



Review of Ferry and Coastal Shipping Service:

Baseline Assessment and Data Synthesis with Demand Study

A report for the Falkland Islands Government

June 2021

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1 Background

The Falkland Islands Government (FIG) is responsible for the provision of public services to the Falkland Islands community, which has a current population of c. 3,400 people, not including military personnel and civilian contractors based at Mount Pleasant Complex (MPC).

Given the low population density and geographic spread of the Islands, good transport links are a key enabler for the rural economy and economic development of the Islands. The Falkland Islands have domestic air, road and sea transport links that serve to connect communities and business across the Islands. This infrastructure and associated services are crucial in enabling sustainable growth in tourism, farming and other businesses; facilitating the movement of people around the Islands; and are also fundamental in supplying rural communities with food, fuel and other necessary cargo. FIG subsidises both local air and sea transport to provide adequate transport links, with an inter-island ferry and coastal shipping currently provided as a managed service by a private operator.

The original BIMCO Time Charter Party for Offshore Vessels was granted by FIG in 2007 to Workboat Services Ltd and extended in 2017 for a further eight years. The current Charter Party terminates in March 2025. The service specifications are set out in the Charter, but the service includes both a ferry route between New Haven (on East Falkland) and Port Howard (on West Falkland); and a coastal shipping route that services the Outer Islands. Both routes are operated by Workboat Services Ltd using a 45.5m landing craft, the *Concordia Bay*. The vessel is flagged in the Falkland Islands as a passenger/cargo vessel and owned by Workboat Services Ltd. She was built in 2006 and underwent extensive conversions in 2007/08 in order to adapt her for the operation in the Falkland Islands. The *Concordia Bay* is supported by a small 'Wave Lander' landing craft (the *Concordia Baby*) to access shallow landing sites and challenging locations; the *Concordia Baby* is owned by the Falkland Islands Government but operated and maintained by Workboat Services Ltd as part of the current Charter.

When working as a passenger vessel, the *Concordia Bay* has facilities for up to 30 day-passengers but no overnight facilities. The deck is 30m x 10m with space for a theoretical

maximum of 14 Land Rover 110s or equivalent, or 72 linear metres of commercial vehicles and trailers. As a cargo vessel she can carry 10 fully loaded 20' containers on deck and can double stack empty containers. The crane can lift 10 tons when extended to 7 metres or 6 tons at 11m. She has a kedge anchor fitted to the stern and the bow has been strengthened to allow her to put the bow ramp down on suitable beaches.

The ferry and coastal shipping service has experienced substantial growth in usage since it started, and currently completes circa 500 ferry crossings per year carrying an estimated 5,700 passengers, 2,300 domestic vehicles and 760 commercial vehicles. A total of fourteen outer islands are regularly serviced by the delivery of dry goods, frozen goods, fuel, gas and the transportation of livestock (sheep and cattle mainly) and wool, alongside occasional requests to service smaller uninhabited islands.

The frequency of journeys using the current service varies during the year as a consequence of fluctuations in demand, the operational budget available for fuel and other variable costs, and the need for maintenance of the vessel. At times there can be competing demands from different users and for different locations which have to be prioritised using a range of criteria including social benefits, fee revenue earned, and economic benefits.

1.2. Scope of Work

The current contract for the Ferry and Island Shipping Service will come to an end in March 2025. Consequently, it is important for FIG to review the existing service arrangements and assess whether alternative arrangements would increase the benefits provided (while considering cost implications) - for example, whether to replace the *Concordia Bay* and/or supplement the service with a second vessel and, in such an event, whether to dedicate one vessel solely to the ferry service and the other to coastal shipping services. The optimum value for money management and operating model also needs to be considered i.e. the pros and cons of managing and operating the service in-house or continuing with the Charter model, or another operating model.

On 27th April 2020 FIG issued an Invitation to Tender for a “Review of Ferry and Coastal Shipping Service”. The Tender set out a number of strategic objectives, with Workboat Services Ltd awarded a contract to fulfil:

“Baseline Assessment and Data Synthesis with Demand Study

This was described as follows:

“During this phase the review would consider any existing data available from customer surveys and monthly utilisation data, as well as other operational data provided by the service. Key stakeholders should be identified and assessed, and interviews with key stakeholders / any relevant surveys to a wider public should be conducted as part of a Demand Study.”

The Demand Study was not intended as a review of the current service, but as a look-ahead as to what future demand might look like, with a view to informing discussion about what kind of a service may best meet that demand. Where discussion in the foregoing relates to the existing service, the intention of this commentary is to understand current demand, and historical trends, and explore what the cause of bottlenecks might be. In line with the scope of work, whilst conclusions will be drawn from the data analysed and presented here, this Part B final report does not make any recommendations – the information contained is intended as a resource to inform future decision making.

1.3 Methodology

The scope of work was carried out in discrete phases:

- 1 Gather, collate and analyse existing data
 - a. usage and operational data for ferry service
 - b. usage and operational data for coastal shipping service
 - c. historical customer survey responses
 - d. previous consultants’ report - “*Ferry & Coastal Shipping Service Review*” (DKM Economic Consultants Ltd, 2015).

- e. Analyse the above to identify trends and demand to inform development of demand study
- 2 Develop and carry out online public surveys
- 3 Identify key stakeholders
 - a. Carry out targeted customer surveys and telephone interviews
 - b. Carry out focus group and public workshops with key stakeholders/community representatives on East and West Falkland and interviews at island destinations.
- 4 Collate results and produce final report on demand study.

1.4 Context

When considering what future demand for a ferry and Island shipping service may be, as well as considering the views of users and stakeholders, it is important to consider, beyond a purely business case perspective, what wider policy aims are underpinned by the service and the economic activity and social-cultural benefit it facilitates.

In the 2015 review of the ferry and coastal shipping service, it was noted that, *“the creation of the ferry link between East and West Falkland, together with the creation of a national road network, allowed, for the first time, travel by domestic and commercial vehicles between East and West Falkland. Until 2008, the link between the islands was maintained by infrequent services between Port Stanley and various terminals on West Falkland. The new ferry service offered, for the first time, a regular, reliable and scheduled link between two named terminals. In turn New Haven offered road access to Stanley and from Port Howard one had access to all of West Falkland.*

The natural consequence was that the two island economies became more integrated. Examples of this can be seen in the growing commitment of the West Falkland farmers to using FIMCo, and the provision of easier access to WoolCo facilities. It can also be seen in the increase in journeys between the two islands.

Experience elsewhere shows that as regular and reliable ferry services are developed, and the certainty of being able to connect with a wider market is accepted (in terms of both sourcing

and selling products), the economy will grow and freight traffic will increase. Globally world trade is growing at a multiple of global GDP growth. At the micro level, the certainty of being able to use FIMCo and the availability of more efficient logistics for export and import of agricultural products will mean that trade will grow between East and West Falkland. Likewise, improved logistics and better sourcing of products and services will bring down input costs while improved ferry/coastal links will enhance the mobility of island and migrant labour and support tourism.” (DKM Economic Consultants Ltd, 2015).

As with all remote communities, transport links are vital for socio-economic sustainability; however, these services are rarely commercially viable and hence require ongoing subsidisation (ITF, 2021). Value-for-money and the delivery of socio-economic and developmental objectives are key, sometimes conflicting, considerations. Looking to the future of the service, there are a number of FIG policy documents which detail strategic objectives that a ferry and Island shipping service helps to fulfil.

1.5 Relevant policy priorities

Islands Plan 2018-2022

The vision of the current (2018-2022) Islands Plan is “to progress the sustainable economic, social and political development of the Falkland Islands for the benefit of all residents.”

The plan “is designed to ensure that we have strong social and economic foundations— across infrastructure, people, environment and institutions — that will help us flourish and build a strong future, even in the face of global political and trade challenges.”

It contains specific goals and objectives, of particular relevance are the following:

In relation to Population and Workforce development:

- Promote opportunities for individuals and families to live in Camp.

In relation to Economic Development:

- Support the growth and expansion of our local industries and businesses.

In relation to Tourism development:

- Support an ambitious long term tourism development strategy aligned with our objectives for rural and economic development;
- Lead the development of a long-term strategy and work with the industry to ensure the right infrastructure and economic conditions to support growth;
- Encourage the growth of tourism opportunities within Camp;
- Support the industry in developing and increasing accommodation across the Falkland Islands.

In relation to Infrastructure development:

- Work with the Rural Development Strategy to identify and deliver infrastructure needs for Camp.

In relation to Transport and Communication development:

- Invest in both internal and external transport and communication networks.

ENHANCING PROSPERITY IN THE FALKLAND ISLANDS “Update to the Falkland Islands Economic Development Strategy (EDS2010) and Action Plan”

This document identifies a number of specific ‘Sector Opportunities’:

Tourism:

- Extension of existing tourism activities to new locations.

Agriculture and food:

- Attraction of new farm families to existing farm properties in Camp.
- Increased efficiencies in the meat supply chain and improved returns for farmers from animals sold to the abattoir.
- Continued development of Camp farms.

It sets out an overarching goal: to ‘diversify the Falkland Islands economy to enable long-term sustainable growth and enhance economic prosperity’.

Benchmarks include:

- Sustainable and consistent increases in camp population and economic activity
- Improved services and quality of life

Tourism sector expansion and development:

- Increase opportunities for local business growth and expansion
- Stronger and more diversified Camp economy

Rural Development Strategy (2012-2017, 2018-2023)

Overarching aims and objectives of the Rural Development Strategy (RDS) include:

Business growth and development:

- developing a more productive and dynamic business base in Camp.

Services:

- improving access to services and expanding service provision to better serve the needs of the current population and to make Camp an attractive destination for new residents.

Infrastructure:

- providing the infrastructure required to drive growth in the economy and improve the quality of life in Camp.

The most recent rural development strategy document contains a number of strategic objectives. Of particular relevance are:

Strategic Objective 2: To further increase the economically active population of Camp by 5% by 2023

Strategic Objective 3: To increase investment in key enabling infrastructure and services to drive growth in the rural economy. “Improving the existing infrastructure and services in Camp, in particular related to the physical and digital connectivity between Camp, Stanley and the rest of the world, is an indispensable enabler to rural economic and business development and a priority to address over the next three years. Through the Strategy we hope to increase investment in the key enabling infrastructure to drive growth in the rural economy.”

The document also identifies some relevant “Key Priority Areas”:

Key Priority Area 4 - Infrastructure: providing the key enabling infrastructure required to drive growth in the rural economy. “Improving infrastructure allows; businesses to become more productive, new businesses to be created, existing businesses to expand, and better connectivity with the rest of the world. Effective infrastructure reduces travel time, costs and distance to markets and improves business efficiency, productivity and profitability. We aim to achieve this by improving Camp physical and digital connectivity, and by facilitating relevant policies and investments to address the gaps in providing key enabling infrastructure to drive growth in the rural economy.”

Specifically:

Shipping and Ferry Services

“The ferry service serves the Falklands’ business sector and the wider community. The coastal shipping service provides a vital link for the outer islands bringing freight including stores, mail, machinery and fuel. It also provides bulk fuel delivery to Fox Bay. For the Outer Islands businesses more particularly, the *Concordia Bay* is an essential service.

In 2015, an independent review of the Ferry and Coastal Shipping Service was commissioned under the RDS Action Plan. During the consultation process to review the RDS, Camp stakeholders acknowledged the fact that the ferry service had greatly contributed to opening up business opportunities in Camp. However, they stated it was operating at full capacity, which they thought was a key constraint for future economic development in Camp.

The jetties at Port Howard and Newhaven are the main ports for the ferry service. The *Concordia Bay* also visits Fox Bay jetty to discharge bulk fuel. These three jetties are, and will continue to be, maintained. In October 2015, as a result of a project under the previous RDS Action Plan, Executive Council commissioned PWD to review the policy for the maintenance of Jetties and Ramps and recommended this should be carried out in parallel with the review of the ferry and coastal shipping service.”

Tourism Development Strategy (2016-2023)

This strategy document sets out a Vision to achieve by 2022:

- a greater proportion of overnight tourists will visit in March, April, September and October (increasing from 28% in 2014 to 37% in 2022). Also, a greater proportion of overnight and cruise visitors will travel to lesser-visited areas of the Falklands (in particular in East and West Falkland).

In terms of growth in the domestic tourism industry, the strategy notes:

“The introduction of the ferry, as well as the emergence of good quality self-catering accommodation has improved the situation and encouraged more residents to travel by car to domestic destinations.”

Furthermore, a Tourism Development SWOT Analysis identified as a specific weakness to further development that land transport is limited, and car hire is not available on West Falkland. The role of the ferry in facilitating land transport to and on the West is therefore significant.

1.5.1 Summary of FIG policy priorities

It is clear that the ferry and coastal shipping service currently enables or fulfils numerous wider FIG policy objectives and goals. Whether the existing service model will be able to meet future objectives will need to be considered in any future decision making.

2 Baseline Assessment and Data Synthesis

Prior to trying to establish what future demand might be, it is important to understand what current demands and constraints exist. The first step is to analyse existing usage data provided by the current operator. The current service incorporates two main elements: the ferry service between East and West Falkland (New Haven and Port Howard), and the coastal shipping service serving more remote points on West Falkland and the other inhabited islands. These two elements are presented separately. Additionally, the service provides the Fox Bay Consolidation service, which is also presented separately.

Information used in this assessment includes:

- Complete monthly ferry data from July 2008 – current day (number of crossings, number of passengers, number of private vehicles, number of commercial vehicles)
- Complete Island shipping data from 2008 – current day (inbound and outbound dry/frozen cargo volume, containers, vehicles, fuel drums, gas, vehicles, wool, livestock)
- Results of annual WBS customer satisfaction surveys
- Results of online surveys carried out (in relation to the Part B scope of work) in January and February 2021:
 - Ferry Service, Future Demand Survey (106 responses)
 - Island Shipping Service, Future Demand Survey (22 responses)
 - Fox Bay Consolidation Service, Future Demand Survey (16 responses)
- Results of workshops:
 - Public workshop, Fox Bay, West Falkland (22nd Feb 2021)
 - Public workshop, Stanley, East Falkland (31st March 2021)
 - Stakeholder workshop – Agriculture, Stanley, East Falkland (31st March 2021)
 - Stakeholder workshop – Tourism, Stanley, East Falkland (31st March 2021)
- Telephone interviews – all Island owners/operators, West Falkland residents
- Face to face interviews – various, East and West Falkland

2.1 The ferry service

Complete annual data from 2009-2019 were used to analyse the historical and current usage of the ferry service. Partial data were available for July- Dec 2008, but this year was excluded as it did not represent a full year's information, and due to the fact that the first few months of service were unlikely to be representative. Data from 2020 were also excluded due to the impact of the Covid-19 pandemic and associated restrictions on travel making the data unrepresentative. The exclusion of 2008 and 2020 from the analysis neatly provides a full decade of usage data for analysis.

The data were broken down into the following categories for analysis:

- Number of monthly crossings
- Number of monthly passengers carried
- Number of monthly domestic vehicles carried
- Number of monthly commercial vehicles/linear metres carried

Due to the sensitivity of the data to a few abnormal/irregular occurrences (for instance a peak in demand due to coinciding events such as a wedding followed by a two-nighter), and the influence this can have on a relatively small dataset, median values rather than mean values were calculated for each category to give a better representation of central tendency.

There are some important caveats to keep in mind when considering the data analysis:

- Whilst the data provided is comprehensive, it is still a relatively small data set which makes it vulnerable to unusual or infrequent events which may skew results. Caution should be exercised in drawing any conclusions.
- Averages/medians can hide significant variation, so don't give a complete picture.
- The data may usefully indicate patterns and trends, but may not be able to explain why those patterns or trends are occurring.

106 returns were received for the online "Ferry Service, Future Demand Survey". Of these, 85% of returns were from people ordinarily resident in Stanley, with 15% received from

people resident on West Falkland. However, in terms of representation, this constitutes returns for 6% of households in Stanley, and 27% of households on West Falkland. In order to ensure results aren't skewed by the larger number of Stanley respondents, the survey results are presented separately for each population rather than aggregated.

2.1.1 Seasonality

Across all categories, usage shows strong seasonality, with busy summers and quiet winters. Peak usage across all categories - is between December and March, with a dramatic decline in usage to July/August (when the vessel ordinarily undergoes routine maintenance/dry dock).

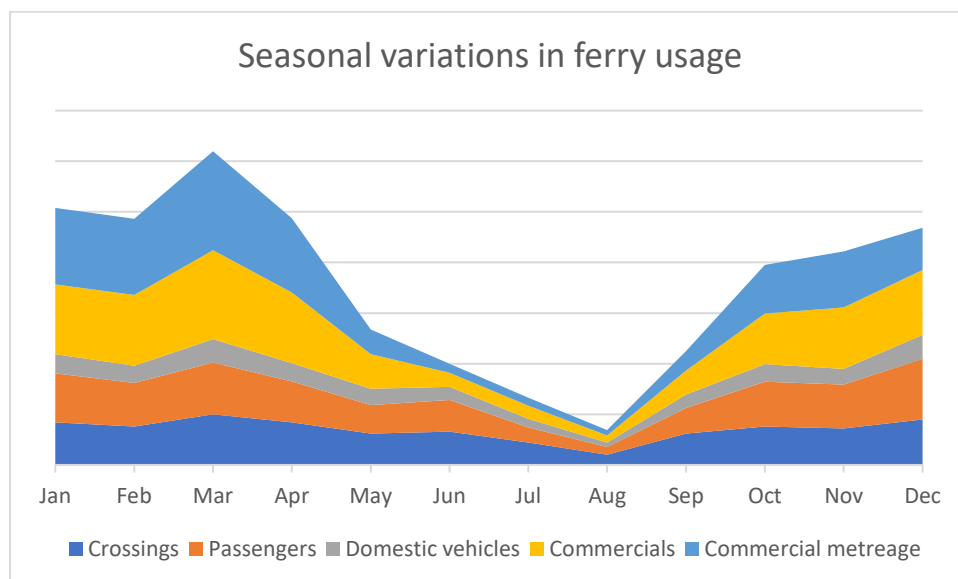


Figure 1 - Graph showing seasonal variations in ferry usage across all categories
(scale adjusted for clarity, trends are accurate but relative scales of categories are not).

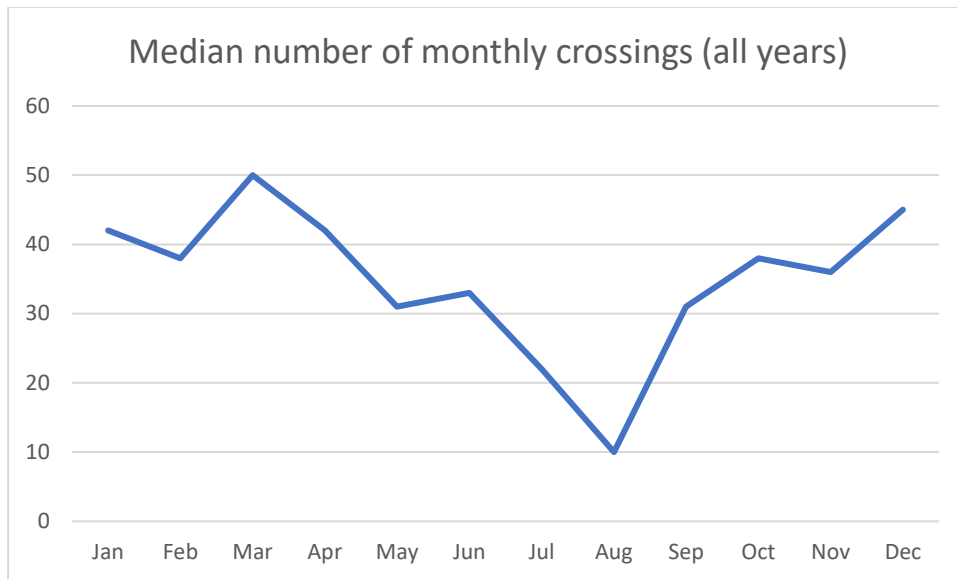


Figure 2 - Graph showing median number of monthly crossings (combined data all years)

The median number of monthly crossings peaks in March, which coincides with peak usage of commercial vehicles and commercial metrage carried.

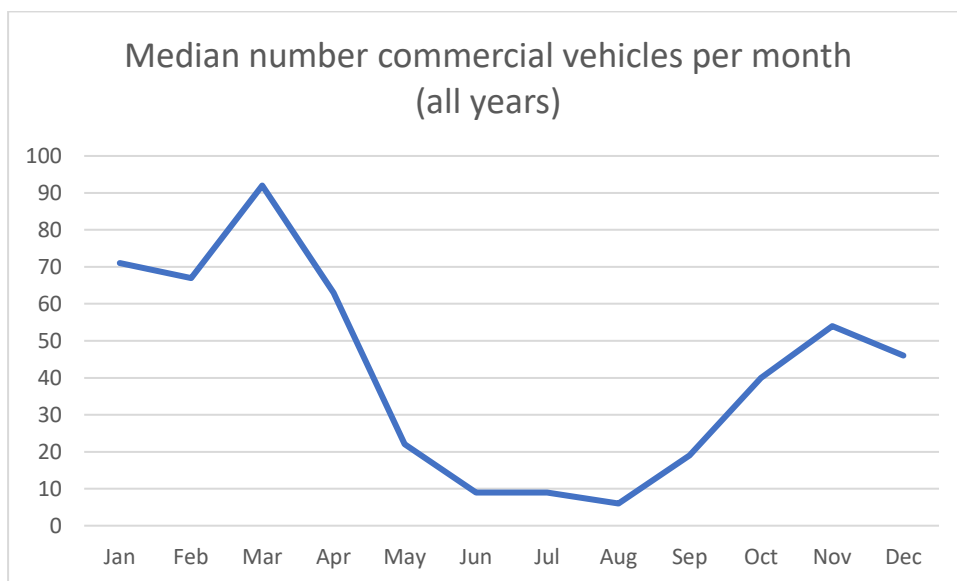


Figure 3 - Graph showing median number of commercial vehicles transported per month (combined data all years)

Peak passenger and domestic vehicle usage is in December, with another peak in March.

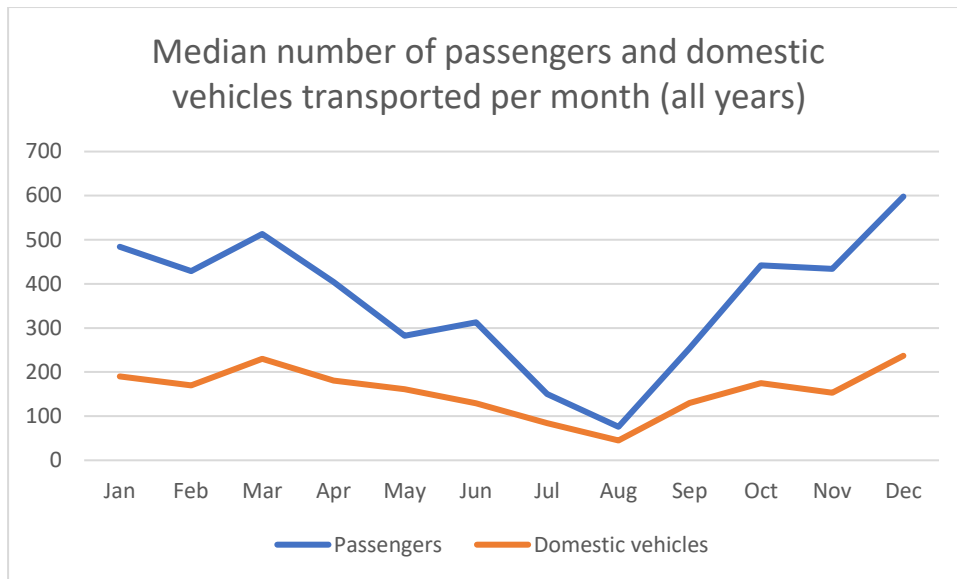


Figure 4 - Graph showing median number of passengers and domestic vehicles transported per month (combined data all years)

The same seasonal trends were found in the 2015 DKM review, using a smaller dataset. That review noted “Seasonality is a major issue for all ferry services, and the East-West service in the Falkland Islands is no exception.”

2.1.2 Trends in annual usage

The previous review of the ferry service in 2015 noted:

“There has been strong and fairly consistent growth since the current service began in 2008. This growth rate is impressive, albeit from a low base, and cannot be ascribed to a simple growth based on a multiple of GDP, GNP or disposable income.”

This growth is clearly shown in Figure 5 (below).

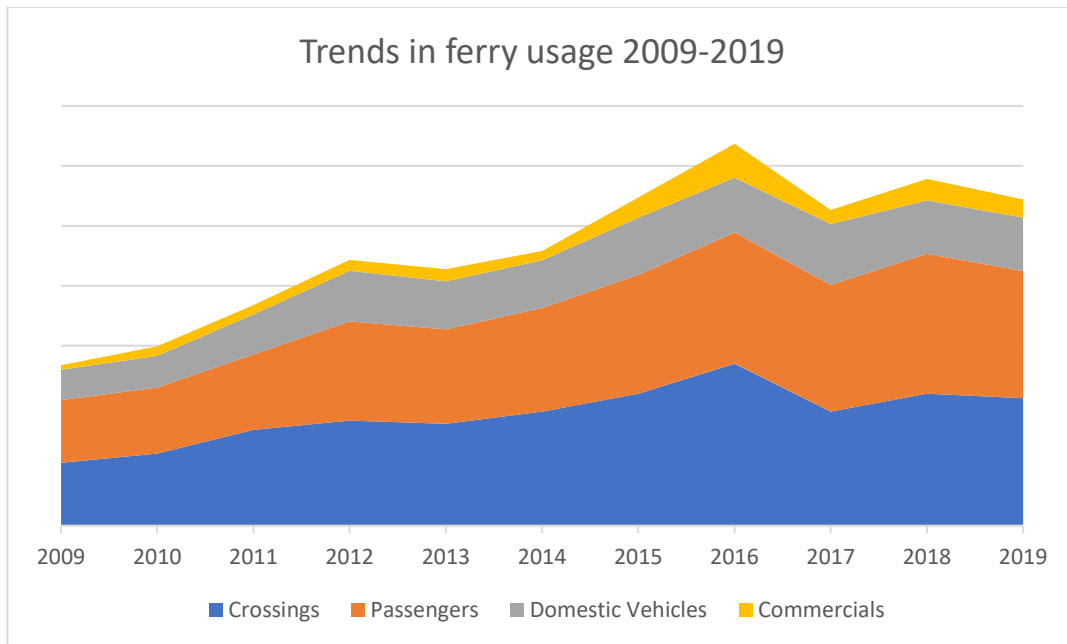


Figure 5 - Graph showing trends in annual ferry usage 2009-2019

However, when looking at the trends in annual usage from 2015-2019, growth appears to have plateaued. The trend is clear across all categories (see Figures 6-9 below). There is a bump in usage 2015-2017 caused by Project Anemoui on West Falkland, which saw a significant increase in commercial traffic in support of the Ministry of Defence (MoD).

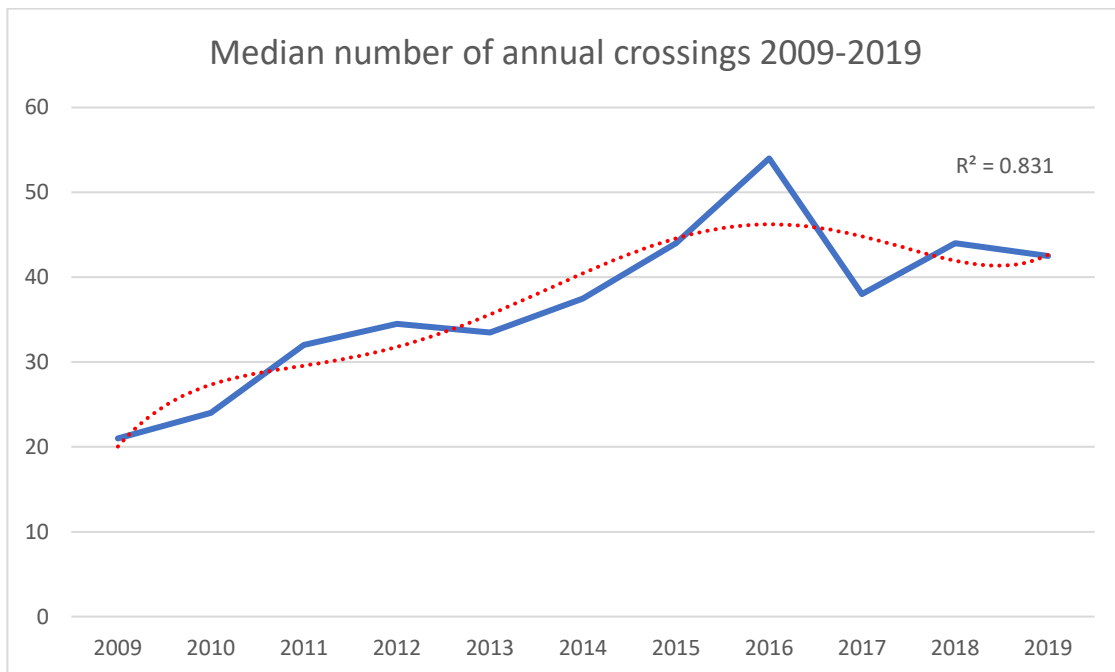


Figure 6 - Graph showing median number of annual crossings 2009-2019
 (the red dotted line represents the trend line, the R^2 value is a measure of how well the line fits the data (where 1 is a perfect fit))

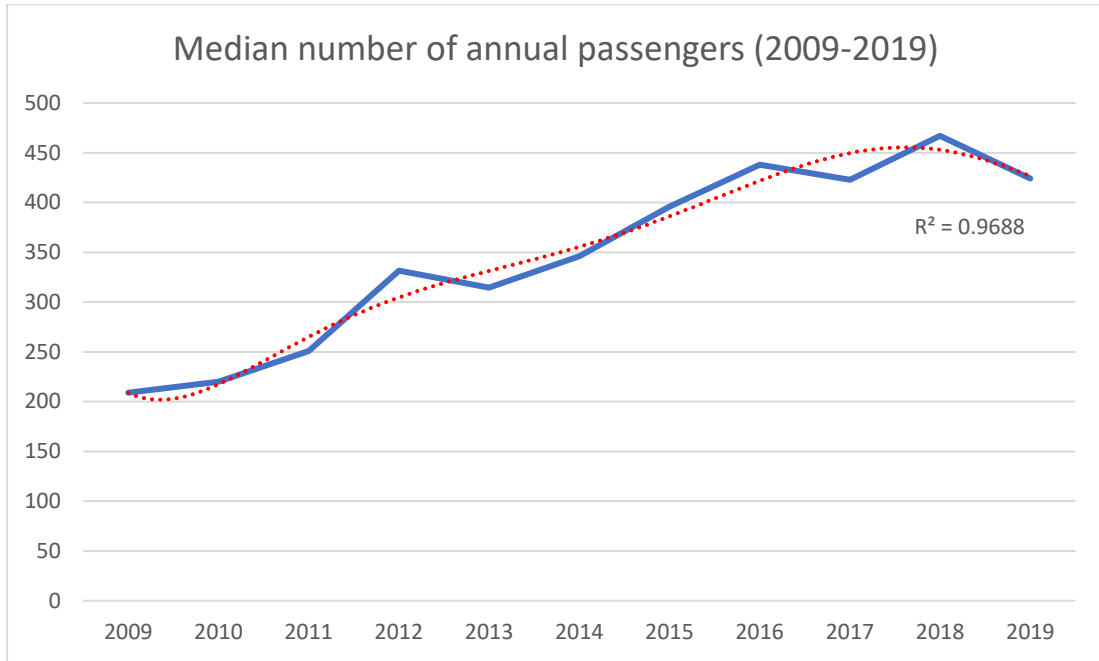


Figure 7 - Graph showing median number of annual passengers carried 2009-2019
 (the red dotted line represents the trend line, the R^2 value is a measure of how well the line fits the data
 (where 1 is a perfect fit))

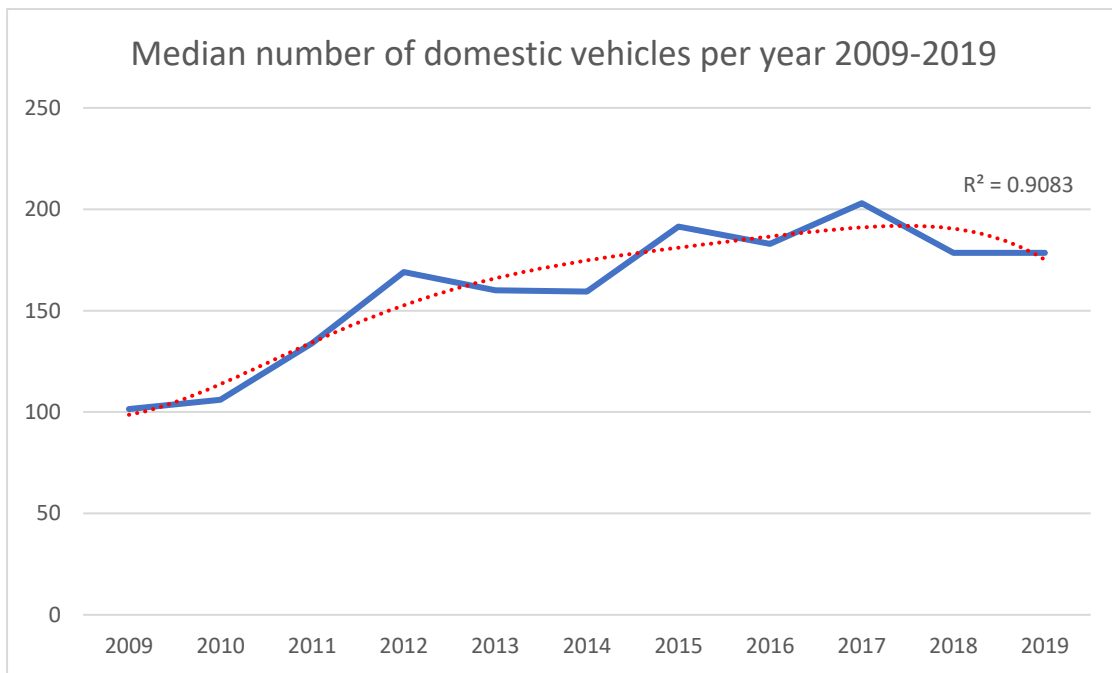


Figure 8 - Graph showing median number of annual domestic vehicles carried 2009-2019
 (the red dotted line represents the trend line, the R^2 value is a measure of how well the line fits the data
 (where 1 is a perfect fit))

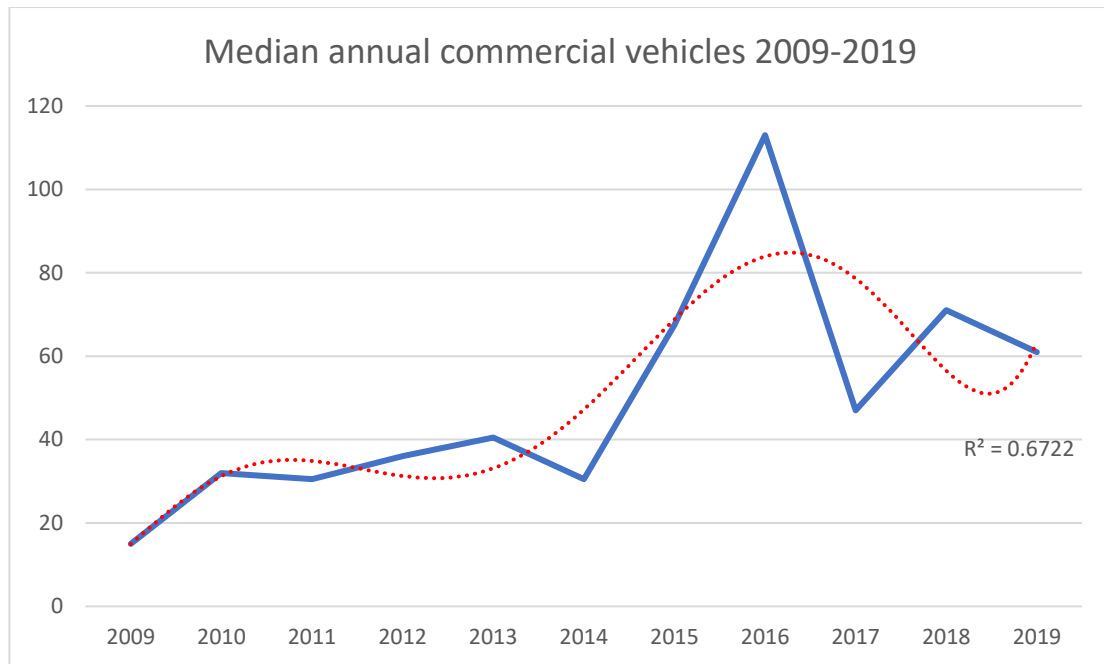


Figure 9 - Graph showing median number of annual commercial vehicles carried 2009-2019

(the red dotted line represents the trend line, the R^2 value is a measure of how well the line fits the data (where 1 is a perfect fit)). NB the R^2 value is lower for this graph due to the bump in traffic in support of Project Anemoi.

As the potential for annual growth is finite, this plateau in growth may not necessarily indicate an issue, but it does raise a number of questions. Are there constraints which are limiting continued growth, or is the service adequately meeting existing demand? If there are constraints, what might they be? Examples include:

- Is capacity of the service an issue?
- Is scheduling limiting further use?
- Is the cost of using the service prohibitive?
- Is the availability of the vessel due to other commitments limiting growth?
- Is it something else entirely – other issues?

These issues are explored individually below, using usage data and the feedback received from the online surveys and workshops.

2.1.3 Different use cases

When attempting to answer these questions it is important to consider what different use cases people have for the ferry service – it is different things to different people, particularly in relation to where people live. From the online surveys carried out in 2021, we can determine the different use cases between residents on East and West Falkland:

Survey responses from people living on West Falkland

- 76% use the ferry for business or work travel
- 18% use the ferry for shopping/banking/medical trips
- 6% use the ferry for visiting friends and family

Survey responses from people living on East Falkland

- 88% use the ferry for holiday or visiting friends and family
- 12% use the ferry for business or work travel

These differences in how the ferry is used are reflected in the results of the surveys and the outcomes of the workshops.

2.1.4 Vessel capacity

Across all years, the average number of passengers, domestic and commercial vehicles per crossing is extremely consistent, with a mean 10 passengers, 5 domestic vehicles and 1 commercial vehicle per crossing (see Table 1 below).

Year	Average pax per crossing	Average domestic vehicles per crossing	Average commercial vehicles per crossing
2009	10	5	1
2010	9	5	1
2011	9	5	1
2012	10	5	1
2013	10	5	1
2014	10	5	1
2015	10	4	2
2016	10	4	2
2017	11	5	1
2018	11	4	1
2019	11	4	1

Table 1 – average passengers and vehicles carried per crossing, 2009-2019

However, because the service is (to an extent) demand-led, the averages should be treated with caution. For example, a ‘full’ crossing may trigger an additional sailing if more than one additional booking is requested. That additional crossing may then operate with only a handful of passengers or vehicles onboard, bringing down the averages overall.

2.1.4.1 Capacity pinch points

If capacity of the vessel is a constraining factor, a pinch point will be reached if the vessel approaches its maximum capacity for either passengers or deck space.

In order to ascertain if there are any specific pinch points in vessel capacity which may be hidden by averaging the wider dataset, daily crossing data for the whole of 2019 was undertaken. 2019 was chosen as it provides a complete year’s data, and is felt to be a representative year at current usage rates with no particular unusual event to skew the data (for instance large scale military usage as per previous years for Project Anemoi).

Capacity rates were calculated utilising maximums of 30 passengers, 14 domestic vehicles or 72m of commercial vehicle (or a combination of both). 14 domestic vehicles is a theoretical maximum based on small domestic vehicles, but as most vehicles in the Islands are large it is often difficult to reach the theoretical capacity. Likewise, very heavy commercial vehicles

might fill the vessel earlier than expected, either due to how they have to be lashed on the deck or due to the vessel reaching maximum draft for passenger operations.

The data was further refined to consider East-West crossings vs West-East crossings, and weekday vs weekend usage. The results are given below:

2.1.4.2 Passenger capacity

The ferry can carry a maximum of 30 passengers per trip. In 2019, the ferry operated at maximum passenger capacity a total of 7 times (4 travelling E/W and 3 travelling W/E). Four of these trips at maximum capacity were during the week, and three trips were at weekends. Four of these trips were associated with Christmas and New Year travel. During the year, the ferry only operated at more than 75% passenger capacity on 11% of trips travelling E/W, and on 12% of trips travelling W/E. Average passenger occupancy throughout the year was 35%, with no meaningful difference between average passenger occupancy E/W (36%) and W/E (34%), or between weekday and weekend sailings in either direction.

Interestingly, a similar analysis previously undertaken for 2014 data also showed the vessel reaching its maximum capacity 7 times in the year (DKM, 2015).

Whilst at face-value it may not appear that passenger capacity of the current vessel is a constraining factor, the data cannot show instances where bookings were turned away due to the vessel being at less than maximum capacity. For example, if 27 people were booked for a crossing and a family of 4 then tried to book, they would be refused as they would exceed the maximum of 30 passengers. Similarly, a crossing full of commercial traffic may only show 4 passengers, but would have been unable to accommodate any bookings with domestic vehicles with an associated effect on passenger bookings. Additionally, scheduling issues may create peaks in demand that the service is unable to accommodate that are hidden by averages – for example, there may be spare capacity “on average” but if not all crossings are considered equally convenient then demand will be focussed on specific crossings rather than others. Therefore, the survey and workshop results also need to be considered alongside the data, as they represent real-life experiences of users of the service.

In the online survey, users were asked:

Does the current vessel's passenger capacity meet your needs?

Overall, 83% of respondents answered 'Yes'. When the results are broken down to reflect responses from East vs West Falkland, 84% of respondents from the East answered "Yes", as opposed to only 59% from West Falkland. However, when those that answered "No" were asked to explain why, all responses related to comfort/cleanliness/space/facilities in the passenger lounge, as opposed to actual capacity issues with the vessel.

Discussion at the West Falkland public workshop indicated that on the whole the passenger carrying capacity of the current vessel is not a particular issue in its own right, but that capacity/scheduling at peak times were a bigger issue. This is discussed separately in section 2.1.6.

2.1.4.3 Domestic vehicle capacity:

The ferry can carry a theoretical maximum of 14 domestic vehicles per trip. In 2019 the ferry operated at maximum domestic vehicle capacity a total of 3 times (1 travelling E/W and 2 travelling W/E). Two of these trips at maximum capacity were during the week, and one trip was on a weekend. During the year, the ferry only operated at more than 75% domestic vehicle capacity on 5% of trips travelling E/W, and on 4% of trips travelling W/E. Average domestic vehicle occupancy throughout the year was 30%, with no meaningful difference between average domestic vehicle occupancy E/W (31%) and W/E (28%) or between weekday and weekend sailings in either direction. The same caveats apply to this simplistic analysis of domestic vehicle capacity as to the passenger capacity analysis described above.

In the online survey, users were asked:

Does the current vessel's vehicle capacity meet your needs?

Overall, 88% of respondents answered 'Yes'. When the results are broken down to reflect responses from East vs West Falkland, 93% of respondents from the East answered "Yes", as opposed to only 65% from West Falkland. When those that answered "No" were asked to explain why, 70% of answers related to bookings at peak times, and 30% related to capacity issues due to the carriage of commercial vehicles.

Discussion at the West Falkland public workshop indicated that on the whole the domestic vehicle carrying capacity of the current vessel is not a particular issue in its own right, but that capacity/scheduling at peak times were a bigger issue. This is discussed separately in section 2.1.6.

2.1.4.4 Commercial vehicle capacity:

The ferry can carry a maximum of 72 linear metres of commercial vehicle (trucks and/or trailers) per trip. In 2019 the ferry did not operate at maximum commercial capacity at any time. During the year, the ferry only operated at more than 75% commercial capacity on two trips (1%) travelling E/W, and on no trips travelling W/E. Average commercial vehicle occupancy throughout the year was 20%, with no meaningful difference between average commercial vehicle occupancy E/W (21%) and W/E (19%) or between weekday and weekend sailings in either direction. The same caveats apply to this simplistic analysis of commercial vehicle capacity as to the passenger capacity analysis described above.

In the online survey, users were asked:

Does the current vessel's cargo (commercial) capacity meet your needs?

Overall, 96% of respondents answered 'Yes'. There was no meaningful difference in results when broken down to reflect responses from East vs West Falkland. When those that

answered “No” were asked to explain why, the majority refer to issues in booking when a large number of commercial vehicles are booked, or solo passengers with vehicles taking up capacity at peak times.

Discussion at the West Falkland and Agriculture focussed workshops indicated that on the whole the commercial vehicle carrying capacity of the current vessel is not a particular issue in its own right, but that capacity/scheduling at peak times were a bigger issue with a need for commercial operators to book long in advance or “block book” on future ferries to secure a slot, even though the bookings may not then be needed. Those individuals with private commercial vehicles for their own use described difficulties with booking a commercial vehicle at short notice. Scheduling issues are discussed separately in section 2.1.6.

There is a compounding issue in that the length and angle of the ramp at Port Howard mean that heavy goods vehicles cannot board or disembark the ferry at high tides, which create a steep ramp angle causing them to “ground out”. This issue reduces the number of crossings which can be utilised by commercial traffic. There are times where this means that commercial traffic can only use peak-demand ferries (such as the late Friday night crossing), conflicting with passenger and domestic vehicle bookings and compounding scheduling limitations. FIMCo also noted the low-tide issues at Port Howard, with livestock movements sometimes being pushed onto later ferries because of the tides which results in animals arriving at the abattoir late or in the dark, which is less than ideal for handling and requires paying overtime to staff.

2.1.4.5 Combined deck occupancy:

The ferry can carry a mix of domestic and commercial vehicles per trip, so the combination of the two must be considered. In 2019 the ferry operated at maximum deck capacity a total of 18 times (4% of trips) (8 travelling E/W and 10 travelling W/E). 14 of these trips at maximum capacity were during the week, and 4 trips were at weekends. During the year, the ferry operated at more than 75% deck capacity on 27% of trips travelling E/W, and on 21% of trips travelling W/E. Average combined deck occupancy throughout the year was 49%, with no meaningful difference between combined deck occupancy E/W (49%) and W/E (47%) or

between weekday and weekend sailings in either direction. The same caveats apply to this simplistic analysis of combined deck capacity as to the passenger capacity analysis described above.

2.1.4.6 Summary of capacity issues

In general terms, it appears that, on average, capacity of the current service is not in its own right a constraint to continued usage growth. Whilst raw numbers indicate that the ferry service is rarely ever 100% full in any way, the experience of West Falkland residents is that it is often difficult to book on specific ferries, particularly at short notice or with stock trailers or commercial vehicles. However, raw capacity is a separate issue to whether capacity is available when it is needed (at peak times), so needs to be considered further when discussing scheduling (see section 2.1.6). It appears that whilst capacity isn't an issue *per se*, capacity issues are sometimes created by scheduling.

At the public workshops reference was made to the Friday night E/W crossing being particularly constrained, with high demand. An analysis of all available data from 2019 showed that on average 5 more passengers, and an additional domestic and commercial vehicle are carried per crossing on a Friday than at other times.

	Av pax	Av dom vehicles	Av com vehicles
Friday crossings	15	5	2
Other crossings	10	4	1

Table 2 – average passengers and vehicles carried per crossing on Fridays vs other days

However, due to the ferry schedule, there may not always be a Friday night crossing – some months there may only be one depending on when Island -runs fall. It is therefore difficult to infer too much from the data on this issue.

2.1.5 Cost of service

In order to ascertain if cost is a constraining factor on further use of the ferry, the primary source of information comes from the survey responses:

- How do you view the cost of using the ferry?
 - 5% feel it is too expensive
 - 89% feel it is about the right price or inexpensive

- How do you view the cost of commercial tariffs?
 - 12% feel they are too expensive
 - 43% feel they are about the right price or inexpensive

The only alternative for travel to West Falkland is to use the Falkland Island Government Air Service (FIGAS). When costs are considered, return flights for a family of 4 would be £414, with a total luggage allowance of 56kg. For less than a single adult's return airfare on FIGAS (£138), a family of 4 can make a return journey on the ferry with a vehicle for £113.50.

Users were also asked – 'If the frequency of ferry crossings were to increase, how much extra would you be willing to pay for this increased service?'

44% would be willing to pay slightly or significantly more than they currently do
53% would not be willing to pay any more than they currently do for the service
3% would only pay less than they currently do.

2.1.5.1 Summary of cost issues

Given the results of the online surveys and comparison with alternative travel options, it is highly unlikely that cost is a constraining factor to further use of the ferry. Cost of the ferry service was not an issue that was raised at any of the public workshops.

2.1.6 Scheduling

The schedule followed by the current service has evolved over time, and attempts to meet the needs of ferry users whilst facilitating commercial traffic and operating an island shipping service. With competing needs and demands, it is inevitable that the schedule is a compromise. It is clear that best efforts are made to ensure that every month there is a Friday night E-W crossing to enable weekend commuting, and a midweek day-return to allow West Falkland residents a day trip to Stanley, facilitating medical visits and essential services such as banking. However, the schedule is variable due to supporting Island runs and livestock movements, so some months have more crossings than others, and may also see more weekday crossings and fewer weekend crossings. There isn't therefore a fixed, long-term schedule which can reliably be used for planning purposes.

Users were asked in the surveys:

On a scale of 1-5 (with 1 the lowest and 5 the highest), how would you score the convenience of/regularity of crossings?

East Falkland respondents: 3.1/5

West Falkland respondents: 2.4/5

Users were also asked:

Does the current ferry schedule meet your requirements?

East Falkland respondents: 67% answered 'Yes'

West Falkland respondents: 24% answered 'Yes'

This disparity in views is likely due to different primary use cases, with the majority of West Falkland residents using the ferry for business or essential reasons as opposed to social/leisure purposes.

Those that felt the current schedule did not meet their requirements were asked why. Responses are copied below:

- Earlier/later times if possible.
- Improve the frequency of trips made during summer.
- Making ferry crossings available for school holidays.
- It would be desirable to have more ferry crossings. Sometimes frustrating when planning trips to have to work around island-shipping runs. But understand the constraints.
- More ferries in the school holidays.
- More ferries available during school holidays.
- More options available during school holidays and half terms.
- A ferry almost every day.
- This is a "yes but no" answer. The reality is that people make holidays fit around the ferry schedule (and often miss opportunities as a result) but the only long-term solution is introducing a second vessel which would provide greater flexibility and the ability for daily crossings to suit demand, as well as resilience in the event of the vessel being damaged or requiring maintenance. The bottom line is that no single vessel can be in two places at once!
- More school holiday friendly dates.
- Reduce the gaps when there is no scheduled service
- More ferries at peak times. Island/FIMCo runs always clash with perceived 'good' ferry dates.
- The Island runs could be better spaced, the period before Christmas was a problem getting across for both work and pleasure.
- Early and late timings for both directions would be very useful.
- Less lengthy gaps in service would be better.
- Less Island runs. They do not need as many as they have. Some people are saying they are struggling to have stuff for all the boats they are receiving.
- It would be great to have a ferry every weekend.
- A little more flexibility during school and other national holidays but appreciate due to other demands this is not always possible.

- Having one ship dedicated to the ferry service only (that is, no weeks without ferry service).
- There are times we could go when the service isn't available.
- Daily trips would be the ideal, Only possible of course with another boat. I think WBS do an amazing job within the constraints of one boat.
- More ferry crossings tide depending.
- More frequent Ferry runs to cope with demand.
- More ferry crossings.
- More day runs.
- There needs to be far more ferry crossings made available. In the month of January there is only 14 days of ferries - this is in the height of the season and it is just not enough! Trying to get an extra ferry put on (say on a Saturday and Sunday) is very difficult.
- We need a more regular ferry service than we have, in reality we need a full-time boat for a ferry service alone. If not, some more day trips would be useful, as present schedule is not helpful when trying to plan trips into Stanley.
- More ferries (not within current schedule but when there aren't any!)
- More frequent ferries.
- Less crossings on more days, until a second ship is purchased.
- The need for a second ferry during November December January February is obvious.
- Island trips avoided during school holidays. Docking in May rather than August.
- Making ferry crossings available for school holidays.
- Please keep ferry running during school holidays, especially half terms and August holiday.
- 18.00hrs crossing W-E, Currently the only 18.00hrs crossing are E-W on a Thursday and Friday.
- Some earlier ferry runs during the Summer months would be more convenient.
- There is not enough ferry crossings.
- Rather selfishly: the east to west crossings have so far been either 10am on Saturday, or 2pm on Sunday, but this is a little awkward for my commute, meaning I have to travel a day earlier. For me personally, a 2pm crossing on Saturday and 10am on Sunday would be a whole lot more convenient :-)

- Lack of mid-week ferries is sometimes a constraint.
- The ability to have a later ferry from New Haven on a Friday and similarly from Port Howard on a Sunday assists greatly with planning.
- its fine, especially given the mixed nature of the ferry services to the whole Falklands, ideally a more fixed schedule would be great, but I appreciate the reasons that this is not possible at the moment.
- we have to plan all trips around the schedule
- Would rather the ferry not undergo in scheduled maintenance during the August - September school break.
- With the increasing regularity of coastal shipping visits and extended length of these trips the ferry schedule is reduced making more difficult to get meetings, appointments and reasons for traveling to align with the ferry schedule.
- Scheduling issues include number of ferries on a given day (for day trips), the number of ferries on adjacent days or within three days (to give time to travel, conduct business and travel home); ferries to suit holiday makers (weekends); ferries to suit business (during the week).
- As above - it would be good to have different days to get into town instead of it being all revolved around weekends. For instance, ferries are always 4pm w-e on a Sunday with the E-W always at 8am on a Monday then nothing until Thursday which is very inconvenient when you need to be in [Stanley] during week days.
- The biggest issue is trying to get beef to the abattoir. They only accept on Tuesdays during the winter so you have to travel in on a Monday and stay in town until Thursday which is ridiculous. Even on the days they accept stock on a Monday, you have to leave Port Howard at 4pm on Sunday and New Haven at 8am on the Monday, which is a very tight turnaround and doesn't even allow for you to fuel up for the return trip.
- Consider school holidays more
- I have experienced delays with the ferry schedule changing and the lack of information being communicated, as to the revised sailing time(s).
- For work, the timings can cause issues.
- any changes in schedule due to weather, tech issues etc and the WBS team always notify very quick with updates and rescheduling.

- The current scheduling is very regimented on its trips - e.g. only doing day runs (w-e-w for us) on one day a week, it is difficult to get in during the week as Tuesday/Wednesday is always unavailable.
- The summer schedule is not very good, you either have to stay in town for several days or a very quick overnight trip. The removal of the Thursday morning crossings are very inconvenient.
- They seem to be more and more weather dependent these days
- In this age of good instant communication, (for reporting passenger names etc to head office), do not understand why you cannot have last-minute walk-on or drive-on passengers (obviously when space permits).
- There needs to more week day ferries and far more ferries in general during the months from September to at least April.

A specific issue was raised at the West Falkland workshop with regard to moving animals to the abattoir, particularly for private hauliers. "Sunday ferries are so late from the West and the return on the Monday is so early that we are unable to get fuel and collect supplies. The abattoir will only kill cattle on a Tuesday and Thursday so we have to take them in on a Sunday, the ferry is at 4pm, by the time you have delivered to the abattoir and washed out it's about 10pm before you get to Stanley. The ferry is 8am the next morning (or Thursday) we then have to leave Stanley at 5.30 am at the latest. So it's not possible to purchase fuel or be able to collect any supplies."

FIMCo noted that the ferry operators are very helpful in helping to try and work around the needs of their operations, however the vessel is at maximum capacity in terms of time and that limits how flexible it can be, and that scheduling is a limiting factor. FIMCo said "we could be producing more, but it's a question of can we get the stock in, and when."

Additionally, comments were made at the West Falkland workshop that there are people living on West Falkland who don't have a house in Stanley they can use or relatives to stay with for an overnight visit. The current schedule (and lack of opportunities for a day-return) mean that there is a part of the population who cannot use the service due to the additional cost of overnight accommodation in Stanley, which is a direct barrier to use of the service for them.

2.1.6.1 Summary of scheduling issues

The majority of comments received relate to the impact of the schedule on business and tourism due to gaps in service (when the vessel is away on Island Shipping runs), particularly around peak times such as school holidays. Many commented that the focus of the ferry service on weekend sailings has an impact on West Falkland residents' visits to Stanley with the schedule accommodating either a quick turnaround Sunday-Monday visit which does not enable conduct of business in Stanley as the schedule falls outside normal business hours, or an extended visit from Sunday to Thursday which is longer than some residents would wish to spend in Stanley given commitments in Camp. West Falkland residents also commented this constitutes a direct barrier to use of the service, particularly to those who do not have accommodation in Stanley or may not be able to afford to pay for a hotel. In the 2015 survey the following comment was made: "hauliers like to be able to do a round trip in a day. The fact that they were unable to do so was raised at the November meetings. This now appears to have been implemented in the case of West- East – West flows, but remains an issue for hauliers based on East Falkland who are still unable to do a round trip in a day." This is an issue that has not been resolved and has been raised during this survey. Whilst efforts are made to accommodate increased crossings to service business and tourism demand in the constraints of the current schedules, neither is fully achievable within the current service model without reducing the Island Shipping service.

2.1.7 Dual Use of the vessel

The current service provides both a Ferry and Island Shipping service, which, depending on demand, may create constraints on one or either aspect of the service as it places limits on the regularity, flexibility and scheduling of both services.

Users were asked in the online surveys:

Do you feel this 'dual use' places constraints on your business?

East Falkland respondents: 50% answered 'Yes'

West Falkland respondents: 93% answered 'Yes'

This disparity in views is likely due to different primary use cases, with the majority of West Falkland residents using the ferry for business reasons as opposed to social/leisure purposes.

Those that answered 'Yes' were asked to explain why. Responses are copied below:

- Weight restrictions for lifting puts pressure of livestock movement meaning that it's not always completed because ferry bookings take preference at times.
- Sometimes we would have to stay on one side without a break due to islands runs.
- Have to plan cargo runs & wool collection around *Concordia Bay*.
- It's hard to plan work/change overs fairly with the ship having such long stints away to islands.
- There should be two vessels, the ferry and a coastal small ship for the islands
- I currently have to plan teacher's beats and therefore children's education around limited ferry availability.
- The dual use places all eggs in one basket and there is too long a gap while undertaking island runs.
- Sometimes it does, as getting men, machinery back for work to continue on either the west or east can mean delays.
- Lack of access to accommodation leads to zero income.
- It's inevitable with one boat. We live with it.
- Waiting to move plant or machinery/materials from East to West
- Less ferry trips means less travel opportunities this causes bottlenecks when the Ferry does run. It's very difficult to grow a business on West Falklands with these constraints.
- Significantly limits beef delivery date options - we are normally left with only the option to deliver on Sunday night (arriving in Stanley 21:30-23:00) and have to leave 05:30 to head west.
- Constantly planning our business trips around island runs which often causes problems with our planning and meeting delivery dates.
- At times I have had to spend 3+ days sitting in Stanley awaiting a return crossing as delivery dates at FIMCO have not been negotiable.

- The dual use of the boat seriously reduces the amount of ferries available to us and therefore not being able to travel when we want or need to
- There is times when the CB is on Island runs and could really do with it for runs with wool etc.
- Big gaps in bookings for self-catering.
- Difficulties getting to and from town in a reasonable number of days.
- There is often something on during the weeks the ferries are on island runs.
- Always seems to be on an island run, trying to get wool, livestock, building supplies
- a second vessel during peak months.
- Almost half of the month it is not possible fit in travel needs.
- The conflicting priorities between commercial customers hauling to/from Camp, leisure travel, and servicing outer Islands communities, are simply not able to be addressed with a single vessel. As a result the schedule is "one size fits all" when in reality it is probably less than ideal for all users.
- It would be desirable to have more ferry crossings. Sometimes frustrating when planning trips to have to work around island-shipping runs. But understand the constraints.
- The current vessel has a lot of other duties not just the ferry service. I found as a haulier it was easier to plan our trips around the vessel schedule. I would not expect the schedule to change for my particular needs.
- Reduce the gaps when there is no scheduled service
- Seems to be long periods of time the ferry is taken up for other services such as island runs. For example, January will be one of our busiest months for getting stock and wool to Stanley - less than half the month there are scheduled ferry runs. These will be well booked up with road work HGVs. There are very few days you can make a delivery to Stanley, have time to load up, and return to Newhaven in time for your return crossing
- As a casual user of the ferry I have found that island runs have prevented booking crossings when I would like to travel.
- It can be difficult fitting in trips to the West to visit friends/family to avoid particularly busy times but not get caught out by Island runs, so organising a long-weekend to get across to do something can be difficult at times.

- With the increasing regularity of coastal shipping visits and extended length of these trips the ferry schedule is reduced making more difficult to get meetings, appointments and reasons for traveling to align with the ferry schedule.
- Some months there is only one ferry weekend which makes business commuting impossible.
- The gap in ferries whilst doing island trips is inappropriate for business development. Could be two shorter runs with ferries in between.
- A second vessel required for the peak months of November December January-February is needed.
- Long gaps in service makes planning difficult.
- More frequent sailings would be great as when busy on island runs etc unavailability is a pain.
- Dual use inevitably means compromises
- Time spent on island runs has a big issue on the ferry service
- Time has come for 2 vessels

In the 2015 review of the ferry and island shipping service, it was noted that “A six-week cycle to the islands, as it’s operated at present, is generally accepted but detracts from the core ferry service”.

2.1.7.1 Summary of ‘dual use’ issues

Fundamentally, there are limits to what a single vessel can achieve when trying to fulfil multiple roles. The difficulty of prioritising roles is illustrated below. Users were asked in the online surveys:

In considering future ferry and coastal shipping services, how highly would you rank the following aspect of the service in terms of importance (with 1 being the highest priority and 5 being the lowest):

	Ferry	Island Shipping	Livestock movements	Sub-contract works	FIG works
East respondents	2.2	2.6	2.7	2.8	2.7
West respondents	2.1	2.5	2.6	3.1	2.8
Island respondents	2.0	1.9	2.0	2.5	2.4
Average	2.1	2.3	2.4	2.8	2.6

Table 3 – average priority rankings of service aspects

It is very difficult to establish a meaningful priority list from these scores, with a difference between highest and lowest priorities of 0.7/5. Ultimately, every role the service fulfils is important.

Due to the fact the vessel has multiple roles and doesn't operate as a dedicated ferry service, issues with capacity and scheduling (which in isolation may not be constraints in their own right) are compounded.

2.1.8 Reliability

On a scale of 1 to 5 (with one being very unreliable and 5 being very reliable) how would you rate the reliability of the current ferry service?

East Falkland average score: 4/5

West Falkland average score: 3/5

In terms of the impact of unplanned delays due to weather or mechanical issues etc, only 6% of respondents from East Falkland felt these had a significant impact, as opposed to 53% of respondents from the West. This disparity in impact is likely due to different primary use cases, with the majority of West Falkland residents using the ferry for business reasons as opposed to social/leisure purposes.

Unplanned delays can have significant impacts, with respondents saying:

- When the boat had damage in December 2020, I was due to go over in my vehicle on the 22nd and had a full vehicle of goods. This impacted my plans massively and I had to pay for a FIGAS flight at more of the cost.
- A delay in delivering wool to Stanley. A delay getting livestock to Sand Bay Abattoir.
- It can have an ongoing impact on children's education, because teachers often rely on the ferry to transport them between beats.
- Have to get back for work
- It all depends on the reason for travelling - if it is due to something which cannot be changed e.g., a wedding, sports week etc then a cancellation or delay can have a huge impact. If it is changed for a weekend trip this can result in not going as no point in going for a reduced amount of time.
- Not everyone has flexi time and can take time off to go to the West around current workload
- Returning to work on time. Sometimes requires a flight instead. Shortened holidays/weekends
- I made 12 commercial trips last summer, every-one was either delayed or cancelled. We ended up paying another haulier to move materials as we couldn't waste any more time
- I have been stuck on the East for some days because of the above and time is money. I have driven to New Haven and then the ferry has not sailed. FIGAS are usually very accommodating but what do I do with the vehicle and frozen/ perishable goods? WBS refuse to pay for extra freight or the quite significant cost of FIGAS flights compared with the Ferry.
- Have been stuck with full shed of wool with Shearer arriving, after ferry booked month in advance cancelled - ferry gone to complete previous islands runs. Had to transport FIMCO stock back from Port Howard after ferry cancelled. Lost +100 exposed sheep off shears in bad weather during a wool delivery, when ferry cancelled our return due to staffing issues. Missed many stock delivery dates and medical appointments due to delays

- We have had to collect sheep from Port Howard as the ferry has cancelled (which takes hours of work). We have lost slots at the abattoir for cattle and lost money because of this. We have lost 100+ sheep due to heavy rain as we were booked on a day return trip and then it was cancelled for 2 days due to staffing issues.
- Depending on length [of delay] it can completely alter plans. Especially on Fridays where it means you will then be arriving in Stanley on a weekend where most businesses are closed or reduced collection, especially when collecting with lorries! Weather is understandable but also communication could be better and with improved weather forecasting decision made earlier allowing re-planning. There is no back up for mechanical failure (this Christmas 2020 and December 2019!!!) leaving the West and islands cut off at a vital time for business and social reasons. This is not a new concern; people have been asking what contingencies are in place for years and had no answers. Maybe this year's issue will bring this issue to the forefront of discussions.
- Guests cancel bookings, guests get stranded, guests lose faith in the reliability of the ferry and don't want to come west again and tell their friends of their inconvenience and frustrations and the risk that travelling to the West involves. Miss business meetings, miss school trips, miss deadlines, miss social events....
- For the self-catering if the ferry is delayed on a Friday evening, then we normally lose the booking for the entire weekend as it is not worth arriving on a Saturday and leaving on a Sunday. For the haulage it is actually when it is brought forward that causes more issues as we have to make sure we are loaded an extra day before in case we need to leave early
- Having to rearrange meetings and medical appointments.

2.1.8.1 Summary of reliability issues

Whilst unplanned delays cannot be mitigated against, particularly as far as weather is concerned, the impacts of delays described are wide ranging and illustrate the importance and vulnerability of the ferry service.

2.1.9 Maintenance/dry dock

It is a requirement for the vessel to go offline every year for surveys/inspections and maintenance, this is currently scheduled every August. Is this the best time for you?

East Falkland: 69% said Yes

West Falkland: 53% said Yes

When asked “why not”, 90% of East Falkland responses related to the fact that August is the long school-holidays where families have the opportunity to travel, with 28% of responses from West Falkland raising the same issue. 10% of responses from East Falkland refer to the fact that West Falkland is starting to gear up for the summer season, with a requirement for supplies and materials, 72% of responses from West Falkland raised the same issue.

2.1.9.1 Summary of maintenance/dry-dock issues

A repeating theme in the survey responses and the workshops was that “there is no good time” for the vessel to be in dry dock, and that August “is the least-worst time” for this to take place. However, delays to maintenance works and the absence of the vessel do present risks, which are discussed in section 2.4.

2.1.10 Ease of booking

On a scale of 1 to 5 (with one being very difficult and 5 being very easy) how would you rate the ease of booking onto the current ferry service?

East Falkland average score: 4.6/5

West Falkland average score: 4/5

Booking issues raised at public workshops related to capacity/scheduling issues, as opposed to difficulties in the booking system.

If you have any other comments on how suitable the current ferry service is for your requirements, please provide them here:

- More information on how the ferry works for newcomers would be great. Like almost like a guidebook?
- Earlier and later ferries if possible?
- It seems unfortunate that the Ferry Service does not appear to seek to maximise availability around school and other holidays
- Online booking with an up-to-date website (not Facebook) showing current service status
- Losing the East to West ferry service during school holiday time is prohibitive.
- Great service, no complaints but I would imagine it will need to be upgraded in size and frequency once trade returns to normal in the future
- Ferry service needs to take into account school holidays. Often the ferry is on island runs during half term or long weekends and goes in to dry dock during the August school holiday.
- Would like another boat /ferry for islands and keep this one for Sound only.
- The ideal would-be daily trips with another boat for the islands!
- It's great apart from when it has to go on island runs!
- The ferry service is inevitably based around requirements of Camp customers and the timetables and lengthy periods with no ferries when the vessel is serving Island customers often means that trips are not possible on the preferred/required dates.
- Only issues tend to be with staff having time to make onward journeys after using the ferry, particularly in the winter and taking into account that they tend to be travelling alone. For example, a Sunday afternoon 2pm ferry does not allow time to travel to some of our furthest school-rooms ready for Monday morning.
- Does not take into school holidays, especially half term, when I would use it.
- Quite often difficult to book private vehicles when required. It's even more difficult to book HGV's when required. Badly needs a dedicated ferry service to cope with demand especially in the Summer. Quite often WBS put on extra Ferry runs but a lot of times this is just to replace cancelled ones.
- To many periods when there's no crossings

- The ferry service needs to be increased, we regularly cannot book ferry crossings and cannot get on because it's fully booked.

2.1.10.1 Summary of booking issues

In general, it appears that the process of booking on the ferry is largely simple and efficient, with few issues raised. However, a significant issue repeatedly raised is that of capacity at peak times, where it may not be possible to book, particularly at short notice. These issues are discussed in section 2.1.6.

2.2 Island Shipping Service

Accurate data for Island Shipping only exists between 2012-2019. Due to the relatively small number of Islands supported by the service, this data set is extremely vulnerable to being skewed – for instance one new house being built on an island in one year will skew the annual data, creating a ‘bump’. As such, it is extremely difficult to draw any meaningful conclusions from the data. The graphs below illustrate this difficulty.

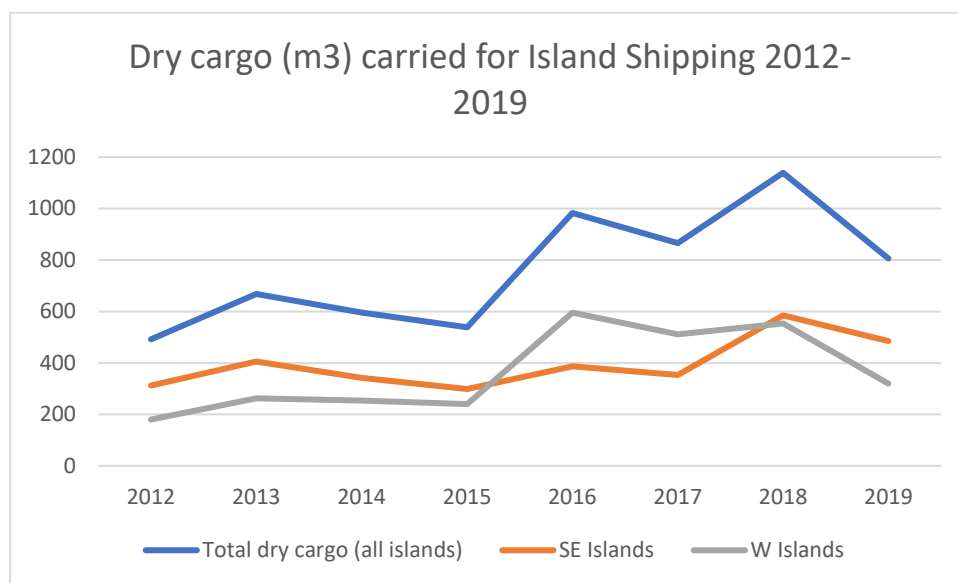


Figure 10 - Graph showing total volumes of dry cargo carried annually to island destinations 2009-2019

In general, it appears that the volume of dry cargo to island destinations is growing year-on-year. However, the small dataset means that trends in the data should be treated with caution.

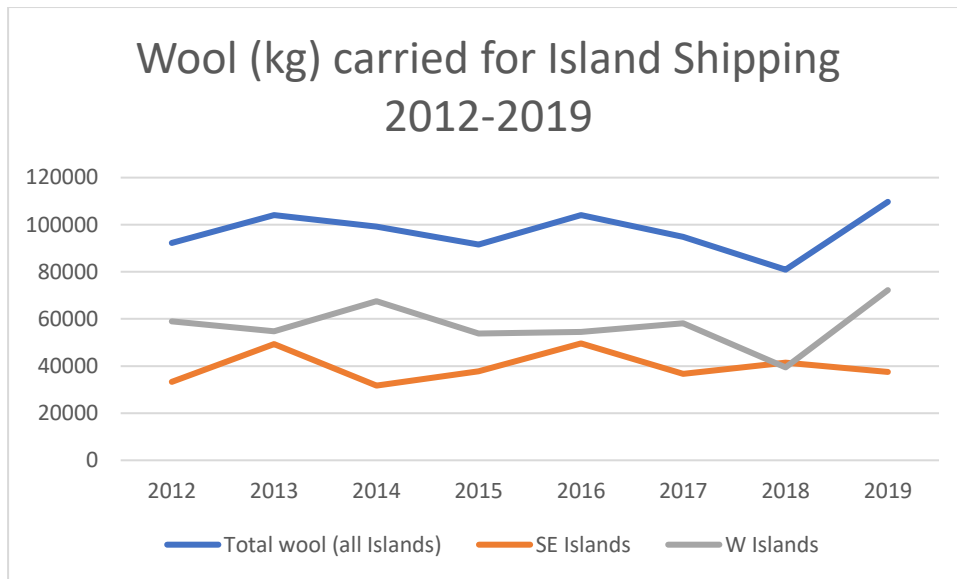


Figure 11 - Graph showing total weight of wool carried annually from island destinations 2009-2019

In general, it appears that the annual amount of wool shipped from island destinations is relatively stable. However, the small dataset means that trends in the data should be treated with caution.

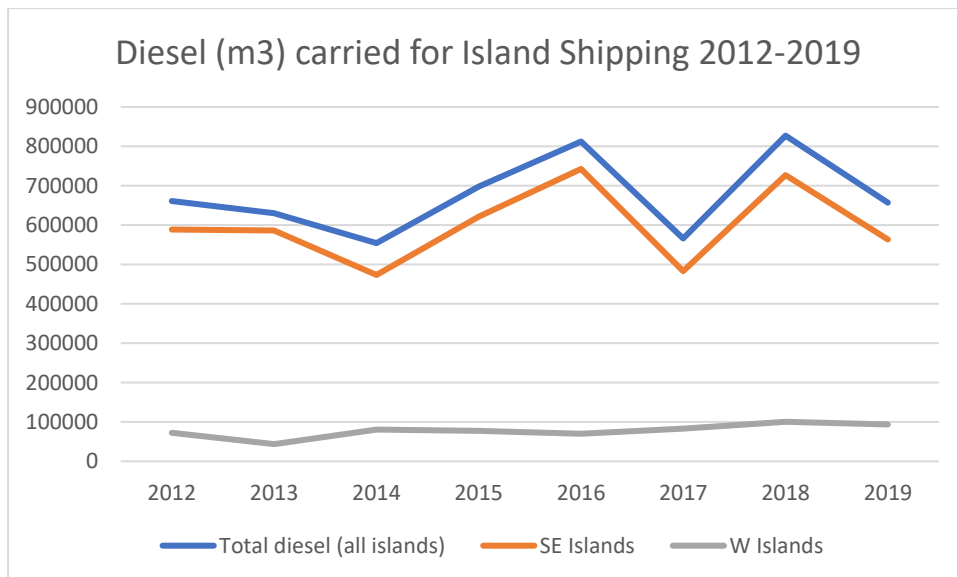


Figure 11 - Graph showing total volumes of diesel fuel carried annually to island destinations 2009-2019

In general, it appears that whilst the annual volume of diesel fuel carried to South-East island destinations fluctuates, in general volumes are relatively stable. However, the small dataset means that trends in the data should be treated with caution.



Figure 12 - Graph showing total numbers of sheep carried annually from island destinations 2009-2019

In general, (excepting a peak in 2017) it appears that the annual number of sheep carried from island destinations is relatively stable. However, the small dataset means that trends in the data should be treated with caution.

Perhaps more meaningful than attempts at interpreting a small dataset are the results of the online user surveys and interviews which are presented below.

2.2.1 Vessel Capacity

80% of respondents replied 'Yes' to the question "Does the current vessel's cargo capacity meet your needs?".

Of those that replied no, the following reasons were given:

- cannot/ will not deliver vehicles or large items.
- Weight restrictions on the crane.
- By and large the vessel works. WBS will no doubt have views on how convenient it is having all cargo in containers compared to having a hold or enclosed ro-ro deck.
- It can get tight for space on the boat.

- In our case some of the difficulties are not entirely vessel but the combination of vessel, jetty, and tide. If the *Concordia Bay* could always arrive at high tide and calm weather, so can use its ramp rather than *Concordia Baby* on steepish ramp, it would be easier. But if here at high tide someone else gets the low tide visit.
- Yes, but investment in equipment would encourage Islands to be more productive.

2.2.1.1 Summary of capacity issues

Largely, users do not appear to think that the capacity of the current service is a constraining factor. Other than mention of the crane lift capacity on the *Concordia Bay*, where issues have been raised, they largely relate to infrastructure limitations at the particular island as opposed to issues with the vessel itself.

2.2.2 Cost of service

100% of survey respondents felt the current cost of using the Island Shipping service was “about right” or “inexpensive”.

If the frequency of visits were to increase, only 14% of respondents are willing to pay slightly or significantly more than they currently do, with 86% not willing to pay more than they currently do.

2.2.2.1 Summary of cost issues

No users raised the issue of cost being a constraining factor.

2.2.4 Scheduling

Currently the *Concordia Bay* is scheduled to visit each of the Outer Islands every six weeks. Users were asked ‘Do you find the frequency of these visits too frequent, too infrequent, or about right?’

73% responded “About right”

27% responded “Too infrequent”

When asked: What would be your preferred frequency of visits for the Outer Islands?

50% responded “every 6 weeks” (the current frequency)

43% responded “every 4 weeks”

7% responded “every 2 weeks”

One response noted more frequent visits would be useful in summer to move stock.

Users were also asked ‘on a scale of 1 to 5 (with one being very inconvenient and 5 being very convenient) how would you rate how convenient the regularity (in terms of scheduling) of the current Island Shipping Service is?’

Average score - 4/5

And ‘on a scale of 1 to 5 (with one being very unclear and 5 being very clear) how would you rate the clarity of scheduling for the current Island Shipping Service?’

Average score - 4.2/5

FIMCo noted that there is potential for moving more stock off islands for their operations, but it can’t be realised with the current frequency of visits in summer.

2.2.4.1 Summary of scheduling issues

Largely users do not appear to consider scheduling as a constraining factor. The frequency of visits seems to be broadly adequate to meet current demands, though some users felt a higher frequency of summer visits would facilitate livestock movements. Interestingly responses were very similar to those for the survey carried out in 2015, where 70% of respondents felt the 6-weekly visit frequency was sufficient.

2.2.5 Dual Use of the vessel

The current vessel provides both a Ferry and Island Shipping service, which, depending on demand, may create constraints on one or either aspect as it places limits on the regularity, flexibility and scheduling of both services. Respondents to the Islands shipping service were asked for their perspectives on the impact of the dual use of the vessel on the Island shipping service:

Do you feel this 'dual use' places constraints on your business?

33% responded 'yes'

67% responded 'no'

Users were also asked 'If you feel the dual use of the current vessel does place constraints on your business, please explain why' – responses are copied below.

- If they cannot work during planned visit and have to reschedule it can create major issues for planned work we have at certain times.
- Stock movements not flexible enough and not enough allocated dates to deal with demand, if weather causes cancellation or another Island has a large amount of cargo we lose out every time
- WBS are v flexible and helpful - but the demands on the CB are great and we can't always move livestock when we want to. I actually think the impact on a dual service is greater on ferry users. They deserve a dedicated service which would also benefit the islands.
- At present visits are about 4 weeks apart; 5 visits scheduled in 6 months of first half of 2021, which seems ok.
- Particularly delivering stock to the abattoir after the vessel has been in dry dock in Punta.
- There is not many spare days if any for animal movements or anything extra than the cargo deliveries.

2.2.5.1 Summary of 'dual use' issues

Due to ferry service commitments, there are limits on how flexible scheduling for the Island shipping service can be. Whilst best efforts are made, delays (for weather or otherwise) can have substantial knock-on effects which may not be recoverable within the constraints of the service. For example, one Island owner wrote:

“Private sheep movements are difficult with (the current service). We booked 115 sheep from (our island) to FBW on the last SE run. (The trip was cancelled the evening before) and when asked when they could pick them up (we were told) on the next SE Run - 6 weeks later. This is the main reason the ship does not work for us re stock. We need animals moving on a specific date give a day or two for management and animal welfare reasons, and it is unacceptable to expect these animals to wait 6 or 7 weeks later”

2.2.6 Reliability

Users of the Island Shipping service were asked ‘on a scale of 1 to 5 (with one being very unreliable and 5 being very reliable) how would you rate the reliability of the current Island Shipping Service?’

Average score - 4/5

Users were also asked ‘how do unplanned changes to the schedule (such as weather or mechanical delays) affect you or your business?’

33% responded “Delays have a significant impact on me and/or my business”

67% responded that delays either had no impact or were only a minor inconvenience or frustration.

Those that felt delays have a significant impact on their business were asked to elaborate. Responses are copied below:

- Stock not being moved and cancelled due to other commitments has had a detrimental effect on our stock and feed here on the island but nobody seems to care about the welfare.
- Minor delays are no great consequence. Major delays are likely to be more inconvenient, it depends on duration, whether we have sufficient stocks on island, or whether we are waiting for any heavy item which might be essential to island operation.
- Delays are inconvenient if the item required is of primary need.
- No boat or company can avoid occasional weather or breakdown delays. Very much a part of island life.
- As we are a group of islands it can disrupt any forward planning
- No significant impact. It is what it is. Best efforts are always made, like superb response to the damage before Christmas 2020.
- we have to plan our business e.g. tours etc around the ship's arrival so a late change of plan can cause us an issue as we can't cancel a tour at short notice and it is difficult to be in 2 places at once. Sometimes we feel that WSL don't realise that we are not just sat here waiting for them to turn up.
- We live with them.
- Really depends how long the delay is. Concordia Bay is a life line to the outer islands. We all plan our supplies being delivered every 6 weeks if there is a change to the length of time between trips we need to know so you can order extra in. Sometimes this message is not relayed!
- The West Island trip is always split in two these days. If any more islands were to come online the Ferry [a single vessel ferry and island shipping service] would not cope.

The importance of the Island Shipping service was referenced at the workshop focussed on agricultural issues, in terms of the service "only being one part of a supply chain" for wool exports. If there is a delay in the service collecting wool from the Islands, then the bales may miss the vessel exporting the wool from the Falklands, having a knock-on effect which could have serious impacts on cash-flow for those farms.

Similarly, the Island Shipping service is part of the supply chain for the abattoir. FIMCo noted two issues with delays – that the plant has to keep running, so if animals scheduled for processing can't be delivered from the Islands, then they need to backfill those animals at short notice from East Falkland. This places pressure on farmers (to gather and select sheep at short notice) and for the farmer or haulier to arrange for transportation of the stock. A particular issue with cattle is that the farmer finishes the stock to get the best price. A weather delay that results in a collection window being missed might result in a delay of several weeks, during which time the condition needs to be maintained or lost, resulting in a lower price when processed.

Delays in sailing from Port Howard can also have animal welfare issues. Sheep in crates can only be onboard for a fixed amount of time, with 'the clock running from the first sheep loaded until the last one is unloaded'. If there is a delay in sailing, the sheep may need to be unloaded at Port Howard depending on where they have come from/journey time/length of delay. The sheep then need grazing ground, which is only available due to the good will of Port Howard farm, and the crates need washing down before the sheep can be reloaded.

2.2.6.1 Summary of reliability issues

Whilst unplanned delays cannot be mitigated against, particularly as far as weather is concerned, the impacts of delays described are wide ranging and illustrate the importance and vulnerability of the island shipping service.

2.2.7 Maintenance/dry dock

Users of the Island Shipping service were asked "It is a requirement for the vessel to go offline every year for surveys/inspections and maintenance, this is currently scheduled every August. Is this the best time for you?"

73% replied "yes"

27% replied "no"

Users were then asked “If no, why not?”

- Too close to the start of our preparation for tourist season, delays can impact our needs to carry out preseason works.
- Any time is a bad time, we need two vessels operating, if CB is damaged or worse still sinks we are in a lot of trouble.
- No good time - as different people have different timings and requirements. Cattle movements for us are best in Aug/Sept. Scheduling currently means an Aug/Sept maintenance results in not being able to deliver cattle to FIMCo until November which is way too late for premium.
- August is ok for us, but good if it is back for the September run as that is when the island opens up again, and might be relevant to other seasonal islands.
- July would be better so the vessel is back to do the spring work when lodges open up, building work gets underway and stock are ready for the abattoir.
- Dry dock trips to Punta are usually in August/Sept - the same time that we want to send beef to FIMCo to maximise value (after winter grazing and finishing). This has impacted our business for several years now.

2.2.7.1 Summary of maintenance/dry dock issues

A repeating theme in the survey responses and the workshops was that “there is no good time” for the vessel to be in dry dock, and that August “is the least-worst time” for this to take place. However, delays to maintenance works and the absence of the vessel do present risks, which are discussed in section 2.4.

2.2.8 Ability to land cargo

Users of the Island Shipping service were asked “Does the current vessel's capability for making deliveries to the outer islands meet your needs?”

86% responded “yes”

14% responded “no”

Users were then asked “If the current vessel's capability for making deliveries to the outer islands doesn't meet your needs, please explain why?” responses are copied below.

- Restrictions on weight for the crane means we cannot get heavy machinery on to the Island at this time
- Not in relation to moving stock. Workboat need more new crates, a cattle trailer and pens to carry stock on deck.
- A seatruck with a larger carrying capacity
- Have the ability to land on beaches to deliver large items such as vehicles. without this our business will have to close within the next 10 years.
- Until ramps are in place, we will continue to struggle with heavy items being delivered, it also restricts getting cattle on to the boat as we pay per crate not per animal and we get less in a crate than farms going overland
- The service is the only practical link to the mainland for our island for any large freight or machinery and is therefore of paramount importance.
- Call at islands when the ramp can be lowered whenever possible. Using the *Concordia Baby* is dangerous and constraining.

FIMCo noted that when the seatruck is used to move sheep, it is highly inefficient compared to using the ramp onto a beach or being alongside at a jetty. An operation to move sheep that would take matter of minutes with the ramp can take hours with multiple trips in the seatruck, compounding issues with weather and welfare of the animals."

2.2.8.1 Summary of cargo landing issues

Largely, users do not appear to think that the capacity of the current service is a constraining factor. Other than mention of the crane lift capacity on the *Concordia Bay* or the suitability of the *Concordia Baby*, where issues have been raised they largely relate to infrastructure limitations at the particular island as opposed to issues with the vessel itself. Concerns over the lift capacity of the existing deck crane were also raised in the 2015 service review, with replacement of the crane one of the recommendations made. The previous review also noted

that the Concordia Baby was “not well suited” to the role of transporting plant and heavy equipment, a concern that has also been raised in this review.

2.3 Fox Bay Consolidation Service

2.3.1 Vessel Capacity

Users of the consolidation service were asked “Does the current vessel's cargo capacity meet your needs?”

92% responded “yes”

8% responded no.

If no, why not?

- Ideally, we would like to be able to send wool directly from here, rather than having it hauled by truck on the ferry, which is expensive and time consuming.
- Cargo stowage is terrible. Some cargo like roofing tin comes on deck covered in salt water. Some very heavy items come in inaccessible plastic crates designed for small goods making the items hard to unload.

2.3.1.1 Summary of capacity issues

A significant majority of users felt that the current vessel’s cargo capacity meets their needs. Concern over stowage on an open deck was raised by one user but has not been a significant concern raised elsewhere in the study.

2.3.2 Cost of Service

Users of the consolidation service were asked “How do you view the cost of using the Fox Bay Consolidation Service?”

36% feel it is too expensive

64% feel it is about the right price

Specifically, one user commented:

- Frozen freight I find very expensive as this is a big seller at Fox Bay with most of the west using the [West Falkland] Coop and we like try to keep our prices Stanley price.

Users were then asked how much more they would be willing to pay if the frequency of visits were to increase, 17% would be willing to pay slightly more for the service, 83% would expect to pay the same or less than they currently do.

2.3.2.1 Summary of cost issues

Whilst more users (than ferry and island shipping users) feel the Fox Bay Consolidation Service is too expensive, it is unlikely that this is a significant barrier to use of the service.

2.3.3 Scheduling

Currently the Concordia Bay is scheduled to visit Fox Bay every six weeks to deliver fuel and consolidated cargo. In responding to the survey:

92% feel this frequency is “about right”

8% feel this frequency is “too infrequent” with 50% preferring a 4-weekly schedule.

Issues raised were:

- Inaccurate ETAs are a big problem. The ship and the office don't communicate.
- Tying in with the SAAS arrival would be great - but probably not achievable.
- More flexibility with cargo closing dates. Better communication with office re ETAs.

2.3.3.1 Summary of scheduling issues

It appears that users are broadly happy with the frequency of visits, with some concerns over communication of arrival times as an operational frustration. This is likely due to the fact that there is no facility or process at Fox Bay to receive cargo, requiring people to travel from all over the West to help "work the boat" if they have cargo on board, meaning accurate arrival times are important for planning.

2.3.4 Reliability

Users of the consolidation service were asked "How do unplanned changes to the schedule (such as weather or mechanical delays) affect you or your business?".

25% felt delays have a significant impact on me and/or my business

75% felt delays are a frustration/minor inconvenience or don't really affect me or my business

Users were then asked "If unplanned changes to the schedule (such as weather or mechanical delays) have a significant impact on you, explain why" responses are copied below:

- Shipping, have to use private or other craft
- We need to unload cargo so plans on other days involving 3rd parties e.g. gathers/trips to town etc can be affected. Times can often change at very short notice having a big impact on the local community.
- Run a business in camp. Very vague initial etas from office
- As long as we are kept up to date with the arrival of the ship it doesn't bother us but it is quite annoying if you are only told late and have already made plans for people coming to help

2.3.4.1 Summary of reliability issues

It appears that users are broadly happy with reliability of the service, with some concerns over communication of arrival times as an operational frustration. This is likely due to the

fact that there is no facility or process at Fox Bay to receive cargo, requiring people to travel from all over the West to help "work the boat" if they have cargo on board, meaning accurate arrival times are important for planning.

2.3.5 Maintenance/dry dock

Users of the consolidation service were asked "It is a requirement for the vessel to go offline every year for surveys/inspections and maintenance, this is currently scheduled every August. Is this the best time for you?"

67% responded 'Yes'

33% responded 'No'

Users were then asked "Why not?" with responses copied below:

- Often in the holidays
- No time is good now, August good time for building/maintenance work in camp and hard to get materials out of there no link with the capital
- it is never the best time and too long.
- Winter is great for us to do big works that require big cargos.

2.3.5.1 Summary of maintenance/dry dock issues

As with the ferry and island shipping service responses, a repeating theme is that "there is no good time" for the vessel to be in dry dock, and that August "is the least-worst time" for this to take place. However, delays to maintenance works and the absence of the vessel do present risks, which are discussed in section 2.4.

2.4 Risk

A single vessel, particularly one which provides multiple essential services, is a potential single-point-failure which presents a number of significant risks. This is an issue that was raised as a serious concern throughout the workshops (particularly as the December 2020 accident has raised awareness of the vulnerability of the service) and is reflected in several comments received from the surveys. Key risks raised include:

Fuel provision – all fuel for West Falkland is delivered by the *Concordia Bay* to Fox Bay, and all Islands receive their fuel via the island shipping service. Fox Bay has storage for 6 weeks' worth of fuel. In the event the vessel is delayed or damaged for a significant time, there is a serious risk of West Falkland and the Islands running out of fuel, both for heating, back-up generators and vehicles.

Materials and essential stores – as with fuel, all cargo (essential or otherwise) for the Islands and West Falkland is carried via the *Concordia Bay*. In the event the vessel is delayed or damaged for a significant time, there is a serious risk of West Falkland and the Islands running out of essential supplies.

Livestock movements – all livestock transported to the abattoir from the Islands and West Falkland are transported via the Ferry and Island Shipping Service. In the event the vessel is delayed or damaged for a significant time, all livestock movements from these destinations would cease, impacting income for the farms affected and the Falkland Islands Meat Company. Compounding issues would include; unexpected pressure on grazing land, animal welfare and interruptions to abattoir supply and productivity.

Wool export - all wool from the Islands and West Falkland is transported via the Ferry and Island Shipping Service for onward shipping and sale. Whilst wool from West Falkland could theoretically be stored and cored for sampling at Fox Bay, it could not be exported for sale, having a potentially serious impact on the cash flow and income of affected farmers in the event the vessel is delayed or damaged for a significant time.

Tourism – the introduction of the ferry service has allowed a new industry to grow in the form of self-catering accommodation on West Falkland. Due to the absence of any car-hire businesses on the West, this industry is particularly reliant on the ferry service, with some farms “relying on the self-caterings to provide cash flow”. In the event the vessel is delayed or damaged for a significant time, self-catering businesses on West Falkland could be significantly impacted.

2.5 Summary of Baseline Assessment and Data Synthesis

The Ferry and Island Shipping Service is essential to the lives of all those living on Islands and West Falkland. It is the only provider of fuel and essential supplies, and underpins the agricultural and tourism sectors of these areas. It helps fulfil multiple Government policy goals, and has improved the quality of life for many. Several people on West Falkland commented that they “wouldn’t live on the West without the ferry service, as it would be too isolating.” One farmer discussed how the ferry service has improved their ability to hire and retain workers, due to the reduced feeling of isolation the service provides. The current service is generally held by users to be a substantial improvement on previous service provision, and has seen substantial growth in use since 2009. However, growth in usage has plateaued. A barrier to increased usage appears to be related to ferry scheduling (times and frequency), however the vessel is unable to provide a fuller schedule within the constraints of its other roles. It is clear that the current service is stretched in trying to meet the varying demands on its time – very simply, a single vessel cannot be in two places at once. Trying to satisfy varying roles always results in compromise, but there is a clear theme amongst the comments received from surveys, interviews and workshops that the service has reached the point where users are fitting around the constraints of the service, as opposed to the service fitting around the needs of the users.

The context in which comments were invited in the surveys should be considered, with people being asked to explain their frustrations or concerns, and provide suggestions for changes in a future service. With that in mind, the comments should not detract from the broadly positive light the service is held in, and the acknowledgments made that the operator and vessel often do their best within the constraints described.

3 Future Demand Study

Whilst the baseline assessment is based on empirical data, assessing likely future demand is purely subjective. It is important to consider that the issue of conflicting priorities is likely to apply to any future service, with users' rankings of service priorities (recorded in the 2021 survey) almost indistinguishable:

Ferry	Island Shipping	Livestock movements	Subcontract works	FIG works
2.1	2.3	2.4	2.8	2.6

Table 4 – average priority rankings of service aspects (1 highest priority, 5 lowest priority)

The differing use cases identified in the current service will need to be reflected in any future service, with 76% of West Falkland residents using the service primarily for business purposes, and 88% of East Falkland residents primarily using the service for tourism or social purposes.

The information presented below was acquired through the various workshops and interviews held as part of the survey work.

3.1 Future demand – ferry service

As noted in the baseline assessment, scheduling of the current service is a constraint on use, particularly for West Falkland residents. At the Fox Bay workshop the following comments were made:

- residents would use the ferry more if the schedule were more regular.
- more ferry crossings would mean more opportunities to use it, which would mean shorter trips to town and increased efficiency for West Falkland businesses due to less time cost.
- having to plan so far ahead to accommodate absence of the vessel for drydock makes life very difficult. Two vessels would mean one could cover the other so there would be no gap in service.

Improvements to the ferry service are likely to have quality-of-life benefits for residents rather than direct growth impacts (other than in the agriculture and tourism sectors as discussed below). The previous 2015 review of the service noted:

“The population of West Falkland is not expected to increase over the next decade. There is therefore a limit to the number of journeys that West Falklanders can and will choose to make.”

The 2016 census shows that the population of West Falkland grew 19% between 2012 and 2016. Irrespective of whether this growth rate continues, the numbers of people involved are unlikely to lead to a substantial growth in demand in the short term.

Potential future demand for the ferry service specifically with regard to business sectors is discussed below.

3.2 Future growth in agricultural sector demand

During the discussion at the agricultural sector workshop, the points below were raised and discussed by participants.

As a general trend, stocking rates of farms are declining over time, with farmers focussing more on quality of wool and meat as opposed to volume of product. Over recent years this decline may have plateaued. Whilst the agricultural sector may not grow *per se*, it can optimise value by responding to availability of the ferry and island shipping service in order to achieve a better commercial model for the industry.

It was noted that there may be structural changes to how FIMCo might operate in future to increase efficiency, respond to markets and increase profitability; structural changes to the ferry and island shipping service would be vital in supporting this. However, changes in practice could create wider issues around movement of animals in winter, when the roads on West Falkland may not be able to support increased commercial traffic, with increased reliance on the island shipping service to service remote locations as a consequence. If this

were the case, the ferry and island shipping service would be vital in supporting that growth, however there is no clear business plan in place at present for this to happen.

A comment made by a West Falkland stakeholder which appeared to be supported when tested at the Fox Bay workshop and the agriculture-focussed workshop in Stanley was that, “anyone who could be moving livestock or wool on the existing service is probably already doing so.” Substantial future growth in demand arising from agriculture is therefore unlikely.

3.3 Future growth in tourism sector demand

During the discussion at the tourism sector workshop, the points below were raised and discussed by participants.

There is potential future growth in the tourism sector in a number of areas. The previous 2015 review of the service reported:

“In relation to the development of tourism on West Falkland the following issues were noted:

- There is interest in developing tourism on West Falkland. To facilitate this, a good ferry service is needed.
- It would be helpful to the development of international tourism if the ferry schedule was published a year in advance.
- The best source of additional business is likely to be Stanley residents, many of whom have not visited West Falkland.”

These issues remain unresolved, with the previously described limitations on ferry scheduling and long-term planning hindering development of international tourism in particular. At the 2021 tourism workshop, the following points were made:

- Day trips would mean more tourists utilising the service, even just for the experience of a ‘round robin’ trip and a few hours on West Falkland. This would likely be extremely popular.

- More day-trip ferries might allow development of coach-trips to the West for visiting international tourists.
- If there were daily or more regular ferry crossings, a shuttle service between Stanley and Newhaven could develop, increasing use of the service by foot passengers and round-robin travellers, with corresponding development of services at Newhaven (in particular toilet and catering facilities).
- Potential for growth in domestic tourism would be greatly helped by improved scheduling, particularly around school holidays (the August dry-dock conflicting with the long school holidays being an excellent example).
- ITT, in implementing the TRIP scheme, noted a direct link between self-catering availability and the ferry schedule, with people unwilling or uninterested in booking unless they could travel on the ferry with a vehicle. This was partly due to cost of flying as the alternative, partly because of being 'stuck' in one place without a vehicle on arrival, and reduced ability to take possessions and supplies if flying.
- In view of the amount of grant applications received by FITB for accommodation extension or development would indicate that demand is still growing.
- There is demand for more accommodation on the West, but it is doubtful that the current service could accommodate that increased demand given the time spent operating as a ferry and that the increased demand for tourism would likely fall on what are already times of peak demand.
- In developing tourism, there could be potential for Island drop-offs – there would be demand locally and internationally for overnight trips to islands on an island shipping vessel.

3.4 Future growth in freight, construction and road development demand

During the freight, construction and road development workshop, it was noted that:

- Due to the buoyant wool market over a number of recent years, it may be that there has been a corresponding increase in freight volume despatched to Islands and West Falkland due to people having more disposable income, either to spend on themselves or their businesses. This may not be the case with anticipated lower prices over the next few years, so there may be a corresponding reduction in

outbound freight. However, whilst freight volumes may fluctuate for a variety of reasons, fluctuations are unlikely to be significant.

- Road maintenance and capping are likely to continue at current levels, with no significant increase anticipated. There aren't any significant FIG construction projects planned on West Falkland anticipated in the short or medium term which would raise demand above current levels. A number of West Falkland residents have indicated an interest in building, developing or expanding self-catering accommodation in future, but if this were to go ahead any increase in freight volumes would likely be relatively modest and short-term. Of more relevance to a future service would be the increased passenger numbers development of the self-catering accommodation may generate.

Interestingly, a similar situation was described in the previous service review in 2015: "It is difficult to see what would drive a continuation of dramatic growth in the freight market. The agricultural sector might produce some long-term growth, but this would be modest. With no increase in population and a restricted infrastructure development programme, there is unlikely to be growth in building and construction. Tourism development could stimulate some construction and other activity, but no substantial programmes are being considered."

The current level of demand for/occupancy of Camp self-catering accommodation appears to indicate that there is scope for the provision of additional facilities, which would, by extension, stimulate additional demand for the ferry service.

3.5 Future demand – island shipping service

The planned improvements to Island jetties may provide an opportunity for growth in the Island shipping service. The previous 2015 service review stated:

"The main opportunity as we see it to develop traffic arises from using the *Concordia Bay* to make more direct (ro-ro) calls to the islands. The reasons for this may be summarised as follows:

- It enables the transfer of heavy plant and equipment necessary for the development of both agriculture and infrastructure. The *Concordia Baby* is not well suited to this role.
- The development of farming and tourism will increase demand, all year round in the case of farming and during the summer with regard to tourism. Increased activity in both sectors will generate higher demand for consumables.”

Responses to this 2021 Demand Study indicate that there may be demand for an increased frequency of visits in summer months to facilitate livestock movements and to deliver stores to support the tourism industry.

Additional growth opportunities for the island shipping service could include the provision of overnight passenger accommodation on the vessel for island runs. Users were asked in the online surveys:

Would the provision of overnight accommodation and passenger capacity on the vessel for island visits be of benefit to you?

33% “yes”

47% “maybe”

20% “no”

Those that answered ‘yes’ or ‘maybe’ were asked to explain why. Responses are copied below:

- We could travel with stock if needed.
- Would allow another route into Stanley or New Haven and main benefit would be to moving livestock (notably a bull) on and off the Island without having to pay large haulage fees to contractors as have to be on the Island to receive/load stock and can’t currently unload at the other end. Going as passenger would allow this and save money and time for everyone.

- Access by air here is restricted, so *Concordia Bay* can help on that front, although at 4 weekly visits it is an occasional opportunity, not a solution.
- For Christmas visit could have 2 pax in on *Concordia Bay* and one out.
- The option to connect to other islands on the western run could be useful as a one-way trip. However realistically with a 6-week interval it is very unlikely to be utilised.
- Easier to get from a to b.
- There would be times when this type of service could be useful
- You could come on and off the island more easily and when shutting down and opening up for the winter.
- For getting last man on or off islands.

It should be noted that *Concordia Bay* does frequently move passengers around the Islands to assist with some of the above scenarios, but the lack of overnight accommodation mean that there are limits to what can be achieved.

Another potential growth opportunity for a future service could include calling at additional, currently unsupported destinations. Users were asked in the online surveys:

In any future coastal shipping contract, would you like to see the vessel call into ports other than Fox Bay, Port Howard, New Haven and Stanley? 50% of users responded “yes”.

55% of users felt additional ports should be utilised when road conditions were poor/in winter resulting in difficulties moving supplies, livestock or fuel overland.

At the agriculture workshop it was suggested that landing livestock from SE Islands on Lafonia so they could be moved by lorry would be more efficient and be better for animal welfare than the current system where they need to be sailed into Stanley.

3.6 Summary

There are two types of demand – one which can (to an extent) be projected (for example a % growth in use due to increased tourism), and demand in terms of what the users of the service want, which may not be necessarily underpinned by a clear and compelling business case. For users, improving the convenience and reducing the limitations and frustrations of utilising the service may be a more important issue than seeing a compelling business case.

At the Fox Bay workshop, it was observed that at the start of the current service, a ‘leap of faith’ was required by decision makers, with a proportion of the community doubting the usefulness and likely uptake for a ferry service. The previous (2015) review noted that “usage has exceeded expectations, and it has enabled significant development of economic activity on the islands, notably with regard to agriculture/agri-business.” From the surveys and workshops, it appears to be almost universally held that the ferry service has been transformational, and is now essential to life in the Falklands. However, the Demand Study identified views that the current service is stretched to the limits of what can be achieved with a single vessel, and that a similar “leap of faith” may be required to support future growth and development.

There is potential demand for more frequent Island visits in summer months to support livestock movements and supplies for development of the tourism industry in those locations. There is potential for growth in the Island shipping service to call at additional remote locations to move livestock, deliver fuel and collect wool, particularly in winter when roads are degraded. There is potential future demand for West Falkland residents to better utilise the ferry service for shorter or even day trips to Stanley if a more frequent schedule were realised. There is potential future demand arising from growth of the tourism industry, with further development of self-catering businesses and increased domestic tourism.

Other tourism growth opportunities might include short or day trips for international tourists, potentially with coach trips to West Falkland. However, any future ferry and island shipping service is unlikely to be able to realise any of these growth opportunities within the current operating model whilst also maintaining levels of service for Island shipping.

Final decision making on any future changes to the service, utilising the analysis contained in this report, will need to weigh up the investment required for the service to address the conflicting demands identified in the Study, against the achievement of wider Government priorities (including economic and social considerations) that such investment would enable.

References

DKM Economic Consultants Ltd. (2015). *Ferry & Coastal Shipping Service Review Final Report Redacted for Public Release 25th September 2015*. [Online]. Available from: <http://fig.gov.fk/assembly/jdownloads/Executive%20Council/Executive%20Council%20Papers/2015/14%20October%202015/189-15A.pdf>

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- Appendix 1 Ferry Service survey questions
- Appendix 2 Island Shipping Service survey questions
- Appendix 3 Fox Bay Consolidation Service survey questions