

CONTENTS

GENERAL AVERAGE	2
1. PRINCIPLE OF GENERAL AVERAGE (GA).....	2
2. PARTIES TO THE COMMON ADVENTURE.....	2
3. ESSENTIAL ELEMENTS OF A GA ACT	2
4. MASTERS RESPONSIBILITY	3

GENERAL AVERAGE

1. PRINCIPLE OF GENERAL AVERAGE (GA)

The principle of GA may be said to be: 'that which has been sacrificed for the benefit of all be made good by the contribution of all'. The object of GA is to ensure that the Owner of the ship or cargo who has incurred an expenditure or suffered a sacrifice of his property in order to extricate the ship (and consequently the cargo) from a perilous position receives a contribution to his loss from all those who have benefited from the action.

A GA loss is a partial loss incurred through a deliberate act performed with the intention of protecting all the interests involved in a voyage from danger which threatens them all.

GA losses are equitably shared by all the parties to the 'common adventure' (as the voyage is termed), each contributing in proportion to his percentage of the total values involved (e.g. ship + cargo + freight)

2. PARTIES TO THE COMMON ADVENTURE

Are usually:

- a. The shipowner.
- b. The cargo owners (however many these may be)
- c. The owners of the bunker fuel (who may be the charterers)
- d. The recipient of the freight earnings (shipowner or charterers)

Where cargo is owned by more than one party, each owner is treated as a separate interest and bears his own share of any GA loss, no matter how small.

Where the vessel is time chartered, the charterer's interest is determined by the value of his bunkers remaining on board at the termination of the voyage, plus any freight at risk. (Where the time charterers own the cargo, there may not be any freight at risk.)

3. ESSENTIAL ELEMENTS OF A GA ACT

- a. The sacrifice or expenditure must be extraordinary.
- b. The sacrifice or expenditure must be reasonable.
- c. The act must be intentional or voluntary, and not inevitable.
- d. There must be peril
- e. The action taken must be for the common safety and not merely for the safety of part of the property involved.

Beaching a leaking ship (i.e. a voluntary stranding) to prevent her foundering will generally be allowed as GA as this is intentional and voluntary.

4. MASTERS RESPONSIBILITY

In case of casualties involving general average, the Master is to ensure that any action taken, any sacrifice or expenditure incurred, is intentionally made for the common safety for the purpose of preserving from peril the property or lives involved. He must:

- a. Ensure that the history of the incident is recorded accurately and fully.
- b. Record details of all actions taken by the various parties involved including names and organisations.
- c. When possible, make a photographic record of events.
- d. When salvage services are involved, ensure that a full record is made of the salvor's actions and the equipment used.
- e. Ensure that a clear and accurate account of events is given to surveyors.
- f. When draft surveys and other calculations are being performed, ensure that a responsible Officer is on hand to guide and assist surveyors.
- g. Ensure the following documents are prepared and forwarded to the Company,
 - i. Detailed reports of the incident, action taken, photographs etc.
 - ii. Log extracts covering the incident and deviation to a port of refuge if any.
 - iii. Survey reports from Underwriters and Classification Society surveyors.
 - iv. Copies of communications/instructions relating to the incident.
 - v. Statement of fuels and stores consumed and labour used during the general average act.
 - vi. Details of any repairs effected, stating whether they are temporary or permanent repairs and whether any overtime worked by ships staff.
 - vii. Full cargo manifest.
 - viii. When available, details of expenses incurred fully supported by invoices.