



**Rialtas na hÉireann**  
Government of Ireland

## **Spending Review 2018**

# **Subsidised Ferry Services to Offshore Islands**

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This paper has been prepared by IGEES staff in the Department of Culture, Heritage and the Gaeltacht. The views presented in this paper do not represent the official views of the Department or the Minister for Culture, Heritage and the Gaeltacht.

A copy of this Spending Review Paper will be made available, in Irish, on the Department of Culture, Heritage and the Gaeltacht's website ([www.chg.gov.ie](http://www.chg.gov.ie)) later in the summer.



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## Summary

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The Islands Programme of the Department of Culture, Heritage and the Gaeltacht supports island communities by providing subsidised ferry services between the islands and the mainland to ensure the continued viability of these communities. Over the past decade, these subsidised ferry services have delivered the following outputs which are considered essential in sustaining island communities:

- There have been 410,880 sailings on subsidised services;
- 3.95 million passengers have been carried on these sailings, of which 40.8% were islanders and 59.2% were visitors; and
- 162,000 tonnes of cargo have been transported to the islands as well as 274,000 vehicles.

The annual cost of the subsidised ferry services is approximately €3.9 million and this investment delivers passenger, vehicle and cargo services through 24 public service contracts to some 15 offshore islands on Ireland's West coast. Given the length of time these services have been in receipt of public subsidies, an aggregate value of almost €40 million since 2008, it was considered valuable to review this programme as part of the 2018 Spending Review process.

A core objective of the 2018 Spending Review process is to embed ongoing analysis of expenditure programmes across Government, with specific requirements to:

- To undertake strategic and efficiency reviews of expenditure programmes;
- To identify data gaps and make recommendations in that regard; and
- To develop clear options to enhance the value for money of key expenditure programmes reviewed.

In order to meet these requirements this spending review of the ferry services to the islands examines the rationale for, efficiency and effectiveness of the State's investment in these services, while also examining the administration and governance of the public sector contracts for these services. The analysis then reaches conclusions as to the continued rationale for the State's involvement in the provision of subsidised ferry services, as well as making recommendations around their future operation and analysis.

The continued rationale for the State's investment in these services is well established in a range of policy documents from 1996 onwards, as well as being explicitly provided for in the Minister for Community, Rural and Gaeltacht Affairs (Powers and Functions) Act 2003. There is, however, scope for the policy context for the subsidised ferry services to the islands to be reviewed and updated, and this process informed by research as to the impact of these services on island communities over the past years.

The importance of developing a better understanding of the communities living on these islands, and the factors contributing to or hindering their economic and social development, is highlighted in chapter 3 of the review where population trends on the 15 islands are examined. The review notes that the populations of these islands decreased 11.4% from 3,055 to 2,708 over the period 1996 to 2016. Although this decrease is slightly greater than for the overall CSO identified group of offshore

islands (-8.6%), it is noted that these islands are among the most peripheral of the group. Additionally, it is not possible to determine by how much the populations would have dropped if the subsidised services had not been in place over the period. The review also examines the age and employment profiles of the communities, identifying a number of common issues for island communities including aging populations, the need to encourage islanders of family formation age to return to islands, barriers to female participation in the labour force and, in some areas, the challenge of high unemployment. As the majority of the islands in this sample are Gaeltacht islands, the ability of islanders to speak Irish was also examined with the islands generally having a higher proportion of Irish speakers than both the national and Gaeltacht averages.

The review also examined aspects of the procurement, operation and administration of these services by the Department, having regard to the experience of such services in other jurisdictions; Denmark, Greece, Norway and Scotland. The review notes that Ireland is unusual in that these services are directly procured and managed by a Government Ministry whereas in the other jurisdictions examined, this role either rests with a national agency with responsibility for a broad range of transport functions or, for smaller services, with local government. The review recommends further examination of the current structures in light of this finding.

The increasing administrative burden on the Departmental team with responsibility for the islands both in terms of procuring and managing the contracts for these services was particularly noted with a recommendation that additional supports be put in place during the next 18 months of peak activity. In the longer term, the review identified a number of actions for consideration by the Department to enhance the efficiency of the current administration arrangements, including through the identification of economies of scale in procurement (examples included bundling, contract end-date management), the use of mobile IT solutions to monitor contract outputs, and a review of contract variation clauses to minimise administrative time spent. More broadly, the development of an evidence-based approach to assessing service need, including in relation to non-islander/tourist journeys, as well a greater data collection and analysis about levels and profitability of services is highlighted as an area for further action.

In terms of the efficiency of the programme, the review found only a modest cost increase in the provision over the past decade of 4.24% which compares well with an increase of 104% in Scotland over a similar period. That said, within the programme, passenger services saw costs increase by 14.6% between 2008 and 2017 while cargo services saw costs decrease by 15.7% over the same period. The same period saw a decrease in the overall number of sailings, with a particularly noteworthy decrease in 'extra' sailings. Although this decrease was in large part due to the exclusion of Inis Mór in the Aran Islands from the subsidised services (between 2013 and 2018), it still warrants monitoring to avoid any future inefficiencies. On a more positive note, the numbers of passengers increased over the period, with a particularly marked increase in non-islander passengers which may be linked to growth in tourism on the islands. The importance of the Wild Atlantic Way on these figures is noted as an area for further study. The review also examines output data on cargo, vehicles and bus services.

As is often the case with reviews of this type, the ability to analyse the impact of these services is limited given the available data. However, the review includes some analysis of population changes,

including the age profile of populations by individual islands, over the past ten years. The trend towards declining youth populations is highlighted as policy challenge for sustaining island populations into the future as well as the additional social service requirements which arise as a result of an ageing island population. Despite this, the review found that employment levels had increased between 2006 and 2016, with most increases noted in mid-sized islands (populations between 125 and 150). There is some suggestion that the relatively small sizes of the local economies and the uptick in tourism as a result of the Wild Atlantic Way may have protected the islands from the worst of the economic crisis of the past decade. Tourism performance, based on non-islander passenger journeys to the islands, was noted as particularly strong over the period, with the greatest proportional increases in visitor numbers recorded on Inishturk, the Aran Islands, Cléire and Árainn Mhór. Planning for further expansion of the tourism offering on the islands is seen as an opportunity into the future, although this must be balanced by consideration of infrastructure and environmental impact.

The review concludes that there is a continued need for the State to provide these subsidised ferry services to ensure the continued viability of the communities on these islands. Although there are challenges for their sustainability, particularly in terms of the profile of the populations, there are positive trends observed in terms of employment and tourism on the islands. The report concludes that there is a need to update the policy context for these services, supported by an enhanced evidence base around community needs and a performance management framework. The burden of procuring and managing the contracts is highlighted as warranting further examination, with a particular focus on resource constraints within the Department. Opportunities to improve administrative efficiency are highlighted, as well as consideration of the Department's role in relation to the islands into the future.

# Chapter 1: Introduction

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## 1.1. Introduction

Ensuring value for money for public investment is the primary objective of the Public Spending Code to be delivered through robust evaluation practices at all stages of the expenditure life cycle. As well as rigorous appraisal of expenditure, this also includes mid-term and ex-post evaluations. It is against this background that this spending review of the subsidised ferry services to a number of Ireland's offshore islands was undertaken. As the current costs of these subsidies is on average €3.9 million per annum with a ten year cost of some €40 million, the ferry services to 15 offshore islands subsidised by the Department of Culture, Heritage and the Gaeltacht were examined to ensure that the public service contracts are delivering, and continue to deliver, value for money for the public investment

While the code emphasises analyses of the economic costs and benefits of policy and investment decisions, it recognises that there may also be social, cultural or other public policy considerations which inform the decision-making process. This is of particular relevance to this spending review given the strong market failure argument in relation to the provision of ferry services to remote offshore islands with small populations. In addition, support for such transport services is considered essential in ensuring access for islanders to healthcare, education and economic opportunities.

## 1.2. Overview of the Ferry Services Programme

The Islands Programme of the Department of Culture, Heritage and the Gaeltacht (the Department) currently supports island communities by funding essential transport services between the islands and the mainland to ensure the continued viability of communities on the inhabited offshore islands. Although these services include both air and ferry services, only the ferry services are considered as part of this review.

At present the Department provides supports for a broad range of ferry services; passenger ferries, light and heavy cargo services, and roll-on/roll-off ferries as well as subsidising some ancillary bus services connecting ports to population centres. In all, the Department has 24 public service contracts for ferry, cargo and ancillary services to 18 offshore islands in Cork, Donegal, Galway and Mayo. The average annual cost of these contracts is €3.9 million. Full details of the islands and associated service contracts including annual subsidy estimates are set out in appendix 2.

Over the period 2008 to 2017, subsidised transport services have delivered the following key outputs:

- There have been 410,880 sailings on subsidised services;
- 3.95 million passengers have been carried on these sailings, of which 40.8% were islanders and 59.2% were visitors; and
- 162,000 tonnes of cargo have been transported to the islands as well as 274,000 vehicles.

### 1.3. Methodology for the Spending Review Paper

A core objective of the 2018 Spending Review process is to embed ongoing analysis of expenditure programmes across Government, with specific requirements to:

- To undertake strategic and efficiency reviews of expenditure programmes;
- To identify data gaps and make recommendations in that regard; and
- To develop clear options to enhance the value for money of key expenditure programmes reviewed.

In order to meet these requirements this spending review of the ferry services to the islands examines the rationale for, efficiency and effectiveness of the State’s investment in these services, while also examining the administration and governance of the public sector contracts for these services. The analysis then reaches conclusions as to the continued rationale for the State’s involvement in the provision of subsidised ferry services, as well as making recommendations around their future operation and analysis.

The individual elements of the methodology are set out in table 1.1.

**Table 1.1 Research Methodology**

Research Area	Proposed Methodology	Data Sources
Rationale	Examine the ferry services programme to assess its consistency with legislation, Government and Departmental policies.	Legislation Programmes for Government Statements of Strategy Other relevant policy documents
Island Profile	Examine trends in the population of Ireland’s offshore islands and compare these to population trends in islands receiving subsidised transport service.  Examine in detail the populations of individual islands in receipt of subsidised services including in relation to gender distribution, age profile, principal economic status and ability to speak Irish to understand the current service needs and wider policy challenges for island communities.	Census data (Small area)
International experience	Examine the provision of lifeline ferry services in a number of international jurisdictions with a view to identifying where the Department’s approach converges with or differs from the international experience.	Literature review
Efficiency – Operation and Administration	Examine the current service provision and the arrangements in place to plan for future service provision.  Examine the current arrangements for procuring subsidised ferry services, including internal delivery capacity and risk management.	Interviews with Departmental staff  Performance data from service providers  Tender and contract

	Review the contract administration process including the management of performance (data collection and analysis) and variation clauses.	documentation.
Efficiency – Costs and Outputs	Assess the level and trends in expenditure on subsidised ferry services over the period 2008 to 2017.  Compare these with outputs over the same period; sailings, passengers (islander and non-islander), cargo, vehicles and ancillary bus services.	Expenditure information  Performance data from service providers
Effectiveness	Examine any population changes over the period 2006 to 2016 to assess any impacts on the sustainability of island communities arising from these transport services in terms of age profile of the population and principal economic status.  Assess any increase in tourism (changes in non-islander passenger numbers) over time.	Census data (Small area) 2006 and 2016.  Performance data from service providers

## Chapter 2: Rationale

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This chapter sets out the legislative and policy context for the State's intervention in island transport services with a view to establishing the continued rationale for that intervention. This is further supported by the population analyses set out in chapter 3 of this report. This chapter also examines a number of evaluations of the subsidised ferry services and the implementation of any associated recommendations and findings as part of the ongoing evaluation of the need for and effectiveness of these subsidised ferry services.

### 2.1. Legislative Context

The State has a long history of providing support for island communities, including specific legislative provisions for subsidised transport services to the Islands. The first such legislation, the Aran Islands Transport Act 1946, made provision for promoting the maintenance of an efficient shipping service between the City of Galway and the Aran Islands and authorised the payment of subsidies to persons providing such a service.

It was followed by the Minister for Arts, Heritage, Gaeltacht and the Islands (Powers and Functions) Act 1998 which, without prejudice to the 1946 Act, gave powers to the Minister to determine, finance the building, acquisition, overhaul or repair of vessels suitable for the operation of ferry services to inhabited offshore islands in the State, as well as powers to pay subsidies for the operation of such ferry services. This represented a significant expansion of Ministerial powers to engage ferry operators as well as enhancing the range of subsidies beyond the operation of the service itself to include capital and other investments necessary to support such services.

The 1946 Act and the relevant section of the 1998 Act were repealed by the Minister for Community, Rural and Gaeltacht Affairs (Powers and Functions) Act 2003, and were replaced by new powers to:

- Pay subsidies for the operation of ferry services between the islands and the mainland and also to pay subsidies for the operation of island connecting bus passenger services (for both ferry and air services);
- Provide finance for the building, acquisition, overhaul or repair of ferry vessels providing such services; and
- Acquire, finance and manage aerodromes and ancillary facilities on the islands

The use of these powers requires the consent of the Minister for Finance.

## 2.2. Policy Context

The following section sets out the policy context for the provision of subsidised ferry services to the islands, beginning with the report of the Interdepartmental Co-ordinating Committee on Island Development in 1996. Although the work of the committee was overseen by the Department of the Taoiseach which had responsibility at the time, responsibility for islands policy and implementation has for the most part of the subsequent two decades rested with line Departments in various configurations with a Departmental section dedicated to supporting the islands based in na Forbacha, Galway.

### 2.2.1. *Strategic Framework for developing the offshore islands of Ireland*

In 1993, an Interdepartmental Co-ordinating Committee on Island Development was established by the Department of the Taoiseach *to review and prioritise development strategies and recommend on actions to ensure a co-ordinated approach to all aspects of island development, including the question of structural relationships*. The committee was chaired by the Minister of State for Western Development and held a broad range of consultations with organisations connected with development on the offshore islands. In 1996, the committee published its findings and recommendations as part of a new strategic framework for developing the offshore islands of Ireland. This report has formed the basis for Island development policy since then with a mission to:

*To support island communities in their economic, social and cultural development, to preserve and enhance their unique cultural and linguistic heritage and to enable the islanders to secure access to adequate levels of public services so as to facilitate full and active participation in the overall economic and social life of the nation.*

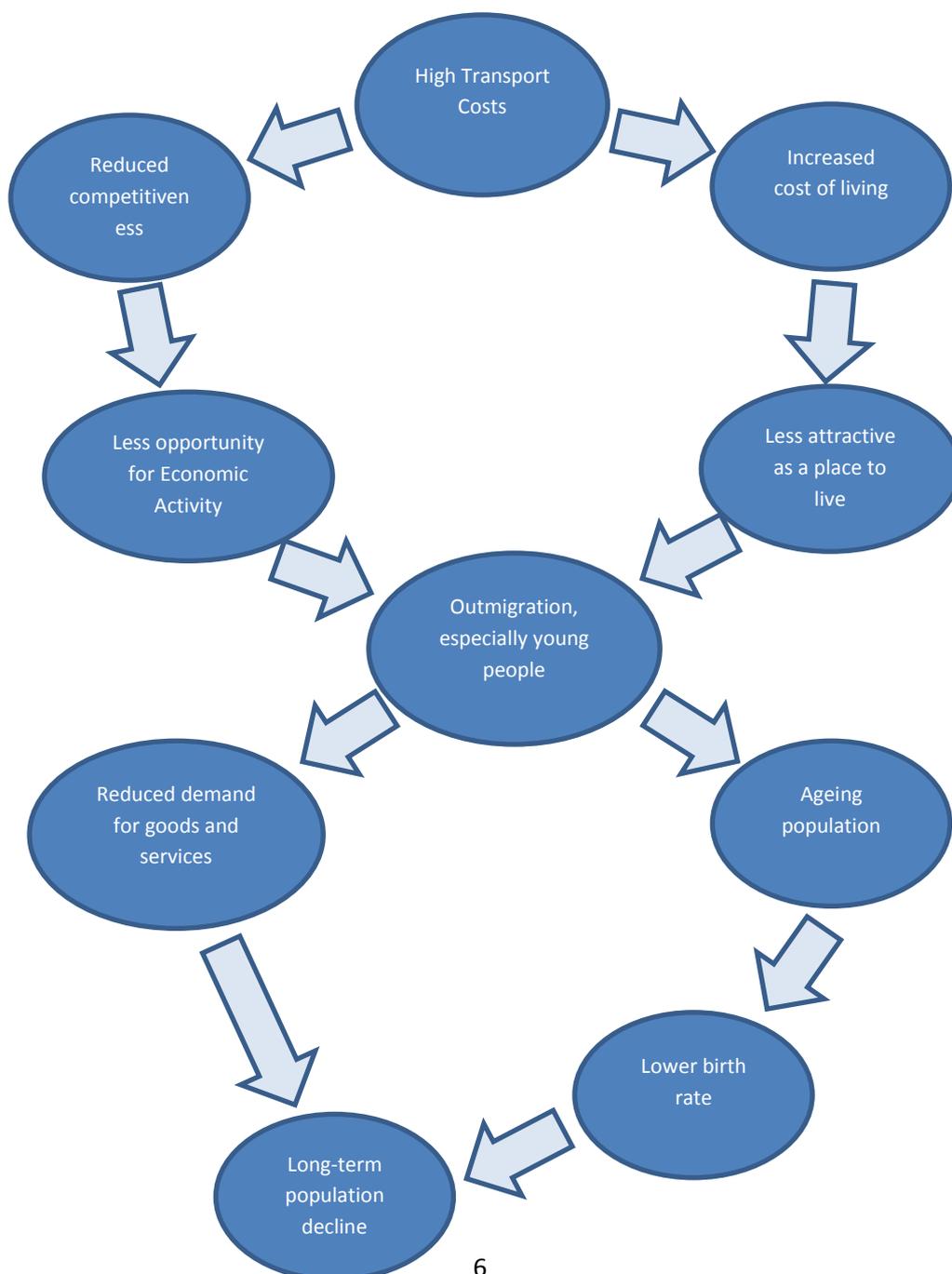
A foundation for the report's findings was its identification of a clear cycle of decline among island communities, with high transport costs identified as the first driver for decline in the chain. This is presented in chart 2.1.

The report concluded that the peripheral location of inhabited offshore islands creates barriers to economic and social participation for island communities and that sustainable solutions should be implemented, where possible, to address these barriers. In relation to these barriers, the report notes that inadequate transport infrastructure and irregular transport services give rise to higher transport costs (a key driver in the cycle of decline outlined in chart 2.1) and means island communities have greater difficulty travelling between the island and the mainland.

The report recommends that it is socially desirable to address this barrier and that the provision of a minimum level of year-round transport should be a priority for all islands. The report includes the transportation of essential supplies to islands, the export of island produce off the islands, as well as passenger services for islanders (for employment, social and education opportunities on the mainland) as the three requirements for any transport service. Notably, the report recommends that the principle of subsidiarity be applied to any services i.e. that the services be provided at local level where possible. In relation to access infrastructure, the report notes the importance of an integrated approach to enhancing piers and harbours to facilitate these transport services.

In both cases, infrastructure and service provision, a fragmented approach involving a number of State actors is recognised as a challenge for ensuring stable and suitable services for island communities. As a direct response, the report recommends that service provision and infrastructural enhancements would be funded together from a single subhead within a Departmental Vote with the works and services to be provided by local authorities within their jurisdiction in consultation with island communities. It also envisaged an oversight and consultative role for the committee in managing this programme. Over the past 20 years, this joint approach was delivered by line Departments with responsibility for the islands, rather than by local authorities, with a capital programme for piers delivered over the period 2000 to 2010 in tandem with the procurement and management of ferry services.

**Chart 2.1** Cycle of decline amongst island communities



There has been no follow-up on this report since its publication, either in terms of a progress report on its implementation or a revised policy for the islands. However, in relation to the provision of subsidised ferry services to the Islands, the subject of this review paper, there have been a number of reviews and evaluations, discussed in section 2.3 of this chapter.

Although, the factors influencing island community decline set out in chart 2.1 undoubtedly remain relevant in 2018, the extent to which the provision of subsidised transport services contributes to the sustainability of island populations i.e. the establishment of a causal link remains unexamined. Without such an examination or, indeed, consideration of new or changing factors influencing the sustainability of island communities, the continued relevance of the 1996 strategic framework as the primary Government policy framework for island communities is questionable. As such, it is recommended that the Department consider the need for a revised policy context for the subsidised transport services, informed by research as to the impact of these services on island communities over the past years.

### **2.2.2. Programme for Government**

There is no specific action under the Programme for Partnership Government 2016 committing to the provision of subsidised ferry services to the islands; however, there are commitments in relation to the development of island farming under the Rural Development Programme which indicate a continued support at Government level for sustaining island communities.

### **2.2.3. Project Ireland 2040**

Project Ireland 2040, launched by Government in the first quarter of 2018, sets out the strategic planning policy – *the National Planning Framework*- to 2040 and ten-year capital investment plan – *the National Development Plan* - underpinning this policy.

The National Planning Framework particularly recognises the cultural significance of island communities, noting that they are *distinctive and unique in an Irish context* while also highlighting the *fragility and isolation of island life*. The Framework also highlights the importance of safe and regular access to the islands through passenger and cargo ferry services, as well as the recent upgrading of pier and landing facilities, as critical in supporting the sustainability of island communities. It is noteworthy that this linking of transport services with infrastructural enhancements echoes a similar finding in the 1996 report which recommended that both elements be funded through a single subhead within a Departmental Vote with the works and services to be provided by local authorities within their jurisdiction in consultation with island communities.

In terms of economic sustainability, the Framework highlights the islanders' dependence on agriculture, tourism and fishing. This is closely linked with its National Policy Objective 41 to *support the growth and development of the maritime economy, particularly in remote coastal communities and islands*. The National Development Plan, as part of its strategic objective to support rural communities includes specific actions in relation to the enhancement of pier infrastructure on Inis Oírr and Inis Meáin in the Aran Islands as well as at Machaire Rabhartaigh which serves Oileán Thoraí. It also includes a commitment to the provision of a new passenger ferry for Oileán Thoraí. These commitments are also echoed in the Department's associated sectoral plan under *Ireland*

2040 – Investing in our Culture, Language and Heritage 2018 to 2027, with an indicative investment envelope of €27 million over the ten-year implementation period.

These references to the cultural importance of sustaining island communities and to directly investing in the marine infrastructure and associated services throughout these high level Government policies and plans indicates a strong rationale for the Government’s continued involvement in the provision of such services to island communities.

#### 2.2.4. *Statements of Strategy*

The Department, in its recent reconfigurations, has consistently maintained a commitment to sustaining island populations in its missions and high level goals. In this section, the last three Statements of Strategy relating to the periods 2011 to 2014, 2015 to 2017 and 2016 to 2019 are reviewed to examine their commitment to the delivery of subsidised transport services to the islands.

The **Statement of Strategy for the Department of Arts, Heritage and the Gaeltacht 2011 to 2014** identified as a core element of its purpose *to support the economic and social development of our offshore islands* which it then incorporated into the following mission statement:

*To promote and protect Ireland’s heritage and culture, to develop cultural tourism, to advance the use of the Irish language, and to support the sustainable development of the islands.*

The Statement of Strategy includes a specific high level goal in relation to the Irish language, Gaeltacht and the Islands with a commitment to *assist the sustainable development of island communities*. To achieve this goal, the Statement of Strategy recognises that to maintain and develop sustainable island communities there is a need to provide satisfactory services and a developed infrastructure, while also recognising the particular challenge of population distribution and changes. It is noted that, perhaps arising from the 1996 policy, the Statement of Strategy highlights that a key focus for its work will be to *seek to facilitate the delivery of more effective and integrated services to islands, particularly through local authorities and other State bodies*. This suggests that the role of the Department under this Statement of Strategy was envisaged as being an advocate for island services, coordinating delivery across Government, rather than as a delivery body itself. That said, the only output and impact indicators identified within the document for the Department’s activities in this area are as follows:

- *Output indicator: Number of lifeline transport services provided to offshore islands;*
- *Impact indicator: 200,000 to 250,000 people, including island residents, using subsidised transport services to the offshore islands per annum.*

The **Statement of Strategy for the Department of Arts, Heritage and the Gaeltacht 2015 to 2017**, also recognised the need to *support the sustainable development of the islands* as part of its overall mission and included a specific high level goal in relation to the Irish language, Gaeltacht and the islands as follows:

*Our goal is to support the Irish language, to strengthen its use as the principal community language of the Gaeltacht and to assist the sustainable development of island communities.*

It indicated an intention to achieve this goal (as it relates to the islands) by *facilitating the delivery of services to island communities*, although the only metric proposed for measuring the impact of this broadly-defined strategy was the number of people using subsidised transport services to the islands. Although the Department’s focus in terms of outputs relates to the provision of these services, it appears that there is a broader commitment to advocating for and facilitating, through other Government agencies, services to help sustain island communities.

In the most recent statement of strategy for the period **2016 to 2019**, in its configuration as the **Department of Arts, Heritage, Regional, Rural and Gaeltacht Affairs**, the Department’s mission is set out as follows:

*To promote and develop Ireland’s arts, culture and heritage; to advance the use of the Irish language and to facilitate sustainable regional and rural development, including the development of the Gaeltacht and the Islands.*

It also includes a specific high level goal *to assist the sustainable development of Island communities*, as well as a separate goal to strengthen the use of the Irish language as the principal community language of the Gaeltacht which applies to the subset of Gaeltacht islands. In delivering on these two goals the Department identified the following high level strategies, outcomes and indicators, set out in table 2.1:

**Table 2.1 Statement of Strategy 2016 – 2019: High Level Strategies, Outcomes and Indicators**

High Level Strategy	Outcome	Indicators
Drive the implementation of the 20-year Strategy for the Irish Language 2010 to 2030, with particular focus on selected key priorities over the coming five years.	Support the Irish language both inside and outside the Gaeltacht through the implementation of the 20-year Strategy for the Irish Language.	Progress achieved across the action areas in the 20-year Strategy for the Irish Language.
Continue the roll-out of the language planning process under the Gaeltacht Act 2012 in conjunction with Údarás na Gaeltachta and Foras na Gaeilge.		Number of active language planning processes in Gaeltacht Language Planning Areas, Gaeltacht Service Towns and Irish Language Networks.
		Level of direct supports to Irish language/Gaeltacht activities.
Support Údarás na Gaeltachta as the regional development agency for the Gaeltacht.	Support the sustainable development of the Gaeltacht and island communities particularly through job creation and retention of existing employment.	Number of jobs created/maintained in the Gaeltacht.
Continue to support viable communities on our offshore islands.		Population levels on offshore islands and numbers using subsidised transport services.

Although the Statement of Strategy shows a clear commitment to sustaining island communities and indicates that a measure of the efficacy of its interventions is the number of individuals using subsidised transport services (as well as population levels on the islands), it is not explicitly stated within the document that this goal is to be achieved/partially achieved by the continued provision of subsidised transport services to the islands. Given this finding, and similar conclusions on the review of the previous two Statements of Strategy, it is important that this review consider whether the

Department's delivery of these services is an effective use of Departmental resources relative to its overall goal of assisting the sustainable development of island populations recognised in all three Statements of Strategy.

In particular, it is noted, that the documents recognise that this goal can be achieved though means other than the provision of transport subsidies including facilitating services across Government Departments, State bodies and local Government, and by enhancing job creation and maintaining existing employment opportunities. Greater clarity as to the role and aspirations of the Department in assisting the sustainable development of island communities is needed to fully answer this issue. Consideration of this question might be delivered in tandem with or as part of the review of the evidence of the impact of these services on island communities and revised policy context for the services recommended in section 2.2.1.

### **2.3. Previous Evaluations**

The Department has participated in or commissioned a number of evaluations of subsidised transport services to offshore islands over the period since the transfer of functions from the Department of the Taoiseach. A number of these, with their findings, are summarised below. Where it is possible to establish, the level to which these findings have been addressed by the Department or remain relevant in the context of this spending review paper is also considered.

#### **2.3.1. *Comptroller and Auditor General Report***

In 2001, the Comptroller and Auditor General conducted a review of the Department's oversight and management of subsidised transport services to the Aran Islands. The services considered were limited to the ferry services to the Aran Islands from Galway City and Ros a Mhíl and the air service from Galway/Aerfort na Minna. It also considered the privately operated ferry service from Doolin, Co. Clare which had received investment from Shannon Free Airport Development Company Ltd. in 1990. The review examined the procurement of these services, the performance of the contracted services, and the financial management and control procedures in place in the Department. The review concluded the following:

- A more strategic co-ordinated approach is needed to manage the delivery of travel services to the Aran Islands if value for money is to be obtained;
- Analysis of information on usage should be an ongoing feature of monitoring the services and form the basis of future decision making on the optimum level and mix of services;
- The need for a subsidised cargo/passenger service out of the City of Galway needs to be re-evaluated in the light of the out of season passenger usage of the service, the significant development of the facilities at Ros an Mhíl and the fact that Ros an Mhíl appears to be the Islanders port of choice; and
- Formal contracts, with enforceable performance clauses should be drawn up to cover all the subsidised travel services to the islands.

In response to these conclusions, the Department indicated its intention to commission a study on the service and infrastructure requirements for the islands as a first step in enhancing the strategic management of the services. This study was completed and published in 2004. The Department also undertook to seek sailing logs as a condition of all contracts, and advised that an IT consultant

had been engaged to develop a suitable database for the analysis of information on usage and monitoring of service. Logs are now submitted as a requirement for contract payments and are reviewed by staff in the Department's islands section, although no bespoke database was developed due in large part to limitations in the existing Departmental IT system. The Department also agreed to the recommendation on enforceable contracts, although it noted that some challenges existed in relation to road transport.

### **2.3.2. *Review of Certain Subsidised Ferry Services to the Islands***

In 2004, consultants Malachy Walsh and Partners published a report on their review of subsidised ferry services to the islands. This review was commissioned by the Department as part of a wider initiative to enhance the strategic and evidence-base around the provision of subsidised ferry services to the islands and in part, as a response to the recommendation by the Comptroller and Auditor General for the need for a greater evidence-base around ferry services to inform Departmental decisions on service provision.

The review considered the following headline questions regarding the overall service provision:

- What appropriate indicators should be introduced to examine the effectiveness and value for money of the subsidised services?
- What are the optimal duration and terms and conditions of contracts required for quality customer ferry services?
- What socio-economic and socio-linguistic impact have the subsidised services had on island development since 1997?

The report also considered individual services to Oileán Thoraí, Inishturk, Clare Island, Inis Mór, Inis Meáin, Inis Oírr, Inishbofin and Cléire with a commitment to considering the following in each case:

- The adequacy of and need for each for the existing services, having regard to other available transport services;
- The case, if any, for upgrading or providing additional subsidised services and the appropriate subsidy if required;
- The likely costs of structural improvements to facilitate any upgraded services;
- The potential for operating cargo and passenger services on the same or separate vessels including an outline functional specification for such vessels.

The review concluded the following:

- Ferry services play an important economic, socio-economic and socio-linguistic role in the life of an island by sustaining the community, helping maintain island identity and culture, as well as supporting economic development by facilitating tourism onto the island.
- The review found a continued rationale for subsidies, although it notes that subsidy levels should be varied in response to changing economic conditions e.g. in times of inflation. It also notes that the Department may, at times, have to reduce, withdraw or fix subsidies in response to changing service needs.
- There is a need to develop a database of operational and financial data to enhance the evidence-base for assessing the value for money of services, as well as to better monitor contract performance through the use of key performance indicators (KPIs). Information should be

gathered at tender stage and performance and operation data provision should be a condition of contracts.

- There is a need to enhance the review of tenders to ensure it is formal, structured and transparent including through the use of a scoring matrix. Contracts should be for a maximum of five years.
- The review notes the challenge in tendering for these services where there is little or no competition for a route.
- The importance of the services and subsidies to the life of the island warrants an holistic, partnership approach involving all relevant state agencies, local authorities, islanders and ferry operators.

In terms of recommendations, the report echoed a number of findings of the 1996 report, particularly in relation to the need for *a more holistic approach to the funding and definition of the purpose of ferry services*. Although the number and level of island ferry services have significantly increased in response to the 1996 report's recommendations, the absence of clear objectives around the subsidised ferry services programme, beyond the continuation of existing services within a broader goal of sustaining island populations (section 2.2.4), gives rise to challenges in measuring the efficiency and effectiveness of this programme. This could be addressed within the context of a new policy context for ferry services as recommended in section 2.2.1, and by the development of an appropriate performance measurement framework linked to clearly-stated programme objectives.

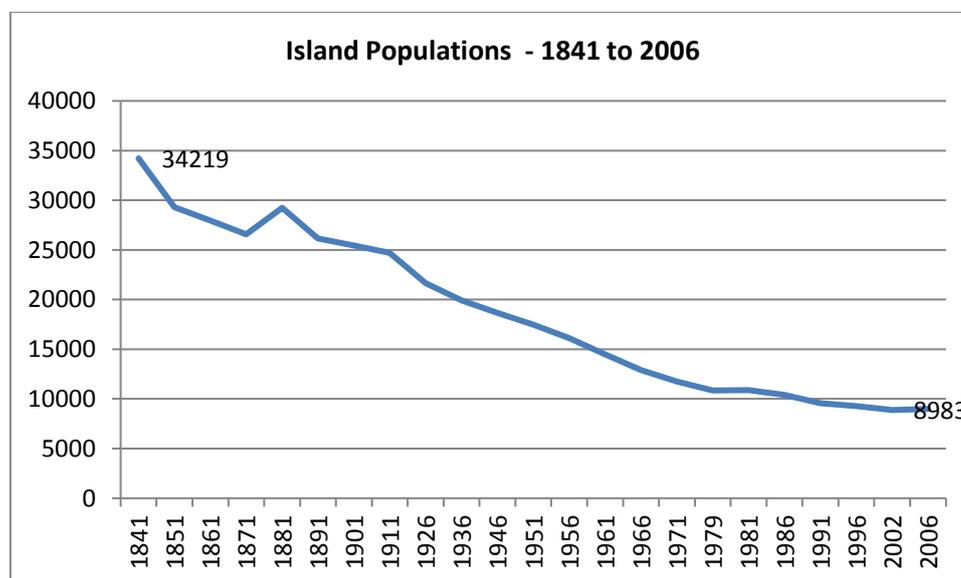
## Chapter 3: Profile of the Islands

This chapter provides an overview of population trends on offshore islands in receipt of subsidised ferry services over the past two decades relative to population trends among a larger sample of offshore islands, while also providing details of the profile and service provision on each of the islands. It should be noted, however, that the accessibility of and access to offshore islands varies considerably with some islands, such as Achill, connected to the mainland while others like Árainn Mhór have privately operated ferry services in addition to the Department's subsidised services. In addition, from the perspective of meeting a social need, some islands are in private ownership while others are only inhabited seasonally. Given this wide variation, the Department only provides subsidised services to islands which are not connected to the mainland, are permanently inhabited and are not in private ownership.

### 3.1. Population Trends on Offshore Islands

An important rationale for the provision of subsidised transport services to the offshore islands, established in chapter 2 of this review, is to enhance the sustainability of island populations. Population trends over the past 150 years show a consistent decline in island populations of 73.7% since records began. Chart 3.1 shows this trend in more detail, from a high point of 34,219 in 1841 to 8,983 in 2006. As mentioned in the previous section, there is a wide variance across island locations, sizes, populations and access to the mainland and these data should be viewed in that context.

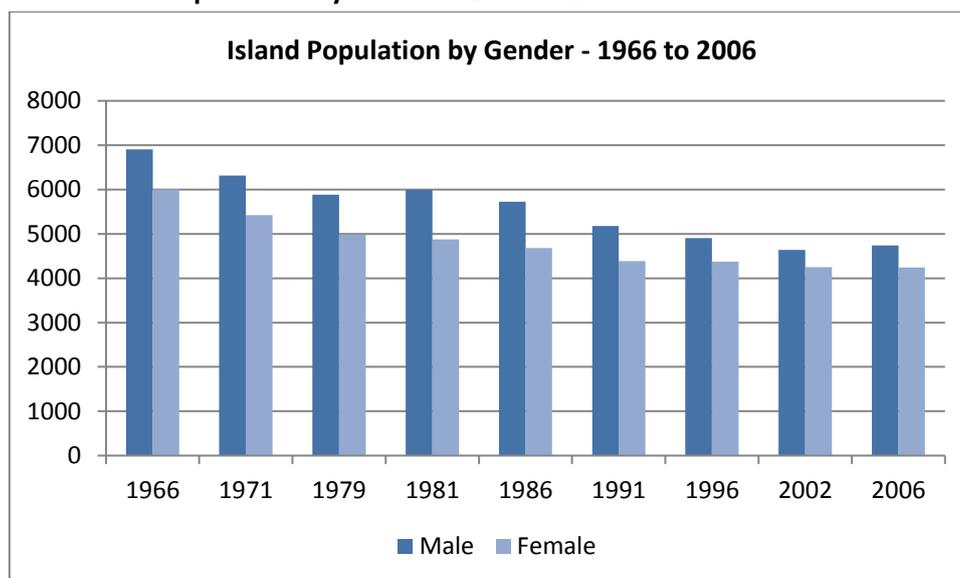
**Chart 3.1** Island Populations – 1841 to 2006



Source: CSO. ["CNA17: Population by Off Shore Island, Sex and Year"](#)

Population data are also available by gender from 1966 as set out in chart 3.2. Over that period, island populations dropped by 30% (from 12,899 to 8,983) with little variation between the decline in male and female populations at -31% and -29% respectively.

**Chart 3.2 Island Populations by Gender – 1966 to 2006**



Source: CSO. ["CNA17: Population by Off Shore Island, Sex and Year "](#)

Against this significant and sustained downward trend in island populations, it is useful to examine the performance of the islands in receipt of subsidised ferry services relative to the overall population of the offshore islands while also noting the wide variance in the needs of and accessibility to the mainland within this overall cohort of islands. There are, however, commonalities between these populations most notably in terms of their relatively isolated locations. As set out in chapter 2, the rationale for the State’s involvement in the provision of subsidised ferry services is to help sustain island communities by ensuring they have access to regular, secure and affordable transport services to the mainland. As such, it is important to ascertain whether a similar downward trend is observed on these islands receiving subsidised services or if those populations have been more resilient to this broader decline in island populations.

It is important to emphasise, however, that it is not possible for this level of analysis to make a determination as to the causality between subsidised transport services and population sustainability given the broad range of other factors involved in population growth and decline (not least those highlighted in chart 2.1). In addition, as the expansion of the subsidised transport service programme began in earnest in 1996 following the report of the Interdepartmental Committee (section 2.2.1), this examination will only consider the twenty-year period from 1996 to 2016 and will consider a slightly smaller population of offshore islands as the CSO did not publish the full population by island after 2006. A table setting out the individual island populations from census data between 1996 and 2006 is presented in appendix 1. For 2006, this population is 4.5% (404 individuals) smaller than the overall population of the offshore islands previously published by the CSO (and used in the previous charts).

The populations of the islands in receipt of subsidised services for period 1996 to 2006 are also presented in appendix 2. As highlighted previously, a number of the islands listed in appendix 1 have road access to the mainland which somewhat removes accessibility as a barrier to their sustainable development, however, they are used as a comparator as they fall within the CSO’s

definition of offshore islands and as remote communities they share a range of other challenges to sustainable development from their relatively isolated locations with the islands in receipt of subsidised services.

Table 3.1 compares both populations – some 95% of the populated offshore islands (appendix 1) and the island populations in receipt of a subsidised transport service (appendix 2). Over the period in question the population of the islands generally dropped from 8,970 to 8,196, a decrease of 8.6% while the population of the islands in receipt of subsidised ferry services dropped from 3,055 to 2,708, a proportionately greater decrease of 11.4%. From census to census, the percentage decreases were also greater for the island populations in receipt of subsidised ferry services than the general island population over the period 1996 to 2006. That said, the population of these islands grew slightly faster than the overall island population in 2011 and decreased at a slower rate in 2016 which may suggest a stabilisation among these island populations in recent years. Although, as mentioned previously, it is not possible based on this analysis to establish causality between the subsidised transport services and a more resilient population, this trend should be maintained under review and the factors behind any such improvements in sustainability should be explored and exploited among the wider island population.

**Table 3.1 Island populations and percentage change – 1996 to 2016**

	1996	2002	2006	2011	2016
<b>Total island population (95%)</b>	<b>8970</b>	<b>8612</b>	<b>8579</b>	<b>8676</b>	<b>8196</b>
<i>Percentage change between census</i>		-3.99%	-0.38%	1.13%	-5.53%
<i>Total percentage change</i>					-8.63%
<b>Total population subsidised services</b>	<b>3055</b>	<b>2905</b>	<b>2775</b>	<b>2828</b>	<b>2708</b>
<i>Percentage change between census</i>		-4.91%	-4.48%	1.91%	-4.24%
<i>Total percentage change</i>					-11.36%

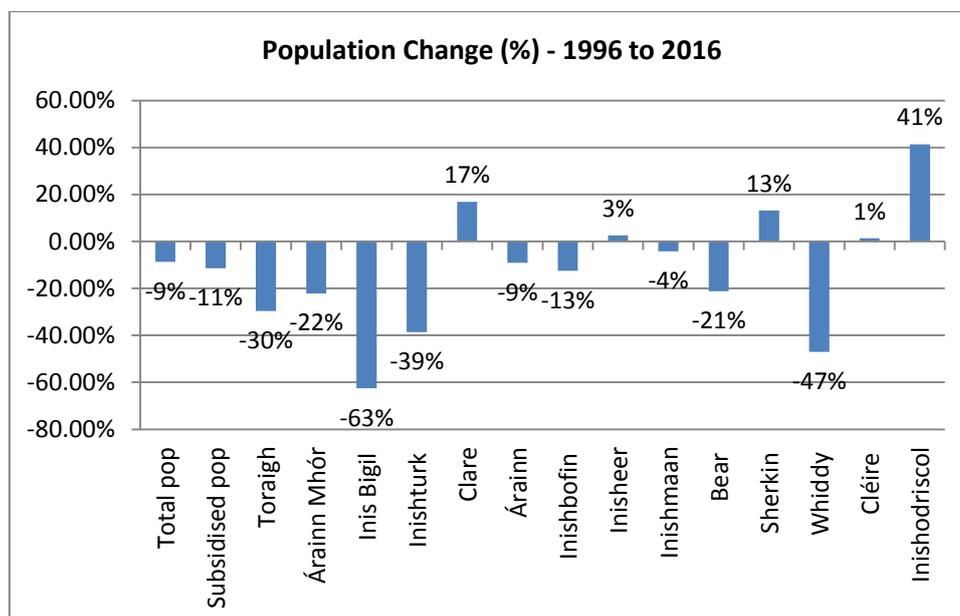
Although the general finding that the island populations receiving subsidised services saw a larger population decrease than the general population may suggest that the provision of subsidised ferry services to the islands does not positively impact on the sustainability of island communities, it is important to emphasise that sufficient variables are not considered to infer any causality. As such, it is not possible to determine unequivocally whether this finding undermines the continued rationale for the provision of these subsidised services and, in fact, it raises the question as to whether the provision subsidised services may have protected these communities from greater levels of decline than those observed. Because of this questions, consideration should be given to a wider study, building on the work of the Interdepartmental Committee (section 2.2.1), to better understand the factors which influence population growth and decline on Irish offshore islands and the impact of subsidised ferry services within these factors. This research could form part of the evidence-base for any new policy context for subsidised transport services for the islands, as well as to inform Departmental planning for future service provision.

To assess whether this finding was also influenced by outliers or significant population changes in larger islands, consideration was also given to the change in population over the 20 year period in individual islands, relative to the overall populations. Charts 3.3 and 3.4 describe these changes in

percentage and absolute terms. The island of Long is included in the discussion but is omitted from chart 3.3 for presentational purposes.

Of the fifteen islands in receipt of subsidised transport services, eight (53%) showed population decreases greater than the proportional decrease for all islands of 8.63%. Six of these show population decreases of more than 20% with the greatest decrease being a reduction in 63% of the population of Inis Bigil over the twenty year period. That said, six of the islands included showed positive population growth - Clare Island, Inis Oírr, Sherkin, Cléire, Long and Heir. Inis Meáin also showed a decrease less than the reference 8.63%. The highest relative population increase was on Long Island with an increase of 122% over the two decades, followed by Heir at 41%. The balance show increases of between 1% and 17%. In all, this additional detail shows a wide variance (185 point swing) in the performance of individual island populations which further supports the assertion that there are multiple factors, at the level of each island, beyond the provision of transport services which influence island population changes. In terms of the islands where the populations were sustained and even grew during the 20 year period, it is suggested that the capital investment in harbour infrastructure, with a consequently improved facility for year-round ferry service, may have played a roll. Additionally, a number of islands now have health centres and retirement homes on the island which further maintains the population in situ.

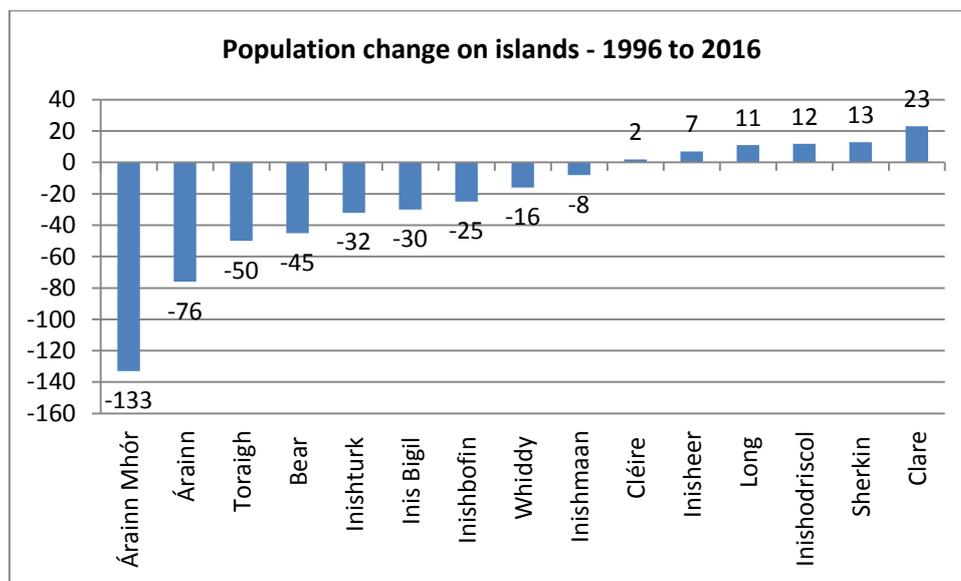
**Chart 3.3 Percentage population change by island – 1996 to 2016**



In terms of the absolute change in these island populations, it is interesting to examine whether the greater proportional decrease in population (relative to the total population of inhabited islands) is influenced by any significant outliers or larger changes to large island populations. From chart 3.4, the population of the islands in receipt of subsidised transport services varies from a population decrease of 133 individuals on Árainn Mhór in Donegal to an increase of 23 on Clare Island, Mayo. Overall, nine islands showed a population decrease (-415) and six islands showed a population increase (+68), with an aggregate decrease of 347 over the period.

In terms of outlier performance, the decreases on Árainn Mhór (Donegal) and Inis Mór (Galway) account for 32% and 18% of the total decrease (415) respectively. It is noteworthy that these two islands also have the largest populations and, as such, may better cope with these relatively large population decreases. By contrast, those five islands showing a population increase (Cléire, Inis Oírr, Long, Heir, Sherkin and Clare) all have much smaller populations with a potentially greater impact from these increases. Consideration should be given to further analysis of the factors within these islands which have contributed to this population growth with the potential to incorporate any findings in a new policy context for the subsidised ferry services to the islands.

**Chart 3.4 Population change (individuals) – 1996 to 2016**



### 3.2. Individual Island Population Profiles

This section provides a profile of each of the islands in receipt of a subsidised service as well as describing certain population and employment trends. Although it is not possible in all cases, given the need to ensure the anonymity of individuals in these small island populations, analysis on the age profile, gender distribution and principal economic status is presented in this section as well as some signals as to the policy issues which may need to be addressed in response to questions about the sustainability of the populations based on labour force participation, dependency ratio, individuals of family formation age etc.

#### 3.2.1. Donegal

The Department currently supports ferry services to two inhabited islands off the coast of Donegal; Árainn Mhór and Oileán Thoraí. Both islands are Gaeltacht islands and tourism is an important economic activity on both. Árainn Mhór is the largest inhabited island off the coast of Donegal with a population of 469 at the time of the last census (2016), 238 male and 231 female. The island is situated 5 kilometres off Burtonport, a small coastal village in The Rosses. The majority of the island's population live along the southern and eastern coast, in or near the main town on the island, Leadhb Gharbh. Oileán Thoraí, a Gaeltacht island, is situated 11 kilometres off the North West coast

of Donegal. It measures 5 kilometres by 1.6 kilometres. The 2016 census recorded a population of 119, 68 male and 51 female. The population is divided among four towns – *An Baile Thoir, An Baile Thiar, An Lár and Úrbaile*. It is designated as a Special Protection Area and has one of the last populations of nesting corncrakes.

Table 3.2 shows the change in population for these two islands over the past 20 years, a decrease of 22% on Árainn Mhór and 29.6% on Oileán Thoraí. In absolute terms, the population of these islands has decreased by 133 and 50 respectively.

**Table 3.2 Donegal Island Populations 1996 - 2016**

	1996	2002	2006	2011	2016	change	% change
Oileán Thoraí	169	133	142	144	119	-50	-29.59%
Árainn Mhór	602	543	522	514	469	-133	-22.09%

Table 3.3 provides a breakdown of the population of Árainn Mhór and Oileán Thoraí by age. It should be noted that due to the small populations on some islands, some values have been suppressed to protect the anonymity of individuals. These values are typically expressed as less than figures, with lowest being <6.

On Árainn Mhór, almost two thirds of the population (59%) are aged over 45, with just 15% aged between 25 and 44 years or typical family formation age. The balance, 26% are aged 24 years or younger. These latter groups, in particular, will be critical for the long-term sustainability of the island population. Oileán Thoraí, by contrast and having regard to the much smaller population involved, has a more sustainable age profile with in the region of 40% of its population aged 45 or over. In addition, just over one third of the population are aged between 25 and 44, family formation age, while the balance of the population, aged less than 25 account for approximately 27% of the total. Of some concern for Oileán Thoraí is the very low level of the population aged between 15 and 24. Interestingly, the gender balance among each age group on Árainn Mhór is fairly balanced, although Oileán Thoraí has more males than females among 25-44 year olds and 0-14 year olds.

**Table 3.3 Donegal Islands – Population by age (Census 2016)**

	0 - 14 years			
	Both Sexes	% Total Pop	Male	Female
Árainn Mhór	70	14.93%	37	33
Oileán Thoraí	23	19.33%	14	9
	15 - 24 years			
	Both Sexes	% Total Pop	Male	Female
Árainn Mhór	53	11.30%	28	25
Oileán Thoraí	<10	<8.40%	<6	<6
	25 - 44 years			
	Both Sexes	% Total Pop	Male	Female
Árainn Mhór	71	15.14%	37	34
Oileán Thoraí	41	34.45%	23	18
	45 - 64 years			
	Both Sexes	% Total Pop	Male	Female
Árainn Mhór	123	26.23%	64	59
Oileán Thoraí	29	24.37%	15	14
	65 years and over			
	Both Sexes	% Total Pop	Male	Female
Árainn Mhór	152	32.41%	72	80
Oileán Thoraí	<20	<16.8%	<15	<8

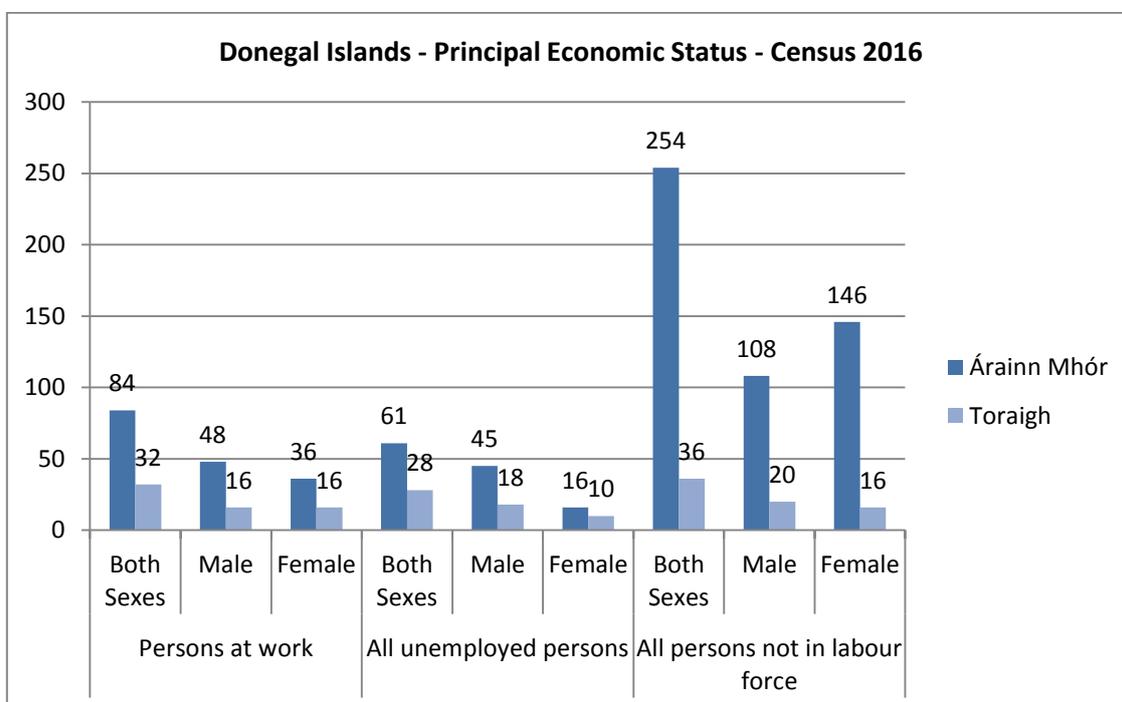
It is also important to examine the dependency ratio for the islands in order to measure the pressure on the productive population of the islands. The dependency ratio measures the proportion of the population aged under 15 and over 65 which must be supported by the rest of the population. As the ratio increases there may be an increased burden on those aged 15 – 65 in terms of maintaining this financially dependent cohort. The national dependency ratio, from Census 2016, is 52.7%. This is disaggregated into young dependency ratio (20.98%) and old dependency ratio (33.54%). Sufficient data are only available to determine the dependency ratio for Árainn Mhór. In terms of the overall dependency ratio – Árainn Mhór compares poorly with the national average, with a much higher ratio of 89.88% which indicates significant pressure on the productive cohort. This is primarily influenced by a very high old dependency ratio of 61.54%, almost double the national average, although the young ratio is also over 7% higher than the national ratio at 28.34%. This finding may suggest a higher than average requirement for social services and supports to Árainn Mhór, relative to the population generally, which will influence service provision both in terms of ferry accessibility and in order to access services on the mainland.

Census 2016 also provides details of the employment profile of the islanders, set out in chart 3.5. In broad terms, Árainn Mhór compares badly with the national labour force participation rate of 61.4%

with a rate of just 36.34% which is influenced significantly by the high number of older people living on the island, although its unemployment rate of 15.29% is closer to the national (2016) rate of 12.9%. Oileán Thoraí has a labour force participation rate broadly in line with the national rate (62%), although its unemployment rate is more than double the national rate at 29.17%. This latter finding is concerning in the context of the proportionately higher levels of younger people living on the island, as they may be induced to move elsewhere to find employment.

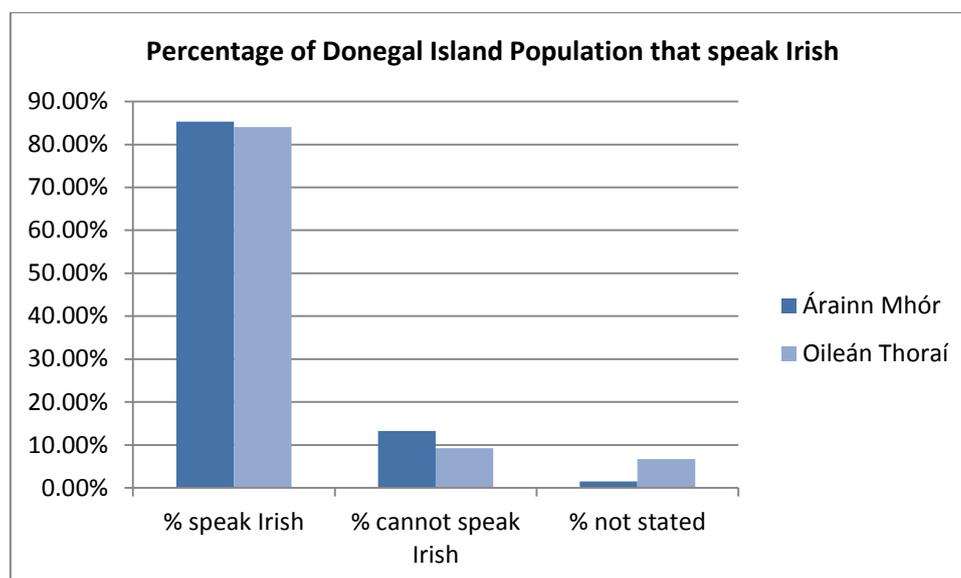
Looking at the gender breakdown provided in the chart, it is clear that more men are in the labour force than women, although within that cohort, more men than women are both employed and unemployed. A key policy challenge will be to expand the opportunities for women on these islands to join the labour force.

**Chart 3.5 Donegal Islands – Principal Economic Status - 2016**



As both Árainn Mhór and Oileán Thoraí are Gaeltacht islands, it is important to also understand the profile of Irish and non-Irish speakers within the islands populations. The results from the 2016 census (chart 3.6) show a significant proportion of the populations of both islands can speak Irish, 85% on Árainn Mhór and 84% on Oileán Thoraí. This is more than double the national average of 39.8% and is significantly higher than the proportion of people in the Gaeltacht generally that can speak Irish (66.3%). The importance of ensuring that ferry service providers to these Islands can provide the service in Irish including signage etc. is reflected in the requests for tender for services to these islands.

**Chart 3.6 Irish Language Speakers on Donegal Islands**



### 3.2.2. *Mayo*

Three islands receive subsidised passenger and cargo ferry services in Mayo; Inis Bigil, Inishturk and Clare Island. Three more islands; Inishlyre, Clynish and Collanmore are provided with a very modest subsidised cargo service although, as the population of these islands collectively was only 15 in 2016 and the annual cost of the service is €3,900 for six sailings, these islands are excluded from the analysis.

Inis Bigil is located off the coast of Ballycroy in Mayo, between the mainland and Achill. It is a small island, just 2.6 square kilometres, with a recorded population of 18 at the last census (2016), of which 11 were male and 7 were female. It is also a Gaeltacht community. Inishturk is located 14 kilometres off the Mayo coast and is situated between Clare Island to the North and Inishbofin to the South. The total population of Inishturk, as per the 2016 census, was 51 of which 26 were male and 25 were female. The population lives mainly in two settlements, both on the eastern side of the islands, Ballyheer and Garranty. Clare Island, also located in Clew Bay, Mayo, is situated between Inishturk and Caher islands. The population in 2016 was 159, of which 84 were male and 75 were female.

As set out in table 3.4, Clare Island is the only one of the three islands to experience a population increase (16.91% or 23 individuals) since 1996, although it did record a decrease (-9) between 2011 and 2016. Overall, the populations in Inis Bigil and Inishturk decreased significantly over the twenty year period, by 62.5% and 38.6% respectively or -30 and -32 in absolute terms.

**Table 3.4 Mayo Island Populations 1996 - 2016**

	1996	2002	2006	2011	2016	change	% change
Inis Bigil	48	39	24	25	18	-30	-62.50%
Inishturk	83	72	58	53	51	-32	-38.55%
Clare	136	127	136	168	159	23	16.91%

Table 3.5 provides a breakdown of the population of the three islands by age. As with the Donegal islands, it should be noted that due to the small populations on some islands, some values have been suppressed to protect the anonymity of individuals. These values are typically expressed as less than figures, with lowest being <6.

On Clare Island, the only island of the three for which a complete breakdown of age profile was provided, 22% of the population are children between 0 and 14 years, 12% are between 15 and 25 years, and 21% are aged between 25 and 44 years or typical family formation age. It is notable that again, the 15 to 25 age group are proportionately less than other groups, probably due to the requirement to move away from the island for secondary and tertiary education. The balance, individuals aged 45 or over account for 44.5% of the population, of which 20% are over 65. In all, the population is well balanced with approximately one fifth of the population in all groups except for those between 15 and 24.

Inishturk shows a less balanced distribution across the age groups, with 37% of its population of 51 individuals aged 65 or more. 23% of the population are aged between 25 and 44, with the balance at levels too small to provide details of without undermining the anonymity of the census results. Although no absolute breakdown is provided for Inis Bigil, given that there are only 18 individuals in the population, it is suggested that the greater proportion of that population are over 45. As such, the challenges for these two islands in providing ferry services that are accessible for older people will be more acute than for Clare Island.

**Table 3.5 Mayo Islands – Population by age (Census 2016)**

0 - 14 years				
	Both Sexes	% Total Pop	Male	Female
Clare	35	22.01%	15	20
Inis Bigil	<6	<33.33%	<6	<6
Inishturk	<6	<11.76%	<6	<6
15 - 24 years				
	Both Sexes	% Total Pop	Male	Female
Clare	19	11.95%	12	7
Inis Bigil	<6	<33.33%	<6	<6
Inishturk	<6	<11.76%	<6	<6
25 - 44 years				
	Both Sexes	% Total Pop	Male	Female
Clare	34	21.38%	18	16
Inis Bigil	<6	<33.33%	<6	<6
Inishturk	12	23.53%	<6	<8
45 - 64 years				
	Both Sexes	% Total Pop	Male	Female
Clare	39	24.53%	21	18
Inis Bigil	<10	<55.56%	<10	<6
Inishturk	<12	<23.53%	<10	<6
65 years and over				
	Both Sexes	% Total Pop	Male	Female
Clare	32	20.13%	18	14
Inis Bigil	<10	<55.56%	<6	<6
Inishturk	19	37.25%	13	6

As with the Donegal Islands, the dependency ratio for the Mayo islands was also examined in order to measure the pressure on the productive population. Sufficient data are only available to determine the dependency ratio for Clare Island. As with Árainn Mhór the dependency ratio for Clare Island of 72.83% compares poorly with the national average of 54.52%, although it is more balanced between old and young ratios at 34.04% and 38.04% respectively. The old dependency ratio, in particular, is close to the national old ratio of 33.54%, although the young ratio is 7% over the national figure of 20.98%. This findings again suggest a higher than average requirement for social services and supports to Clare Island, although with a higher young dependency ratio, these will likely lean towards access to education and employment supports for this larger population of young people. From a ferry service provision perspective, this may influence service times to facilitate school times/access to school buses etc. The need for accessible ferries to service the older population may also require examination.

The employment profile of the islanders, as recorded in the 2016 census, is set out in table 3.6. Given the available data, it was only possible to generate a labour force participation rate for Clare Island. From the data, Clare Island has, as might be expected given the relative balance between the five age –groups, a labour force participation rate of 58.06% which compares favourably with the national rate of 61.4%, particularly given the challenges to generating and finding employment on offshore islands. In addition, the island has an unemployment rate of less than 4%<sup>1</sup> relative to a national rate of 12.9% in 2016. Although it was not possible to generate a labour force participation rate for Inishturk, the data show that of the total population (rather than the population over 15 which is used for labour force participation), 33% of the population had employment, 16% were unemployed and 43% were not in the labour force. This finding is perhaps not surprising given the age profile on the island with 37% of the population aged over 65. On Inis Bigil, some 61% of the total population are considered not in the labour force. The findings for these two islands will require consideration of the need for employment and enterprise development supports to these islands.

**Table 3.7 Mayo Islands – Principal Economic Status – 2016**

	Total			Persons at work			All unemployed persons			All persons not in labour force		
	Both Sexes	Male	Female	Both Sexes	Male	Female	Both Sexes	Male	Female	Both Sexes	Male	Female
Clare	159	84	75	67	42	25	<6	<6	<6	<55	<25	<30
Inis Bigil	18	11	7	<6	<6	<6	<6	<6	<6	11	<10	<6
Inishturk	51	26	25	17	<10	<10	8	<6	<6	22	12	10

Inis Bigil is also a Gaeltacht island, and as such, it was considered important to examine the proportion of the population on this and the other Mayo islands that reported that they can speak Irish. Nationally 39.8% of the population report being able to speak Irish, while this figure rises to 66.3% among Gaeltacht communities. On Inis Bigil 61.1% of the population report being able to speak Irish which is significantly more than the general population while being slightly behind the Gaeltacht communities figure of 66.3%. It is also much less than the typical proportion observed on the other Gaeltacht islands in Galway and Donegal which generally above 80%. Clare and Inishturk islands both report lower levels of ability to speak Irish than the national average at 28.9% and 31.4% respectively.

### 3.2.3. *Galway*

The Department currently provides subsidies for four islands off the coast of Galway: Inishbofin and the three Aran Islands of Inis Oírr, Inis Meáin and Inis Mór. All three Aran Islands are Gaeltacht islands.

<sup>1</sup> This figure is approximate given the suppression of data at these levels. It is however, accurate to say that the 4% figure is the highest that the unemployment rate can be given the data.

Inis Mór is the largest of the three Aran Islands, situated in Galway Bay, with a land area of almost 26 square kilometres. It is approximately 12 kilometres off the west coast of Galway. According to the 2016 census, the island had a population of 762, of which 380 were male and 382 were female. Inis Meáin is the middle of the three islands, about 4.5 kilometres long and 3 kilometres wide. The 2016 census recorded its population as 183, of which 102 were male and 81 were female.

Inis Oírr is the smallest of the three Aran Islands, measuring about 3 square kilometres and is located close to the coast of Clare. Its population in 2016 was 281 of which 146 were male and 135 were female. Inishbofin is located further north, 8 kilometres off the coast of Connemara opposite Ballinakill Harbour and Cleggan bay. In 2016, its population was recorded as 175, of which 92 were male and 83 were female.

Table 3.8 shows the change in population for these four islands over the past 20 years, with decreases recorded in all cases except for Inis Oírr which saw a very modest increase of 2.5 % or 7 individuals over the period. It is noteworthy that while the increase over the 20 years is modest, that this masks the sharp decrease in population experienced between 1996 and 2006, followed by a modest increase in 2011 and the very significant increase of 32 individuals between 2011 and 2016. As part of any preparatory work for a new island policy, further examination of the factors influencing this increase which significantly bucks the trends seen in other islands should be undertaken. Similar population increases were also noted on Inishbofin and Inis Meáin between 2011 and 2016, although the gains were not sufficient to address the decreases of the previous 16 years and which saw aggregate decreases of 12.5% and 9% between 1996 and 2016.

**Table 3.8 Galway Island Populations 1996 - 2016**

	1996	2002	2006	2011	2016	Change	% change
Inishbofin	200	178	199	160	175	-25	-12.50%
Inis Oírr	274	262	247	249	281	7	2.55%
Inis Meáin	191	187	154	157	183	-8	-4.19%
Inis Mór	838	831	824	845	762	-76	-9.07%

Table 3.9 provides a breakdown of the population of the four islands by age. It should be noted that due to the small populations on some islands, some values have been suppressed to protect the anonymity of individuals. These values are typically expressed as less than figures, with lowest being <6.

**Table 3.9 Galway Island Populations – Age Profile**

<b>0 - 14 years</b>				
	Both Sexes	% Total Pop	Male	Female
Inishbofin	27	15.43%	16	11
Inis Oírr	49	17.44%	19	30
Inis Meáin	21	11.48%	13	8
Inis Mór	113	14.83%	60	53
<b>15-24 years</b>				
	Both Sexes	% Total Pop	Male	Female
Inishbofin	10	5.71%	<10	<6
Inis Oírr	24	8.54%	12	12
Inis Meáin	26	14.21%	14	12
Inis Mór	82	10.76%	42	40
<b>25-44 years</b>				
	Both Sexes	% Total Pop	Male	Female
Inishbofin	40	22.86%	19	21
Inis Oírr	69	24.56%	38	31
Inis Meáin	28	15.30%	15	13
Inis Mór	177	23.23%	88	89
<b>45-64 years</b>				
	Both Sexes	% Total Pop	Male	Female
Inishbofin	62	35.43%	30	32
Inis Oírr	84	29.89%	51	33
Inis Meáin	65	35.52%	38	27
Inis Mór	230	30.18%	113	117
<b>65 years and over</b>				
	Both Sexes	% Total Pop	Male	Female
Inishbofin	36	20.57%	<20	<20
Inis Oírr	55	19.57%	26	29
Inis Meáin	43	23.50%	22	21
Inis Mór	160	21.00%	77	83

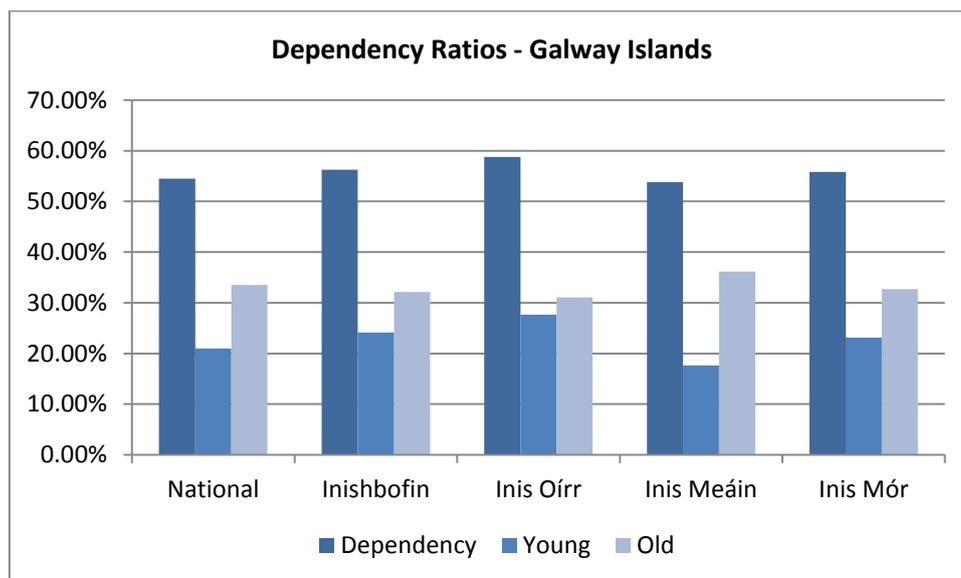
As seen on many of the islands examined previously, over 50% of the population on all four of the Galway islands are aged 45 or older, the highest proportion of which are on Inis Meáin where 59% of the population are in this age group. Again, there will be a need to ensure that ferry services meet the accessibility needs of this ageing population and that services are provided to meet the specific social care needs of an older population. In terms of the critical family formation age group (25 – 44), almost one quarter of the population of Inis Oírr (24.56 % or 69 individuals) are in the category while both Inishbofin and Inis Mór both record 23% of their populations in this category. Inis Meáin

has the lowest proportion of 25 – 44 year olds with just 15.3% which, coupled with the highest proportion of population over 44 (59%), raises concerns as to the long term sustainability of the population of the island.

In the younger age groups, the smallest percentages of the population in all four islands are in the 15 to 24 years category with just 8.5% of the total population of Inis Oírr in this group. While this finding is somewhat understandable given the need for students to complete their tertiary education<sup>2</sup> on the mainland, the concern is that many islanders in this group may never return as they take up employment elsewhere. The proportion of islanders between the ages of 0 and 14 ranges between the lowest proportion of 11.48% on Inis Meáin to the highest at 14.8% on Inis Mór. In all, the Galway islands fare worse than the Mayo islands in terms of strength of younger age cohort, although the Galway experience is broadly similar to Donegal.

The dependency ratios, including the old and young dependency ratios, for the Galway islands are set out in chart 3.7, along with the national ratios. As outlined previously, this ratio provides an insight into potential pressures on the productive population. Unlike on the Donegal islands, the dependency ratios for these four islands are much more in line with the national dependency ratio of 54.52%. Across the four islands, Inis Meáin had the lowest ratio, marginally below the national ratio, at 54.8%. The highest ratio was on Inis Oírr at 58.8%. In terms of young dependency, Inis Meáin had a ratio 3% lower than the national rate at 17.65% with the rest above the national ratio. Inishbofin (32%), Inis Oírr (31%) and Inis Mór (32.7%) all had ratios below the national old dependency ratio of 33.5%. As such, and although there is clearly an ageing population on these islands which will require services in future, the current dependency ratio is not worse than the country generally.

**Chart 3.7      Dependency Ratios – Galway Islands**



<sup>2</sup> The Aran Islands have secondary schools on the islands.

The dependency ratios are also linked to the labour force participation rates, which are generated for these islands using data on principal economic status from the 2016 census (set out for these islands in table 3.10). Due to the need to suppress some data to ensure anonymity of respondents, it was only possible to generate a labour force participation rate and unemployment rate for Inis Oírr and Inis Mór. In terms of the former, Inis Oírr has a participation rate of 62.5%, just ahead of the national rate of 61.4%, although its unemployment rate is slightly worse than the national rate of 12.9% at 15.5%. By contrast, Inis Mór has a participation rate slightly behind the national rate at 56.55%, although its unemployment rate is lower than the national rate at 11.9%. Although there are some differences between the performances of these two islands and the national rates, they are not as dramatic as the differences observed in other islands and, as such, are not too concerning, particularly in the context of the limited opportunities for economic activity on the islands and the dependency ratios observed previously.

Looking at the gender breakdown by principal economic status provide in the table, it is clear that more women find themselves outside of the labour force than men in all of the four Galway islands. In addition, more men than women are employed and unemployed on all four islands. As discussed previously, a key policy challenge for these island populations will be to expand the opportunities for women to join the labour force. Ferry services will be critical in bringing tourism opportunities, access to markets for future enterprise development and facilitating commuting between the islands and mainland for employment.

**Table 3.10 Galway Islands – Principal Economic Status - 2016**

County	Island	Persons at work			All unemployed persons			All persons not in labour force		
		Both Sexes	Male	Female	Both Sexes	Male	Female	Both Sexes	Male	Female
Galway	Inishbofin	79	43	36	<20	<15	<6	51	<20	32
Galway	Inis Oírr	109	60	49	36	27	9	87	40	47
Galway	Inis Meáin	65	37	28	<20	<15	<6	81	40	41
Galway	Inis Mór	295	157	138	72	43	29	282	120	162

The ability to speak Irish was also recorded as part of the 2016 census and these data are used to compare the ability to speak Irish among these four island communities with the proportion of Irish speakers at national and Gaeltacht levels. The three Aran Islands are Gaeltacht islands, while Inishbofin is not. As such, it is not surprising that only 24.6% of the Inishbofin population indicated that they can speak Irish, a proportion which is lower than the national figure of 39.8%. Inis Oírr and Inis Meáin also, as expected, report a majority of the populations on both islands as being Irish speakers with 86.8% and 82.5% respectively. Both of these islands perform better than the Gaeltacht average of 66.3%, and at similar levels to those recorded on Árainn Mhór and Oileán Thoraí. Inis Mór reports 78.9% of the population as having the ability to speak Irish, again ahead of the Gaeltacht average but slightly behind the reported figures for the other two islands.

### 3.2.4. *Cork*

The Department currently subsidises ferry services to six islands off the coast of Cork, providing a mixture of passenger, roll on/roll off and cargo services to Bere, Sherkin, Whiddy, Cléire, Long and Heir. The Department also supports a cargo service to Dursey, although due to the small size of that population (n=4 in 2016), it is not included in the analysis here. A brief description of the other islands and their populations is provided in the bullet points below:

- Bere is situated between Berehaven Harbour and Bantry Bay in West Cork, 1.5 kilometres off the port of Castletownbere. It measures 10 kilometres by 3 kilometres and, as of 2016, had a population of 167, of which 92 were male and 75 were female.
- Sherkin is one of the most southerly points in Ireland and lies in Roaringwater Bay off the south west of Cork. It measures 4.8 kilometres long by 2.4 kilometres wide and has a population of 111, of which 57 were male and 54 are female.
- Whiddy is situated near the head of Bantry Bay and measures approximately 5.6 kilometres by 2.4 kilometres. The 2016 census recorded its population as 18, of which 11 were male and 7 were female. The island currently holds the Irish strategic oil reserve on a large, repurposed oil terminal.
- Cléire, the only Gaeltacht island in the sample, is the most southerly inhabited island off the Irish coast and is situated 2 kilometres east of Sherkin. Its population at the time of the 2016 census was 147 individuals, of which 75 were male and 72 were female. After Bere, it is the second most populated island among the Cork islands.
- Heir measures 2.5 kilometres long and 1.5 kilometres wide, with a permanent population of just 28 during the 2016 census. These are evenly distributed with 14 males and 14 females recorded.
- Long is a long and narrow island, 4.8 kilometres long and 0.8 kilometres wide which lies south of Schull in West Cork. It has a population of 20, of which 12 were male and 8 female during the last census.

Table 3.11 shows the change in population for these six islands as recorded in the census over the past 20 years. Three of the six islands (n=4) recorded population increases over the period, the most significant of which was on Long which saw a net gain of 122% or 11 individuals. Sherkin also saw an increase in 13 or 13.3% while Cléire saw an increase of 2 individuals or 1.38%. That said, there were decreases in the populations of Bere (-45 or -21%), Whiddy (-16 or -47%) and Heir (-1 or -3.5%). As found in other island populations, two islands experienced a population increase between 2006 and 2011 which then decreased again in 2016, namely Bere and Sherkin. Cléire also saw a significant increase in its population between 2011 and 2016.

**Table 3.11 Cork Island Populations 1996 – 2016**

	1996	2002	2006	2011	2016	change	% change
Bere	212	207	187	216	167	-45	-21.23%
Sherkin	98	129	106	114	111	13	13.27%
Whiddy	34	29	22	20	18	-16	-47.06%
Cléire	145	129	125	124	147	2	1.38%
Long	9	12	5	10	20	11	122.22%
Heir	..	..	..	29	28	-1	-3.45%

Table 3.12 provides a breakdown of the population of the six islands by age range. It should be noted that due to the small populations on a number of the West Cork islands, some values have been suppressed to protect the anonymity of individuals. These values are typically expressed as less than figures, with lowest being <6.

The trend for older populations continues among the Cork island populations, with over 50% of the population on the four islands for which data are available aged 45 or older (all islands excluding Long and Whiddy). The highest proportion of the population in these older age groups are on Sherkin at 55.86% of the population. Again, there will be a need to ensure that ferry services meet the accessibility needs of this ageing population and that services are provided to meet the specific social care needs of an older population.

In terms of the critical family formation age group (25 – 44), approximately one quarter of the populations of Cléire (25.9%) and Sherkin (22.5%) are in this category, while Bere trails both at just 17.4%. Heir saw 39% of its population in this group, although it should be noted that the population of the island is very small (just 11 individuals) so relatively small numbers can give rise to large percentages of the populations. The data for Long and Whiddy were suppressed to protect the anonymity of respondents. For the younger age groups (0-14 and 15 – 24), no island had a percentage population greater than 30%. The proportion of islanders between the ages of 0 and 14 ranges between the lowest proportion of 11.6% on Cléire to the highest at 18.6% on Bere. In the next age group (15 – 24) the range is 9% on Sherkin to 11.6% on Cléire. Again the need to travel from the islands to access education and employment opportunities is considered to be an important factor in the relative low levels of population at these younger ages.

**Table 3.10 Cork Islands – Population by age (Census 2016)**

	0 – 14 years			
	Both Sexes	% Total Pop	Male	Female
Bere	31	18.56%	19	12
Cléire	17	11.56%	6	11
Heir	<6	<21.43%	<6	<6
Long	<6	<30.00%	<6	<6
Sherkin	14	12.61%	<10	<10
Whiddy	<6	<33.33%	<6	<6
	15 – 24 years			
	Both Sexes	% Total Pop	Male	Female
Bere	19	11.38%	11	8
Cléire	17	11.56%	9	8
Heir	<6	<21.43%	<6	<6
Long	<6	<30.00%	<6	<6
Sherkin	10	9.01%	<10	<10
Whiddy	<6	<33.33%	<6	<6
	25 – 44 years			
	Both Sexes	% Total Pop	Male	Female
Bere	29	17.37%	16	13
Cléire	38	25.85%	17	21
Heir	11	39.29%	<6	6
Long	<6	<30.00%	<6	<6
Sherkin	25	22.52%	11	14
Whiddy	<6	<33.33%	<6	<6
	45 – 64 years			
	Both Sexes	% Total Pop	Male	Female
Bere	48	28.74%	24	24
Cléire	48	32.65%	29	19
Heir	6	21.43%	<6	<6
Long	9	45.00%	7	<6
Sherkin	43	38.74%	21	22
Whiddy	8	44.44%	<6	<6
	65 years and over			
	Both Sexes	% Total Pop	Male	Female
Bere	40	23.95%	22	18
Cléire	27	18.37%	14	13
Heir	9	32.14%	<6	<6
Long	<6	<30.00%	<6	<6
Sherkin	19	17.12%	11	<10
Whiddy	<6	<33.33%	<6	<6

The dependency ratios, including the old and young dependency ratios, for the Cork islands are also worth examining, particularly in comparison with the national ratios. As outlined previously, this ratio provides an insight into potential pressures on the productive population. Sufficient data were only available to generate ratios for three of the six islands; Bere, Cléire and Sherkin. These islands have the largest populations accounting for 86.6% of the entire island population for Cork.

With the exception of Bere (73.96%), the dependency ratios for the Cork Islands are lower than the national dependency ratio of 54.52%, at 42.7% for Cléire and 42.3% on Sherkin which suggests a lower pressure on the population there to maintain young children or older relatives. In terms of young dependency, Bere was again ahead of national young dependency ratio of 20.98% at 32.29%. Cléire and Sherkin recorded rates between 16% and 18%. The national old dependency ratio of 33.5% is lower than the Bere dependency ratio of 41.67% but higher than the ratios for Cléire and Sherkin at 26% and 24% respectively. The need to ensure adequate accessibility on ferry services in islands with high dependency ratios has already been discussed and is particularly relevant for Bere, however, the wider question as to why Bere would perform so differently to Cléire and Sherkin should be further examined in the context of any new policy context for the subsidised services to the islands.

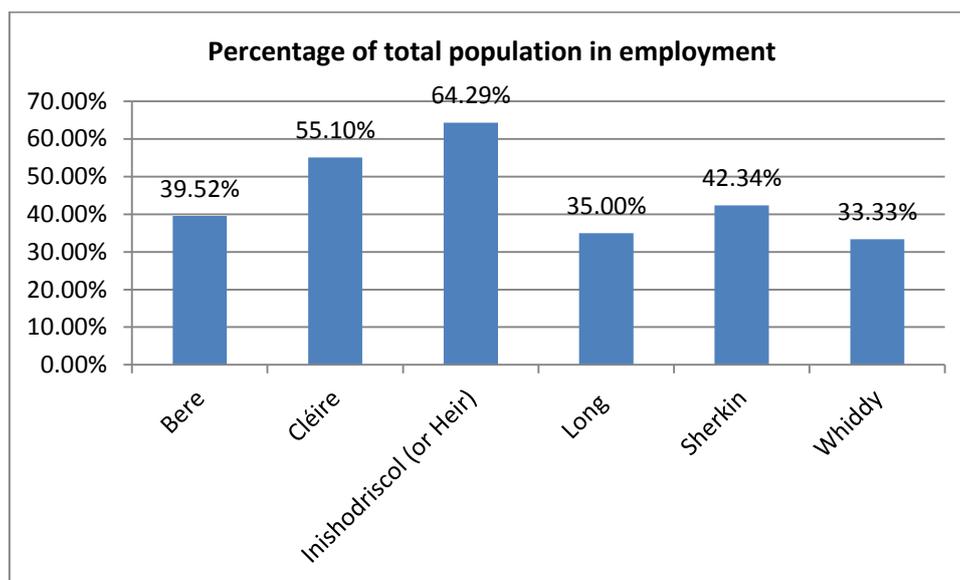
Census 2016 also provides details of the employment profile of the Cork islands, set out in table 3.11.

**Table 3.11 Cork Islands – Principal Economic Status – 2016**

	Total			Persons at work			All unemployed persons			All persons not in labour force		
	Both Sexes	Male	Female	Both Sexes	Male	Female	Both Sexes	Male	Female	Both Sexes	Male	Female
Bere	167	92	75	66	39	27	<10	<6	<6	63	29	34
Cléire	147	75	72	81	45	36	<6	<6	<6	46	23	23
Heir (or Hare)	28	14	14	18	10	8	<6	<6	<6	7	<6	<6
Long	20	12	8	7	<6	<6	<6	<6	<6	10	<6	6
Sherkin	111	57	54	47	23	24	<10	<6	<6	41	23	18
Whiddy	18	11	7	6	<6	<6	<6	<6	<6	<12	<6	<7

Given the suppression of some data to protect the anonymity of respondents, it is not possible to generate either a labour force participation rate or unemployment rate, however, chart 3.9 does provide an overview of the proportion of the total population that are in employment.

**Chart 3.9 Cork Islands – persons at work as a proportion of total island population**



Of the three largest islands, the proportion of the total population in employment ranges from 39.5% on Bere (which had a high dependency ratio) to 42.3% on Sherkin and 55.1% on Cléire. The gender breakdown provided in the table also shows that Bere is consistent with the other island populations in having more men in the labour force than women, and that within that cohort, more men than women are both employed and unemployed. These trends are somewhat undermined among the populations on Sherkin and Cléire and, as such, it may warrant further investigation to determine any factors which could promote greater levels of participation by women. As always, the key policy challenge will be to expand the economic opportunities for women on these islands.

Of the six Cork islands, only Cléire is a Gaeltacht island with 61.2% of the population indicating an ability to speak Irish. This compares well with the overall Gaeltacht figure of 66.3%. Bere, Sherkin

and Whiddy have percentage populations that speak Irish of 40%, 38.7% and 44.4% respectively, and are all similar to the national average of 39.8%. Only Long (30%) and Heir (46.4%) record percentage populations of approximately +/- 10% of the national average. It should be noted that these islands have very small populations where small changes in numbers can have a major influence on these findings.

## Chapter 4: International Experience

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In order to better examine the State's role in procuring and managing lifeline ferry services, as well as meeting its broader objective of sustaining island communities, consideration was given to the operation of ferry services in a number of other European Countries, namely Denmark, Greece, Scotland and Norway. In all cases the services are provided in slightly different ways, based on national factors including history, State architecture for the management of ferry services, economic factors etc. Due to the challenge of finding adequate documentation, in English, on ferry service procurement and management for these jurisdictions, much of the information presented comes from the 2010 report prepared by the Transport Research Institute at the University of Strathclyde as part of the Scottish Ferries Review for Transport Scotland. Information on the arrangements in Scotland is derived from various policy documents produced by Transport Scotland and are referenced throughout the chapter.

It should be noted that the scale of the services involved in the jurisdictions examined and the populations serviced by the services are significantly greater than for this country with a modest 15 islands and a total population served of 2,708. There is also a wide variance in the scale of services provided and distances from the mainland. That said, where there are commonalities in approach between jurisdictions, it is worth examining how Ireland's activities and services compare with these. This comparison largely takes place in chapter 5 of this review.

### 4.1.1. *Denmark*

Denmark has some 400 islands within its territory which are either connected to the mainland by bridges or are accessed by ferry. As of 2011, there were 65 domestic ferry routes in Denmark which are overseen by the Danish Transport, Construction and Housing Authority (Trafikstyrelsen). The Authority is an agency under the aegis of the Danish Ministry of Transport, Building and Housing and has responsibilities in relation to railway, road and air and sea transport. It also procures ferry transport services and oversees the operation of the contracts. Previously, ferry services were operated directly by local authorities, but in 2005, in an approach similar to that taken in Scotland, State owned companies were created to manage the vessels and deliver the services.

The ferry services are delivered in a number of different ways:

- Local authorities own the vessels and operate the service, no tender process;
- Local authorities own the vessels and operate the service, tender procedures cancelled due to lack of interest from suitable operators; and
- PSC/PSO contracted services.

As with Ireland, the procured services are Public Sector Contracts (PSCs) for 5 years duration and are net cost contracts i.e. the operator receives the revenue from ticket sales as well as the State's subsidy. Also, as part of the procurement the Authority regulates the maximum and average ticket prices for all tickets. Routes are tendered for on an individual or small bundle basis, and requests for tender outline the following requirements from bidders:

- Details of service frequency;
- Regularity of service;

- Capacity;
- Provision of additional services;
- Fixed rates; and
- Demand responsiveness.

Bids are evaluated on the basis of the 'Most Economically Advantageous Tender' using the following weighting:

- Price and quality – 70%
- Flexibility, frequency and security of supply – 20%
- Ferry quality – 10%

Typically, the procurement of ferry services in Denmark takes 1.5 years and there is often a significant lead in time to ensure continuity of service. Interestingly, Danish contracts for service also provide for protections for operators against rising oil prices, although, unlike Ireland, the provisions give the operators powers to increase ticket prices to offset the oil price increase rather than the increase in subsidy that is provided for in the Irish contracts.

As with Ireland, Denmark provides current expenditure for service provision and capital expenditure for harbour infrastructure, however, it also provides capital grants for investment in vessels. In general, capital expenditure is matched by regional and local Government (on a 1/3 basis).

#### 4.1.2. *Greece*

Greece has 114 inhabited islands which are routinely serviced by ferries to and from the mainland, and as of 2011, had 365 ferry routes in operation. Of these, 23% (84) were subsidised by the State with the balance operating on a competitive basis. All operators, including those on subsidised routes, are privately owned. The State has no role in either vessel ownership or service provision, other than the provision of subsidies. For subsidised routes, these are routes with low volumes with limited commercial viability to more remote islands. Responsibility for procurement of these services has rested with a number of Government Departments in Greece, most recently with the Ministry for Shipping and Island Policy. Funding for subsidised routes is partly from general Government funding and partly from an hypothecated surcharge (3% in 2011) on fares charged on commercially operated services.

The Ministry determines the need to subsidise routes by undertaking an analysis of existing operators, or lack thereof. Once the need for a subsidised service has been determined, the service is procured on the basis of price first i.e. the lowest subsidy across all of the bids, followed by an assessment of the provision essential services, as follows:

- Frequency
- Capacity
- Back-up and replacement vessels
- Period of operation per annum (due to the seasonal nature of some of the service requirements)
- Health and Safety
- Equality
- Maximum age of vessel (30 years)

#### 4.1.3. *Norway*

As of 2011 there were an estimated 300 ferries operating in Norway, most of which were owned and operated on a commercial basis. From a policy and planning perspective, ferry services are considered as part of the road network and, as such, are fall within the remit of the Norwegian Public Roads Administration which operates under the aegis of the Ministry for Transport and Communications.

The administration operates on a regional basis with procurement of lifeline ferry services devolved to the relevant regional or local authority with tenders for individual or small bundles of routes. Major trunk road ferry connections are tendered for at national level. Unlike the PSC models in use in Denmark, Scotland and Ireland, Norwegian contracts allow for monopoly operation. As with Greece and Denmark, tenders may be for single or bundles of routes.

Bids are evaluated against multiple criteria including price, environmental impact, safety, quality/functionality, capacity, vessel and option of services. Bids are assessed using MEAT methodology and the weighting for cost may be no more than 40% in any tender evaluation. The duration of contracts is typically between 5 and 8 years.

#### 4.1.4. *Scotland*

Scotland has provided State support for lifeline services to its offshore islands since the 1960's. As of 2011, its islands population was 103,702 or 2% of the total population of Scotland. Transport Scotland currently subsidises 32 ferry routes which are procured in three separate bundles; Northern Isles (procured since 1997), Clyde and Hebrides (since 2006), Gourock and Dunoon (following an EU Commission State Aid judgement in 2009). Currently, the harbour infrastructure and vessels are owned by Caledonian Maritime Assets Limited (CMAL) and David MacBrayne Ltd (a holding company) was established by the Scottish Government to bid for and operate ferry services. Both companies are wholly owned by Scottish ministers. Private operators may also lease vessels from CMAL.

Outside of these 32 routes, there are a further 32 ferry services across Scotland which are procured and operated by a range of public and private entities, as follows:

- Four local authorities subsidise 22 routes, either by operating them directly or by procuring private operators, with a further one route jointly funded by Transport Scotland and a local council;
- Two routes are operated by community groups with funding from the local councils;
- Strathclyde Partnership for Transport, a regional transport partnership involving councils, transport providers etc., subsidises one route; and
- 8 routes are operated on a commercial basis.

In order to proceed to or finalise a procurement, Transport Scotland requires the preparation of business cases at key decision points to provide a clear justification for the investment as well as to demonstrate the value for money and affordability of the projects. This approach is similar to that required by the Irish public spending code. Requests for tender set out clear requirements for the service to be provided. These include minimum service requirements (routes, timetables, fares and

use of vessels) and award criteria. Bids are evaluated on the basis of price (65%) and quality (35%). This latter criterion includes consideration of the following:

- Summer and winter timetables (frequency);
- Managing customer demand;
- Additional services e.g. catering and retail services;
- Vessel deployment and investment;
- Marketing; and
- Customer care and accessibility.

Fares on subsidised services are determined using a Road Equivalent Tariff, introduced by the Scottish Government in 2007 as a means of reducing the cost of ferry travel to remote island communities. Fares are determined based on the equivalent cost of travelling by road. On routes where it has been applied fares have decreased by up to 50% for passengers and by up to 65% for cars. The impact of the RET has been mixed with the Scottish Auditor General highlighting the lack of clear objectives as an impediment to effective evaluation of the initiative.

Transport Scotland currently separates its workload into two streams, procurement and contracts management with a separate team for each work area. This latter team now consists of 5 posts. In terms of the contracts in place, there are requirements for operators to submit a range of detailed financial and performance reports every month, quarter, six months and year (depending on the report). However, Audit Scotland has recently found that Transport Scotland does not routinely use these data to measure the benefits arising from its investment in ferry services. Separately, it does not evaluate the overall contribution of lifeline series to social and economic outcomes or to reducing inequality (Auditor General, 2017).

Following a recent post project review of its procurement of the Clyde and Hebrides route, Transport Scotland is reviewing its approach to procurement having particular regard to whether the current arrangements deliver value for money, whether the Teckal exemption<sup>3</sup> may be applied to some routes, and a review of the governance and organisational structures of CMAL and David MacBrayne Ltd. Key learnings from that review were:

- There is a need for good governance structures including in terms of the information provided to project boards, clear roles and responsibilities, and decision-making procedures. A specific negative finding was that no member of the project team had a procurement qualification;
- Sufficient time should be built in to all stages of the procurement; and
- It is essential that information is made available to bidders in good time.

#### **4.1.5. *Commonalities between service procurement and provision***

From this brief review of the procurement and operation of lifeline ferry services in these four jurisdictions, it is clear that there are a number of common practices in place:

- Procurement of ferry services typically falls within the remit of the relevant Ministry for Transport and is often undertaken by agencies or local authorities with experience of

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<sup>3</sup> In 1999, the ECJ ruled that a public body may award a PSC to a company that it wholly owns, provided that two conditions are met: (1) the public body fully controls that company in a similar way to its own departments, and (2) the publicly owned company carries out at least 80% of its activities with the public body. If these conditions are met the public body is not required to tender for the public services contract.

procurement across different transport modes e.g. rail, road etc. In the case of Scotland, the need for staff with particular procurement qualifications was highlighted in addition to staff having extensive experience of procurement;

- Services to remote islands/lifeline services are tendered for either individually or in small bundles, with the exception of routes delivered by Transport Scotland which has larger, regionally based bundles;
- Tenders are evaluated on the basis of *Most Economically Advantageous Tender*, with price being only one element (albeit with a typically high weighting relative to other criteria). Other common criteria are frequency of service, capacity to deliver, equality including accessibility and health and safety.

Although the scale of the services provided and populations served by the services in these four jurisdictions varies between countries and with the Irish example (15 islands and a total population of 2,708), it is noteworthy that common approaches do exist between the jurisdictions. The challenge of a lack of competition on remote routes or routes to islands with small populations is also common to many of the jurisdictions with a range of responses including the devolution of the procurement and management of the services to local authorities or local groups and the bundling of services together. The importance of a robust procurement function is also a common challenge regardless of the scale of the service to be procured in light of the need to comply with EU procurement regulations.

## Chapter 5: Operation and Administration

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### 5.1. Overview of Subsidised Ferry Services

The Department of Culture, Heritage and the Gaeltacht currently has 24 contracts for subsidised ferry services to islands in Donegal, Mayo, Galway and Cork. These services include passenger services, roll on/roll off ferry services, cargo services and ancillary bus services. Appendix 3 presents an overview of each of the services contracted by the Department. In addition to these subsidised services, a number of islands also have privately operated ferry services operating in addition to the Department's subsidised services e.g. services to Inis Mór and Árainn Mhór. Subsidies are paid on the basis of a minimum number of sailings set out in the contract in the form of an agreed timetable rather than on the basis of passengers, cargo or other variables. Revenue generated from ticket sales is retained by service providers.

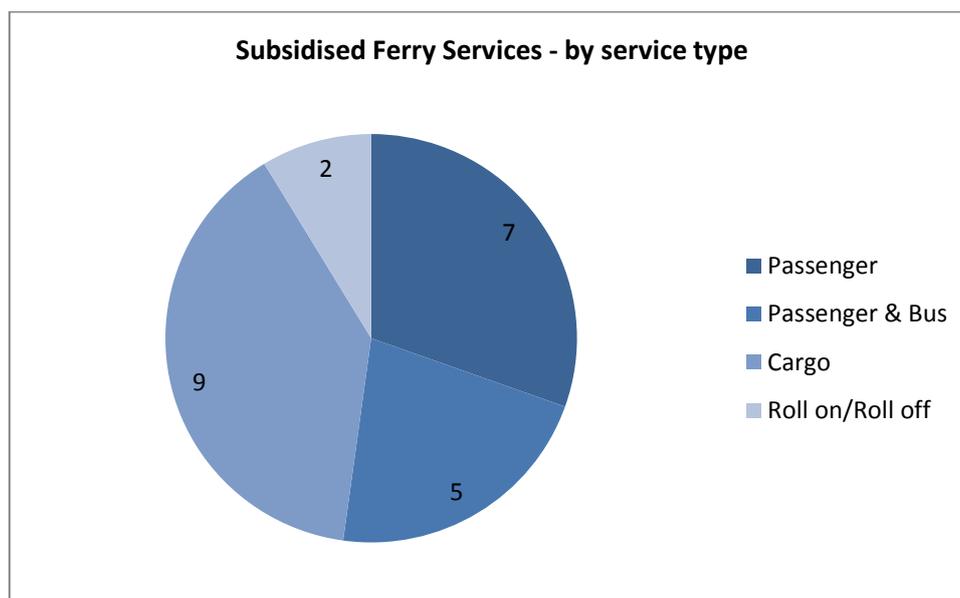
#### 5.1.1. *Service provision*

Chart 5.1 sets out the different types of service supported by the Department. 52% of the services are passenger services, of which 22% have an associated bus service. Typically, these bus services complete the journey from the ferry port to the nearest town and are exclusive to the Mayo and Galway services.

The Department provides Roll on/Roll off services to Árainn Mhór in Donegal and Bere in Cork. In the case of the latter, the service is provided by a joint venture, with each company operating from separate terminus ports on the island and the mainland. Árainn Mhór and Bere are among the largest islands included in the group receiving subsidised services at 22km<sup>2</sup> and 18km<sup>2</sup> respectively, although smaller than Inis Mór on the Aran Islands at 31 km<sup>2</sup>. Also, these islands have the second and fifth largest populations respectively.

The balance of the services (37.5%) relate to cargo services provided to Inishturk and Clare Island (Mayo), to Inishlyre, Clynish and Collanmore (Mayo), to Inishbofin (Galway), to the three Aran Islands (Galway), to Cléire, Sherkin, Heir and Long (Cork), to Dursey (Cork) and to Whiddy (Cork). In addition, two heavy cargo services are provided to Bere in Cork and Oileán Thoraí in Donegal. The only islands not receiving specific cargo services are Árainn Mhór in Donegal and Inis Bigil in Mayo. The roll on/roll off service to Árainn Mhór has capacity for some cargo service.

**Chart 5.1 Subsidised Ferry Services – by service type**



The level of and type of service provided to these islands is determined as part of the preparation of the request for tender and following consultation with the local community. This involves the inclusion of a minimum number of daily sailings and an indicative timetable in the request for tender and, following the award of the contract, a requirement for the service provider to consult with the island community to agree the final timetable. Once a service is in place, there are further contractual requirements for service providers to consult regularly with the community to ensure that the service remains fit for purpose and is delivered in a way that is satisfactory to the community. The Department does not routinely monitor these consultations, however, it is required to meet with service providers and local communities at least once annually. The Department also engages with these communities in a range of other forums such that any difficulties with services are highlighted in a timely fashion which may then be addressed by the Department through contract enforcement measures.

In addition, on all subsidised passenger ferries with a carrying capacity over 12, passengers may make complaints under Regulation (EU) No. 1177/2010 on the rights of passengers travelling by sea and inland waterway. The National Transport Authority is the enforcement authority for complaints made under this regulation.

### 5.1.2. *Island Services*

As part of the analysis of services provided to the islands, consideration was given to the number of contracted passenger sailings, the maximum capacity of vessels serving the islands, and the fares charged to islanders and non-islanders on each of the services. These data are presented in table 5.1 based on details of the contracted services and service requirements provided by the line section.

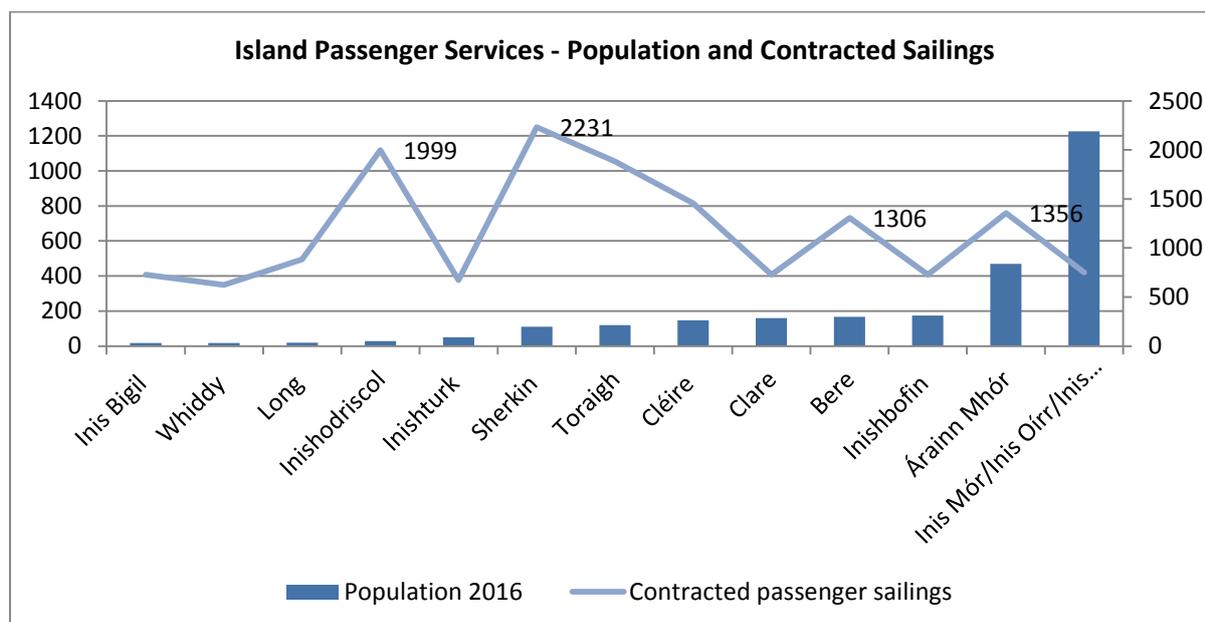
**Table 5.1 Contracted Island Services – Population, Sailings, Capacity and Cost**

County	Island	Population 2016	Contracted passenger sailings	Sailings per capita	Max capacity	Cost/return sailing (islander)	Cost/return sailing (non-islander)
Donegal	Oileán Thoraí	119	1883	16	96	€ 12.00	€ 28.00
Donegal	Árainn Mhór	469	1356	3	100	€ 10.00	€ 15.00
Mayo	Inis Bigil	18	728	40	12	€ 5.00	€ 6.00
Mayo	Inishturk	51	672	13	N/A	€ 9.00	€ 22.00
Mayo	Clare	159	728	5	96	€ 9.00	€ 17.00
Galway	Inishbofin	175	728	4	72	€ 10.00	€ 20.00
Galway	Inis Mór/Inis Oírr/Inis Meáin <sup>4</sup>	1226	750	1	244	€ 10.00	€ 25.00
Cork	Bere	167	1306	8	75	€ 12.00	€ 16.00
Cork	Sherkin	111	2231	20	52	€ 5.00	€ 12.00
Cork	Whiddy	18	624	35	36	€ 6.00	€ 8.00
Cork	Cléire	147	1456	10	94	€ 8.00	€ 16.00
Cork	Long	20	884	44	12	€ 5.00	€ 7.00
Cork	Heir	28	1999	71	12	€ 5.00	€ 6.00

In terms of the relationship between population and sailings, the expectation that the islands with the highest populations benefit from the highest number of sailings is not borne out by the data. Rather, there seems to be little relationship between population and sailings (as shown in chart 5.2). The highest number of sailings was provided to Sherkin and Heir islands in Cork, with 1999 and 2231 sailings respectively. Both of these islands are in the lower half of the group of islands for population. Conversely the service to the three Aran Islands, which has by far the highest population at 1,226, saw one of the lowest numbers of contracted sailings, although this is heavily influenced by the fact that the islands also have an air service and a number of alternative ferry services not in receipt of subsidies. That said, for the group of islands as a whole, it is likely that there are more important factors than population which influence the number of sailings. These other factors include distance from the mainland, carrying capacity of the vessel, the services available on the islands, and the availability of alternate services, particularly in the case of the Aran Islands.

<sup>4</sup> The current contract whereby subsidised services are provided to all three Aran Islands is only in operation since 1 December 2017. For a number of years prior to this, subsidised services were only provided to Inis Oírr and Inis Meáin with private operators operating the routes to Inis Mór.

**Chart 5.2 Island Passenger Services – Population and Contracted Sailings**



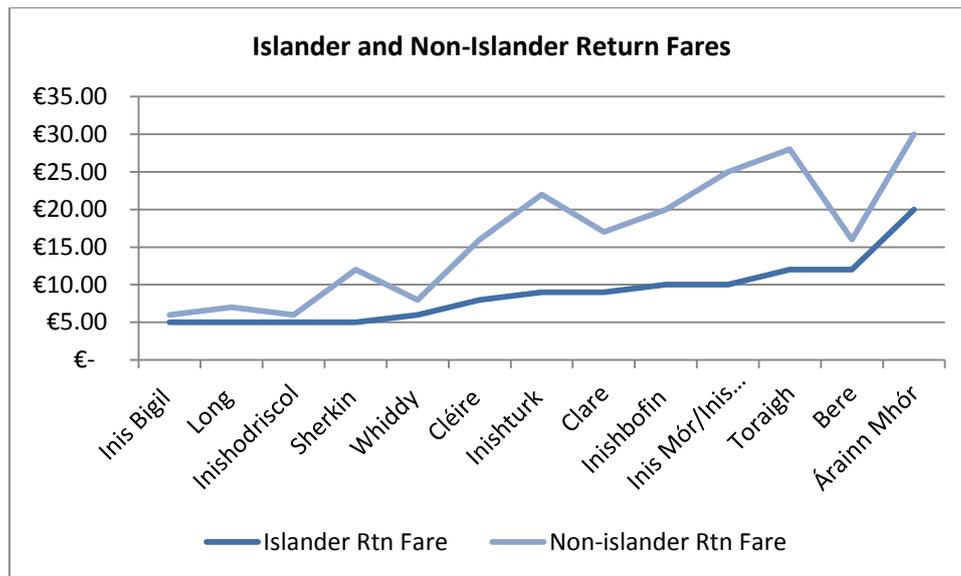
It does, however, follow that the vessels with greater carrying capacity operate to islands with larger populations e.g. the service to the Aran Islands which recorded a total population of 1,226 in the 2016 census is provided by a ferry with a carrying capacity of 294. Árainn Mhór, the next largest island with its population of 469 is serviced by a vessel with a carrying capacity of 96. Equally, those islands with small populations (mainly in Cork) are generally serviced by vessels with a carrying capacity of between 12 and 36. It should be noted that the figures provided for capacity in table 5.1 relate to the highest capacity vessel provided for under the contracted service. It should be noted that this analysis is based on the maximum carrying capacity on the individual routes. In reality, service providers have a number of vessels operating on each route which may have varying carrying capacities, as required by the Marine Survey Office and in response to changes in seasonal demands. Details of the vessels and carrying capacities are set out in appendix 3 to this report.

Although population and vessel capacity are closely linked, it is not clear the extent to which the non-islander and tourism demand for services influences the capacity of the vessels provided for under the contract. With the inclusion of many of the offshore islands on the West Coast as part of the Wild Atlantic Way route, as well as the existing tourism demand on some routes, it may be expected that this will become an important determinant of service provision into the future, particularly in terms of the importance of tourism to the economic life of many of the islands. Accordingly, some additional research into how well the existing services provide for non-islander access to the islands, as well as some forecasting of future tourism demand, is recommended to better understand and design future ferry services.

Chart 5.3 sets out the adult return fares charged to islanders and non-islanders across the serviced islands. The principle behind the subsidised service is that the Department’s support allows for a reduced fare for island populations thereby reducing an important barrier to the sustainability of those communities (as acknowledged in chart 2.1). That said, there is significant variation between prices charged to islanders ranging from €5.00 to Inis Bigil, Long Island, Heir and Sherkin to €12.00 to

travel to Oileáin Thoraí in Donegal and Bere in Cork. Although it seems logical that the fares charged would be influenced by the distance to travel on the route, it appears that the size of the island population and the associated size of the vessel involved is a greater determinant of price per return ticket, presumably due to the higher running costs of larger vessels. Some further analysis of the factors influencing the setting of fares, including the profit margins on routes from service provider accounts, is necessary to inform the setting of maximum fares as part of future requests for tender. The outputs of this analysis may also inform revisions to the payment structures for future contracts.

**Chart 5.3 Adult Return Fares (Islanders and Non-Islanders) on all Serviced Routes**



Although there is some logic to the cost structure of islander fares being linked to vessel size, this logic does not seem to translate to the fares charged to non-islanders. Again, from chart 5.3, these fares vary widely from their islander equivalents with the largest differences in prices recorded for Oileáin Thoraí (133% or +€16.00), the three Aran Islands (150% or +€15.00) and Inishturk (144% or +€13.00). Although, the fare structure for non-islanders should be a function of demand and cost of service, it is not clear the extent to which either has influenced the fare structure. Some further analysis of the reasons for travel among non-islanders through a customer survey could shed light on the importance of tourism in influencing higher fares, while the cost of service as a driver could be analysed by a more comprehensive analysis of the operating accounts of the service providers.

### 5.1.3. *Planning for future service provision*

As set out in section 2.3.1, the Comptroller and Auditor General made recommendations around the need for a more strategic and evidence-based approach to determining the scale and scope of procured services, however, there currently is no formal process of needs/service demand assessment for either the islands in receipt of subsidised services or for other islands. Such an evidence-based approach is critical in both informing the procurement of ferry services and as part of a wider forecasting exercise to determine the future transport needs of island communities to ensure their sustainability. Although, at present, the Department does engage directly with island communities as part of the preparation of the request for tender, these engagements are largely

conducted on an *ad hoc* basis through existing community forums and through engagement with groups representing the needs of island communities.

To address this deficit, it is recommended that consideration be given to the development of an evidence-based approach to evaluating current service provision, relative to population needs, and for forecasting future service levels, based on population analyses similar to that undertaken in chapter 3. This evidence-based approach should also incorporate a more rigorous stakeholder engagement around service usage and demand. This change is essential to ensure compliance with the public spending code which requires rigorous appraisal and evaluation of all expenditure, capital and current, to ensure funding decisions are taken based on objective evidence. Additionally, the development of such an approach would ensure that all island communities are treated equally with services provided on the basis of verifiable need.

This type of approach is currently in operation in Scotland, where as part of the preparatory work for Transport Scotland's *Scottish Ferries Plan 2013 to 2022*, extensive consultations were undertaken with stakeholders and a needs based assessment of routes and services was undertaken. In terms of the latter, the methodology involved three main steps:

- Based on available data and formal stakeholder consultation, the need for ferry services and was defined;
- A model ferry service was described to meet those needs; and
- The model service was compared to the existing service to determine the adequacy of the existing service.

It is noteworthy that following the analysis, no community saw a decrease in service level. Also, Transport Scotland did not actively consider new routes given the high costs of establishing those routes.

## **5.2. Procurement of lifeline ferry services - Ireland**

### **5.2.1. *Principles underpinning procurement***

The procurement of lifeline ferry services across the EU must take into account the Cabotage Regulation EU 3577/92 which includes the governance of Public Service Obligations (PSOs) and Public Service Contracts (PSCs), EU and national procurement requirements and consideration of State Aid limitations (PSOs only).

The Cabotage Regulation regulates the transportation of passengers and cargo by sea between points within the Union and is based on the principle of free movement of services. That said, it specifically recognises the particular challenges in depending on market forces, exclusively, to provide adequate, year round ferry services to small and remote offshore islands. On this basis Member States are permitted to impose public service obligations (PSOs) or by entering into public service contracts (PSCs) to ensure the delivery of these lifeline services. Where the procurement of a PSC is determined to be the preferred option, it is necessary to ensure that the process is conducted on a non-discriminatory basis and is open to all community operators.

There are a number of challenges to the procurement of lifeline ferry services to offshore islands with small populations, the greatest of which is the often limited or even absent competition for many of the routes (Malachy Walsh, 2004). In addition, there is the inherent contradiction between the requirement for the State to guarantee a minimum level of service where the service is not commercially viable while also ensuring value for money for the State's investment through a cost efficient service and at the lowest rate of subsidy possible (Baird and Wilmsmeier, 2011).

### 5.2.2. *Departmental Procurement of Ferry Services*

In the case of the ferry services managed by the Department, all are procured on the basis of public service contracts by staff in Rannóg na nOileáin with support from the Department's legal adviser where issues of a technical nature arise during a procurement process. The advantage of PSCs over PSOs is that a PSC may include a wider range of requirements including in relation to continuity and regularity of service, capacity and quality issues, as well as requiring services to be provided at specific rates (Baird and Wilmsmeier, 2011). The Department exploits this potential and includes the following broad range of requirements in the requests for tender, as follows:

- Port of origin and requirement to provide return services;
- Provision of a certified backup vessel;
- Manpower plan;
- Stakeholder consultation including the regular consultations with islanders, customer feedback arrangements including the establishment of a Monitoring Committee to oversee customer satisfaction index, and details of a formal complaints procedure;
- Accessibility and mobility requirements;
- Marketing plan;
- Risk assessment, vessel security plan, emergency response plan, environmental protection policy and health and safety arrangements;
- For services to Gaeltacht islands, details of the arrangements for services and signage to be provided in Irish and English;
- Performance and financial reports – monthly and quarterly; and
- Details of the maximum fares which may be charged.

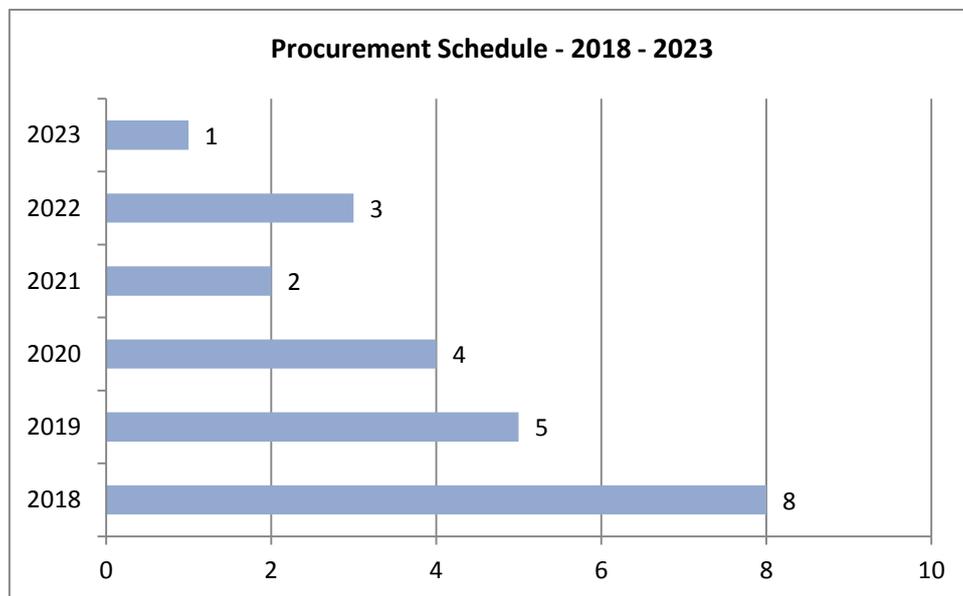
Of the international experience reviewed in chapter 4, this represents the most comprehensive list of requirements of any of the four jurisdictions examined with a consequently heavy workload to analyse tender documents. The need to qualitatively review each criterion, particularly where there is another qualified body with an independent review function e.g. the Maritime Survey Office, could be examined with a view to introducing some binary scoring i.e. have/have not to introduce efficiencies into the process.

All tender bids are evaluated on a *Most Economically Advantageous Tender* basis with a typical scoring matrix set out in appendix 10. Price is weighted at 18.75% on the scoring matrix, with the balance divided among the various elements of 'quality' listed in the bullets above. This price weighting is on the lower end of the scale of other countries examined and may warrant some further examination, particularly if the list of requirements is to be reviewed or adapted as discussed earlier in this section.

A perceived disadvantage of the PSC model, particularly for smaller operators, is the time and detail required to prepare a tender bid (Transport Research Institute, 2010). Although it was not possible to conduct stakeholder research as part of this review, the typically low number of bids on many of the procurements operated by the Department may indicate that this is a factor limiting the number of potential bidders and competition as a result. To address this, consideration may be given to the simplification of the list of requirements, informed by a rigorous needs assessment for the island recommended in section 5.1, or to the bundling of services similar to in the other jurisdictions examined so that bigger operators with greater resources to prepare complex bids may be incentivised to do so. This model of ‘bundled’ services is in operation in all of the jurisdictions examined in chapter 4 of this review.

As mentioned previously, the procurement of these ferry services are undertaken by the Department’s Rannóg na nOileáin, which also has responsibility for oversight of the eventual contracts. It should be noted that the Rannóg also has responsibility for contracts relating to air services, including a PSO contract, delivery of a significant capital programme along with a range of other community development works within the Islands. Currently, the Rannóg consists of one assistant principal officer, two higher executive officers, two executive officers and two clerical officers. Currently, the majority of these staff resources are dedicated to the delivery of the procurement programme and the administration of existing contracts (discussed further in section 5.3). Technical support on this area is provided, as necessary, by the Department’s legal adviser. Chart 5.4 sets out the procurement schedule for ferry services over the coming years, with a significant number of services due for retender in the second half of 2018 (8) and 2019 (5).

**Chart 5.4 Procurement Schedule – 2018 – 2023**



This represents an uptick in procurement activity on the previous five years when the numbers of procurements delivered were as follows:

- 2013 – 2 procurements;
- 2014 – 2 procurements;

- 2015 – 5 procurements;
- 2016 – 2 procurements;
- 2017 – 8 procurements;
- 2018 (to date) – 4 procurements.

Additional resources have not been made available to deliver 12 procurements in 2018 and a further 5 in 2019. Consideration should be given to examining the availability of additional resources, on a short term basis, or the provision of particular procurement expertise through the use of consultants to manage this significant workload over the next 18 months.

Unlike the experience in Denmark when all services are tendered at the same time or in Scotland where routes are bundled together in three large procurements, the Department tenders for individual ferry services on a rolling basis. This places a significant burden on staff and does not exploit any potential economies of scale from managing tenders simultaneously or through a bundling approach. The potential to exploit such economies of scale, albeit in adjacent jurisdictions, was also favourably considered in the Small Ferries Project (2010). Although these approaches may cause an additional workload in terms of the initial preparatory work, consideration could be given to managing the end-dates of contracts to be procured this year and next such that future tenders processes could be run simultaneously and, particularly for areas where a number of short routes are in operation e.g. in West Cork, that services bundled together to form larger tenders. Again the need for additional resources to make these changes is noted.

All staff working in the Rannóg are generalists, with experience of procurement generally based on experience garnered from time working on procurement within the Rannóg. Technical legal advice is provided as required by the Department's legal adviser and officers from other sections within the Department with experience of procurement are involved in tender assessment panels. This is distinct from the other jurisdictions examined where the responsible agency delivering the procurement often also has experience of procurement in other transport areas. This may represent a risk to the Department as the delivery of the procurements is largely based on the custom and practice which has developed within the section. That said, from the review of the tender documentation and scoring matrix, it is clear that there is a strong adherence to EU procurement requirements and a rigour in the assessment of tenders which may mitigate this risk. That said, it is noted that Audit Scotland's review of Transport Scotland's Ferry Services (2017) found that not having staff with specific procurement qualifications was a weakness in the overall governance and management of its procurement processes. The Department should consider the skills mix within the Rannóg to ensure that sufficient procurement training and expertise is available to manage these procurements in the short term.

The challenges outlined in this section also raise more fundamental questions as to the efficiency of the Department continuing to deliver these procurements directly, particularly in light of the limited resources available to deliver on the Department's strategic objective of sustaining these island communities, an objective which requires a broader policy response than the provision of ferry services. It is also at odds with the international experience where ferry service procurement is typically a function of either a Government agency similar to Ireland's National Transport Authority (with dual responsibility for strategic planning and procurement) or by local authorities. On this basis consideration could be given to an exploration of the options to transfer of this function to

- an area where there is expertise in transport and other procurement similar to the NTA; or
- to local authorities which have ownership of the harbour infrastructure and have specific responsibilities under the Local Government Reform Act 2014 in relation to sustainable economic and community development.

It is noted that the 1996 report of the Interdepartmental Committee also envisaged this role for the local authorities with policy oversight and funding support from central Government. The management of capital investment and current funding for service provision by a single agency is considered to be of particular value, particularly in light of the Department's experience over the past two decades of investing in piers and other infrastructure as well as procuring the services.

### **5.3. Administration**

As set out in the previous section, Rannóg na nOileáin also has responsibility for overseeing the delivery of ferry services as per the contract arrangements in place. In Transport Scotland, separate procurement and contract management teams are in place for the delivery of the ferry services.

#### **5.3.1. *Monitoring and Performance Management – Data requirements***

As set out in section 2.3.1, the Comptroller and Auditor General also made recommendations highlighting the need for enforceable performance clauses within contracts while the 2004 review made recommendations around the collection of regular financial and operational data as well as recommending the inclusion of a number of performance metrics (relating to economy, efficiency and impact). These requirements are currently addressed by extensive requirements for monitoring data and reports included as part of the contracts for service.

Reports and submissions are sought monthly, quarterly and annually, depending on the information required. These are summarised in the following paragraphs:

- Service providers must submit monthly invoices and are required to have systems in place to outline the costs incurred during the period, revenue generated and profit/loss made over the period as well as a current tax clearance reference;
- Service providers must provide daily sailing logs (submitted monthly) detailing times of departure, numbers and categories of passengers and details of any cancelled sailings – a sample daily log is provided at appendix 11;
- Service providers must submit copies of current valid Passenger Certificates in respect of the main and backup vessels and copies of current valid Skippers' tickets;
- Service providers are also required to provide quarterly data on passenger numbers, revenue, operating costs, administration costs and profit and loss. A sample report is presented at appendix 11;
- Service providers are also required to present quarterly reports on engagement with islanders, including copies of minutes of the meetings;
- A number of annual performance indicators are identified which relate to the economy, efficiency and effectiveness of the contract:
  - Effectiveness – customer satisfaction (cleanliness, numbers of complaints, corrective action taken) and ferry utilisation (delays, adherence to timetable, service);
  - Efficiency – services provided as compared with services scheduled and delays to service;

- Economy – operating cost per voyage, operating cost per passenger and per kilometre, subsidy per passenger and per kilometre, fare income as a percentage of operating costs, analysis of actual as compared with budgeted revenue and costs.

Under the terms of the contract, the Department also has the right to inspect the vessel and take details of passengers/cargo carried at any stage as part of its spot checking arrangements.

This represents a very comprehensive set of reports and offers sufficient data to analyse the scale and quality of the services provided. It also represents the almost full implementation of the recommendations of the 2004 review of certain subsidised ferry services to the islands. As with the findings of Audit Scotland (2017) in its review of Transport Scotland's Ferry Services, the data are not sufficient to measure the outcomes and impacts of the services on the socio-economic life of the islands and how the services contribute to their long-term sustainability. This challenge is considered further in chapter 7 of this review.

### **5.3.2. *Monitoring and Performance Management – Data collection and analysis***

Despite the comprehensive nature of the financial and operational information requirements from service providers set out in the previous section, the Department only regularly receives those reports which are directly linked with the recoupment of the subsidy i.e. the daily logs, monthly invoices, safety and other certificates. Other information, particularly information on financial performance and operating costs and consultation with islanders, is provided more sporadically if at all. The collection of data on the KPIs is not routinely done.

In addition, the analysis of the data that are submitted is generally limited to the analysis of data required for the monthly recoupment of subsidies. This includes analysis of passenger numbers, sailings (to measure extra or missed sailings), details of fuel usage (against indexed prices for fuel variation), and on an annual basis, adjustments for changes in the Consumer Price Index. The limited nature of the analysis conducted is due to the constraints on staff resources, discussed also in the previous section, and the administrative burden created due to the submission of paper logs by the majority of the service providers. Although, there have previously been efforts to automate this aspect of the management of the contracts e.g. through the provision of standard electronic forms, consideration of automated ticketing systems etc., the need for a written signature for verification purposes has led to a continuation of the paper-based approach. This system requires staff in the Rannóg to transcribe information from paper logs to excel, which is then routinely checked twice by other staff prior to approving a recoupment. It represents a significant element of the team's monthly workload and limits the time available for other activities including the verification of log data by spot-checks<sup>5</sup> etc.

To address this obvious inefficiency, and given the recent improvements in ICT applications and ubiquity of hand held devices, consideration should be given to alternative approaches to collecting these data. The Department's BIOS system may offer some interesting solutions to the dual challenge of data collection and verification of service as it currently utilises hand held devices to upload, in real time, GIS linked data on habitats, animals etc. A similar application could be developed and distributed to ferry service providers with scope to provide basic numeric

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<sup>5</sup> Spot checks are also impacted upon by the availability of travel and subsistence allocations.

information on passengers and categories and the use of time-stamped GPS to track sailing times and journeys. The data would be uploaded automatically and would facilitate easy analysis for both recoupment and assessment of contract performance by service providers.

More generally, the introduction of a system like this would have the added benefit of freeing resources to request and analyse other performance information which would in turn offer insight into the preparation of tender documents for future procurements. Key areas for consideration in this regard are the adequacy of the annual subsidy (operating costs and revenue), the appropriateness of maximum fare levels set (revenue), passenger trends, and customer satisfaction and islander consultation.

### 5.3.3. *Price Variation Clauses*

Although it was outside the scope of this review to examine the adequacy of the service contracts, consideration was given to a number of price variation clauses in the contracts including fuel price variation, index-linked payments and excessive profit. In broad terms, consideration was given to the impact of these variations on the ability of the Department to project future costs on these services.

The fuel price variation in place offers that if the average fuel oil price as determined by reference to the 'Rotterdam Wholesale Price' for the previous 12 months is more than 10% less or 10% greater than the price on a day designated in the contract, then the Department will adjust up or down the monthly subsidy based on the following calculation:

#### **PART I**

$$FU \times BP \times \{([AFP/PDD] - 1) - 0.1\}$$

#### **PART II**

$$FU \times BP \times \{(1 - [AFP/PDD]) - 0.1\}$$

where, in each formula:

FU is the fuel usage contained in the balancing statement certified by the Minister;

BP is the average price paid [excluding VAT] for marked gas oil during the month in which the Designated Day occurred as contained in the balancing statement certified by the Minister;

AFP is the average fuel oil price as determined by reference to the Rotterdam Wholesale Price;

PDD is the fuel oil price on the Designated Day\* as determined by reference to the Rotterdam Wholesale Price.

Although it is not unusual for these types of contracts to include a fuel variation clause, some further examination of the parameters of the clause namely the 10% figure above or below the baseline price would be beneficial in terms of ensuring the continued relevance of this clause. Some analysis of the adequacy of the current subsidy (discussed in the previous section) could also inform the need for this clause in future contracts. As discussed in chapter 4, there are also potential alternatives to this particular fuel variation arrangement including the methodology in use in Greece whereby fuel

increases are paid for by means of a surcharge on certain ferry fares which could be explored as part of this analysis.

The ferry service contracts prepared by the Department are also linked to the Consumer Price Index. Typically, index-linked contracts are for long-term contracts where contracted fixed prices could act as a disincentive for tenderers or could undermine the financial viability of service providers over the long term. As the contracts for ferry services are of a relatively short duration (5 years) and the benefits of the index-linking are relatively small (0.4% in 2017), the inclusion of this provision in future contracts should be re-examined to determine its continued relevance. There was no evidence in the other jurisdictions examined that such provisions are in place, however, copies of contracts were not available to confirm this finding.

The contracts also include an excess profit clause whereby if the service provider achieves an annual profit in excess of 8%, a refund of 50% of the profit will be recovered. There is no evidence that this clause has ever been acted upon, however, there has been limited analysis of service providers' financial data which would have informed action in this regard. While the potential impact of this clause is positive from the Department's perspective, the Scottish Ferries Review paper (2010) raises concerns about the potential for this type of profit clawback to act as a disincentive to submit bids. To avoid this, the Department could examine the adequacy of the subsidy with a view to maintaining operator profits within reasonable limits.

## Chapter 6: Efficiency

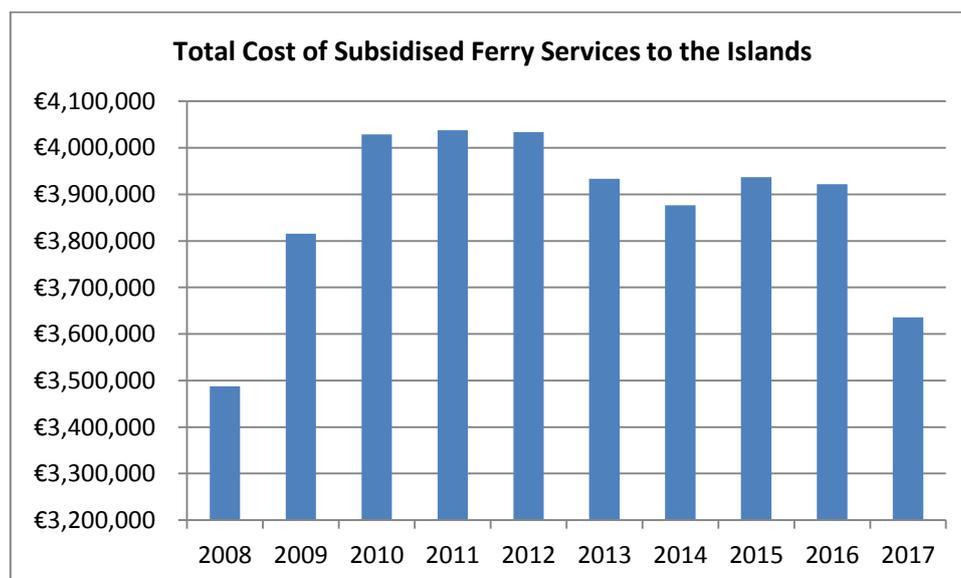
### 6.1. Cost trends and service efficiency

As set out in the research methodology, this chapter will first examine the level and trend of costs associated with the ferry subsidies, and will compare these, in the aggregate with services in Scotland. It will then assess the efficiency of the services provided, in terms of the level of service provided, passengers and cargo transported and safety record, relative to those costs.

### 6.2. Level and Trend of Service Costs

The total cost of subsidised ferry services to the islands over the past decade has been €38.71 million, with an average annual cost of €3.87 million. The annual cost of the provision of these services is presented in chart 6.1. Over the ten year period, the total cost increased by only 4.24% however this moderate increase is due to the trend towards decreasing costs since 2013 and the significant decrease between 2016 and 2017 which brought the costs back to 2008/2009 levels. Over the period, the greatest cost increases were recorded in 2009 (+9.4%) and 2010 (+5.6%), with a modest increase in 2015 (+1.55%). These increases were borne out of relatively small (in absolute terms) increases in costs across a number of services rather than by any significant leap in annual costs on a single service. The recent decreases are somewhat accounted for due to the application of a fuel variation clause in a number of contracts for ferry services. In these contracts, provision is made for the Department to reduce payments on a subsidised service on a pro-rata basis when the cost of fuel drops below 10% of the fuel price on day zero of the contract. However, although this clause has benefitted the Department in recent years, the continued decline in costs may not be depended on as crude oil prices are again increasing (from 2016) after a sustained period of decrease.

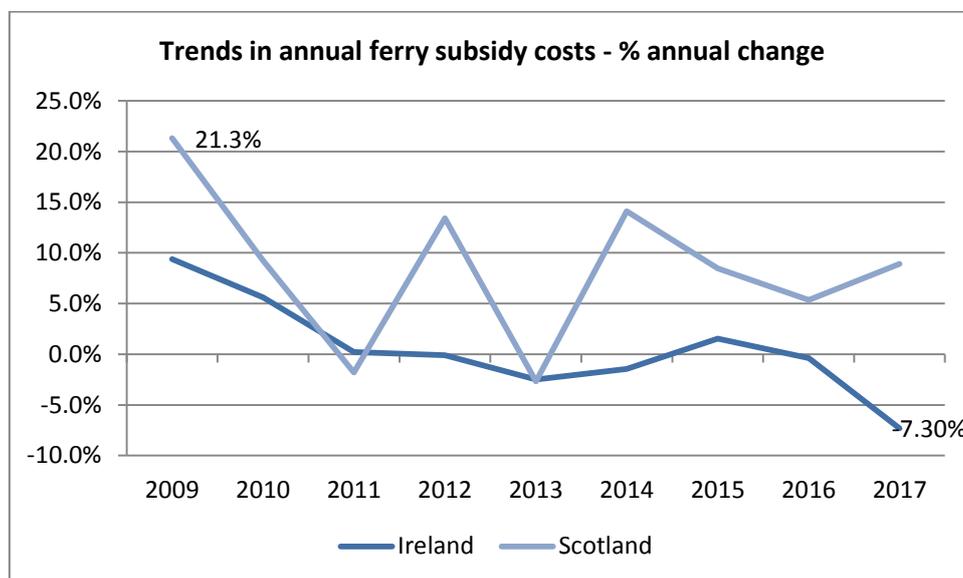
**Chart 6.1 Total Cost of Subsidised Ferry Services 2008 - 2017**



This overall trend in cost increases, as well as the absolute increase over the period of 4%, compares favourably with the experience in Scotland. In a report published in 2017, the Auditor General found

that the annual expenditure on ferry services by Transport Scotland had increased by 104% over the 10 year period to 2017. Chart 6.2 compares the trends on cost increases over that period between the two jurisdictions. The Auditor General notes that the increases in costs in Scotland are largely due to the additional costs of extra sailings and new vessels, and as a result of the introduction of a Road Equivalent Tariff<sup>6</sup>. From the chart, it is clear that Ireland had seen a somewhat consistent downward trend in terms of percentage annual change culminating with the largest decrease from 2016 to 2017. Scotland, by contrast has seen significant increases (up to 21%) at key points over the period, with regular peaks and troughs over the period. It should be noted, however, that unlike Scotland, the level of service provided in Ireland has not varied significantly over the period and the Department does not purchase vessels as part of its subsidisation of service.

**Chart 6.2 Trends in annual ferry subsidies – Scotland and Ireland 2008-2017**

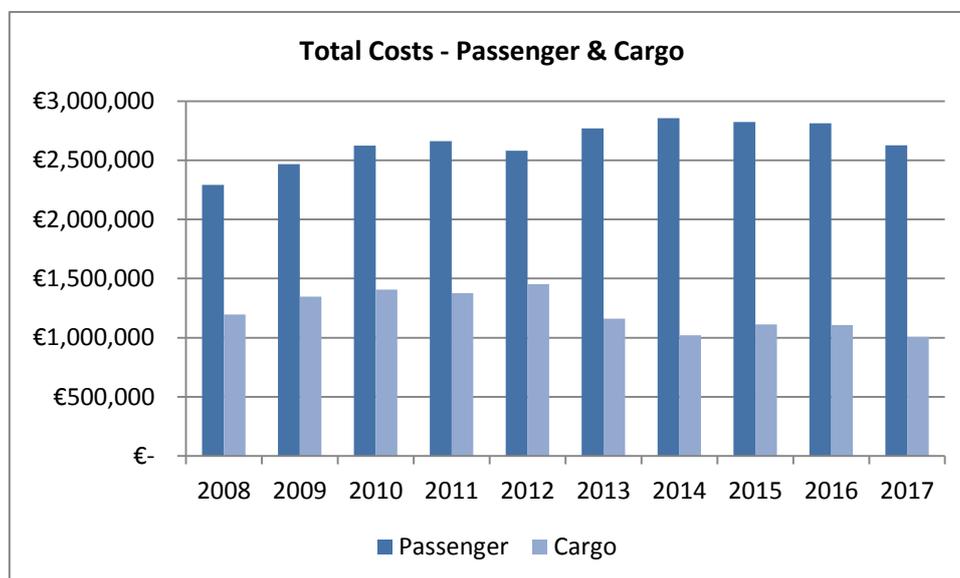


In more detail, the following chart (6.3) separate out the subsidised ferry services into those providing services to passengers and cargo services. For passenger services this includes passenger ferries, Roll on/Roll off ferries, as well as some associated bus services (from ports to schools, towns etc.). Over the period, passenger services accounted for over two thirds of the total expenditure or €26.5 million with an annual average expenditure of €2.65 million. Cargo services accounted for €12.2 million over the same period with an annual average cost of €1.22 million. Chart 6.3 sets out the total annual costs of both types of service over the period 2008 to 2017. Over the period, the cost of passenger services increased by 14.6% while the cost of cargo services decreased by 15.7%. Cargo services, in particular, have experienced significant decreases in costs for some services in the last few years, namely Galway City to the Aran Islands and Inishbofin. In terms of the former, there is anecdotal evidence that despite the cost decreases, islander satisfaction with the service to the

<sup>6</sup> In 2007, the Scottish Government introduced the Road Equivalent Tariff (RET) on a pilot basis as part of its commitment to lowering the cost of ferry travel to remote island communities. Fares are determined based on the equivalent cost of travelling by road. On routes where it has been applied fares have decreased by up to 50% for passengers and by up to 65% for cars. The impact of the RET has been mixed with the Scottish Auditor General highlighting the lack of clear objectives as an impediment to effective evaluation of the initiative.

Aran Islands has actually increased. The factors influencing these cost decreases should be examined in the context of future procurements.

**Chart 6.3 Total cost of subsidised services – Passenger and Cargo – 2008-2017**



In order to better understand the drivers for these costs, accurate financial information on operating costs is required from service providers. Although there is a requirement in some contracts for management accounts to be submitted to the Department, this is not routinely done and, where accounts are provided, they are not examined. It is recommended that these data should be collected regularly and analysed annually to better understand the drivers of costs which should inform the procurement of and management of funding for these services.

Also, further information on the impact of the following four drivers of the annual costs of the service would be useful:

- Missed sailings – a deduction is made for each sailing cancelled for reasons other than bad weather<sup>7</sup> or where sufficient notice hasn't been given to the Department of a cancellation. In 2017, this accounted for 1.21% of all sailings;
- Over-carrying – a deduction is made when vessels carry more than the allowed number of passengers and crew;
- Variations linked to changes in the Consumer Price Index(CPI), as provided for in contracts; and
- Variations linked to changes in the cost of crude oil – again, provided for in contracts.

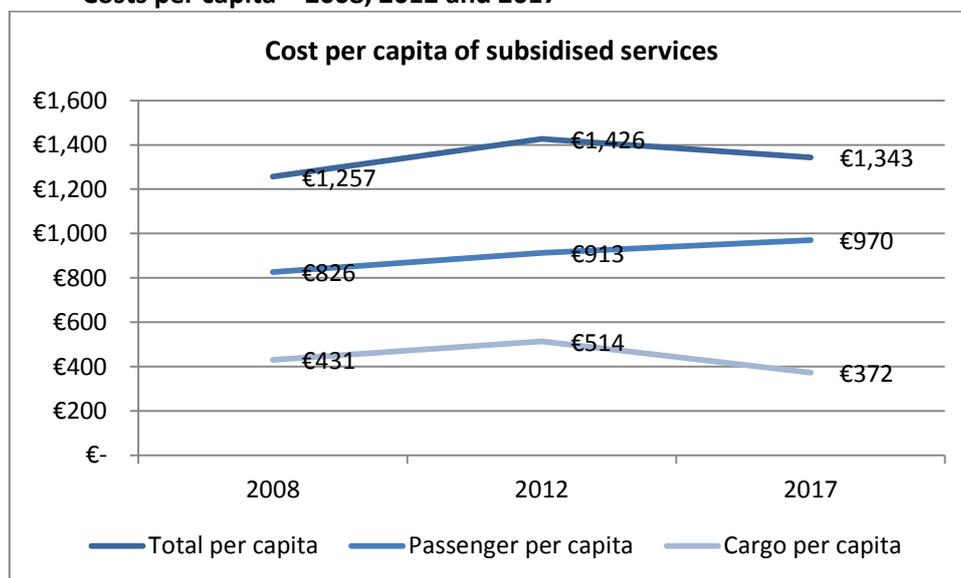
In terms of the latter two drivers, these variations apply to 15 of the current 24 ferry service contracts and are part of the standard contract used in all new procurements. The Department should, on an annual basis, examine the impact on the annual cost of services as well as using the information on missed sailings and over-carrying to better understand service needs. Although it is not possible, given the data, to disaggregate the impact of all of these drivers on the annual

<sup>7</sup> Where sailings are cancelled due to bad weather, a deduction for the cost of fuel saved as a result of the cancellation is made to the monthly payment.

expenditure by the Department, it is noted that the difference between the contracted funding and actual expenditure for 2017 was €123,251 or -2.74%. This is likely made up of missed sailings (accounting for -1.21% of the total sailings in 2017), CPI which is currently running at an annual increase of +0.4%, and the results of an exercise conducted by the Department whereby fuel price variation rebates were applied to contracts for the years 2015-2016 and which resulted in an above average reduction in the annual expenditure. It should be noted that, after a period of reducing oil prices, the average price of crude oil increased by 19.22%<sup>8</sup> between 2016 and 2017 which may signal a trend towards increasing costs on the 15 contracts with fuel price variation clauses in the coming years. The continued need for and relevance of including both CPI and fuel variation clauses in these contracts, particularly given the relatively short term of the contracts – 5 years, should be re-examined once data on the actual impact of these variations and forecasts of likely impacts are available.

In terms of the cost per capita, chart 6.4 provides details of the costs for the total exchequer expenditure, for the expenditure on passenger services and for expenditure on cargo services at three points over the 10 years; 2008, 2012 and 2017. Population figures from the 2006, 2011 and 2016 census were used, showing total populations for these islands as 2775, 2828, and 2708 respectively. As might be expected given these population figures, the total expenditure and total cargo expenditure per capita follow a similar pattern increasing between 2008 and 2012, before decreasing in 2017. By contrast the cost per capita of passenger services has increased consistently over the period from €826 in 2008 to €970 in 2012 which suggests that, for the past five years at least, passenger service costs have increased despite a reduction in the population served. This is further interrogated in the section on regional analysis.

**Chart 6.4 Costs per capita – 2008, 2012 and 2017**



<sup>8</sup> Source: World Bank Commodity Prices, <http://www.worldbank.org/en/research/commodity-markets>

### 6.3 Level and Trend of Service Outputs

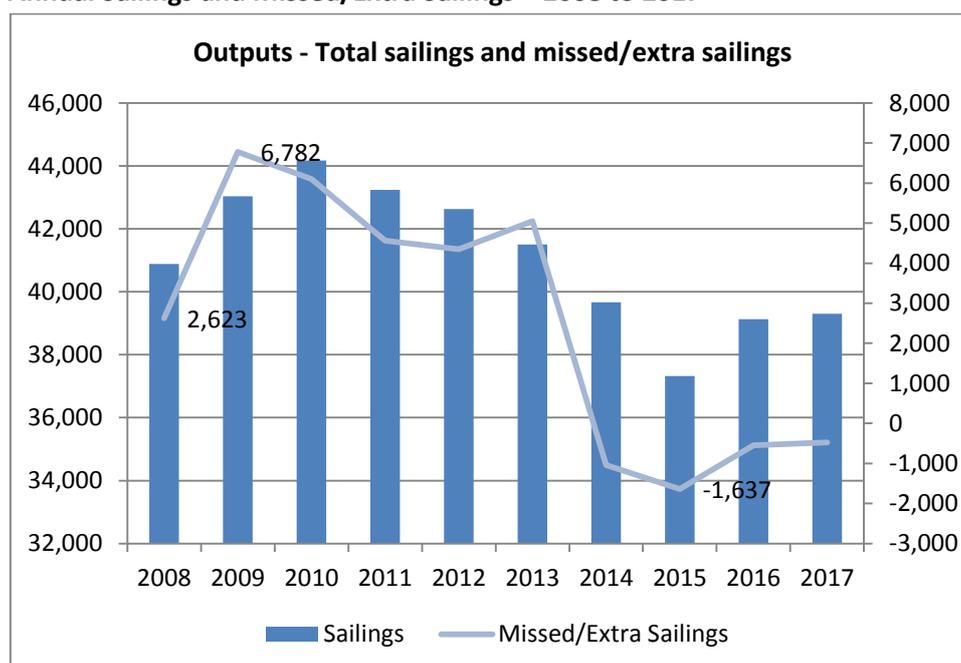
The Department collects data on sailings, passengers and cargo, on a monthly basis from all contracted service providers. These data have been aggregated and analysed in this section to examine the outputs of the State's investment in these services (discussed in section 6.2 of this chapter). A summary of these outputs is presented in appendix 8.

#### 6.3.1 Sailings and Extra/Missed Sailings

In terms of total sailings across all subsidised services, the Department supported 410,880 sailings, with an annual average of 41,194 sailings. A breakdown of the annual number of sailings supported, as well as details of missed and extra sailings (line chart) is presented in chart 6.5. For much of the ten year period reviewed, the annual number of sailings saw a sustained decrease, declining steadily between 2010 and 2015 from a high point of 44,172 to 37,321. There was a slight recovery in these outputs in 2016 (to 39,197) and stayed largely static for 2017 at 39,305. Taking account of the recovery in 2016, the overall the number of sailings only declined by 3.87% over whole period. Although, this does not appear to be a large decrease over the period, of concern is the aggregate increase in costs of 4.24% over the same period which indicates some inefficiencies within the subsidised services.

Also, this decline was somewhat influenced by the absence of a subsidised service to Inis Mór over this period with other private operators meeting the needs of that population during that time. Inis Mór has been re-included as part of the recently agreed ferry service contract to the three Aran Islands which took effect from 1 December 2017. On this basis, it is expected that annual sailings should increase over 2018 and for subsequent years of the contract. The Department should maintain this output under review, particularly as it relates to changes in costs with a view to ensuring that all economies of scale are exploited and that the services deliver value for money for the investment.

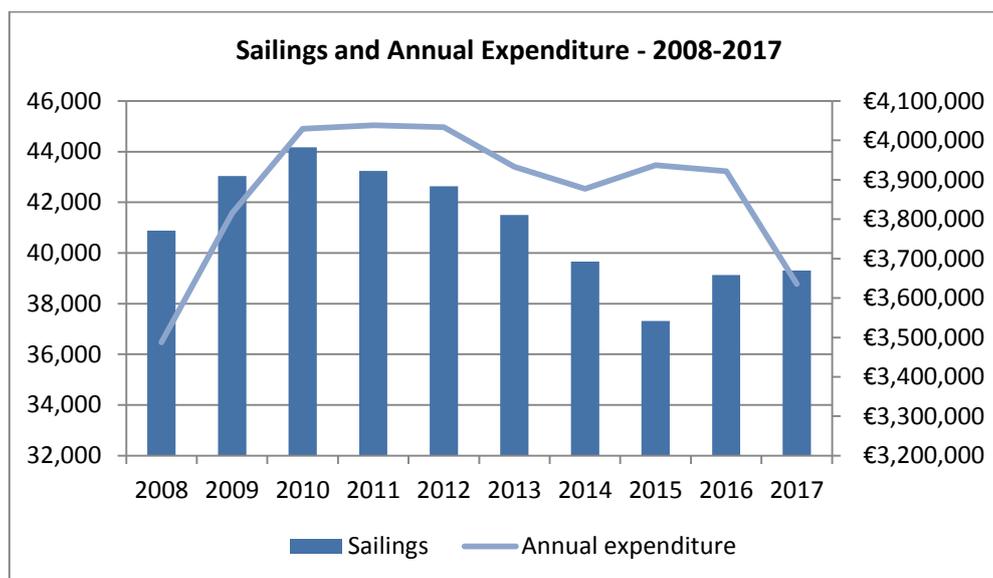
Chart 6.5 Annual Sailings and Missed/Extra Sailings – 2008 to 2017



It is interesting to examine trends in missed or extra sailings, also presented in chart 6.5. Service providers provide details of any extra sailings provided (which are not paid for by the Department) as well as any missed sailings (which are only paid for if they are cancelled due to bad weather and if advance notice of the cancellation has been provided to the Department). Over the period 2008 to 2013, service providers delivered a significant number of extra sailings accounting for 29,465 or 7.2% of the total sailings for the ten year period. However, since 2014, service providers have consistently delivered fewer sailings than the contracted amount with a deficit of 3,696 recorded over the final four years of the review period. Although it may be assumed that this trend may be influenced by the lack of a public service contract for Inis Mór which, anecdotally, would have accounted for a significant number of extra sailings, it is not possible to definitively determine the reason for this decline given the available data. It is, however, necessary to understand the reasons behind the change from delivering extra sailings to more missed sailings, particularly if there is a risk to the future security of services to these islands as the trend continues. Accordingly, it is recommended that the Department engage with service providers to understand better the factors which influence the delivery of extra sailings or missed sailings to avoid any further inefficiencies arising as a result of increasing missed sailings.

In terms of the relationship between sailings and costs, chart 6.6 shows how expenditure tracked sailings quite closely until 2014. After that, there is no correspondence between sailing numbers and expenditure. While this may be a function of the fuel variation rebates which have been sought in respect of 2015 and 2016 expenditure (discussed in the previous section), a greater understanding of this lack of correlation would be useful in terms of planning future services. It is perhaps noteworthy that this change in pattern corresponds with the change from service providers delivering extra sailings to consistently delivering fewer than contracted services (missed sailings) over the period 2014 to 2017. Some consideration of whether the needs of islanders have changed over this period, particularly in terms of demand for extra sailings, and that this has, in turn influenced service provider behaviour. The impact of this change on contracted expenditure may warrant a further examination of the contract prices/terms of service, particularly in light of the concern to overall efficiency of increasing costs and decreasing service levels.

**Chart 6.6 Annual sailings and expenditure – 2008 – 2017**



The average cost per sailing<sup>9</sup> was €94.21 over the period, although this varied significantly on a year to year basis. Over the period 2009 to 2015 the average cost per sailing increased steadily from €85.30 in 2008 to €105.48 in 2015, before falling back in 2016 and 2017 to €100.24 and €92.50 respectively. As discussed previously, the decreases in recent year may be explained in part by the fuel price variation rebate, the increase in the average cost per sailing in 2014 and 2015 is somewhat concerning particularly in light of the absence of extra sailings and the increase in missed sailings over those years. Again, some further examination on the change from significant numbers of extra sailings to increasing numbers of missed sailings is necessary to understand and control these unit prices into the future.

As outlined in section 6.2, the cost of passenger services increased by 14.6%, while the cost of cargo services decreased by 15.7% from 2008 to 2017. From an efficiency perspective, it is interesting to examine how these changes in costs compare with changes in the annual outputs of the service. Over the period 2008 to 2017, there were 395,016 passenger sailings and 17,022 cargo sailings with a decrease of 4.99% in annual passenger sailings between 2008 and 2017 and an increase of 28.2% in annual cargo sailings over the same period. This finding is directly at odds with the changes in the annual costs and suggests some inefficiency in the current service agreements. As outlined previously, it is necessary to conduct a further examination of the factors which influence the number of sailings to better understand cost trends and to ensure the efficiency of the service.

In terms of the balance between passenger and cargo services, there is a significantly higher cost associated with cargo services (on a cost per sailing basis) than for passenger services. Although cargo services account for 31.5% of all expenditure on ferry services, they only account for 4.3% of all sailings. By contrast, passenger services account for 68.5% of all expenditure and 96% of all sailings. Undoubtedly, this finding is influenced by a range of factors, not least that there are

<sup>9</sup> It should be noted that this figure is not an exact figure as it was not possible to exclude the cost of ancillary bus services included in a number of contracts from the total cost of the subsidised service.

economies of scale for passenger services which are providing a number of services each day, as distinct from the less frequent cargo sailings. Also, there is a higher cost associated with the heavy cargo services due to the nature both of the vessel and the weight of cargo involved, as well as the logistics involved in transferring cargo to and from the vessel. That said, a more comprehensive understanding of the operating costs of cargo vessels would be beneficial in ensuring costs are balanced between the two types of service. As mentioned previously the contract requirement for service providers to provide copies of management accounts should be enforced and those details regularly examined. This is particularly relevant in terms of preparing effective cost estimates for services as part of the preparation of the Request for Tender (RFT). Further details of the annual passenger and cargo sailings, by route, is provided at appendix 8.

### **6.3.2 Passengers**

Another critical output, in terms of assessing the efficiency of the service, is the number of passengers on the services. Service providers record the numbers of islanders and non-islanders<sup>10</sup> that travel on each service and submit these details to the Department on a monthly basis.

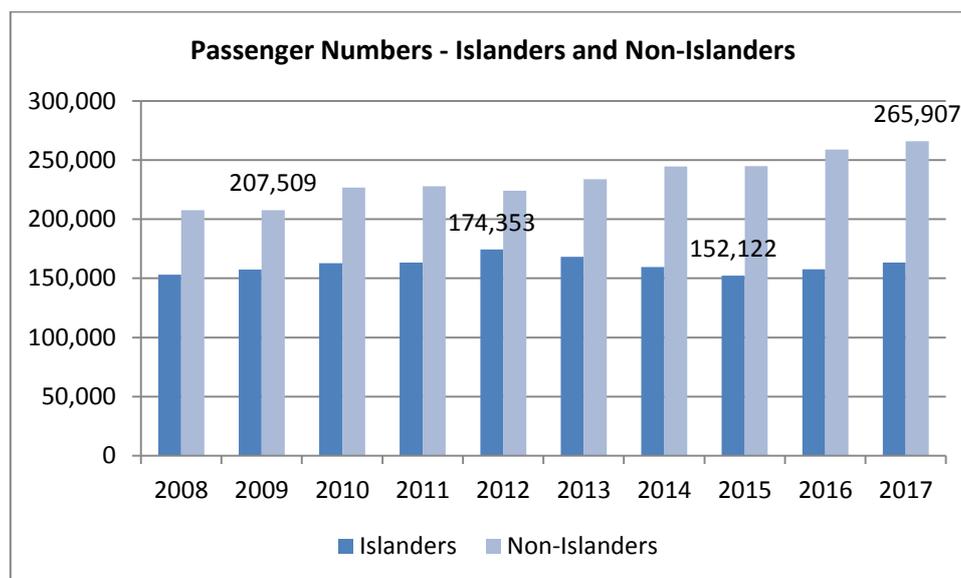
Over the period 2008 to 2017, 3.95 million passengers travelled on these subsidised routes, of which 1.6 million (41%) were islanders and 2.34 million were non-islanders (59%). Chart 6.7 sets out the annual passenger numbers for both categories of passenger over the review period 2008 to 2017. As set out in chapter 2 of this paper, an objective of the ferry services is to enhance the sustainability of island communities with access to and from the islands considered to be integral to achieving this objective. From the chart, it is evident that, in absolute terms, islanders travel has remained largely flat varying only slightly year to year from a high point of 174,353 islander journeys in 2012 to a low point of 152,922 journeys in 2015. Journeys have also increased slightly, year on year since 2015, which may indicate a higher frequency of travel to and from the mainland for islanders in recent years, particularly as the population fell in the same period. The decrease from 2012 was undoubtedly influenced by the absence of a subsidised service to Inis Mór between 2013 and 2018, which makes the increase in overall passenger numbers all the more noteworthy. Further increases are also expected in 2018 as a direct result of the high-volume route to Inis Mór.

On a journeys per capita basis, using census data from 2006, 2011 and 2016, the number of journeys per capita each year were 55 in 2008, 62 in 2012 and 60 in 2016. Although the rate of journeys fell back slightly from 2012 to 2017, in broad term this finding supports the proposition that the number of journeys by islanders to and from the mainland is increasing over time. That said, some further examination of the nature of these journeys, perhaps using Census POWSCAR data, or through similar stakeholder surveys to those used in Scotland, could provide useful information in determining the motives for and challenges to utilising these subsidised services.

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<sup>10</sup> Under more recent contracts, there is a requirement for more detailed recording of passengers including students and other discounted fare type, as well as islanders and non-islanders which may provide a richer data set for future analyses of passengers on these services.

**Chart 6.7 Passenger Numbers – All Sailings – Islanders and Non-Islanders**

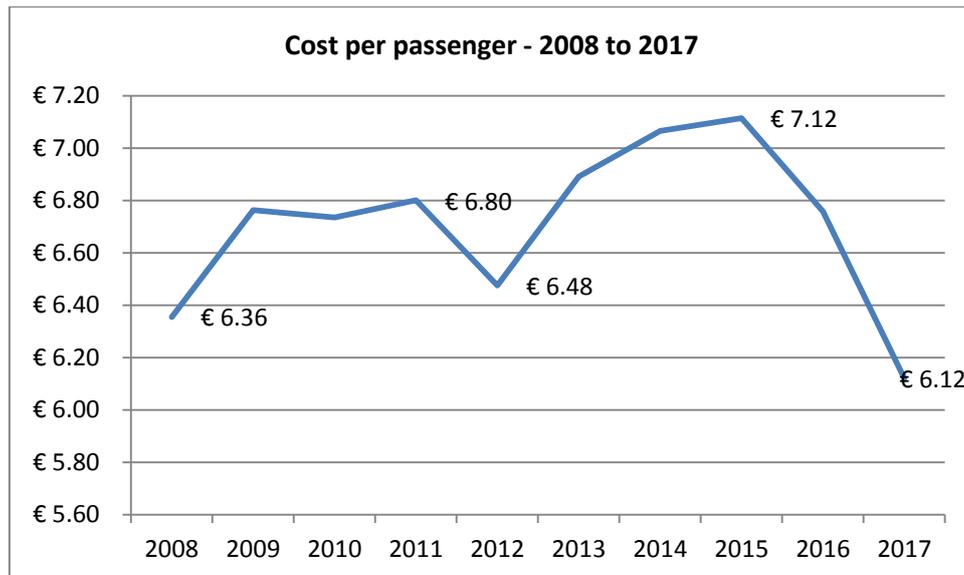


Travel by non-islanders to the islands is also of relevance to this review, particularly in the context of the importance of this travel to the economic sustainability of the islands. It is very welcome to note, from the chart, the upward trend in non-islander travel over the ten years from a low point of 207,509 in 2009 to its peak of 265,907 journeys in 2017. Although this positive trend has been in evidence since 2009, anecdotally the sustained increase has been linked, by stakeholders, to the Wild Atlantic Way which was launched in 2014. Some additional research into the impact of this touring route on visitors to the islands would be useful in establishing its economic benefit to the islands, as well as to examine the future sustainability of some island routes and the continued need for Government subsidy.

On a percentage basis, the ten year period has seen increases across all three groups; all passengers, islanders and non-islanders. The highest percentage increase was among non-islanders of 28.06%, which has led to a similarly significant increase among all passengers (+19.04%). The increase among islanders has been more modest at just 6.8%. That said, when compared with the change in passenger numbers in Scotland, Ireland has performed extremely well. Over broadly the same period, passenger numbers on all Transport Scotland routes increased by 1% while passengers on subsidised routes increased by just 0.3% (Auditor General, 2017).

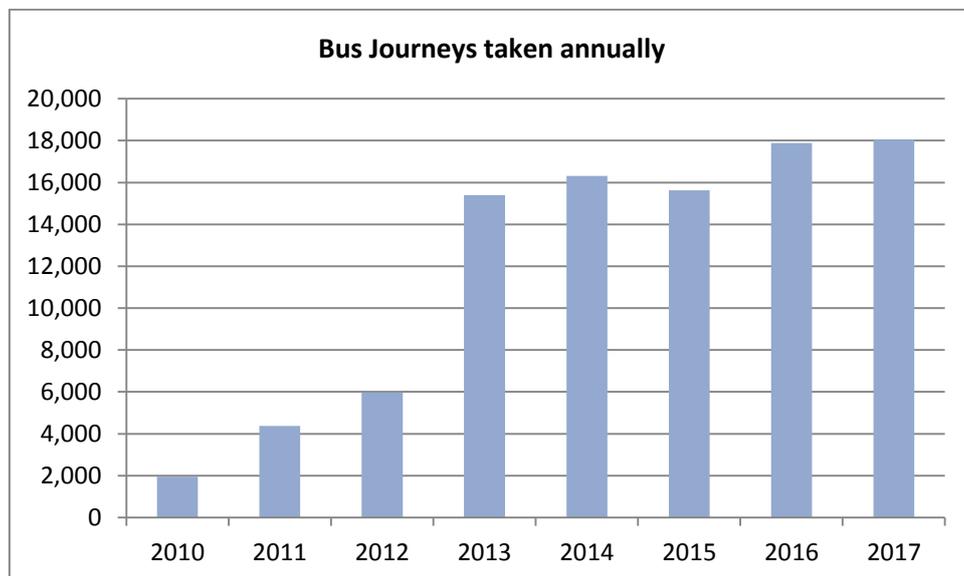
The review has already examined the cost per capita of the subsidised ferry services; however, it is also useful to look at the cost per passenger (based on the cost of passenger services only and relating only to Government expenditure) over the ten year period. These details are set out in chart 6.8. From the data, it is clear that with increasing numbers of passengers there are economies of scale with the cost per passenger decreasing from 2015 onwards. The Department should maintain this metric under review, in particular for its utility in establishing cost estimates for future services.

**Chart 6.8 Cost per passenger – 2008 to 2017**



An associated output for passenger services is the number of bus journeys taken on routes where an ancillary bus service is also provided. These additional bus services are available as part of the ferry services to Inis Bigil, Inishturk and Clare Island in Mayo and to Inishbofin and the three Aran Islands in Galway. These services were introduced in the late noughties and, as such, output data are only available from 2010. Chart 6.9 sets out the annual output over the period which amounted to 95,561 individual journeys.

**Chart 6.9 Bus Journeys – 2010 to 2017**



It is notable that the services started at a relatively low level with just 1,146 journeys taken in 2010, but they have since increased steadily to 18,047 journeys in 2017. This is due to the incremental inclusion of the bus services on contracts as part of new procurements following the expiry of individual contracts. Some further analysis of the continued need to expand these ancillary services,

particularly as they relate to school attendance, would be useful in planning for future services and indeed the appropriateness of such services being provided by the Department. The new contract for the Aran Islands ferry service, in place since December 2017 and which now includes Inis Mór, will likely generate further increases in bus journeys in 2018.

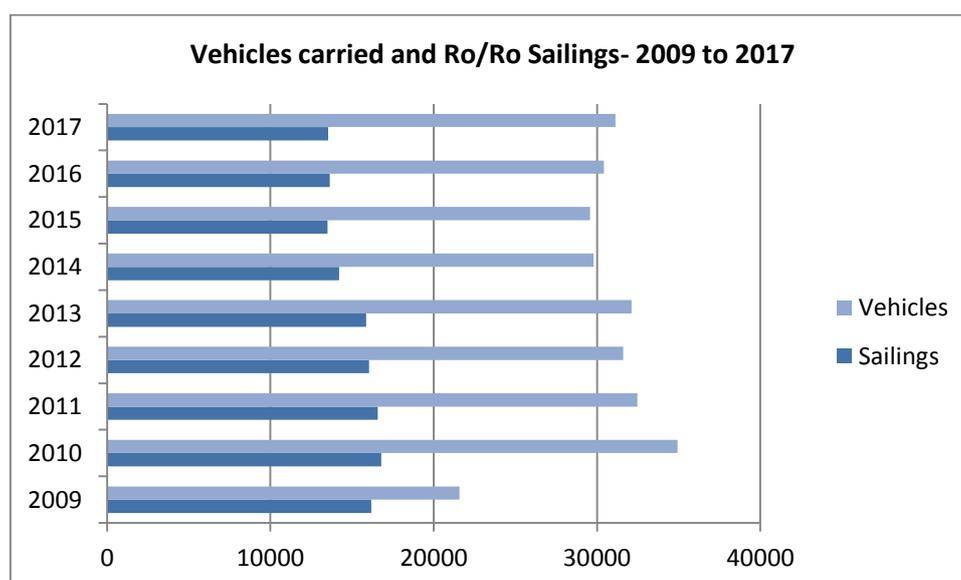
The total populations of the seven islands in receipt of such services were recorded at 1,657 in 2011 and 1,629 in 2016, which gives 3 and 11 journeys per capita. Although this may indicate increased efficiency, it is difficult to assess what the efficiency dividend is as it is primarily as a result of the inclusion of additional services in more contracts over the period. In addition, it was not possible to disaggregate the cost of the bus service from the wider ferry service, so information on cost per capita is not available.

### 6.3.3 Cargo and Vehicles

There are two further outputs of subsidised ferry services – the number of vehicles carried and the tonnage of cargo transported.

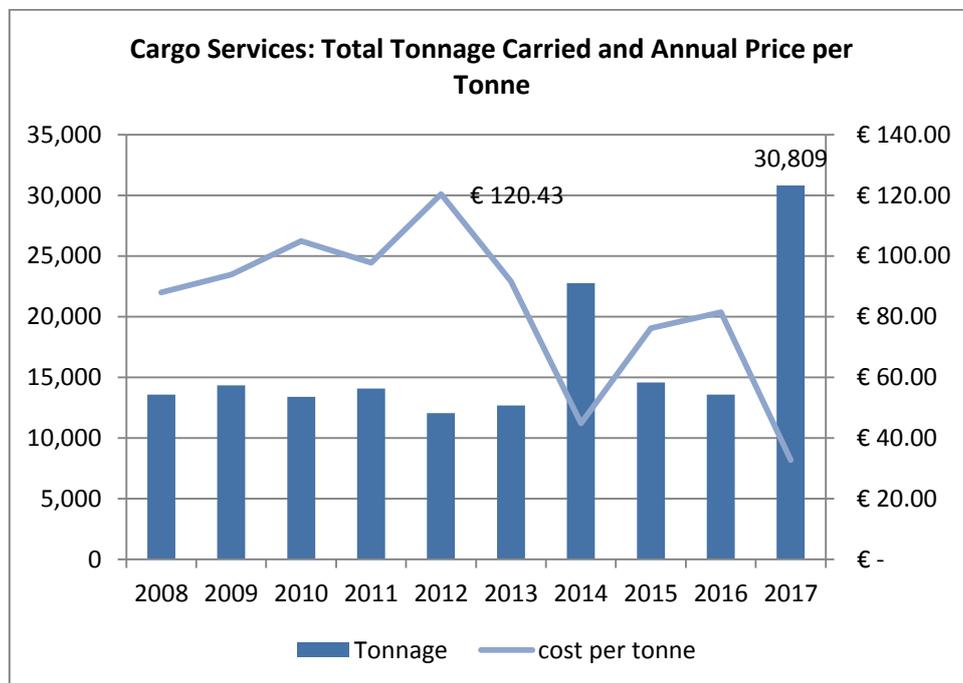
In terms of the former, vehicles are transported on three roll on/roll off services to two islands; Árainn Mhór in Donegal and Bere in Cork (2 operators). Over the period for which data are available (2009 to 2017), 273,598 vehicles were transported on these services with an average annual output of 30,400. Over the period, the numbers of vehicles increased dramatically between 2009 and 2010 (+68%) before decreasing slightly year on year to 2015 when the numbers of vehicles increased again. Because of the low base from which the output is measured (21,579) relative to the outputs for other years, the total increase in provision over the period was 44.23%. Chart 6.9 shows these annual outputs relative to the total number of sailings with a broadly similar pattern emerging. On average each sailing carried two vehicles which, although it doesn't account for seasonal variations, would not suggest additional demand for this type of service on this route.

**Chart 6.9 Roll on/Roll off Services - Vehicles Transported and Sailings – 2009 to 2017**



In order to assess the efficiency of the cargo services, the outputs of the nine contracts for cargo services were examined, the results of which are set out in Chart 6.10. Over the ten years of the review, a total of 161,926 tonnes of cargo were transported to the serviced islands, with an annual average of 16,193 tonnes carried. Although there were variations in the amount of tonnes carried over the period, the annual outputs stayed between 10,000 and 15,000 tonnes transported with the exception of 2014 and 2017 which saw the tonnes carried spike to 22,775 and 30,809 respectively. As might be expected, given the largely fixed-price nature of these cargo contracts, the annual price per tonne is heavily influenced by the tonnage carried and the consequent economies of scale generated. As such, 2014 and 2017 show the lowest annual prices/tonne of €44.84 and €32.72 respectively, while 2012 had both the lowest tonnage carried (12,063) and the highest unit price of €120.43.

**Chart 6.10 Cargo services: Total tonnage carried and annual price per tonne**



## Chapter 7: Effectiveness

### 7.1. Impact of Subsidised Ferry Services

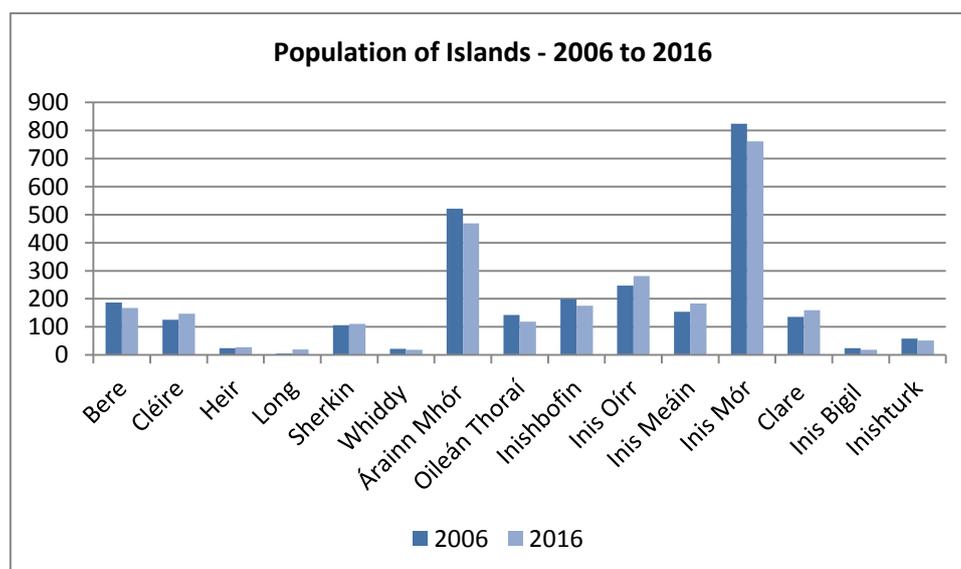
As set out in the research methodology, this chapter attempts to examine the impact that the provision of subsidised ferry services has had on this cohort of offshore islands over the period 2006 to 2016. Its particular focus is on attempting to assess the extent to which the Department has succeeded in achieving its objectives in relation to island development over that period. From Chapter 2, the Department has consistently set as a high level goal a commitment to sustaining island communities supported by objectives around the economic and social development of island communities as well as part of an overarching mission to promote cultural tourism, including on our offshore islands. As there are no explicit performance indicators or impact metrics associated with the provision of subsidised transport services to the islands, a number of proxy indicators are examined in the following sections, as follows:

- Population changes including age profile of islanders as a measure of the sustainability of the communities;
- Changes in the proportion of the populations in employment and labour force participation ratio as a measure of the economic sustainability of the communities; and
- Changes in numbers of non-islander passengers travelling to the islands as a measure of tourism on the islands.

### 7.2. Population Changes

Although the changes in the populations of the islands have previously been discussed in chapter 3, some further discussion on this with a specific comparison between 2006 and 2016 is included here. Chart 7.1 shows the change in population of the islands between the two time periods.

Chart 7.1 Island populations between 2006 and 2016



For the purposes of this analysis, islands were grouped together by the overall size of their population i.e. populations less than 100 people, populations between 100 and 200 people, and populations over 200 people to see if there were any common trends by island population size. Of the five islands with the smallest populations (Heir, Long, Whiddy, Inis Bigil and Inishturk), Heir and Long showed positive growth of +4 and +15 respectively. Whiddy, Inis Bigil and Inishturk showed decreases of -4, -6 and -7 respectively. The next group, islands with populations between 100 and 200, includes the greatest number of islands (n=7). Of these, four of the seven saw their populations grow over the twenty year period (2006 – 2016); Cléire (+22), Sherkin (+5), Inis Meáin (+29) and Clare island (+23). Bere, Oileán Thoraí and Inishbofin all saw their population decrease by -20, -23 and -24 respectively. As with the previous two groups, the group of islands with populations in excess of 200 also saw both increases and decreases in populations over the period. Árainn Mhór recorded a decrease of 53 and Inis Mór saw its population decrease by 62. Inis Oírr recorded a population increase of 34 individuals. In the aggregate, the populations of 8 islands saw a decrease of 199, while 7 islands enjoyed an increase of 132, giving an overall decrease in the population of 67 individuals. On this basis, it is clear that the size of an island population is not a sufficient indicator of either growth or decrease.

As the overall population of the islands decreased over the period, as part of a much longer trend towards declining populations, the question is raised as to whether the islands experiencing population growth is part of a sustainable trend or is more influenced by once-off growth factors. Some additional research into the reasons why people choose to stay on, return to or move to the islands should be conducted to better understand this growth phenomenon. More generally, the data are not sufficient to assert to any causality between the shifts in population and the impact of the subsidised transport services and as such it is not possible to draw any conclusions as to the effectiveness of the services at sustaining the populations. That said, the use of population movements as a top-line indicator for the Department should continue, particularly as a measure of the effectiveness of the overall subsidised ferry services programme within the overall performance management framework for the programme, recommended in chapter 2.

It is also interesting to look at any changes in the distribution of the population by age, to assess whether there is any inference which may be drawn as to the sustainability of island populations from an analysis of the populations aged between 0 and 45 years. Beginning with islanders aged between 0 and 14 years, table 7.1 shows the change in size of this cohort between 2006 and 2016. This is a useful cohort to examine as a measure of how sustainable the community is through the birth of children within the community or as families with children move to the community.

**Table 7.1 Changes in population between 0 and 14 years between 2006 and 2016**

0-14 years					
County	Island	2006	2016	change	% change
Cork	Bere	38	31	-7	-18.42%
Cork	Cléire	21	17	-4	-19.05%
Cork	Heir	<6	<6		
Cork	Long	<6	<6		
Cork	Sherkin	22	14	-8	-36.36%
Cork	Whiddy	<6	<6		
Donegal	Árainn Mhór	95	70	-25	-26.32%
Donegal	Oileán Thoraí	21	23	2	9.52%
Galway	Inishbofin	35	27	-8	-22.86%
Galway	Inis Oírr	43	49	6	13.95%
Galway	Inis Meáin	21	21	0	0.00%
Galway	Inis Mór	144	113	-31	-21.53%
Mayo	Clare	33	35	2	6.06%
Mayo	Inis Bigil	<6	<6		
Mayo	Inishturk	11	<6		

Heir, Long, and Inis Bigil all had populations fewer than 6 individuals in both time periods and, as such, are excluded from the analysis. Only Oileán Thoraí and Inis Oírr saw the populations aged 0 to 14 increase over the twenty years by 9.5% (+2) and 14% (+6) respectively. Although Inis Oírr generally saw its population increase over the two decades, and as such an increase in this cohort is to be expected, the population of Oileán Thoraí generally decreased while showing an increase in this cohort. That said, the absolute increase (+ two individuals) is very minor and as such may not indicate any meaningful change in the population's sustainability.

Of the other seven islands, all saw decreases in their youth populations with the largest decreases (in absolute terms) on the two islands with the largest populations; Inis Mór (-31) and Árainn Mhór (-25). Although as the islands with the largest populations they are best able to absorb these kinds of decline, the continued ability of island communities to replace their numbers will be critical to their long-term sustainability. Cléire and Sherkin also saw significant population decreases within this age cohort of 19% (-4) and 36% (-8) respectively, despite their populations generally growing over the period. This may raise a concern as to the ability of these islands to sustain population increases over the next twenty years.

The 15 to 24 years cohort on islands is often subject to significant shifts and variations, largely because young islanders have to leave the islands to access secondary and tertiary education. Accordingly, and depending on the distribution of ages within the cohort, trends within this group should be examined having regard to the previous cohort (0-14 years) to see if there is a throughput of children living on the islands and the next group 25 to 44 years to see how many of the 15 to 24 year olds return to live on the island. Table 7.2 sets out the change over the period 2006 to 2016 in this group.

**Table 7.2 Changes in population between 15 and 24 years between 2006 and 2016**

15-24					
County	Island	2006	2016	change	% change
Cork	Bere	14	19	5	35.71%
Cork	Cléire	16	17	1	6.25%
Cork	Heir	<6	<6		
Cork	Long	<6	<6		
Cork	Sherkin	12	10	-2	-16.67%
Cork	Whiddy	<6	<6		
Donegal	Árainn Mhór	45	53	8	17.78%
Donegal	Oileán Thoraí	24	<10		
Galway	Inishbofin	13	10	-3	-23.08%
Galway	Inis Oírr	30	24	-6	-20.00%
Galway	Inis Meáin	10	26	16	160.00%
Galway	Inis Mór	98	82	-16	-16.33%
Mayo	Clare	18	19	1	5.56%
Mayo	Inis Bigil	<6	<6		
Mayo	Inishturk	8	<6		

Again, as with the previous cohort, there are islands where although there is a general decline in their populations, they show growth in this cohort. Bere in Cork and Árainn Mhór both fall into this group with increases of 36% (+5) and 18% (+8) respectively. By contrast, Inis Oírr and Sherkin both record decreases in this cohort, relative to an overall increase in their total populations, with -20% (-6) on Inis Oírr and -17% (-2) on Sherkin. Sherkin also showed a decrease in its population of 0-14 year olds and as such may see its current positive growth in population reversed in future years. The greatest gain over the period was on Inis Meáin (+16) while the greatest decreases were on Inis Mór (-16) and Oileán Thoraí (at least -14).

The next cohort, 25 to 44 year olds, is a good indicator of the current sustainability of the population as these are typically family formation years (table 7.3). Also, as mentioned previously, examining this group over time is a useful proxy to assess how many young people return to the island after completing their education and then have sufficient economic opportunities to remain on the island and to possibly form families there.

**Table 7.3 Changes in population between 25 and 44 years between 2006 and 2016**

		25 -44			
County	Island	2006	2016	change	% change
Cork	Bere	45	29	-16	-35.56%
Cork	Cléire	27	38	11	40.74%
Cork	Heir	<6	11		
Cork	Long	<6	<6		
Cork	Sherkin	28	25	-3	-10.71%
Cork	Whiddy	8	<6		
Donegal	Árainn Mhór	110	71	-39	-35.45%
Donegal	Oileán Thoraí	35	41	6	17.14%
Galway	Inishbofin	74	40	-34	-45.95%
Galway	Inis Oírr	61	69	8	13.11%
Galway	Inis Meáin	26	28	2	7.69%
Galway	Inis Mór	233	177	-56	-24.03%
Mayo	Clare	34	34	0	0.00%
Mayo	Inis Bigil	<6	<6		
Mayo	Inishturk	11	12	1	9.09%

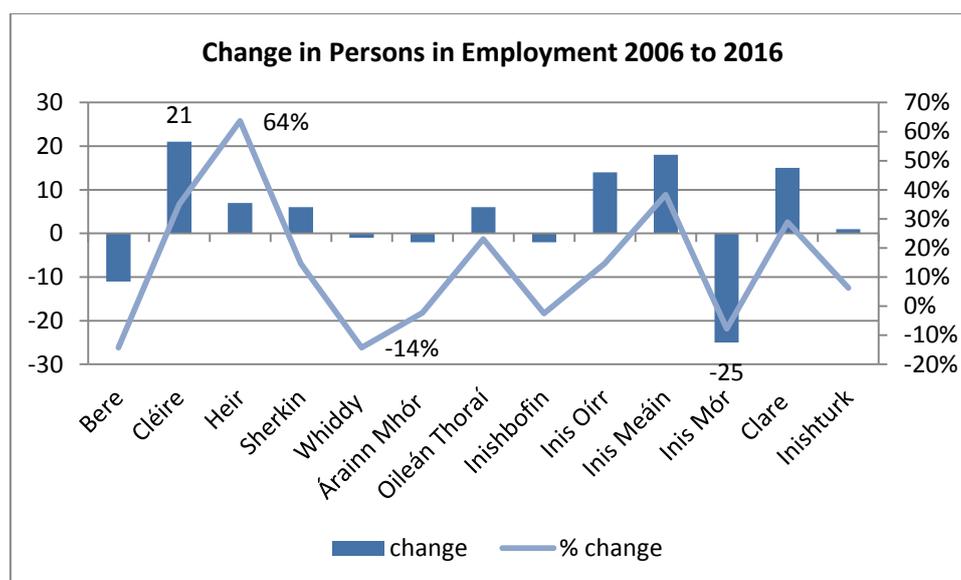
Unsurprisingly, there is a close correlation between islands which saw population increases in the 0 to 14 years cohort and those showing increases in this cohort as the likely parents of the youngest age group e.g. the population of Oileán Thoraí saw an increase of 17% in this group (+6) and a 9.5% increase among 0 to 14 year olds, while declining overall. The converse is also true with Árainn Mhór and Inis Mór showing significant declines in this group, mirroring similar declines among the youngest age group. Árainn Mhór declined by 35.5% (-39) while Inis Mór declined by 24% (-56). Worryingly, Inishbofin saw a 46% decrease (-34) in its population aged between 25 and 44 years, a finding which may indicate future challenges to its sustainability over the coming 10 years. As with the previous groups, despite showing an overall increase in population, the population of Sherkin aged between 25 and 44 also decreased by 11% over the period (-3).

Overall, the general trend among these island populations is towards declining youth populations, particularly in the 0 to 14 years group where very minor growth on two islands was recorded. As might be expected, the largest decreases were recorded on the islands with the highest populations; Inis Mór and Árainn Mhór, although Árainn Mhór did record an increase in its population aged between 15 and 24 years. Although these two islands are best placed to absorb larger decreases, it will not be possible to sustain this trend over time, particularly as the age profile shifts upwards with consequent impacts on the availability of services for young islanders e.g. crèches, schools etc. which may make the island more unattractive to return to. Sherkin is an example of this trend, with a declining youth population while its population of older islanders increases. A review of the factors which may hinder young islanders from returning to Sherkin could inform actions address the challenges faced by other islands in an earlier stage in this aging population cycle.

### 7.3. Employment

Although it is not possible to establish a causal link between the provision of subsidised ferry services and the opportunities for employment among island populations within this paper, it may be assumed that without access to and from the islands that such opportunities would be more limited. As such, it is useful to examine the changes in the population of the islands in employment over the period 2006 to 2016. Chart 7.1 sets out the changes in the numbers of people in employment on 13 of the 15 islands (for which data are available) between 2006 and 2016.

**Chart 7.1 Change in Persons in Employment between 2006 and 2016**

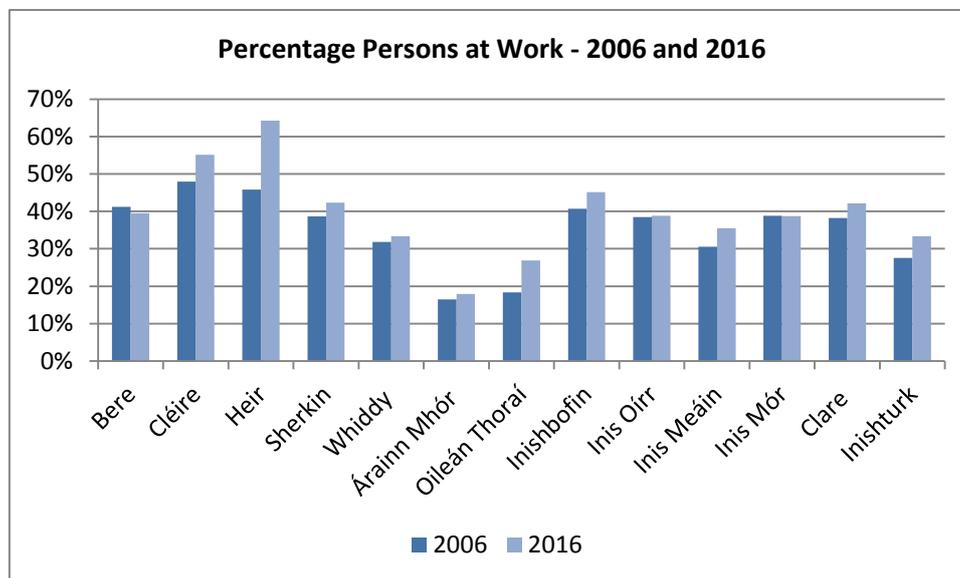


In general, there was a positive impact on the overall employment levels between these two time periods with a net gain of +47 in the numbers of individuals employed on the islands. Although it might be assumed that the greatest gains in employment would be on the largest islands, this is not borne out by the evidence with reductions the number of people employed recorded on Inis Mór (-25), Árainn Mhór (-2) and Bere (-11). Inishbofin and Whiddy also recorded decreases of -2 and -1 respectively with all of the remaining islands recording increases in employment. Of particular note are the increases recorded in Cléire (+21), Inis Meáin (+18) and Clare (+15) all of which have populations between 125 and 150. It should be noted that these increases are particularly welcome given the challenging economic climate since 2008, although there may be an argument that the islands because of their size and location are somewhat insulated against wider economic shocks or that the impact of the Wild Atlantic Way has outweighed any wider negative economic impact.

Chart 7.2 provides details of the working population of the islands, as a proportion of the total population. As with the previous chart, the results are generally good with growth in the proportion of the population in employment on most islands. The median increase was 3.9% over the period. The only decreases recorded were for Bere (-1.7%) and Inis Mór (-0.12%). Although it is not possible to definitively determine the reasons behind these improvements in employment levels, it is noted that the Department directly and indirectly supports a range of employment opportunities on the islands including through Co-operatives, Comhar na nOileáin, Campaí Samhradh, Mná Tí schemes on

the islands. In addition, the Department’s investment in harbour infrastructure and improved ferry services has made commuting to the mainland for work possible on some islands.

**Chart 7.2 Persons in Work as a Proportion of Total Population 2006 and 2016**



It is also useful to examine the performance of the islands relative to performance nationally. From Census 2016, 42.2% of the total population of Ireland was in employment. Although some islands (Cléire, Heir, Sherkin, Inishbofin, and Clare) were all at or above the national rate, the majority of the islands performed worse than the national rate. The Donegal islands were particularly behind the national rate and, as such, may warrant further examination in terms of the provision of enterprise supports or training opportunities for these populations.

Given these analyses, it is clear that despite the challenging economic environment of the past decade, the majority of the islands have seen an increase in their populations that are in employment. For the most part, islands with smaller populations have seen the greatest uptick with the largest islands all seeing reductions in employed populations. The factors influencing these changes should be examined in advance of any new policy context for the subsidised ferry services to the islands to ensure that investment in the economic and enterprise development of these islands is evidence-based.

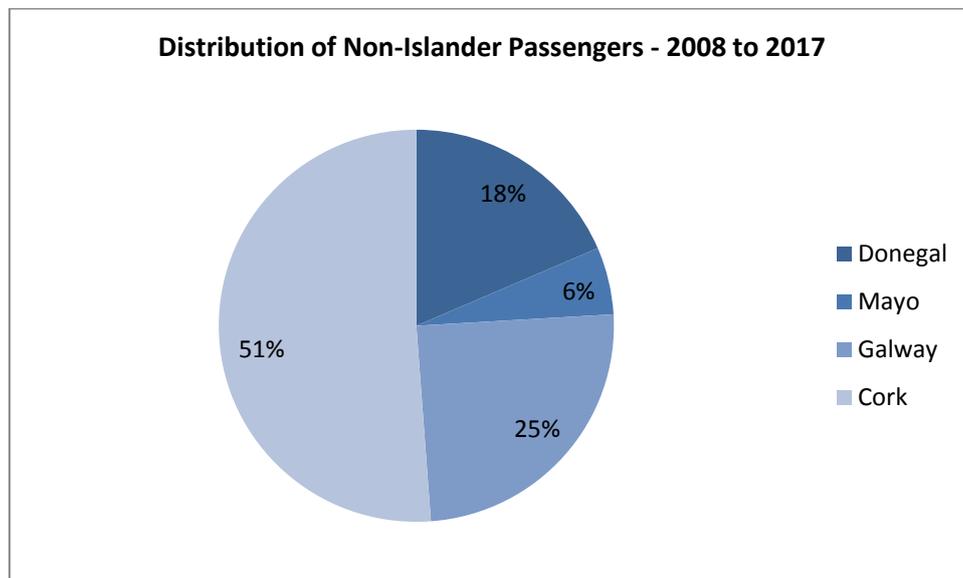
#### 7.4. Tourism

Tourism is the focus of much of the economic activity on the offshore islands examined as part of this spending review. Promoting cultural tourism, including to these islands, is also an objective included in Departmental Statements of Strategy over the review period. As such, it is important to examine, albeit without determining causality, trends in visitor numbers to the islands. These data are provided by service providers as part of their daily logs.

Over the ten year period 2008 to 2017, 2.34 million visitors travelled on subsidised ferry services to the islands. This does not represent the full complement of visitors as additional visitors would have

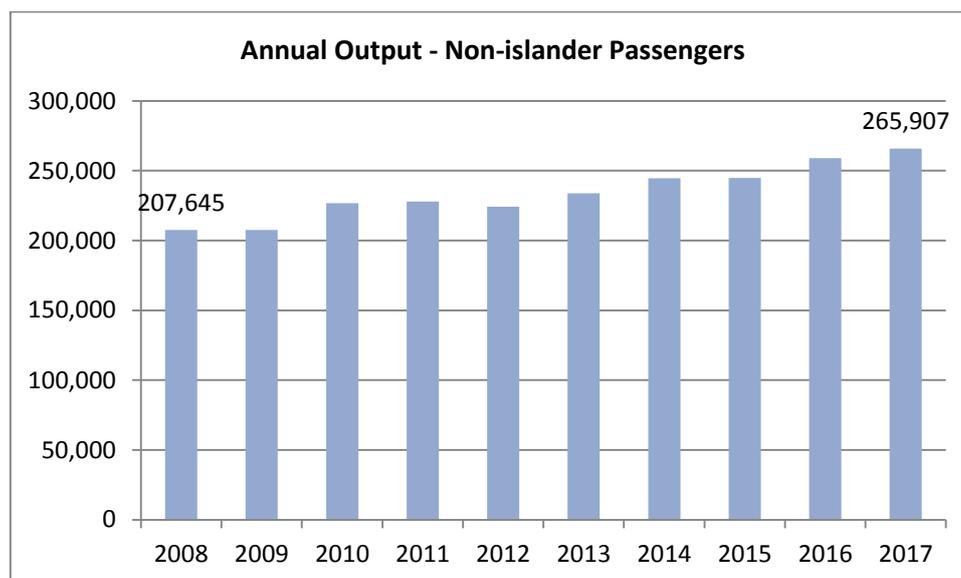
travelled via privately operated services especially to the Aran Islands and to Árainn Mhór. Chart 7.3 sets out the percentage of these visitors which went to islands in each of the four counties. In terms of the breakdown between the four counties with island ferry services the majority of visitors (some 1.2 million) visited islands in Cork while one quarter of visitors visited Galway islands (0.58 million). Donegal islands had the next highest number of visitors with 0.43 million, while Mayo had the fewest visitors with just 0.13 million over the ten-year period. It may be intuited that the Galway islands are in second place as a significant proportion of their visitors are not recorded in these data as they use privately operated services and because there was no subsidised service to Inis Mór between 2013 and 2018.

**Chart 7.3      Distribution of Non-islander passengers over the period 2008 to 2017**



Non-islander visitor numbers have also seen a somewhat steady increase over the decade, as shown in chart 7.4 albeit with a slight decrease in 2012. Overall, visitor numbers increased from 207,645 in 2008 to 265,907 in 2017, an increase of 28% over the period. The increases in visitor numbers since 2013 may have been influenced by the introduction of the Wild Atlantic Way route which includes trips to a number of offshore islands, although some further research to determine the level of impact would be desirable.

**Chart 7.4 Non-islander passengers – annual output**



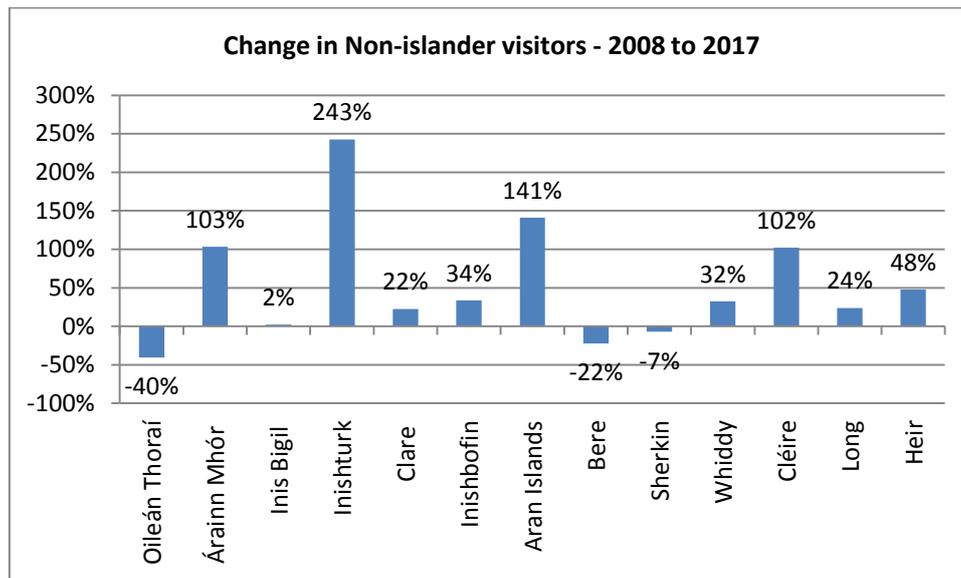
Appendix 12 presents details of the annual output in terms of non-islander passengers on subsidised ferry services to each of the islands. As mentioned previously, these data should not be taken as the full cohort of visitors to the islands as they only represent one part of the ferry service provision for visitors to a number of islands. In 2017, the most visited islands were as follows:

- Árainn Mhór – 46,634 visitors;
- Sherkin – 40,363 visitors;
- Inishbofin – 40,115 visitors;
- Bere – 36,527 visitors; and
- Inis Oírr/Inis Meáin/Inis Mór – 30,851.

The least visited were Inis Bigil with just 758 visitors recorded and Long with 975 visitors. It is noted that the islands with the largest populations are among the most visited while those with the smallest populations are the least visited. This may be a function of the lack of services e.g. restaurants, B&Bs etc. for visitors which make smaller islands less attractive for visitors. If this is the case, some additional research into the tourism offering on Sherkin would be useful as relatively sparsely populated island (106 at the last census) it garners significant numbers of visitors. Again, the availability of privately operated services to the Aran islands and the exclusion of Inis Mór from the subsidised services contract between 2013 and 2018 undoubtedly have impacted on these islands only being in fifth position. Some additional research into the impact of privately operated services on subsidised services, including in terms of forecasting future need for subsidised services, would be useful in terms of planning for tourism development and service provision on these islands.

In terms of the change over time, chart 7.5 shows the percentage change in visitor numbers over the ten year period. Only three islands saw visitor numbers decrease over the period; Oileán Thoraí (-40%), Bere (-22%) and Sherkin (-7%). All other islands saw visitor numbers increase, with the most significant increases recorded on Inishturk, the Aran Islands and Árainn Mhór.

**Chart 7.5 Change in non-islander visitor numbers 2008 to 2017**



Although in general, the findings from this analysis show positive trends in visitor numbers, using subsidised ferry services, to access the island, there are signals as to where further analysis is needed e.g. to understand how visitors use these ferry services and how ancillary services might be developed to enhance the visitor experience on the islands. That said, it is clear that a significant and growing number of visitors are using these subsidised services to visit the islands, a trend which should be encouraged in future and forecasted visitor need built into the overall evidence-base for future service planning. There will be a need to balance exploiting this opportunity for further tourism development with the infrastructural limitations of the islands and associated environmental impact considerations.

## Chapter 8: Conclusions and Recommendations

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In broad terms, the spending review has found that there is a continued need for the State to provide subsidised ferry services to offshore islands to ensure the continued viability of the communities on these islands, as access to the islands is critical to their economic and social development. The ferry services were examined over the period 2008 to 2017 during which the following key outputs were delivered:

- 410,880 sailings on subsidised services;
- 3.95 million passengers have been carried on these sailings, of which 40.8% were islanders and 59.2% were visitors;
- 274,000 vehicles travelled to the islands; and
- 162,000 tonnes of cargo have been delivered to island communities.

The review examined the operation of the ferry services over the past decade, with a view to enhancing the current operational framework as well as to assess the efficiency of the existing service provision. In terms of the management of annual costs, Ireland compares well with Scotland with an increase of just 4% over the period 2008 to 2017 recorded in this jurisdiction as compared with an increase of 104% over a similar period in Scotland.

From the analysis, the cost of passenger services has increased while the number of sailings has dropped with the converse noted for cargo services. This may be influenced in part by the impact of higher tender prices for passenger services in recent years, a challenge which it is difficult for the Department to address in the context of the limited competition for many routes. However, this trend should be maintained under review to guard against inefficiency in the services provided. The factors behind reducing numbers of extra-contract sailings should also be examined in this regard. The growing passenger numbers recorded in recent years also somewhat mitigate against this potential inefficiency.

Immediate capacity constraints in terms of both the procurement and management of the services over the coming 18 months were identified which need to be addressed if the services are to be maintained. In that regard, consideration should be given to examining the availability of additional resources, on a short term basis, or the provision of particular procurement expertise through the use of consultants to manage this workload to 2020. Over the medium-term, the review recommends consideration of bundling of services or other options to reduce the quantum of procurements which need to be delivered as well as proposing some options to reduce the administrative burden in assessing tenders.

The provision of the services as currently constituted is determined by the level of existing services and through consultation with local communities, an approach which could be enhanced by additional research into the current and future needs of the individual island populations to augment the profiling exercise conducted as part of this review. There is little correlation between sailings and population from the analysis, which suggests that a better understanding of the factors which influence this aspect of service provision (demand, distance to the mainland, historical factors) is needed, particularly in light of the increasing frequency of journeys by islanders recorded since 2015. Vessel capacity was, however, found to be closely correlated with population size which

should also be borne in mind in terms of the trend towards increasing external demand for services from tourists. Accordingly, a more comprehensive evidence-based approach to planning for future service provision, incorporating the existing consultative approach, is recommended.

The administrative burden of managing the services, including in transcribing and collating daily log data, is considered to be a barrier to enhanced efficiency and the review recommends that the Department consider mobile IT solutions to ensure real-time access to performance data from service providers. This current burden has limited the amount of analysis of performance data, including financial information, from service providers which has a knock on effect on the Department's ability to plan for and procure services. In particular, a better understanding of the profitability or otherwise of routes is necessary to inform future procurements including in relation to the setting of maximum fares. The inclusion of variation clauses in these public service contracts was also examined and it was recommended that the level of fuel cost variation and the need for index-linking should be reviewed for all new contracts.

The review, building on the 2004 *Review of Certain Subsidised Ferry Services to the Islands* (Malachy Walsh), also identifies the need for a performance management framework to more rigorously measure the efficiency and effectiveness of subsidised ferry services, particularly as they impact on the sustainability of island communities. Such a framework could be developed in tandem with any new policy context for the subsidised ferry services to the Islands. A first step in implementing this recommendation would be to formally define, in quantitative terms, the objectives of the annual ferry services programme.

The review also included consideration of the population profile of the islands in receipt of subsidised ferry services. This analysis sought first to understand if the provision of subsidised transport services has any particular effect on the sustainability of island communities with varied results. A general decline in the young population of islands was identified as a key risk to future sustainability. The main recommendation following these findings is that there is a need to better understand the factors which influence community growth and decline on the islands, as well as a need to develop a better understanding of the profile of individual communities with a view to aligning services to enterprise opportunities and community needs e.g. an ageing population will have different service requirements to younger populations where the services may primarily be needed for daily or weekly commuting.

High dependency ratios, particularly old age ratios, were determined on a number of islands which will undoubtedly have an impact on service needs including in relation to accessibility of services and for schedules to be aligned to mainland social care service times. Challenges in the current employment levels on some islands, particularly in Donegal, were also highlighted for consideration as part of any new policy context for subsidised ferry services or where enterprise supports are being considered for these islands. Encouraging female participation in the labour force is another challenge identified by the review. The high proportion of Irish speakers on Gaeltacht islands, higher than both the national and Gaeltacht rates, was also noted with a consequent need to ensure that information on and about ferry services is available bilingually.

In addition, the review found that there was a need to further enhance the evidence-base around the impact and outcomes of Government intervention to sustain island populations over the past 20 years, particularly as they relate to the implementation of actions recommended by the Inter-

Departmental Co-ordinating Committee on Island Development in 1996. This, it considers, is the first step in working towards an understanding of the factors which influence island development and the sustainability of island populations and to extent to which island populations are impacted by subsidised ferry services.

Although the review did find that the past decade saw improvements in levels of employment and visitors to the islands, it was not possible, given the limitations of the data, to determine causality with the provision of subsidised ferry services. Also, the absence of comparison with privately operated services, limits the usefulness of the visitor data. The opportunity to enhance the tourism offering of the islands was noted as important for the future sustainability of the Islands. There will, however, be a need to balance exploiting this opportunity with the infrastructural limitations of the islands and associated environmental impact considerations.

As part of any new policy context for the subsidised ferry services to the Islands, greater clarity on the specific responsibilities of the Department will be essential and a balancing of current Departmental activity which is focused on procuring, subsidising and managing transport services and the Department's wider strategic objective of ensuring a cross-Government approach to meeting the needs of and sustaining island communities. The opportunities for transferring this activity to another agency or agencies with appropriate procurement expertise, transport network planning and experience in community engagement should be explored. The principle of subsidiarity, where services should be provided at the least centralised level possible, should be incorporated into any exploration of options to transfer these responsibilities, as should the importance of linking current funding for services with capital investment in harbour infrastructure, which has clearly worked well for island communities over the past two decades, given the increased number and level of passenger and cargo services and complementary harbour infrastructure developed by the (now) Department of Culture, Heritage and the Gaeltacht during that period.

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## Appendix 1: Island Populations – 1996 to 2016

Island	1996	2002	2006	2011	2016
Bere, Co Cork	212	207	187	216	167
Cléire, Co Cork	145	129	125	124	147
Dursey, Co Cork	9	6	6	3	4
Long, Co Cork	9	12	5	10	20
Ringarogy, Co Cork	76	88	88	94	84
Sherkin, Co Cork	98	129	106	114	111
Spike, Co Cork	103	61	..	..	..
Whiddy, Co Cork	34	29	22	20	18
An Chruit, Co Donegal	70	61	53	85	60
Árainn Mhór, Co Donegal	602	543	522	514	469
Aughnish, Co Donegal	3	3	3	3	2
Cruachán, Co Donegal	..	..	..	1	1
Gabhla, Co Donegal	0	5	4	15	5
Inis Bó Finne, Co Donegal	24	16	36	11	2
Inis Caorach, Co Donegal	0	0	7	..	..
Inis Fraoigh, Co Donegal	15	7	9	2	0
Inis Meáin, Co Donegal	0	0	0	7	0
Inis Mhic an Doirn, Co Donegal	0	0	13	1	5
Oileán an Bhráighe, Co Donegal	15	7	13	13	12
Oileán Thoráí, Co Donegal	169	133	142	144	119
Uaigh, Co Donegal	0	0	27	..	6
North Bull, Co Dublin	22	17	18	16	12
Lambay, Co Dublin	8	6	6	6	9
An Ros, Co Galway	0	0	0	20	22
An tOileán Mór, Co Galway	1	1	1	2	1
Árainn, Co Galway	838	831	824	845	762
Eanach Mheáin, Co Galway	104	121	140	141	104
Fornais, Co Galway	59	56	65	60	60
Garmna, Co Galway	1057	1015	1010	1055	1019
Inis an Ghainimh, Co Galway	3	3	2	2	2
Inisheltia, Co Galway	0	0	0	..	
Inis Bereachain, Co Galway	1	0	1	1	0
Inishbofin, Co Galway	200	178	199	160	175
Inis Oírr, Co Galway	274	262	247	249	281
Inis Meáin, Co Galway	191	187	154	157	183
Inis Ní, Co Galway	33	24	28	43	43
Inis Treabhair, Co Galway	3	1	1	1	0
Inishturk, Co Galway	0	0	1	1	0
Leitir Mealláin, Co Galway	204	219	213	241	204
Leitir Móir, Co Galway	503	497	528	548	513
Maínis, Co Galway	150	146	140	145	137

Omev, Co Galway	4	4	2	1	2
Roisín an Chalaídh, Co Galway	3	3	7	10	10
Tamhain Thoir, Co Galway	..	..	..	32	31
Tamhain, Co Galway	..	..	..	14	12
An Blascaod Mór, Co Kerry	0	0	2	..	..
Carrig, Co Kerry	13	10	10	9	7
Garinish Island, Co Kerry	0	2	2	2	2
Oileán na gCapall, Co Kerry	0	0	0	2	2
Rossmore, Co Kerry	8	7	6	10	8
Tarbert, Co Kerry	13	5	8	6	5
Valencia, Co Kerry	676	690	713	665	657
Foynes Island, Co Limerick	..	..	0	..	2
Acaill, Co Mayo	2718	2620	2620	2569	2440
Clare, Co Mayo	136	127	136	168	159
Clynish, Co Mayo	5	5	5	4	4
Collan More, Co Mayo	0	3	18	4	7
Dubhoileán, Co Mayo	0	0	0	2	2
Inis Bigil, Co Mayo	48	39	24	25	18
Inishcottle, Co Mayo	7	4	3	5	0
Inishgort, Co Mayo	2	1	1	..	..
Inishlyre, Co Mayo	7	7	7	4	4
Inishnakillew, Co Mayo	6	5	3	7	6
Inishturk, Co Mayo	83	72	58	53	51
Inish Turk Beg, Co Mayo	..	..	..	10	2
Inisraher, Co Mayo	0	4	0	..	..
Island More, Co Mayo	0	1	1	..	..
Dernish Island, Co Sligo	0	0	1	..	1
Inishmulclohy (or Coney Island), Co Sligo	6	3	6	2	3
Saltee Little, Co Wexford	..	..	..	2	2
<b>Total population</b>	<b>8970</b>	<b>8612</b>	<b>8579</b>	<b>8676</b>	<b>8196</b>
<b>Percentage annual change</b>		<b>-3.99%</b>	<b>-0.38%</b>	<b>1.13%</b>	<b>-5.53%</b>
<b>Total percentage change</b>					<b>-8.63%</b>

## Appendix 2: Island Populations with Subsidised Services – 1996 to 2016

	1996	2002	2006	2011	2016	change	% change
<b>Donegal</b>							
Oileán Thoraí	169	133	142	144	119	-50	-29.59%
Árainn Mhór	602	543	522	514	469	-133	-22.09%
<b>Mayo</b>							
Inis Bigil	48	39	24	25	18	-30	-62.50%
Inishturk	83	72	58	53	51	-32	-38.55%
Clare	136	127	136	168	159	23	16.91%
<b>Galway</b>							
Árainn/Inis Mór	838	831	824	845	762	-76	-9.07%
Inishbofin	200	178	199	160	175	-25	-12.50%
Inis Oírr	274	262	247	249	281	7	2.55%
Inis Meáin	191	187	154	157	183	-8	-4.19%
<b>Cork</b>							
Bere	212	207	187	216	167	-45	-21.23%
Sherkin	98	129	106	114	111	13	13.27%
Whiddy	34	29	22	20	18	-16	-47.06%
Cléire	145	129	125	124	147	2	1.38%
Long	9	12	5	10	20	11	122.22%
Heir	..	..	..	29	28	-1	-3.45%
<b>Total</b>	<b>3039</b>	<b>2878</b>	<b>2751</b>	<b>2828</b>	<b>2708</b>	<b>-331</b>	<b>-10.89%</b>

### Appendix 3: Overview of Ferry Contracts

County	Island	Service Type	Service Provider	Contract Term	Vessels	Sailings	Fares
Donegal	<b>Oileán Thoraí</b>	Passenger & Light Cargo	Réalt na Maidne	5 years to 31/3/2023	2 vessels, Queen of Aran- 96 capacity/113 tonnes, Sarah Ellie - 12 capacity	July - August - 28 return sailings per week September to June - 21 sailings per week	Islanders - €12 return Non-islanders - €28
Donegal	<b>Oileán Thoraí</b>	Heavy Cargo	Comharchumann Thoraí Teo	1 year to 31/01/2018	2 vessels, Rhum - 69 tonnes capacity, Coll, - 69 tonnes capacity.	26 sailings per year	N/A
Donegal	<b>Oileán Thoraí</b>	Fast Passenger Ferry	Jimmy Rodgers	2 months to 31/07/2018	1 vessel, Whispering dawn - 12 capacity	14 return sailings weekly	Islanders - €12 return Non-islanders - €28
Donegal	<b>Árainn Mhór</b>	Roll on/Roll off	Réalt na Maidne	5 years to 31/08/2019	3 vessels, Movern - 100 capacity, Misneach – 12 capacity, Ocean Warrior – 12 capacity	January - April, September & October - 24 return sailings weekly May, November, December - 28 return sailings weekly June - August - 33 return sailings weekly	Islanders - €10 return Non-islanders - €15 return

Mayo	<b>Inis Bigil</b>	Passenger & Bus	Mayo Community Transport Ltd.	5 years to 30/09/2019	2 vessels, Eireann Go Bragh - 12 capacity, Iomaire Gainnimh - 12 capacity	14 return sailings weekly	Islanders - €5 return, Non- islanders - €6 return (ferry only - bus prices are €4 return and €5 return respectively)
Mayo	<b>Inishturk</b>	Passenger & Bus	O'Malley Ferries (Clare Island) Ltd.	5 years to 30/11/2022	2 vessels, Naomh Ciarán II – 67 capacity, True Light – 38 capacity.	October - April - 12 return sailings weekly May, June & September - 14 return sailings weekly July & August - 16 return sailings weekly	Islanders - €9 return, Non-islanders - €22 return
Mayo	<b>Clare Island</b>	Passenger & Bus	Clare Island Ferry and Clew Bay cruises Ltd.	5 years to 30/06/2021	3 vessels, Clew Bay Queen Mode A - 96 capacity, Mode B – 47, Pirate Queen – 96 capacity, Sea Sprinter – 35 capacity.	14 return sailings weekly	Islanders - €9 return, Non-islanders - €17 return (bus service, €6 return and €10 return respectively)

Mayo	<b>Inishturk/Clare Island</b>	Cargo	O'Malley Ferries (Clare Island) Ltd.	5 years to 31/07/2018	2 vessels, Naomh ciaran II - 66 tonnes capacity, Madelen - 99 tonnes capacity	2 sailings weekly	N/A
Mayo	<b>Inishlyre, Clynish &amp; Collanmore</b>	Cargo	Mayo Islands Committee	2 years to 30/04/2020	1 vessel, Clew Bay Queen - 64 tonnes capacity	6 sailings annually	N/A
Galway	<b>Inishbofin</b>	Passenger & School Bus	Inishbofin Island Discovery Ltd.	5 years to 31/12/2019	2 vessels, Island Explorer - 72 capacity, Island Discovery - 99 capacity	14 return sailings weekly. Bus service on Friday and Sunday evenings.	Islanders - €10 return Non-islanders - €20
Galway	<b>Inishbofin</b>	Cargo	Lasta Mara Teo	5 years to 31/05/2018	2 Vessels - Chateaux Thiery & Madelen	2 return sailings per week	N/A

Galway	<b>Oileán Árann - Galway city</b>	Cargo	Lasta Mara Teo	5 years to 1/7/2023	Bláth na Mara - 330 tonnes capacity	June - August - 4 return sailings per week September - May - 3 return sailings per week	N/A
Galway	<b>Inis Mór/Inis Oírr/Inis Meáin</b>	Passenger & Bus	Aran Ferries Teo	5 years to 30/11/2022	4 vessels, Glór na Farraige - 244 capacity, Banríon na Farraige - 180 capacity, Draíocht na Farraige – 294 capacity, Ceol na Farraige – 294 capacity	May- September - 15 return sailings per week October to April - 14 return sailings per week	Islanders - €10 return Non-islanders - €25
Cork	<b>Bere</b>	Passenger & Roll on/Roll off	Bere Ferries/ Murphy's Ferry Service Ltd.	5 years to 31/10/2018	5 vessels, Oileán na hÓige - 75 capacity, Sancta Maria - 75 capacity, Ikom K - 60 capacity, Houton Lass - 12 capacity, Ocean Lass, 12 capacity	June - September - 21 return sailings weekly October - May - 29 return sailings weekly	Islanders - €10/€12 return Non-islanders - €14/€16

Cork	<b>Bere</b>	Heavy Cargo	Blue Ocean Marine Ltd.	2 years to 30/04/2020	1 vessel - Houton Lass	2 return sailings per week	N/A
Cork	<b>Sherkin</b>	Passenger	Carbery Isle Ferries Ltd.	5 years to 30/4/2021	3 vessels - Yoker Swan - 52 capacity, An tOileánach Glic – 40 capacity, Mystic Waters – 97 capacity.	October - May - 47 return sailings weekly June - September - 52 return sailings weekly July - August - 48 return sailings weekly	Islanders - €5 return Non-islanders - €12
Cork	<b>Whiddy</b>	Passenger	Whiddy Ferry Service	5 years to 31/10/2020	2 vessels - Lantern - 36 capacity, Ocean Star – 12 capacity	12 return sailings weekly	Islanders - €6 return Non-islanders - €8
Cork	<b>Whiddy</b>	Cargo	Bere Project Group	1 year to 30/04/2018	2 vessels, Catherine W - 57 tonnes capacity, An tOileánach - 60 tonnes capacity	5 sailings annually	N/A
Cork	<b>Cléire</b>	Passenger	Thar Tonn Teo	8 years to 31/01/2019	3 vessels, Dun Aengus - 64 capacity, Dún an Óir - 94 passengers, Deep Star - 12 capacity	28 return sailings weekly	Islanders - €8 return, Non-islander - €16 return

Cork	<b>Long Island</b>	Passenger	Maurice Coghaln	5 years to 31/03/2020	2 vessels, Chieftain - 12 capacity, M.V.Ciarán Ronan - 8 capacity	January - March, November & December - 12 return sailings weekly April - October 20 return sailings	Islanders - €5 return, Non-islander - €7 return
Cork	<b>Heir Island</b>	Passenger	Camp Roaringwater Ltd.	5 years to 30/09/2022	2 vessels, Heir Island Ferry - 5 capacity, Thresher - 12 capacity	April - October - 40 return sailings weekly November - March - 33 return sailings weekly	Islanders - €5 return Non-islanders - €6
Cork	<b>Cléire, Sherkin, Heir Island &amp; Long Island</b>	Cargo	Carbery Isle Ferries Ltd.	2 years to 31/3/2018	Sabrina II - 84 tonnes capacity	Minimum of 50 sailings per annum	N/A
Cork	<b>Durseley</b>	Cargo	Laurence Cove Ferries Ltd.	2 years to 30/11/2019	An tOileánach - 60 tonnes capacity	8 sailings per annum	N/A

#### Appendix 4: Island Populations with Subsidised Services – Gender Profile – Census 2016

County	Island	Both Sexes	Male	Female
Cork	Bere	167	92	75
Cork	Cléire	147	75	72
Cork	Heir	28	14	14
Cork	Long	20	12	8
Cork	Sherkin	111	57	54
Cork	Whiddy	18	11	7
Donegal	Árainn Mhór	469	238	231
Donegal	Oileán Thoraí	119	68	51
Galway	Inishbofin	175	92	83
Galway	Inis Oírr	281	146	135
Galway	Inis Meáin	183	102	81
Galway	Inis Mór	762	380	382
Mayo	Clare	159	84	75
Mayo	Inis Bigil	18	11	7
Mayo	Inishturk	51	26	25

## Appendix 5: Island Populations with Subsidised Services – Age Profile – Census 2016

County	Island	All Ages			0 - 14 years			15 - 24 years			25 - 44 years			45 - 64 years			65 years and over		
		Both Sexes	Male	Female	Both Sexes	Male	Female	Both Sexes	Male	Female	Both Sexes	Male	Female	Both Sexes	Male	Female	Both Sexes	Male	Female
Cork	Bere	167	92	75	31	19	12	19	11	8	29	16	13	48	24	24	40	22	18
Cork	Cléire	147	75	72	17	6	11	17	9	8	38	17	21	48	29	19	27	14	13
Cork	Heir	28	14	14	<6	<6	<6	<6	<6	<6	11	<6	6	6	<6	<6	9	<6	<6
Cork	Long	20	12	8	<6	<6	<6	<6	<6	<6	<6	<6	<6	9	7	<6	<6	<6	<6
Cork	Sherkin	111	57	54	14	<10	<10	10	<10	<10	25	11	14	43	21	22	19	11	<10
Cork	Whiddy	18	11	7	<6	<6	<6	<6	<6	<6	<6	<6	<6	8	<6	<6	<6	<6	<6
Donegal	Árainn Mhór	469	238	231	70	37	33	53	28	25	71	37	34	123	64	59	152	72	80
Donegal	Oileán Thoraí	119	68	51	23	14	9	<10	<6	<6	41	23	18	29	15	14	<20	<15	<8
Galway	Inishbofin	175	92	83	27	16	11	10	<10	<6	40	19	21	62	30	32	36	<20	<20
Galway	Inis Oírr	281	146	135	49	19	30	24	12	12	69	38	31	84	51	33	55	26	29
Galway	Inis Meáin	183	102	81	21	13	8	26	14	12	28	15	13	65	38	27	43	22	21
Galway	Inis Mór	762	380	382	113	60	53	82	42	40	177	88	89	230	113	117	160	77	83
Mayo	Clare	159	84	75	35	15	20	19	12	7	34	18	16	39	21	18	32	18	14
Mayo	Inis Bigil	18	11	7	<6	<6	<6	<6	<6	<6	<6	<6	<6	<10	<10	<6	<10	<6	<6
Mayo	Inishturk	51	26	25	<6	<6	<6	<6	<6	<6	12	<6	<8	<12	<10	<6	19	13	6

## Appendix 6: Island Populations with Subsidised Services – Principal Economic Status – Census 2016

County	Island	Total			Persons at work			All unemployed persons			All persons not in labour force		
		Both Sexes	Male	Female	Both Sexes	Male	Female	Both Sexes	Male	Female	Both Sexes	Male	Female
Cork	Bere	167	92	75	66	39	27	<10	<6	<6	63	29	34
Cork	Cléire	147	75	72	81	45	36	<6	<6	<6	46	23	23
Cork	Heir	28	14	14	18	10	8	<6	<6	<6	7	<6	<6
Cork	Long	20	12	8	7	<6	<6	<6	<6	<6	10	<6	6
Cork	Sherkin	111	57	54	47	23	24	<10	<6	<6	41	23	18
Cork	Whiddy	18	11	7	6	<6	<6	<6	<6	<6	<12	<6	<7
Donegal	Árainn Mhór	469	238	231	84	48	36	61	45	16	254	108	146
Donegal	Oileán Thoraí	119	68	51	32	16	16	28	18	10	36	20	16
Galway	Inishbofin	175	92	83	79	43	36	<20	<15	<6	51	<20	32
Galway	Inis Oírr	281	146	135	109	60	49	36	27	9	87	40	47
Galway	Inis Meáin	183	102	81	65	37	28	<20	<15	<6	81	40	41
Galway	Inis Mór	762	380	382	295	157	138	72	43	29	282	120	162
Mayo	Clare	159	84	75	67	42	25	<6	<6	<6	<55	<25	<30
Mayo	Inis Bigil	18	11	7	<6	<6	<6	<6	<6	<6	11	<10	<6
Mayo	Inishturk	51	26	25	17	<10	<10	8	<6	<6	22	12	10

## Appendix 7: Island Populations with Subsidised Services – Irish Language – Census 2016

County	Island	Total population			Can speak Irish			Cannot speak Irish			Not stated		
		Both Sexes	Male	Female	Both Sexes	Male	Female	Both Sexes	Male	Female	Both Sexes	Male	Female
Cork	Bere	167	92	75	67	34	33	86	49	37	14	9	<6
Cork	Cléire	147	75	72	90	46	44	54	26	28	<6	<6	<6
Cork	Heir	28	14	14	13	6	7	14	7	7	<6	<6	<6
Cork	Long	20	12	8	6	<6	<6	14	8	6	<6	<6	<6
Cork	Sherkin	111	57	54	43	21	22	63	33	30	<6	<6	<6
Cork	Whiddy	18	11	7	8	<6	<6	10	7	<6	<6	<6	<6
Donegal	Árainn Mhór	469	238	231	400	207	193	62	29	33	7	<6	<6
Donegal	Oileán Thoráí	119	68	51	100	57	43	11	<6	6	8	6	<6
Galway	Inishbofin	175	92	83	43	18	25	110	63	47	22	11	11
Galway	Inis Oírr	281	146	135	244	127	117	23	11	12	14	8	6
Galway	Inis Meáin	183	102	81	151	85	66	26	12	14	6	<6	<6
Galway	Inis Mór	762	380	382	601	307	294	123	54	69	38	19	19
Mayo	Clare	159	84	75	46	16	30	103	63	40	10	<6	<6
Mayo	Inis Bigil	18	11	7	11	7	<6	7	<6	<6	<6	<6	<6
Mayo	Inishturk	51	26	25	16	<6	11	33	20	13	<6	<6	<6

## Appendix 8: Subsidised Ferry Services – Outputs 2008 to 2017

Output	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Total
Sailings	40,887	43,034	44,172	43,239	42,632	41,500	39,663	37,321	39,127	39,305	410,880
Missed/Extra Sailings	2,623	6,782	6,098	4,566	4,344	5,052	-1,038	-1,637	-544	-477	25,769
Islanders	153,022	157,267	162,674	163,459	174,353	168,280	159,651	152,122	157,544	163,422	1,611,794
Non-Islanders	207,645	207,509	226,810	227,890	224,189	233,879	244,502	244,886	258,933	265,907	2,342,150
Total Passengers	360,667	364,776	389,484	391,349	398,542	402,159	404,153	397,008	416,477	429,329	3,953,944
Bus	0	0	1,946	4,374	5,981	15,401	16,309	15,621	17,882	18,047	95,561
Tonnage	13,582	14,354	13,397	14,078	12,063	12,677	22,775	14,594	13,596	30,809	161,926
Vehicles	0	21,579	34,929	32,478	31,596	32,108	29,784	29,584	30,417	31,123	273,598

## Appendix 9: Subsidised Ferry Services – Passenger and Cargo Sailings by Route – 2008 to 2017

Passenger Sailings		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Total
Donegal	Oileán Thoraí	1,820	2,169	2,497	2,478	2,243	1,570	1,652	1,532	1,746	1,648	<b>19,355</b>
Donegal	Árainn Mhór	4,512	5,675	5,744	5,720	5,785	5,680	5,418	4,803	4,895	4,856	<b>53,088</b>
Mayo	Inis Bigil	1,086	942	730	730	732	722	728	722	728	730	<b>7,850</b>
Mayo	Inishturk	1,178	1,151	1,216	1,142	1,180	1,150	1,077	1,017	1,131	1,133	<b>11,375</b>
Mayo	Clare Island	1,436	1,440	1,444	1,415	1,440	1,390	1,357	1,325	1,373	1,401	<b>14,021</b>
Galway	Inishbofin	1,447	1,440	1,486	1,449	1,449	1,455	1,465	1,365	1,485	1,497	<b>14,538</b>
Galway	Inis Oírr/Inis Meáin/Inis Mór	1,439	1,409	1,429	1,412	1,427	1,407	1,426	1,417	1,451	1,454	<b>14,271</b>
Cork	Bere - Bere Ferries	5,948	6,091	6,293	6,161	5,721	5,716	4,623	4,548	4,572	4,549	<b>54,222</b>
Cork	Bere - Murphys	3,910	4,417	4,762	4,697	4,545	4,466	4,168	4,150	4,176	4,142	<b>43,433</b>
Cork	Sherkin	5,740	5,689	5,562	5,550	5,551	5,484	5,354	5,398	5,546	5,771	<b>55,645</b>
Cork	Whiddy	3,266	3,246	3,249	3,254	3,266	3,260	3,273	3,245	3,106	3,092	<b>32,257</b>
Cork	Cléire	1,939	1,912	2,254	1,796	1,956	1,885	1,896	1,877	1,954	1,955	<b>19,424</b>
Cork	Long	1,304	1,251	1,333	1,305	870	864	860	816	860	868	<b>10,331</b>
Cork	Heir	4,484	4,527	4,472	4,433	4,767	4,778	4,528	4,424	4,350	4,443	<b>45,206</b>
<b>Total</b>		<b>39,509</b>	<b>41,359</b>	<b>42,471</b>	<b>41,542</b>	<b>40,932</b>	<b>39,827</b>	<b>37,825</b>	<b>36,639</b>	<b>37,373</b>	<b>37,539</b>	<b>395,016</b>

Cargo Sailings		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Total
Donegal	Oileán Thoraí Heavy Cargo	25	0	0	0	18	22	20	17	22	27	<b>151</b>
Mayo	Clare Island and Inishturk Cargo	197	406	443	424	424	400	354	327	377	368	<b>3,720</b>
Mayo	Clew Bay Cargo	0	0	0	0	0			3	3	5	<b>11</b>
Galway	Inishbofin Cargo	226	373	302	365	250	242	197	247	212	218	<b>2,632</b>
Galway	Aran Islands Cargo	930	896	956	908	958	952	936	894	978	960	<b>9,368</b>

Cork	Roaringwater Bay Cargo	0	0	0	0	50	50	47	53	0	51	<b>251</b>
Cork	Dursey Cargo	0	0	0	0	0	3	4	8	8	2	<b>25</b>
Cork	Whiddy Cargo	0	0	0	0	0	4	25	7	15	5	<b>56</b>
Cork	Bere Heavy Cargo	0	0	0	0	0		255	284	139	130	<b>808</b>
<b>Total</b>		<b>1,378</b>	<b>1,675</b>	<b>1,701</b>	<b>1,697</b>	<b>1,700</b>	<b>1,673</b>	<b>1,838</b>	<b>1,840</b>	<b>1,754</b>	<b>1,766</b>	<b>17,022</b>

## Appendix 10: Typical Tender Scoring Matrix

Award Criteria	Max Mark	% total
• Ports	40	2.50%
• Quality and suitability of vessels proposed	120	7.50%
• Quality of the Road Transport Service	60	3.75%
• Additional Services Tendered to supplement minimum operational requirement at section 4.a	50	3.13%
• Manpower Plan	80	5.00%
• Customer Service and proposals for dealing with Customer Complaints and Consultation	80	5.00%
• Proposals for dealing with Passengers with Reduced Mobility	100	6.25%
• Marketing Plan	80	5.00%
• Risk Management	80	5.00%
• Security	80	5.00%
• Emergency Response Plan	80	5.00%
• Environmental Plan	80	5.00%
• Health and Safety	80	5.00%
• Service Mobilisation Plan	100	6.25%
• Irish Language	50	3.13%
• Ticketing	40	2.50%
• Financial viability of the proposed solution offered in the Submission	100	6.25%

<ul style="list-style-type: none"> <li>* Subsidy Required To Operate The Service (Year 1 &amp; Year 3)</li> </ul>	<b>300</b>	18.75%
<ul style="list-style-type: none"> <li><b>Total</b></li> </ul>	<b>1,600</b>	100.00%

# Appendix 11: Performance Reports Required from Service Providers

## INISHTURK ISLAND PASSENGER SERVICE DAILY REPORT

DAY/DATE \_\_\_\_\_ SKIPPER \_\_\_\_\_ VESSEL \_\_\_\_\_

CREW \_\_\_\_\_ FUEL \_\_\_\_\_  
(Litres per Sailing)

ISLANDERS							OTHERS					BUS	NOTES
DEPARTURE TIME FROM INISHTURK	ARRIVAL TIME AT ROONAGH	ADULT	STUDENT CARD HOLDER	CHILD 5-18	CHILD UNDER 5	FREE TRAVEL PASS	ADULT	STUDENT CARD HOLDER	CHILD 5-18	CHILD UNDER 5	FREE TRAVEL PASS	NO. OF BUS PASSENGERS	

ISLANDERS							OTHERS					BUS	NOTES
DEPARTURE TIME FROM ROONAGH	ARRIVAL TIME AT INISHTURK	ADULT	STUDENT CARD HOLDER	CHILD 5-18	CHILD UNDER 5	FREE TRAVEL PASS	ADULT	STUDENT CARD HOLDER	CHILD 5-18	CHILD UNDER 5	FREE TRAVEL PASS	NO. OF BUS PASSENGERS	

Signed : \_\_\_\_\_  
I Certify that the above is a true copy of the original log

	Quarter	Year to Date
<b>ESTIMATED PASSENGERS</b>		

Islanders (Number of) [Ferry Service]		
Other (Number of) [Ferry Service]		
Islanders (Number of) [Road Transport Service]		
Other (Number of) [Road Transport Service]		
<b>ESTIMATED REVENUE</b>		
Passenger Revenue (Ferry Service)		
Passenger Revenue (Road Transport Service)		
Other Revenue (Details Required)		
<b>Total</b>		
<b>SERVICE OPERATING COSTS – MAIN VESSEL COSTS</b>		
Vessel charter costs		
Depreciation		
Interest on loans		
Crew Costs		
Fuel & lubes		
Maintenance (routine)		
Docking and survey		
Port dues		
Insurance		
Other (please specify)		
<b>SERVICE OPERATING COSTS – BACKUP VESSEL COSTS</b>		
Vessel charter costs		
Depreciation		
Interest on loans		
Crew Costs		
Fuel & lubes		
Maintenance (routine)		
Docking and survey		
Port dues		

Insurance		
Other (please specify)		
<b>OTHER SERVICE COSTS</b>		
Shore wages		
Office costs		
Administration, finance and accounting		
Interest on operating loans		
Insurance		
Marketing		
Road Transport Service		
Other (please specify)		
<b>PROFIT/(LOSS) BEFORE SUBSIDY</b>		
<b>SUBSIDY RECEIVABLE</b>		
<b>PROFIT/(LOSS) AFTER SUBSIDY</b>		

## Appendix 12: Non-islander Passengers – 2008 to 2017

County	Island	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Total	% change
Donegal	Oileán Thoraí	14,561	13,549	13,545	11,467	10,958	8,537	8,527	8,313	9,373	8,688	107,518	-40.33%
Donegal	Árainn Mhór	22,930	26,408	30,116	28,919	28,364	29,632	31,770	38,832	42,660	46,634	326,265	103.38%
Mayo	Inis Bigil	780	721	876	961	1,079	1,130	804	919	949	798	9,017	2.31%
Mayo	Inishturk	1,714	2,811	3,264	3,138	3,250	3,806	3,898	4,474	5,094	5,873	37,322	242.65%
Mayo	Clare	7,025	8,982	9,003	4,678	9,251	9,312	8,114	9,316	9,312	8,603	83,596	22.46%
Galway	Inishbofin	29,969	30,432	31,012	30,383	29,913	37,663	40,481	34,610	37,229	40,115	341,807	33.85%
Galway	Inis Oírr/Inis Meáin/Inis Mór	12,790	13,603	16,684	28,595	25,135	25,698	28,223	26,847	29,508	30,851	237,934	141.21%
Cork	Bere	46,905	39,535	43,452	42,323	35,664	33,784	31,261	31,844	34,373	36,527	375,668	-22.13%
Cork	Sherkin	43,349	43,386	39,270	36,761	39,420	39,499	44,936	41,754	41,065	40,363	409,803	-6.89%
Cork	Whiddy	4,870	4,891	4,676	5,079	5,329	5,566	6,616	7,473	6,768	6,449	57,717	32.42%
Cork	Cléire	13,956	13,655	25,991	25,883	25,030	27,900	28,947	29,020	30,180	28,213	248,775	102.16%
Cork	Long	882	949	1,005	969	586	754	921	719	975	1,093	8,853	23.92%
Cork	Heir	7,914	8,587	7,916	8,734	10,210	10,598	10,004	10,765	11,447	11,700	97,875	47.84%
<b>Total</b>		<b>207,645</b>	<b>207,509</b>	<b>226,810</b>	<b>227,890</b>	<b>224,189</b>	<b>233,879</b>	<b>244,502</b>	<b>244,886</b>	<b>258,933</b>	<b>265,907</b>	<b>2,342,150</b>	<b>28.06%</b>

## Quality assurance process

To ensure accuracy and methodological rigour, the author engaged in the following quality assurance process.

- ✓ Internal/Departmental

- ✓ Line management

- ✓ Other divisions/sections

- Peer review (IGEES network, seminars, conferences etc.)

- ✓ External

- ✓ Other Government Department

- ✓ Spending Review Steering Group

- Quality Assurance Group (QAG)

- Peer review (IGEES network, seminars, conferences etc.)

- External expert(s)