compliance with the Rules of Conduct.	Meetings held during 2022 with airports and any action points identified were delivered.
Evaluation of ownership and control compliance by air carriers.	Continuation of compliance with licensing requirements by licence holders.	Annual compliance monitoring exercise on ownership and control was completed.
Strengthen arrangements with European colleagues to underpin air carrier monitoring.	Enter into cooperation agreements with relevant parties.	Meetings/discussions continued with our colleagues in a number of Member States on relevant licensing issues. CAR will continue to identify opportunities for further cooperation/collaboration as they arise.

Objective 2: Digitalisation Project		
Actions	2022 Key Performance Indicator	2022 Delivery
Work to develop and implement a new IT solution to replace current manual processes.	Implement new system.	Ongoing engagement to design/build the new system is progressing in phases as part of the regulatory reform programme with scheduled completion in 2023/24.



STRATEGIC GOAL 3: FINANCIALLY STRONG TOUR OPERATORS AND TRAVEL AGENTS

Objective 1: Implement requirements of the Transport (Tour Operators and Travel Agents) Act, 1982 and the Package Holidays and Travel Trade Act, 1995.

Actions	2022 Key Performance Indicator	2022 Delivery
Continue to work closely with stakeholders to implement all necessary arrangements and ensure industry's understanding of these requirements. Improve the Commission's understanding of the market.	Number of entities visited. Number of industry meetings. Conference attendance. Fit for purpose forms. Updated Guidance note if necessary.	Due to continued restrictions, we were unable to conduct on site visits or in person meetings. We engaged with the industry and representative bodies remotely.
Ongoing review of current processes and procedures.	Fit for purpose processes.	We constantly review our processes to ensure they are fit for purpose.
Issue licences in accordance with Irish legislation.	Percentage of applicants responded to in 7 days. Percentage of decision in principle letters issued. Number of licences issued within 2 weeks.	97% 85% 94%
Monitor security arrangements that are in place.	Continue to apply monitoring regime.	We worked with all stakeholders to ensure that security arrangements are sufficient.

Objective 2: Provide adequate protection to travelling public

Actions	2022 Key Performance Indicator	2022 Delivery
Implement current legislative insolvency measures.	Implement arrangements for Irish and Non-Irish established businesses.	We issued licenses to 161 business established in Ireland and received evidence of insolvency protection cover from 11 non-EU established businesses.
Work with the Department of Transport to strengthen consumer protection arrangements.	Input to policy developments and implement any necessary new arrangements.	Implementation of the Refund Credit Note scheme in the context of various travel trade collapses commenced in March 2021.
Investigate cases of alleged illegal trading.	Report on cases investigated.	We investigated five cases of alleged illegal trading.

Objective 3: Digitalisation Project.

Actions	2022 Key Performance Indicator	2022 Delivery
Work to develop and implement a new IT solution to replace current manual processes.	Implement new system.	Ongoing engagement to design/build the new system is progressing in phases with scheduled completion in 2023/24 as part of the regulatory reform project.



STRATEGIC GOAL 4: ROBUST FRAMEWORK TO ENFORCE PASSENGER RIGHTS

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

Actions	2022 Key Performance Indicator	2022 Delivery - For 2,987 cases submitted between 1 July 2020 and 30 June 2021
Initiate investigations in a timely manner.	Preliminary review of complaints within one week - target 85%.	100% of complaints were reviewed within 1 week
Pursue investigations with airlines in line with agreed response timeframes.	80% of investigations completed within 3 months. 95% of investigations completed within 7 months.	82% of investigations were concluded within 3 months and 93% were concluded within 7 months.
Inspect Irish Airports for compliance with both regulations.	100% of relevant airports in any given year.	All airports were inspected.

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

Actions	2022 Key Performance Indicator	2022 Delivery
Continue to develop and implement communications plan.	Implement communications plan.	The communications plan is under revision as part of the impending move of the Commission for Aviation Regulation to the Irish Aviation Authority

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

Actions	2022 Key Performance Indicator	2022 Delivery
Continue to develop and implement plan for inspections, enforcement actions, visits and meetings.	Implement plan.	The plan was implemented where possible, however it is also under revision.

Objective 4: Digitalisation Project.

Actions	2022 Key Performance Indicator	2022 Delivery
Work to develop and implement a new complaint and query IT solution to replace current Complaint system and manual processes.	Implement new system.	Considerable work was done throughout 2022 by the Air Passenger Rights team. Development and testing is ongoing with the final stage of testing due to commence early 2023



STRATEGIC GOAL 5: REGULATION THAT REPRESENTS BEST INTERNATIONAL PRACTICE

Objective 1: Operate efficient and fit-for-purpose systems		
Actions	2022 Key Performance Indicator	2022 Delivery
Review and modify systems and processes to deliver best practice performance and customer service.	Collaborate with our colleagues in SRD to develop a digital platform that underpins best practice customer experience and service.	Ongoing engagement to design/build the new system is progressing in phases with scheduled completion in 2023/24 as part of the regulatory reform project.

Objective 2: Consult effectively with stakeholders		
Actions	2022 Key Performance Indicator	2022 Delivery
Encourage increased level of consultation on charges and infrastructure.	Continue to implement the StageGate process for capital investment projects and work with Dublin Airport in relation to its pricing structure.	We continued the StageGate process in 2022, with projects being progressed including Critical Taxiways North and Hold Baggage Standard 3 in T1.
Participate in the Thessaloniki Forum of European Airport Charges Regulators.	Contribute to the working paper on environmental modulation of Airport Charges.	We have now volunteered to chair the development of this paper, which we commenced in 2022 and expect to complete in 2023.
Co-ordinate with other relevant agencies in relation to the regulation of Dublin Airport.	Engage with and share information with relevant agencies, as required.	We engaged with other relevant agencies as required.
Actively participate in the NSA Coordination Platform (NCP) that seeks a better implementation of the Single European Sky (SES).	Contribute to 1) EU discussions of relevant issues and solutions, 2) the identification of best practices to implement the SES and 3) the provision of mutual expert assistance between NSAs.	We actively participated in this forum ahead of RP4 related policy development.



Objective 3: Maintain a skilled and motivated staff		
Actions	2022 Key Performance Indicator	2022 Delivery
Continue to align and deliver on learning and development actions in support of our Strategic Plan.	Track Learning and Development Plan on a monthly basis.	A limited Learning and Development programme was completed in 2022 as only on line programmes were available and the ability to deliver in-house/ in-college programmes was somewhat restricted.
Following on from our review of organisation resilience, complete the third phase of our work force plan.	Resources in place by Quarter 2.	All additional resources approved under the work force plan were actioned in line with our workforce plan.
Implement a comprehensive employee Wellbeing Programme in support of our employees and strategic objectives.	Track 2022 Wellbeing Plan on a monthly basis.	The Wellbeing Plan was executed in an on line environment and was highly successful in delivering support to our staff both collectively and individually throughout the year particularly in the context of remote working.



Commission Papers and Other Documents Published in 2022

February	CN1/2022	May 2022 licenses for Travel Agents and Tour Operators
	CP1/2022	Methodological Consultation and Issues Paper for Third Interim Review of the 2019 Determination on Airport Charges at Dublin Airport
March	CN2/2022	Note on Quality of Service Penalties at Dublin Airport
		Thessaloniki Forum: Airport charges in times of crisis
		Thessaloniki Forum: Concession agreements and ISAs supervisory powers
	CN3/2022	Draft Decision on Winter 2022 Coordination Parameters
May	CN4/2022	CN4/2022 Decision on Winter 2022 Coordination Parameters
June		Final Adopted RP3 Performance Plan
July	CP3/2022	Draft Decision on Third Interim Review of the 2019 Determination
	CP2/2022	Consultation document in relation to 2020/2021 actual costs of Air Navigation Services
September	CP4/2022	CP4/2022 Draft Decision on Summer 2023 Coordination Parameters
	CP5/2022	CP5/2022 Final Decision on Summer 2023 Coordination Parameters
October	CP6/2022	Consultation Options for Timeline and Period in Force of the third Interim Review of the 2019 Determination
December	CP7/2023	Decision on an Interim Review of the 2019 Determination in relation to 2023-2026



Key Performance Indicators

Performance Indicator	2022	2021
Travel Trade Licensing		
Respond to applicants within one week of initial contact	97	99%
Decision in Principle letter issued within one month of completed application submission date	85	97%
Licence issued within two weeks of bond/all documents received	94	91%
Annual accounts examined within six weeks of receipt	86	64%
Number of licensees' premises visited (target: visit 20% pa)		N/A
Travel Trade Claims and Repatriations		
Number of claims received following collapses	61	2,970
Number of claims processed within two months	38	159
Number of claims processed within four months	23	504
Number of claims processed within six months	0	1427
Administration costs as a percentage of total claims costs	13.8%	13.4%
Number of passengers repatriated		n/a
Passengers awaiting repatriation after scheduled return date		n/a
Passengers awaiting repatriation for more than a week		n/a
Consumer Protection (cases submitted between 1 July 2021 and 30 June 2022)		
Preliminary reviews of complaints completed within a week	100%	100%
Complaints referred to another NEB within a month of receipt	100%	100%
Investigations completed within three months of receipt	82%	66%
Investigations completed within seven months of receipt	93%	91%
Number of airport inspections	6	0



2022 Work Plan

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

Objective 1	2023 Priorities	Key Performance Indicator
Set efficient charges at Dublin airport.	Implement and update for Interim Review Decision on the regulatory settlements for 2023-2026.	Update reporting templates and regulatory accounts.
	Monitor the price cap limiting the revenue per passenger that Dublin Airport can collect from airport charges at Dublin Airport	Publish price cap statements.
	Ensure compliance with the European Airport Charges Directive, which sets out minimum standards in relation to consultation and non-discrimination.	Work with Dublin Airport in relation review of aeronautical tariffs. Attend consultations and assess any complaints that may be submitted.
	Regulate and monitor the cost- efficient provision, and the implementation, of Capital Investment Programme (CIP) projects.	Publish quarterly reports on progress against timelines made by Dublin Airport on all outstanding allowed projects, as well as expenditure.

Objective 2	2023 Priorities	Key Performance Indicator
Increase stakeholder involvement in decision-making	Encourage increased level of consultation on charges and infrastructure.	Continue the StageGate process for capital investment projects and encourage strengthened focus on aeronautical tariffs.

Objective 3	2023 Priorities	Key Performance Indicator
Promote competition and facilitate new entry	Declare slot-coordination parameters at Dublin Airport and oversee the system of allocation as required.	Publish slot parameter decisions for Winter 2023 and Summer 2024 in line with IATA calendar.
	Enforce sanctions for airlines misusing a slot.	Report slot misuse sanctions.



Objective 4	2023 Priorities	Key Performance Indicator
Performance and Charging regulation under the Single European Sky	Commence the process for the development of the RP4 Performance Plan	Submission of Initial Data for target setting and publication of Issues Paper.
	Monitor and report on cost performance relative to Determined Costs, and on the IAA ANSPs Capital Expenditure.	Conduct analysis and comply with monitoring obligations.

STRATEGIC GOAL 2: SAFE AND FINANCIALLY ROBUST AIRLINES AND GROUNDHANDLERS

Objective 1	2023 Priorities	Key Performance Indicator
Operate an efficient licensing system	Continue to work closely with the IAA and relevant stakeholders in relation to how the implementing rules for the safe provision of groundhandling services under the new EASA Regulation will align with the with the existing CAR Approvals process in place.	Development of guidelines and enforcement process for non-compliance.
	Continue to work with airports to develop a more robust regulatory framework to support groundhandler compliance with Rules of Conduct.	Delivery of items identified to ensure appropriate enforcement compliance with the Rules of Conduct.
	Strengthen arrangements with European colleagues to underpin air carrier monitoring.	Identify opportunities for closer cooperation with our colleagues in other member States as they arise.

Objective 2	2023 Priorities	Key Performance Indicator
Digitalisation Project	Work to develop and implement a new digital system as part of the CAR-IAA merger to replace current manual processes.	Delivery of tasks as required to facilitate a seamless transfer of records and switchover.



STRATEGIC GOAL 3: FINANCIALLY STRONG TOUR OPERATORS AND TRAVEL AGENTS

Objective 1	2023 Priorities	Key Performance Indicator
Implement requirements of the Transport (Tour Operators and Travel Agents) Act, 1982 and the Package Holidays and Travel Trade Act, 1995	Continue to work closely with stakeholders to implement all necessary arrangements and ensure industry's understanding of these requirements. Improve the Commission's understanding of the market.	Number of entities visited. Number of industry meetings Conference attendance. Fit for purpose forms. Updated Guidance note if necessary.
	Ongoing review of current processes and procedures.	Fit for purpose processes.
	Issue licences in accordance with Irish legislation.	Percentage of applicants responded to in 7 days. Percentage of decision in principle letters issued. Number of licences issued within 2 weeks.
	Monitor security arrangements that are in place.	Continue to apply monitoring regime.

Objective 2	2023 Priorities	Key Performance Indicator
Provide adequate protection to the travelling public	Implement current legislative insolvency measures.	Implement arrangements for Irish and Non-Irish established businesses.
	Work with the Department of Transport to strengthen consumer protection arrangements.	Input to policy developments and implement any necessary new arrangements.
	Investigate cases of alleged illegal trading.	Report on cases investigated.

Objective 3	2023 Priorities	Key Performance Indicator
Digitalisation Project	Work to develop and implement a new IT solution to replace current manual processes.	Implement new system



STRATEGIC GOAL 4: ROBUST FRAMEWORK TO ENFORCE PASSENGER RIGHTS

Objective 1	2023 Priorities	Key Performance Indicator
Deal with passenger complaints efficiently, effectively and fairly	Initiate investigations in a timely manner.	Preliminary review of complaints within one week - target 85%.
	Pursue investigations with airlines in line with agreed response timeframes.	80% of investigations completed within 3 months. 95% of investigations completed within 7 months.
	Issue directions where airlines do not comply.	Direction applied, varied or withdrawn.
	Inspect Irish Airports for compliance with both regulations.	100% of relevant airports in any given year.

Objective 2	2023 Priorities	Key Performance Indicator
Work to ensure greater industry compliance with the regulations, to reduce the volume of complaints requiring our intervention	Continue to develop and implement a plan for inspections, enforcement actions, visits and meetings.	Revise and implement plans.

Objective 3	2023 Priorities	Key Performance Indicator
Smooth transition to the Irish Aviation Authority	Work to ensure that the upcoming merger with the IAA goes smoothly and a high standard of Passenger Rights enforcement is maintained throughout the process. Includes: Developing content for IAA website for Air Passenger Information; Revising communications; Revising policies and procedures; and Ensuring adequate resourcing.	Passenger complaints can be received and investigated within the KPIs set out in Objective 1

Objective 4	2023 Priorities	Key Performance Indicator
Digitalisation Project	Continue to test and develop new complaint submission and management system which will be implemented in the new Irish Aviation Authority	New complaint system operational in 2023



STRATEGIC GOAL 5: REGULATION THAT REPRESENTS BEST INTERNATIONAL PRACTICE

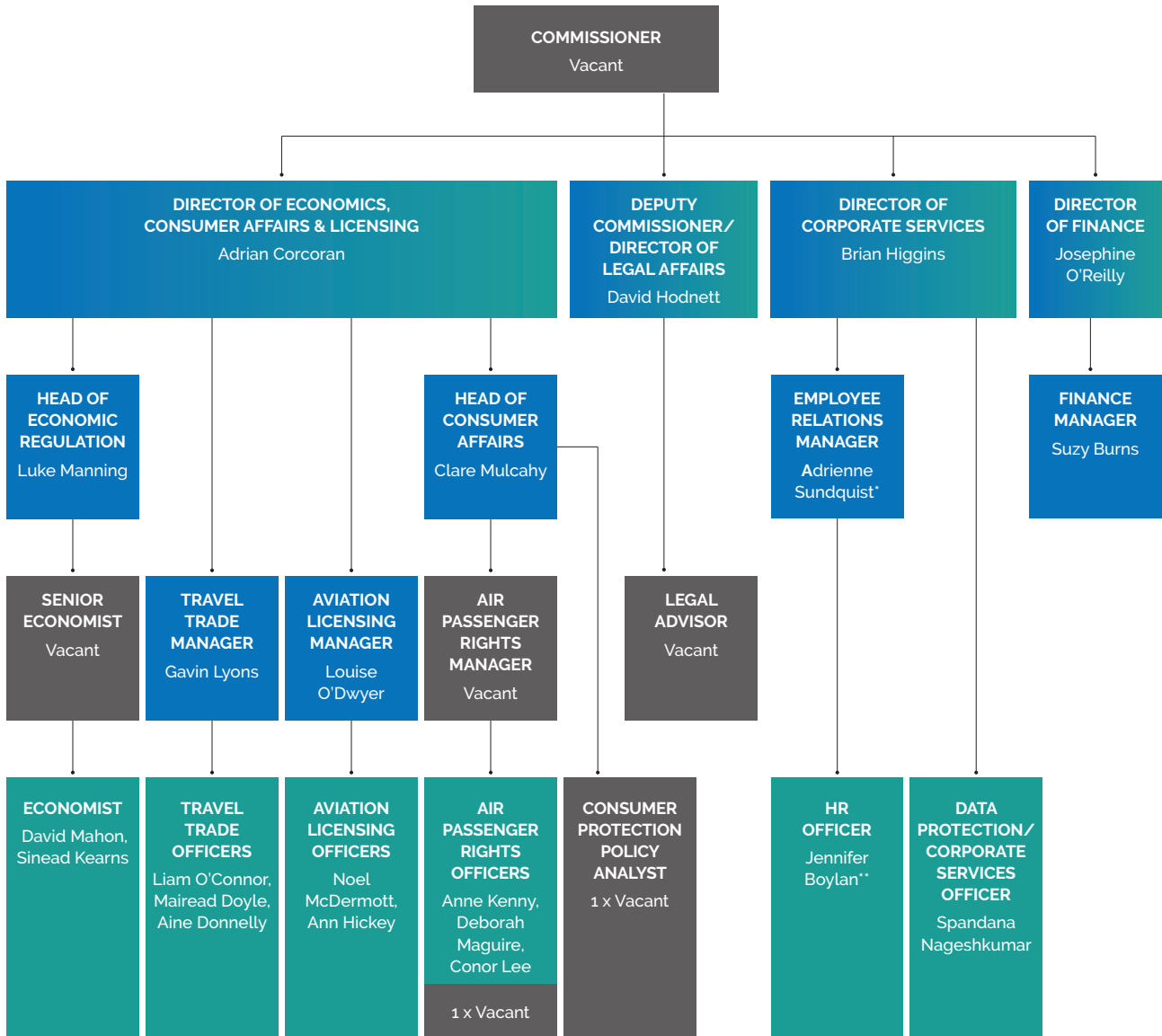
Objective 1	2023 Priorities	Key Performance Indicator
Operate efficient and fit- for- purpose systems	Review and modify systems and processes to deliver best practice performance and customer service.	Collaborate with our colleagues in SRD to develop a digital platform that underpins best practice customer experience and service.

Objective 2	2023 Priorities	Key Performance Indicator
Consult effectively with stakeholders	Encourage increased level of consultation on charges and infrastructure.	Continue to implement the StageGate process for capital investment projects and work with Dublin Airport in relation to its pricing structure.
	Actively participate in the NSA Coordination Platform (NCP) that seeks a better implementation of the Single European Sky (SES).	Contribute to 1) EU discussions of relevant issues and solutions for RP4, 2) the identification of best practices to implement the SES and 3) the provision of mutual expert assistance between NSAs.
	Actively participate in the NSA Coordination Platform (NCP) that seeks a better implementation of the Single European Sky (SES).	Contribute to 1) EU discussions of relevant issues and solutions, 2) the identification of best practices to implement the SES and 3) the provision of mutual expert assistance between NSAs.

Objective 3	2023 Priorities	Key Performance Indicator
Maintain a skilled and motivated Staff	Continue to focus on learning and development actions in line with the programme of Regulatory reform.	Track Learning and Development Plan on a monthly basis.
	Review and develop our work force plan in line with the programme of Regulatory reform.	Appointments completed within the requisite timeline.
	Maintain a comprehensive employee Wellbeing Programme in support of our employees and strategic objectives.	Track Wellbeing Plan on a monthly basis.



Organisation Chart



* IAA employee with CAR responsibilities

** CAR employee with IAA responsibilities







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