

DEPARTMENT OF AGRICULTURE, FISHERIES AND FOOD

DEVELOPMENT OF BUSINESS PLANS FOR THE FISHERY HARBOUR CENTRES

Prepared by

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1. Introduction

1.1 Overview

Raymond Burke Consulting (RBC) and McIver Consulting (MCI) were commissioned in mid July 2007 by the then Department of Communications, Marine and Natural Resources to prepare a Five Year Business Plan for each of the Department's six Fishery Harbour Centres (FHCs).

The Business Plans are to provide a roadmap for maximising fish and fish processing opportunities, establish business development priorities and, where appropriate, promote marine-related activities and the development of leisure or amenity facilities thereby facilitating and promoting the social or economic development of the area.

The purpose of the Business Plan is to enable each of the FHCs to work to clear, strategic objectives.

1.2 Terms of Reference

The Consultants are required to prepare an overall comprehensive Business Plan (BP) for the six¹ Fishery Harbour Centres (FHCs). Within this overall Plan, individual BPs are required for each designated Fishery Harbour Centre.

The Business Plan is to cover management's medium-term vision for the FHCs and the goals to be achieved over the next five years to realise this vision. It will identify the strategy to be followed to reach these goals, and recommend a detailed plan of action for the next five years to implement the strategy. The Business Plan will need to focus on ensuring the efficient and safe operation of the FHCs, while ensuring compliance with statutory requirements.

There is substantial scope for increasing fishing activity operating out of Irish fishery harbours. Our geographical location provides an opportunity to attract a much greater proportion of EU landings and downstream activity through the fishery harbour centres.

A key policy objective is therefore to develop the infrastructure, operational efficiency and range of supply and support services at the FHCs with a view to maximising the levels of economic activity and returns from these facilities.

The Business Plan will establish business development priorities for the FHCs. It will provide a roadmap for maximising opportunities in fishing, marine related leisure,

¹ At the time of tender, there were only five Fishery Harbour Centres. Following its designation as a Fishery Harbour Centre in May 2007, Dingle was included in the list of FHCs for which a Business Plan was to be prepared

amenity and commercial activities, which promote the social or economic development of the area in which the FHCs are located. Due regard will have to be given to the fact that these are working fishery harbour centres and that they contribute significantly to the vibrancy of the local economy. The Business Plan should also enable management to benchmark progress in achieving goals.

The Business Plan will comprehensively cover the overall operation of the FHCs in general while incorporating the operation of each individual FHC as a separate entity including:

- Assessment of FHCs existing facilities
- Assessment of strengths, weakness, opportunities and threats to the FHCs
- Identification of FHCs competitive advantages
- Development of business expansion options
- Development of a marketing strategy
- Financial modelling of business opportunities

1.3 The Six Fishery Harbour Centres

The six Fishery Harbour Centres are: -

- Howth, Co. Dublin
- Dunmore East, Co. Waterford
- Castletownbere, Co. Cork
- Ros an Mhíl, Co. Galway
- An Daingean (Dingle), Co. Kerry
- Killybegs, Co Donegal

These harbours are managed and operated in accordance with the Fishery Harbour Centres Acts 1968 (as amended). This Act provides for the establishment and operation of these harbours to promote, develop and carry on sea fishing, fish processing, fish related activities and matters connected with the fish industry as well as any other purpose, including the provision, improvement and development of leisure or amenity facilities or for facilitating or promoting the social or economic development of the area in which the Fishery Harbour Centre is located.

The 1968 Act was amended in 1998 to broaden how properties owned by the State could be used.

The Minister for Agriculture, Fisheries and Food now has overall responsibility for the development of infrastructure at the Fishery Harbour Centres and for the leasing of property within the harbours. The responsibility was transferred to this Department on 19 October 2007. The Harbours are managed via a statutory fund, known as the Fishery Harbour Centres' Fund, which the Comptroller & Auditor General audits on an

annual basis. Sea Fisheries Administration Division (SFAD) of the Department of Agriculture, Fisheries and Food, which is based in Clonakilty, Co Cork, is responsible for the line management of these fishery harbours, including the overseeing of this tender.

1.4 Activity

1.4.1 Landings

In 2007, the six harbours in question had landings from Irish registered vessels of over 125,000 tonnes with a value of over €92 million. Overall, the catch was almost 262,000 tonnes, a decrease on the 2007 national landings of 272,000 tonnes.

The volume of overall foreign landings was some 31,381 tonnes valued at €46 million.

Table 1.1: The Irish Fishery Sector 2007

	<i>Irish Fleet</i>		<i>Foreign Fleet</i>		<i>Total</i>	
<i>FHC</i>	<i>Catch Tonnes</i>	<i>Value €'000</i>	<i>Catch Tonnes</i>	<i>Value €'000</i>	<i>Catch Tonnes</i>	<i>Value €'000</i>
<i>Killybegs</i>	89,262	42,096	19,259	12,591	108,521	54,687
<i>Dunmore East</i>	8583	14,277	8	0	8,591	14,277
<i>Ros an Mhíl</i>	3,738	11,338	0	0	3,738	11,338
<i>An Daingean</i>	5,114	4,906	2,669	8,576	7,783	13,482
<i>Castletownbere</i>	14,719	13,331	8,129	23,188	22,848	36,519
<i>Howth</i>	3,935	6,176	1	0	3,936	6,176
<i>Sub-Total</i>	125,351	92,124	30,066	44,355	155,417	136,479
<i>Other Harbours</i>	105,158	88,222	1,315	1,829	106,473	90,051
TOTAL	230,509	180,346	31,381	46,184	261,890	226,530

Source: SFPA

Notwithstanding the increase in fuel prices which have now reduced and the reduction in some fishing quotas, the industry continued to invest in renewal and upgrading. In 2006, this investment included the introduction of 23 new and second-hand vessels into the fleet.

1.4.2 Decommissioning

Following agreement with the Department of Agriculture, Fisheries and Food and State Aid approval by the European Commission, the 2008 scheme to permanently withdraw capacity from the whitefish sector of the Irish fishing fleet was formally launched by the Minister of Agriculture, Fisheries and Food, Mary Coughlan T.D. in February 2008.

A total of 71 applications were received. Forty-six of these vessels accepted decommissioning grants with a total of 6909 GT and 19,000 Kw

being removed from the register. The total payout for decommissioning in 2008 was €21m.

1.4.3 Fish Quotas

The December 2008 negotiations on fish quota secured 37,421 tonnes of whitefish quotas for Ireland for 2009, which is an increase of 4% on 2008 levels. This was a significant success given that the initial proposal involved cuts of between 25% and 15% for most of the whitefish stocks of importance to Ireland.

The Commission proposed a closure of all whitefish fishing in the waters off Donegal. Following intense negotiations a package of measures were agreed that both delivered strong conservation measures for the cod, whiting and haddock stocks in decline while facilitating the continuation of important fishing activities for the Irish fleet.

In addition, the pelagic quota was set at 136,635 tonnes which is an increase of 8% on 2008 levels. An increase of 33% was secured for mackerel and a roll over of the Horse Mackerel quota 40,500 tonnes. These stocks are the economic drivers of the pelagic fleet and will coperfasten the future viability of this part of the Irish fleet.

Due to the poor state of the herring stocks total allowable catches for these stocks were reduced, Irish fishermen brought forward a Rebuilding Plan for the important Celtic Sea herring stock which was adopted by the Commission.

Total value of quotas is up by 5% from €194m in 2008 to €202m in 2009. This gives Irish vessels total quotas of 183,000 tonnes to utilise in 2009.

1.4.4 Policy

The national policy on delivering a profitable, efficient and sustainable fishing sector is set out in the Cawley Strategy – Steering A New Course. The strategy was as a result of an independent review chaired by Dr. Noel Cawley, working with Mr. Joey Murrin and Mr. Ruain O’Bric and together they engaged in a set of intensive discussions around the coast with fishermen, fishing communities and all of the other players in the sector. Their expert recommendations are being delivered and progress is being monitored through an Implementation group chaired by Dr Cawley. The implementation group incorporates the Federation of Irish Fishermen and it has held a series of meeting to progress the effective implementation of the strategy. The strategy focused on a number of key areas – the restructuring of the fishing fleet to bring it into balance with available resources, a more innovative and co-ordinated approach to the marketing of seafood capitalising on its healthy

and nutritious image and maximising the value of seafood at every stage from the sea to the table. The Government has committed to this strategy in the Programme for Government and has provided for its implementation in the National Development Plan 2007 – 2013.

1.4.5 National Development Plan 2007 - 2013

Some €203 million has been identified for investment under the Fisheries and Coastal Infrastructure Sub-Programme to provide for the future viability of the fishing industry, to bring the Fishery Harbour Centres up to international practice, to reduce congestion at the harbours and to improve safety for the fisheries sector.

1.4.6 The Broader Sea Fisheries Sector

In its 2007 end-of-year statement of review for the Irish seafood industry, Bord Iascaigh Mhara noted that, despite another challenging year, 2007 saw demand increase for quality Irish seafood, with estimated total sales worth €803 million, up 6% on the 2006 figure (€778 million).

Provisional figures reveal that the Irish retail and foodservice market for seafood continued to show growth with domestic seafood sales to the retail sector increasing by 7% to €169 million while sales to the foodservice sector increased 5% to €213 million.

In 2007, Irish seafood exports had an approximate value of €360 million, similar to 2006, with France accounting for 24% of total exports (€85 million), while the second most important destination for Irish seafood was the United Kingdom with €68.6 million of seafood exports.

Further afield, pelagic exports to Nigeria increased 120% in volume and 80% in value to almost €10 million. There was also a lift in trade to Egypt with seafood exports worth approximately €7 million.

During 2007, total grant aid for the fishing fleet and sea fisheries was provided to a total of 1,036 projects. This included a scheme to support vessel owners to upgrade to more environmentally-friendly fishing gear and fuel monitoring equipment as well as a programme for vessels to upgrade their onboard quality through the purchase of special freezers and ice making machines. A fishing vessel safety scheme enabled vessels to improve their safety equipment while five new sea angling/marine tourism vessels were completed in 2007 with grant-aid of more than €330,000 paid on an investment of €860,000.

Also in 2007, under the Sea Fisheries Supporting Measure, grant-aid of €3 million was paid to nineteen projects that promoted the sustainable development of Ireland's sea fisheries industry at sea and ashore, and

supported its diversification in the coastal regions from a total committed figure to date of nearly €24 million.

The decommissioning scheme was launched on 20th February 2008. This scheme will deliver on the commitments for fleet restructuring contained in the Programme for Government with €42 million committed to fund this scheme in 2008 and 2009.

1.5 Approach

Our approach to the preparation of the Business Plans was as follows:

- We commenced the engagement with a Mobilisation Meeting with Department officials at Clonakilty to receive a briefing on each of the Fishery Harbours, discuss the approach to be taken, the interview programme and the conduct of the consultation process
- We then prepared a Briefing Note for each of the Harbour Masters and their key stakeholders in advance of our visits to the six harbours. The Briefing Note set out our Terms of Reference, the approach that we are taking and the information that we sought from them
- Each harbour was visited where meetings were held with harbour-based staff, Department officials based in Clonakilty and engineers, and key stakeholders. We also attended User Group meetings where these have been established. Follow-up meetings and discussions were held where required
- We also had discussions with and met a range of third parties, interested groups and representative organisations
- On the transfer of the fishery harbour function to the Department of Agriculture, Fisheries and Food, the Department issued a Press Release about the assignment and seeking submissions. We took the opportunity to use this Press Release to publicise our consultation process
- As part of the development of the overall Business Plan, we prepared profiles of each of the harbours that were checked by the individual harbour masters
- Significant desk research and a literature review were carried out as a prequel to the analysis of the sector and the writing of the Business Plans
- We agreed a common template for each of the Business Plans
- Outline catch, revenue and expenditure projections were prepared for each of the Fishery Harbour Centres
- We had an interim meeting with the Department to present our findings and outline proposals
- We prepared a draft report for consideration by the Department
- Following a meeting with the Department, the Report was updated as required and signed-off
- On an ongoing basis, we kept the Department advised of how the study was advancing, the issues arising and presented them with regular progress updates

1.6 Key Findings

Some of the key findings that arose during this assignment include:

- The FHCs are strategically located for the landing of fish caught in European waters

- The FHCs benefit from the support of the State's professional, technical, administrative and financial resources in the carrying out of their roles
- The FHCs are engines of local economic activity and development in the rural areas that they are based; for many communities, they play an important social role
- The User Group meetings are seen as an excellent opportunity to discuss local issues, share concerns and for participants to be advised of proposed developments; stakeholders believe that a partnership approach should be the way forward
- Equally, the relationships between tenants and the Department, particularly in relation to dealing with leases, are considered frustrating
- Although relationships are good at a personal level, there are potential structural difficulties arising from separate administrative and engineering functions
- There is a lack of a business focus by FHC officials with little marketing and commercial activity and involvement by the FHCs
- The management of the FHCs should undergo training with a view to acquiring the relevant leadership skills, expertise and competencies. Up-to-date job descriptions should be developed and there should be an appropriate management development programme put in place for them
- With landings static from the Irish fleet driven by quota limits, there is an opportunity to grow landings by attracting an increased number of foreign vessels
- In addition, there is a need to broaden the activity base of the Harbours; within that context, satisfying the demand for marine leisure facilities including marinas is generally seen as an exciting and rewarding opportunity
- The development of the marinas at Kilmore Quay and at An Daingean shows that the fishing and the marine leisure sectors can operate in tandem
- A study funded under the Ireland-Wales Interreg Programme found that the average spend per berth on maintenance, chandlery, fuel, personal protective equipment (PPE), clothing, insurance, marina berthing fees and training ranged between €7,787 and €11,011 per berth, and that the average spend per visitor ranged between €105 and €142 on groceries, gifts, chandlery entertainment and eating out, but not expenditure on other services such as repairs etc
- The British Marine Federation estimates that visiting boats to UK marinas contribute on average £150 (€227) each per night to the local economy. The BMF has also reported that for every £ spend on boating, there is an associated spend of £6 onshore and that every job in the core coastal marina sector supports a further 12 jobs in the local economy, through tenant businesses, suppliers and as a result of visitor and employee expenditures in the wider economy
- There are capacity deficits at some of the various harbours and Capital Expenditure funding is only agreed annually and frequently some months into the year
- A successful decommissioning scheme should make fishing more economically viable for the remaining fishermen
- The effective control of fish landings, which is the responsibility of the SFPA remains a challenge but is of critical importance to the rebuilding of fish stocks, sustainable fishing practices and the long term future of coastal communities dependant on fishing.
- Most of the FHCs have high debtor balances that need to be addressed urgently
- User charges were last updated in 2003; they should be updated on a regular basis and reflect current costs
- FHCs are working harbours; without adequate safeguards, there is potential for accidents arising from easy access to the piers and working spaces
- The absence of procedure manuals to address specific courses of action is a major

weakness

- There are opportunities to outsource a number of activities including the synchrolift and the Howth Boatyard

1.7 Focus of the Business Plans

Our analysis has identified a number of key priorities. They include:

- The need for the Fishery Harbour Centres to operate to good business practice
- Development of a commercial focus and mandate, and in partnership with local stakeholders
- Raising the profile of the Fishery Harbour Centres and promoting their facilities
- Attraction of increased foreign landings to Irish fishery harbour centres
- A reorientation towards serving a multi-stakeholder customer base
- Recognition of the economic impact of maritime leisure activities
- Establishment of local budgets and performance targets
- Improved MIS for enhanced budget and performance monitoring
- Increased autonomy devolved to harbour-based management
- Induction training for new harbour management, both harbour-based and those located at Clonakilty, and ongoing management training for senior harbour-based staff

The Business Plan Vision, Objectives and Actions reflect these priorities.

1.8 Structure of the Report

The structure of this Report is as follows. Following this Introduction, we present

- An overview of the various policies impacting on the operation and development of the Fishery Harbour Centres. Because of the importance of the marine tourism and leisure sectors to the Harbours, we look at the economic benefits arising
- A broad profile of the Fishery Harbour Sector in terms of the volume and value of landings, employment and financial performance. We also set out a sector SWOT analysis
- In the context of its operating environment, the key issues that we see face the sector and, from them, derive a Vision, Strategic Objectives and Values for the Fishery Harbour Centres
- The Business Plans for each of the six Fishery Harbour Centres
- The role of the Department of Agriculture, Fisheries and Food in driving the Business Plans forward, and
- In conclusion, the need for change and the benefits to be derived from it

1.9 Confidentiality

On grounds of confidentiality, matters of a commercial nature discussed have not been included in this report.

1.10 Acknowledgements

The Consultants would like to thank the staff of the Sea Fisheries Administration Division and, in particular, Mr Paschal Hayes, Principal Officer.

We would also like to thank the respective Engineers from the Engineering Division of the Department, namely Messrs Tony O'Sullivan, Edwin Mooney, John Campbell and Gerry Egan.

The inputs of the Harbour Masters and their staff were also of considerable help. The Harbour Masters are Captain Peter Murphy, Castletownbere FHC, Captain Brian Farrell, An Daingean FHC, Captain Hugh Byrne, Dunmore East FHC, Captain Raja Maitra, Howth FHC, Captain John Donnelly, Ros an Mhíl FHC and Martin Connell, Killybegs FHC (acting Harbour Master).

We would also like to thank the many users of the various Fishery Harbour Centres who gave us their time and considered views.

Appendix 1 lists the many bodies and individuals with whom we were in contact while Appendix 2 provides details of those who made submissions.

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PART 1: BUSINESS PLAN CONTEXT

2. Policy Framework

There are three key Policy Documents and Strategies that were published recently which will influence the developments of the Fishery Harbour Centres over the next couple of years.

They are

- The National Development Plan 2007 – 2013
- Steering a New Course: Strategy for a Restructured, Sustainable and Profitable Irish Seafood Industry 2007-2013
- Tourism Product Development Strategy 2007 - 2013

Given the importance of the marine tourism sector, we conclude this chapter with consideration of the economic impact of tourism and marinas.

2.1 National Development Plan 2007 - 2013

Some €203 million will be invested under the Fisheries and Coastal Infrastructure Sub-Programme to ensure the future viability of the fishing industry, to bring the Fishery Harbour Centres up to international practice, to reduce congestion at the harbours and to improve safety for the fisheries sector.

The Plan notes that there is substantial scope for increasing fishing activities operating out of Irish harbours through exploiting our geographical competitive advantage. As energy costs increase the global fishing industry will have to change patterns of travelling long distances to fish off Ireland. In order to capitalise on location and to attract a greater proportion of EU landings our harbour infrastructure will be developed to facilitate increased landing and downstream activities at the harbours, especially at the six Fishery Harbour Centres, Howth, Dunmore East, Castletownbere, Ros-An-Mhíl, Killybegs and An Daingean. Subject to feasibility and prioritisation of resources, other strategic harbours such as Greencastle, Kilmore Quay and Cromane will be developed to meet increased demands.

The current situation of many fish stocks and the need for sustainable management will continue to constrain the output from the Irish Sea Fishing Fleet. In that context, and in order to sustain the communities dependent on fishing, it will be necessary, in addition to attracting business from other fleets, to maximize the scope for diversification to marine leisure and other activities through the utilisation and development of our Coastal infrastructure. It will therefore be necessary during the Plan period to develop other industries such as aquaculture, tourism and the leisure industry to provide alternate means of employment for communities dependent on fishing. The development of port infrastructure and port service facilities will help to accommodate this.

2.2 *Steering a New Course: Strategy for a Restructured, Sustainable and Profitable Irish Seafood Industry 2007-2013*

In late January 2007, the Department of Communications, the Marine and Natural Resources published the new Marine Strategy “*Steering a New Course, Strategy for a Restructured, Sustainable and Profitable Irish Seafood Industry 2007-2013*”.

The Strategy sets out a visionary road map towards achieving an Irish seafood sector that is sustainable, profitable, competitive and market-focused. The Strategy recommends that over €330 million of public funds should be made available to match private sector funding of €263 million to create a total investment package of €597 million for the seafood sector.

Presenting recommendations under ten core themes, the Study found that, while a buoyant and growing market for seafood exists both in Ireland and throughout key export markets, the industry is facing a range of significant challenges that must be urgently and comprehensively addressed if these opportunities are to be realised. These challenges include:

- Need for a more innovative market-focused strategy throughout the industry
- Lack of profitability, fragmentation and uncertainty of supply within the processing sector
- Imbalance between catching capacity and resource availability – requiring significant but managed industry restructuring and rightsizing
- Need for stakeholder-supported, commercially-aware fisheries management policies and procedures, based on strict compliance with quotas and other National and EU regulations
- Need for a comprehensive industry development programme supported by an appropriate regulatory framework, to encourage market-led investment to expand the aquaculture sector
- Obstacles preventing the sustainable exploitation of inshore fisheries
- Inadequate fish conservation and fishing practices, including mis-reporting, high-grading and discarding
- Need for a level playing pitch throughout the EU with respect to regulatory compliance and conservation practices.
- Need for improved relationship between the industry and the State and its policymakers/regulators.
- Fragmented representation in a fragmented industry.

It finds that the Irish seafood-processing sector is facing a range of significant challenges including reduced supplies of raw material, industry fragmentation and increased competition on key export markets. As a consequence, this sector suffers from low/declining profitability – with an increasing number of loss making companies. In order to establish a profitable, competitive and sustainable Irish seafood processing sector, the Strategy indicates that significant restructuring to the current processing configuration needs to occur, accompanied by a major performance uplift.

Enhancing competitiveness is a major objective and the strategy document notes that during the consultation processes it was maintained that the key Irish ports for landing seafood are not competing effectively, in terms of handling charges or operational efficiency, with competing alternative ports outside of Ireland. Given that it is vital to the industry's long-term development to attract as much landings of fish into Ireland as possible, both from domestic and foreign vessels, it is of paramount importance, the Strategy argues, that Irish ports can compete with the best international alternatives. Essentially, the objective should be to provide the industry with access to ports that operate commercially competitive handling charges and allow for the rapid/efficient turn-around of vessels. Continuing capital investment will be required in key fishery harbours to facilitate landings by both Irish and foreign vessels and support the local processing and service industry.

2.3 *Tourism Product Development Strategy 2007 - 2013*

Fáilte Ireland has prepared a Tourism Product Development Strategy for the period 2007 – 2013. The Strategy notes that tourism is the largest internationally traded services sector in Ireland and is a powerful instrument of national economic development. The sector includes a wide range of diverse small and medium enterprises that are predominantly Irish-owned. Ireland experienced unprecedented growth and outperformed the rest of Europe as a tourist destination in the 1990s. However, since 2001 it has become less competitive due to a number of factors including changes in demand and customer needs and more aggressive competition from other destinations.

2.3.1 The Vision for Irish Tourism

Appropriate funding will enable the vision for Irish tourism to be fulfilled so that the industry:

- Achieves growth in market share with a higher yield;
- Has a pristine physical environment;
- Offers accommodation that is diverse in its character;
- Has key iconic attractions to entice visitors;
- Delivers a range of authentic experiences, in a friendly, engaging environment;
- Attracts investors and staff of the highest quality;
- Demonstrates and delivers continuous product innovation;
- Makes a sustained contribution to the development of the economy, especially from a regionally diverse viewpoint;
- Respects and supports Irish culture in all its diversity; and
- Provides a positive international profile of Ireland.

2.3.2 Need to Speed Up the Pace of Tourism Growth

There is a case for speeding up the pace of tourism growth based on such

facts as

- Since 1999, growth in foreign earnings from tourism has been sustained.
- There has been major progress in attracting mainland European visitors.
- Much of the growth has occurred in Dublin.
- Outside Dublin, growth has been more dependent on the domestic market.
- The next stage is about growing market share, exploiting the investment that has been made in the accommodation sector and developing the products, which will meet customers' needs.
- The sector is primarily indigenously owned, is more integrated into the economy than virtually any other sector and has out-performed all other indigenous sectors at providing employment, with the short-term exception of the construction sector.
- In the longer term, tourism has a vital role to play, especially in terms of the required development and the delivery of the National Spatial Strategy.

2.3.3 Product Analysis

The Strategy examines a range of tourism products; of relevance to this study are the findings in relation to Angling, Inland Cruising and Marine Tourism, which are:

Marine tourism (including sailing)

- Modern public facilities in Ireland and services for visitors are not as high as the standards commonly seen abroad.
- The visitor marina network is incomplete, particularly along the west and north-west coastline.
- There are no clear policies around planning and foreshore issues for marine tourism.
- There is a rather thin network of sailing, boating, watersports and dive centres
- There are also very few marine or water-themed visitor centres, in key strategic locations.
- There are localised shortages of sea angling and small tourism vessels.
- Viewing points or vessels for whale and dolphin watching are poorly provided compared with our neighbouring competitors.

Angling

- There has been a serious reduction in stock levels as well as water quality in recent years and this has resulted in negative publicity for the sector.
- Some overseas visitors have to get several different licenses and permits in both the Republic and Northern Ireland and this is discouraging.
- Historically, tourism and the local community have had different ways of handling the fishing resource. This has not always been in the best interest of tourism – particularly in relation to the problems associated with drift netting and the consequent reduction in stock levels.
- There are some problems with tourists getting access to inland and sea angling fisheries

Inland cruising

- Overseas operators say the Irish product has become 'jaded' and that it is facing increased competition from other destinations. They see it as relatively expensive compared with products in other new and developing cruising destinations.
- Many inland cruising locations lack services and many marinas are overcrowded.
- Inland cruising is vital to the Midlands economy.

In summary,

- The environment is key, and elements of it are under threat.
- The regional issue is not a simple Dublin versus 'the rest', but a more complex Dublin and urban, coastal, and inland division.
- Concentration of the general product and high quality product is mainly found in Dublin, other urban regions and along the coast.
- There are specific challenges with each of the key product components.
- There is a strong accommodation product but areas of concern have been identified. These are the traditional independent hotels, self-catering units and the B & B sector.
- The marine sector and Ireland's historic towns and cities have not yet exploited The need to invest in product in all the major locations (e.g. Dublin, Cork, Killarney, Limerick, Shannon and Galway) is vital not just to those locations but also for the country as a whole.
- State investment in key public assets is vital.
- From a tourism point of view, priority needs to be given to certain aspects of transport development, and investment needs to be accelerated.
- The cohesiveness of public policy needs to be strengthened.
- The tourism sector lacks an ethos of continuous innovation and Research and Development.

2.3.4 Tourism Infrastructure Fund

The development and infrastructure priorities for Irish tourism have significantly changed over time. The analysis, as earlier outlined, does not propose that the state provides further major investment in tourism facilities being provided by the private sector. However, it underlines how necessary it is to be more active in providing the required supporting public infrastructure.

Tourism needs to be brought to the forefront of policy coordination when public bodies are making decisions that will have a critical impact on tourism success. This is particularly important where environmental planning is concerned. But it also applies to the actions of groups as diverse as cultural and conservation bodies; environmental protection watchdogs; and public transport providers.

Operational supports are high priority for the future of tourism. It is also necessary to support investment in the types of tourism infrastructure that the

relevant authorities might not prioritise.

In order to get this type of development under way, it is proposed to set up a Tourism Infrastructure Fund with an average annual budget of €15 million. Fáilte Ireland would administer this fund and request public bodies to submit annual proposals for investments, which may be 100%, financed from this Fund.

Local authorities are the main providers of public infrastructure. They are the primary providers of walking and cycling facilities and they have an important role in providing water sports and some other facilities for outdoor activities. However, Local Authorities often do not have the funds to prioritise tourism needs.

The 'Tourism Infrastructure Fund' is needed to provide and maintain such facilities. This fund needs to be ring-fenced and would be for all public sector infrastructures, for example:

- Controlled access to environmentally sensitive areas;
- Signposting;
- Water based facilities;
- Marinas; and
- Leisure route development (walking and cycling particularly).

The second part of the fund, some €28 million, will be used to reinvest in facilities like:

- Walking and cycling routes;
- Moorings and jetties.

It is recommended that this fund be either administered by Fáilte Ireland, or if implemented by other agencies, that Fáilte Ireland has a primary role in allocation decision.

2.4 The Economic Benefits of Tourism

2.4.1 Overview

There is general consensus that harbours have a tourism benefit for the towns where they are sited:

- Tourism is a major instrument of regional development. Many tourism enterprises are situated in areas where other employment options are limited
- Local communities benefit from investment in facilities for tourists such as leisure and sporting facilities and in associated infrastructure including access transport and roads

- A vibrant tourism industry contributes to the viability and sustainability of a wide range of local enterprises
- Tourism promotes an enhanced awareness and positive appreciation of local traditions, way of life and cultural heritage

Specifically, tourist expenditure creates both temporary employment and income from the purchase of local goods and services. Service-type jobs are created in shops, gift production, and restaurants and hotels. There is also a multiplier effect where the income or wages generated from tourism is spent by residents on local services. The multiplier is estimated to be of the order of 1.43.

It is also estimated that for every Euro spent by an out-of-state tourist, 52 cent eventually ends up with the government through VAT, excise duty, PAYE etc. For every €1 million of foreign and domestic tourism revenue, there is generated an overall GNP impact of almost €950,000 after applying multiplier effects.

2.4.2 The Economic Value of Marine Leisure Activity

In 2003, the Marine Institute commissioned a survey from the ESRI to establish the contribution of marine leisure activity to the national economy, and to highlight emerging trends and the potential for development of our water-based leisure resources.

The survey showed that marine leisure activity based on Ireland's marine and freshwater resources generates over €400 million in expenditure by Irish residents. Approximately 6,000 jobs are supported, directly and indirectly, by this level of expenditure. Water-based tourism accounted for 25 per cent of the domestic tourism market and generated 45 per cent of domestic tourism revenue.

The survey results showed that nearly half of the adult population participated in some form of water-based activity during the survey period. Although overall satisfaction with facilities was high, a further 10 per cent of the adult population said they would take up some marine leisure activity if facilities were better. For boating enthusiasts, poor access was a major issue particularly among those who use small craft such as row-boats and canoes.

2.4.3 The Increasing Demand for Marina Berths

The demand for marina berths continues to grow, and there is a significant shortage of berths nationally. The potential demand can be gauged from the

fact that Irish boat ownership is extremely low compared with other coastal nations as shown in the following table:

Table 2.1: Comparative Boat Ownership

<i>Country</i>	<i>Per Capita Boat Ownership</i>
Sweden	1:7
USA	1:16
Netherlands	1:30
France	1:66
Italy	1:67
UK	1:100
Germany	1:108
Ireland	1:171

Source: World Marine Markets

2.4.4 The Economic Value of Marinas

A recent survey² of businesses in Dún Laoghaire, Kilmore Quay and Malahide, and carried out under an Irish Sea Marine Sector Marketing & Business Development Programme funded under the Interreg 111A project 2005-2007, found that marinas in Dún Laoghaire and Malahide had a positive impact on 34 per cent of respondents. At Kilmore Quay, some 50 per cent of businesses surveyed believed that their local marina contributed to their success.

Marinas can generate significant income from their activities in terms of local spend, employment and activity. Whether the marina is occupied by a yacht owner, a visitor or a berth owner, local businesses will benefit from the purchases of fuel, supplies and gifts. Chandler purchases and any repairs carried out will also contribute to the local economy. Most users of the marina will spend money in the town on visitor attractions, golf, meals, drink and other day-to-day requirements, and all of this spend will boost the local economy which will have a significant impact on employment and local disposable income.

The study showed that the average spend per berth on maintenance, chandlery, fuel, personal protective equipment (PPE), clothing, insurance, marina berthing fees and training. ranged between €7,787 and €11,011 per berth, and that the average spend per visitor ranged between €105 and €142 on groceries, gifts, chandlery entertainment and eating out, but not expenditure on other services such as repairs etc. This range may well be a conservative spend as the British Marine Federation estimates that visiting boats to UK marinas contribute on

² *The Potential for Growing Marine Leisure: A Study Establishing the Scope & Opportunities for Expansion on the East Coast of Ireland*, Countryside Consultancy; Tourism Development International and Drima Marketing, November 2007

average £150 (€227) each per night to the local economy. The BMF has also reported that for every £ spend on boating, there is an associated spend of £6 onshore.

The analysis of the spend, including the secondary benefits arising from the indirect and induced impacts, for the three marinas is shown in Table 2.2.

Table 2.2: Economic Impact of the Three Marinas

<i>Marina</i>	<i>Dun Laoghaire</i>	<i>Malahide</i>	<i>Kilmore Quay</i>	<i>Three Marinas</i>
Berths	510 berths	350 berths (78% occupancy)	60 berths (15 visitor berths)	920 berths
Active Berths	510	273	45	828
Direct Spend per Berth	€11,011	€7,787	€8,815	€9,829
No of Visitors	814	400	1,100	2,314
Average Visitor Spend	€142	€105	€167	€147
Visitor Spend per Berth	€115,588	€42,000	€183,700	€341,288
Berth Holder Direct Expenditure				
Maintenance	€1,247,970	€374,010	€124,065	€1,746,045
Chandlery	€454,410	€226,590	€65,250	€746,250
Fuel	€798,660	€282,555	€63,000	€1,144,215
PPE and Clothing	€331,500	€177,450	€35,370	€544,320
Insurance	€868,530	€419,055	€42,570	€1,330,155
Marina Berth	€1,804,380	€618,891	€64,620	€2,487,891
Training	€110,160	€27,300	€1,800	€139,260
Total Direct Expenditure	€5,615,610	€2,125,851	€396,675	€8,138,136
Secondary Benefits (40%)				
Berth Holder Spend	€2,246,244	€850,340	€158,670	€3,255,254
Visitor Spend	€46,235	€16,800	€73,480	€136,515
Total Secondary Benefits	€2,292,479	€867,140	€232,150	€3,391,769
Total Benefits	€8,023,677	€3,034,991	€812,525	€11,871,194
Estimated FTE Jobs Supported @ €50k per FTE	160	61	16	237

Source: TDI

Another study carried out by the Coastal Resource Centre of UCC in early 2002 found that In the case of An Daingean Harbour, it was estimated that direct expenditure associated with marine leisure activity in the rejuvenated harbour together with associated spend from visiting boats, summer sailing courses, sail charters, diving and sea angling, generated almost €800,000 to the local economy with associated expenditure of almost €312,000. The estimated total effect of marine activities on employment in the An Daingean area is 30 Full Time Equivalent (FTE) jobs. In calculating these estimates, no account was taken of the benefits arising from the many regattas and other special events associated with the marina. An Daingean receives between 350 and 400 national and international visiting boats annually.

Rates vary from marina to marina; at this time, the rates for Dun Laoghaire Marina, the highest in the country, are as follows:

- Annual Rate per Metre €455
- Summer Rate per Metre €340
- Winter Rate per Metre €185
- Overnight Rate per Metre €4

2.4.5 Financial Return to the Local Authorities

The various County Councils in whose area the Fishery Harbour Centres are located will also benefit from any new commercial developments through rates, development levies, car parking fees etc

3. Profile of The Fishery Harbour Centres Sector

In this chapter, we present a profile of the Fishery Harbour Centres (FHCs).

We commence with a brief overview of the general management of the Fishery Harbour Centres.

We then consider:

- Fish Landings by Volume and Value
- The Irish Fishing Fleet
- Employment
- Financial Performance of the Fishery Harbour Centres

concluding with an analysis of the Sector in terms of Strengths, Weaknesses, Opportunities and Threats established through our consultation programme, literature review and data analysis.

3.1 General Management, Control, Funding and Operation of the Fishery Harbour Centres

The management, control, operation and funding of the Fishery Harbour Centres are prescribed primarily by the Fishery Harbour Centres Act, 1968.

On a day-to-day basis, the six Fishery Harbour Centres are managed by a staff of 0.5 Principal Officer, 1 Assistant Principal Officer, 1 Higher Executive Officer, 2.5 Executive Officers, 1.5 Staff Officer and 1 Clerical Officers based at headquarters in Clonakilty with staff also based in each of the six Fishery Harbour Centres. Each Harbour is managed by a Harbour Master who reports directly to the Assistant Principal Officer based in Clonakilty.

Harbour Masters are appointed a grade equivalent to a Higher Executive Officer, and are former ship masters or naval officers. They generally have little business and commercial experience when recruited.

FHCs, through the SFAD (Sea Fisheries Administration Division) now are part of the Department of Agriculture, Fisheries and Food.

In relation to payments, billing and harbour charges, details are input into the Department's SAP accounting system operated from the Department's offices at Cavan which are responsible for invoicing, payment and cash collection.

Annual budgets are prepared by the Administration with inputs as appropriate from the Harbour Master and the Engineering Division. Capital estimates are also prepared annually and are approved by the Minister early in the year in question. The Department's Capital Expenditure policy is to continuously upgrade the Fishery Harbour Centres on a rolling basis. The Department generally manages one major harbour project at a time with the capital works at Castletownbere scheduled to end in 2009.

The Fisheries Harbour Coastal Infrastructure Development Programme for 2008,

excluding grants to various small harbours under Local Authority control, is set out in Table 3.1.

Table 3.1: Fisheries Harbour Coastal Infrastructure Development Programme for 2008

FISHERY HARBOUR CENTRES	
Safety and maintenance (all Fishery Harbour Centres)	€1,750,000
Disability access (all Fishery Harbour Centres)	€270,000
CASTLETOWNBERE	
Dinish wharf extension	€8,000,000
RNLI pontoon	€1,000,000
Effluent treatment upgrade	€40,000
Mainland quay extension and provision of slipway	€200,000
AN DAINGEAN	
An Daingean harbour dredging	€40,000
Removal of old slipway	€60,000
Additional berthing pontoons	€765,000
DUNMORE EAST	
Harbour development project	€30,000
Harbour sedimentation/dredging study	€50,000
Repairs to East Pier – Phase 2	€350,000
Erection of safety railing/walkway	€10,000
Upgrading slipway and access to west wharf	€30,000
HOWTH	
Installation of powerpoints	€50,000
Upgrade of CCTV system	€15,000
Maintenance dredging of harbour	€100,000
KILLYBEGS	
Environmental management study	€50,000
ROS AN MHÍL	
Gear Store and workshop building	€600,000
Onshore works	€300,000

Source: DAFF

All non-capital expenditure, including day-to-day operations and maintenance of the FHCs, is financed from a Fund known as the Fishery Harbour Centres Fund. The Fund receives all rates, lease income, tolls or other charges paid under section 4 (b) of the Fishery Harbour Centres Act, 1968. *The Minister, with the consent of the Minister for Finance, may from time to time make, or arrange for the Commissioners of Public Works to make, grants to the Fund out of moneys provided by the Oireachtas*

Port charges, of which there are now some 23 categories of charges, are set by a Fishery Harbour Centres (Rates and Charges) Order and apply equally to all Fishery Harbour Centres. They are reviewed irregularly. The last change took place in October

2003.

Harbour masters are primarily responsible for the operation of their harbours. They have no commercial or business development mandate, and generally require the advice or permission of Headquarters for major decisions.

Maintenance of the Synchrolift is funded by the Engineering Division and maintained on its behalf by the OPW.

3.2 Landings

Table 3.2 presents details of landings from Irish vessels at the six Fishery Harbour Centres for the period 2001 – 2007 as well as all other harbours

Table 3.2: Landings 2001 – 2007 (Tonnes)

Catch	2001	2002	2003	2004	2005	2006	2007
Killybegs	102,934	80,595	82,862	77,765	94,988	86,868	89,262
Dunmore East	13,468	7,340	6,258	11,832	11,345	6,598	8,583
Ros an Mhíl	10,422	11,759	7,672	5,304	10,611	4,635	3,738
An Daingean	9,106	5,906	3,952	3,161	7,513	6,322	5,114
Castletownbere	8,397	5,904	5,081	5,233	7,876	6,191	14,719
Howth	6,253	4,661	4,101	4,103	4,635	3,776	3,935
Sub-Total	150,580	116,165	109,926	107,398	136,968	114,390	125,351
Other Harbours	170,059	166,592	186,373	211,154	153,693	156,249	105,158
Total Tonnes	320,639	282,757	296,299	318,552	290,661	270,639	230,509
% FHCs of Total	47%	41%	37%	34%	47%	42%	54%

Source: SFPA (note: figures for 2003 – 2006 for the FHCs have been revised from those published)

There was a significant growth in landings of pelagic and demersal fish in Castletownbere in 2007 compared with 2006.

There are also landings at Irish harbours of fish from foreign vessels, primarily Spanish and French. Table 3.3 provides details of foreign landings for the six Fishery Harbour Centres for the years 2003 to 2007.

Table 3.3: Foreign Landings 2003 – 2007 (Tonnes)

FHC	2003	2004	2005	2006	2007
Castletownbere	7,051	6,289	5,570	5,241	8,129
An Daingean	3,451	3,869	2,811	2,495	2,669
Dunmore East	14	44	27	125	8
Howth	76	0	5	20	1
Killybegs	9,268	2,336	3,306	11,636	19,259
Ros an Mhíl	42	184	161	11	0
TOTAL TONNES	19,902	12,722	11,880	19,528	30,066

Source: SFPA; 2007 landings detail are provisional

The two principal harbours attracting foreign landings are Castletownbere and Killybegs where whitefish and pelagic fish are landed respectively.

Total foreign landings at all Irish ports were 31,381 tonnes, valued conservatively at €46 million.

The waters around Ireland contains some of the most productive fishing grounds in the EU and, according to the Cawley Report, it is estimated that in 2004 the total catch by all fleets within the Irish Exclusive Economic Zone was 700,000 tonnes of fish valued at €500 million, the greater proportion of which was taken by non-Irish vessels. This reflects the Principle of Relative Stability of the Common Fisheries Policy, wherein Ireland's share (quota) of the EU Total Allowable Catch is fixed for each of the key commercial species, amounting to some 20% in the case of pelagic species, 16% of Demersal species and 23% of shellfish (Dublin bay prawns/*Nephrops*). Inshore shellfish stocks (crab, lobster, whelk, shrimp, etc.) are not subject to EU quota allocation; these stocks generated 25% of the first-point-of-sale value for the fisheries sector in 2004.

The fact that foreign fishing vessels can catch their allocated Western Water Quotas in waters close to the Irish coast and with fuel costs continuously increasing represents an opportunity to increase the level of fish that can be landed in Irish fishery harbour centres.

3.3 Value of Catch

In Table 3.4 we present details of the value of landings at the six Fishery Harbour Centres for the period 2001 – 2007 from the Irish fishing fleet.

Table 3.4: Value of Landings 2001 – 2007 (€000)

<i>FHC</i>	<i>2001</i>	<i>2002</i>	<i>2003</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>
<i>Killybegs</i>	38,062	32,222	30,171	21,957	27,600	33,640	42,096
<i>Dunmore East</i>	19,220	10,831	7,208	9,106	13,177	8,641	14,277
<i>Ros an Mhil</i>	16,658	14,454	12,403	9,121	12,218	6,704*	11,338
<i>An Daingean</i>	9,827	11,906	4,277	3,622	6,099	5,575	4,906
<i>Castletownbere</i>	13,297	8,777	8,418	7,889	8,456	9,682	13,331
<i>Howth</i>	15,553	13,392	7,441	6,297	6,543	6,594	6,176
<i>Sub-Total</i>	112,617	91,582	69,918	57,992	74,093	70,836	92,124
<i>Other Harbours</i>	137,573	142,706	143,243	209,092	107,554	132,495	88,222
Total Value €000	250,190	234,288	213,161	267,084	181,647	203,331	180,346
% 6 FHCs of Total	45%	39%	33%	22%	41%	35%	51%

Source: SFPA Note: the value of catch at Ros an Mhil in 2006 was recently revised to €11.1 million

3.4 Landings into Foreign Ports

Irish boats also land fish into foreign ports.

Details for 2002 to 2004 are as follows:

Table 3.5: Landings in Foreign Ports 2002 – 2004

	2002	2003	2004
Tonnes	68,802	91,985	120,040
Value €000	36,783	34,330	40,259

Source: CSO

Most of the landings are pelagic fish landed in Norway and Scotland, primarily on the grounds of achieving a better price than at home.

3.5 The Irish Fleet

Information provided by the Department indicated that there were 1,914 vessels registered on the Irish Register in early November 2007.

A breakdown of the Register is as follows:

Table 3.6: Analysis of the Irish Fishing Fleet – 6 November 2007

Segment	Number	Gross Tonnage	KW
Polyvalent General	1,234	36,723	120,853
<i>Of which > 18m</i>	163	28,872	73,475
Beamers	13	1,813	6,645
<i>Of which > 18m</i>	12	1,803	6,511
Polyvalent Potting	488	1,117	14,647
Aquaculture	26	4,478	10,468
Beamers	13	1,813	6,645
Pelagic	22	21,810	35,164
Polyvalent Tank	4	1,247	2,881
Specific	127	3,249	14,880
TOTAL	1,914	70,437	205,537

Source: DCENR

3.6 Restructuring the Irish Whitefish Fleet

In mid February 2008, the Minister for Agriculture, Fisheries and Food, and the Minister of State at the Department, launched a scheme to permanently remove fishing vessels from Ireland's fishing fleet. This voluntary scheme will remove older and larger fishing vessels with mixed catches of fish such as cod, haddock, monkfish, mackerel and herring. The scheme delivers on a key recommendation of the Strategy for a Restructured, Sustainable and Profitable Seafood Industry 2007 to 2013 – Steering A New Course also known as the Cawley Report.

The Government invested €21 million in the scheme in 2008 with a further investment committed for 2009. The Finance Bill 2008 contains a number of measures specifically designed to reduce the tax burden on fishermen taking up this scheme.

The scheme is open to vessels owners in respect of fishing vessels 10 years or more in age and 18 metres or more in overall length. Vessels must be operational at the time of decommissioning and have a recent track record of fishing. The level of

payments under the scheme are determined based on criteria including the age of the vessel and its catch history but will not exceed in any case €7,500 per gross tonne.

The scheme provides for the withdrawal of premiums (decommissioning grants), for the permanent withdrawal of fishing vessels from the whitefish sector of the Irish fishing fleet and their removal from the EU register of sea fishing vessels.

The 2007 Decommissioning Scheme sets itself the target of removing a further 11,140 GTs from the polyvalent and beam trawl segments of the whitefish fleet. This, together with the 3,178 GTs already removed from the whitefish sector accomplished during the first phase of decommissioning, represents the full programme of decommissioning recommended by the Seafood Industry Strategy Review Group and provided for in the National Development Plan 2007 - 2013.

Vessel owners who opt to remain in the industry are expected to face a more secure future and will have access to increased fish quotas to secure their financial viability.

3.7 Employment

Steering a New Course, the Cawley Report, provides details of employment in the fishing sector. They present the following statistics:

Table 3.7: Employment in the Irish Fishing Fleet in 2006

Segment	No of Vessels	Employment		
		Full-Time	Part-Time	Total
<i>Pelagic</i>	23	276	-	276
<i>Polyvalent</i>	1,650	3,320	872	4,192
<i>Beam-Trawl</i>	13	73	-	73
<i>Specific</i>	158	255	191	446
Total	1,844	3,924	1,063	4,987

Source: Steering a New Course, Table 3.2, page 37

Surprisingly, the 2006 census figures indicate that there were 1,717 people classified as Fishermen, a drop of 425 on the 1996 figures.

3.8 Financial Performance

The most recent Accounts available for the original five Fishery Harbour Centres are for the year ending 31 December 2006. Their Accounts are prepared in accordance with the relevant legislation include Receipts & Payments Accounts as well as an Income & Expenditure Account. Depreciation does not feature in any of these Harbour Accounts. **It should be noted that the 2006 figures are provisional only and have not been signed off by the Comptroller and Auditor General.**

In respect of An Daingean FHC, the most recent Accounts were prepared for Dingle Harbour Commissioners and were also for the period year ending 31 December 2006. No account is taken of the value of the main Harbour Assets, e.g. piers, in these Accounts.

The 2006 Dingle Accounts have been integrated with the five original FHC Accounts as follows other than the Table of Receipts and Payments:

Table 3.8: Receipts and Payments Basis 2006

€'000	Killybegs	C'bere	Ross	Howth	Dunmore	2006 Tot
Receipts	7,389	583	195	1,306	232	9,704
Payments	971	490	251	673	274	2,657
Surplus	6,418	94	-56	633	-43	7,045
Grants	21	21	21	21	21	105
After Grants	6,439	115	-35	654	-22	7,150

Source: DAFF

Table 3.9: Income & Expenditure Account 2006

€'000	Killybegs	C'bere	Ross	Howth	Dunmore	An Daingean	2006
Income	7,359	647	234	1,704	232	320	10,496
Expenditure	892	480	373	717	272	271	3,005
Grants	21	21	21	21	21	0	105
Surplus	6,488	187	-118	1,008	-19	49	7,596

Source: DAFF

Table 3.10: Balance Sheet at 31 December 2006

€m	Killybegs	C'bere	Ross	Howth	Dunmore	An Daingean	2006
Fixed Assets	71.5	29.7	19.3	3.6	7.5	0.2	131.7
Current Assets	7.8	-1.2	0.4	1.8	-0.8	0.4	8.4
Current Liabilities	0.1	0.6	0.0	0.0	0.0	0.1	1.0
Total Net Assets	79.1	27.8	19.6	5.3	6.7	0.5	139.1

Source: DAFF

Table 3.11: Working Capital 2006

€'000	Killybegs	C'bere	Ross	Howth	Dunmore	An Daingean	2006
Current Assets	7,779	-1,177	352	1,761	-809	444	8,351
Current Liabilities	133	648	5	22	47	117	973
Net Current Assets	7,646	-1,825	346	1,738	-855	327	7,378

Source: DAFF

Table 3.12: Debtor Days and Bad Debt Provision 2006

€'000	Killybegs	C'bere	Ross	Howth	Dunmore	An Daingean	2006
Debtors	917,487	228,309	334,604	627,914	178,223	226,000	2,512,537
Debtor Days	46	129	522	134	280	258	87
Bad Debt Provision	-13,003	8,064	127,250	85,482	18,350	N/avail	226,143
Provision/Revenue %	0%	1%	54%	5%	8%		2%
Cumulative Provision	88,381	47,359	230,288	160,963	64,372	N/avail	591,363

Source: DAFF

The Accounts show that the sector overall is viable on a day-to-day basis with the support of Government grants but that, apart from Killybegs, Howth and An Daingean, Castletownbere, Ros an Mhíl and Dunmore East do not have the current assets to fund their current liabilities and that would make them technically insolvent from an accounting perspective.

What is striking is the level of debtors that each of the FHCs has; only Killybegs has a Debtors' Days figure anywhere approaching an acceptable commercial level. The Debtors figures themselves are nett of Provision for Bad Debts that make the Debtor Days even higher.

As of mid November 2007, there was an amount of €1,608,165 outstanding for invoices in excess of 90 days. The Department's payment terms are 30 days from date of invoice.

3.9 Rent Income

The Department has major property banks at Howth, Castletownbere, Dunmore East and Killybegs.

The total Rent Income, according to the 2006 Income and Expenditure Account, was €1,249,109 excluding Lease Premiums, broken down as follows:

Table 3.13: Rents 2006

€'000	Killybegs	C'bere	Ros an Mhíl	Howth	Dunmore	2006
Rents	238	183	30	717	81	1,249
Of Total	19%	15%	2%	57%	6%	
Of FHC	3%	28%	13%	42%	35%	12%

Source: DAFF

The total Rent Income, according to the 2005 Income and Expenditure Account, was €572,313.

As can be seen, by far, the greatest income is generated at Howth at 42 per cent. It also forms most of that Fishery Harbour Centre's income.

3.10 SWOT Analysis

A review of the FHC Sector indicates that they, in general, share a range of traits. We present these in terms of a SWOT analysis. An individual SWOT analysis for each of the FHCs is presented in the relevant Harbour analysis chapter.

3.10.1 Strengths

- The FHCs are strategically located for the landing of fish caught in European waters
- The FHCs benefit from the support of the State's professional, technical, administrative and financial resources in the carrying out of their roles
- The FHCs are engines of local economic activity and development in the rural areas that they are based
- The FHCs enjoy the goodwill of the various stakeholders who use their facilities
- The staff of the Harbours have the respect of the users of the harbours
- The User Group meetings are seen as an excellent opportunity to discuss local issues and for attendees to be advised of proposed developments

3.10.2 Weaknesses

- Only with grant-aid are the Centres generally financially viable on a day-to-day basis
- Some of the FHCs suffer from inadequate infrastructure in terms of berthage, storage and water depth to address their current and projected needs
- Many of the Fishery Harbour Centres are remote from major population centres and are hindered by poor road infrastructure
- Some fish are landed, primarily, pelagic, at fishing ports outside of Ireland on grounds of better local price
- The rolling Capital Expenditure Programme hinders the planning and development of the sector as it does not necessarily allow for changing priorities to be addressed.
- The 'dual' structure of Administration and Engineering is unwieldy
- Equally, the relationships between tenants and the Department, particularly in relation to dealing with leases, are considered frustrating
- The amount and extent of outstanding Debtors that each harbour has generally do not reflect standard business norms
- The billing and collection of FHC invoices are not under the control of the local Harbours
- There is little, if any, commercial focus or ethos within the Centres and the Centres are reactive to opportunities
- Staff movement in the Department reduces corporate knowledge and memory, and affects the operational management of the FHCs
- Managers have little discretion over local budgets and budget setting
- Harbour charges are not reviewed sufficiently regularly to take account of cost inflation
- Ice sales are declining as vessels become more reliant on their own ice-making plant

3.10.3 Opportunities

- The principal opportunity lies with increased landings from foreign vessels with the proper marketing, local support and co-operation
- The transfer of landings of the Irish fishing fleet outside the jurisdiction back to Irish harbours and subsequent down-stream processing could also increase Irish landings
- There should be greater exploitation of non-quota fish
- Marine leisure through the construction of local marinas and related activities is seen as a major opportunity
- The new round of decommissioning should make fishing more economically viable for the remaining Irish fleet that continue
- A restructuring of harbour-based management to provide greater autonomy in the running and development of their Centres and in business promotion
- The contracting-out of the operation and maintenance of the Synchronlift
- Utilising the deepwater capability of many of the ports to facilitate the development and expansion of suitable commercial shipping activities
- Oil industry support activity particularly on the western seaboard

3.10.4 Threats

- A reduced take-up of the next round of decommissioning
- A reduction in Exchequer receipts could delay or possibly abandon the implementation of planned capital works
- Further rounds of quota reductions will impact the economic basis of the Irish fleet
- A failure to provide the appropriate infrastructure to handle increasing vessel size
- Accidents and claims arising from the failure to segregate fisheries from increasing marine leisure/tourism activities in Fishery Harbour Centres
- Fish processing is moving offshore because of high local labour and transport costs; there are also issues of stability of supply
- Need to be seen to avoid displacement
- A failure in progressing the recommendations of this Report