

Salvage Capability in Australia – The Issues

Ian Hoskison

Director, United Salvage Pty Ltd

Ian John Hoskison

Ian was born in London a long time ago. He trained as a Marine Engineer and saw sea service with a number of U.K. and Australian companies in positions up to Chief Engineer. He came ashore in 1966 and became involved in salvage operations when managing Marine Pacific Ltd. in 1971.

The name "United Salvage" was purchased back from P & O in 1987 and all salvage activity in the South Pacific area has been carried out under this banner since then. It (and Ian) have survived the ownership of Inchcape Plc., Howard Smith and latterly, Adsteam Marine.

Ian has been involved in over 300 salvage operations as Salvage Master or Project Manager since 1971.

Ian is a Fellow of the Institute of Marine Engineers and was a member of the Executive Committee of the International Salvage Union for 8 years.

UNITED SALVAGE



MLAANZ CONFERENCE
ADELAIDE 2004

Salvage Capability in Australia

The Issues

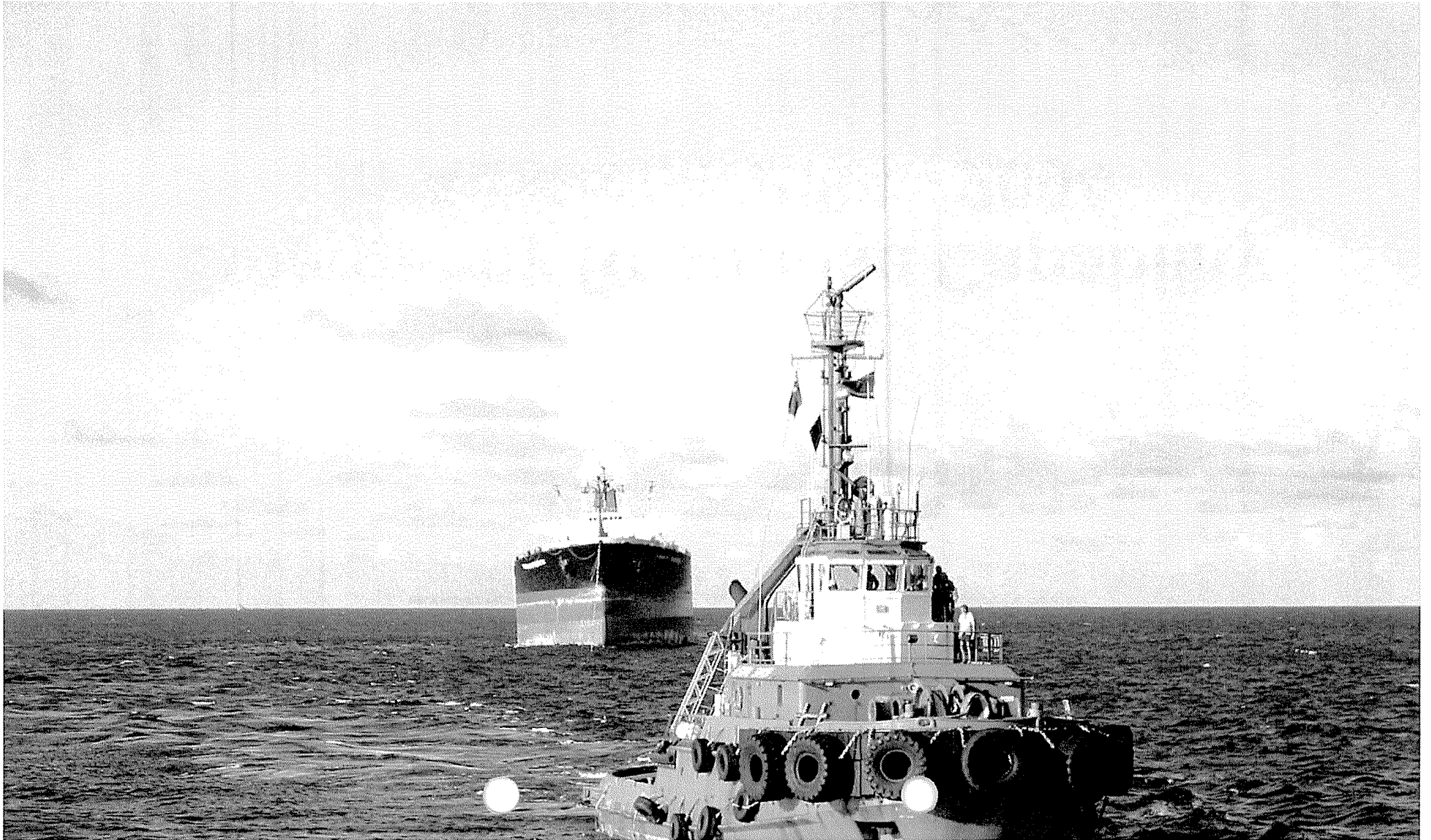
- Background – Emergency Response capability in Australia 1984-2004.
- The Threat and consequences
- The Productivity Commission Report August 2002
- Commission Recommendations
- Wither now?



BACKGROUND

Emergency Response Capability in Australia 1984 - 2004

Tow of “Harmonic Progress”



Response Capability

- 15 salvage capable tugs stationed at ports around the Australian Coast.
- Additional support tugs
- Experienced salvage team
- Salvage Gear store maintained in Brisbane
- Administrative support
- Finance and insurance

PRODUCTIVITY COMMISSION REPORT AUGUST 2002

“Efficient provision and pricing of harbour towage (whether this is promoted through direct competition, competitive tenders or price regulation) need not effect the provision of salvage”



The Threat

- Competition and Licensing
- Erosion of profitability
- The lowest common denominator
- The Productivity Commission Report
- Gradual loss of capability due to lack of reinvestment and downsizing of fleet.
- Loss of “Redcliffe” and “Gurrong”

House of Representatives Standing Committee on Transport and Regional Services – Inquiry into Maritime Salvage in Australian Waters.

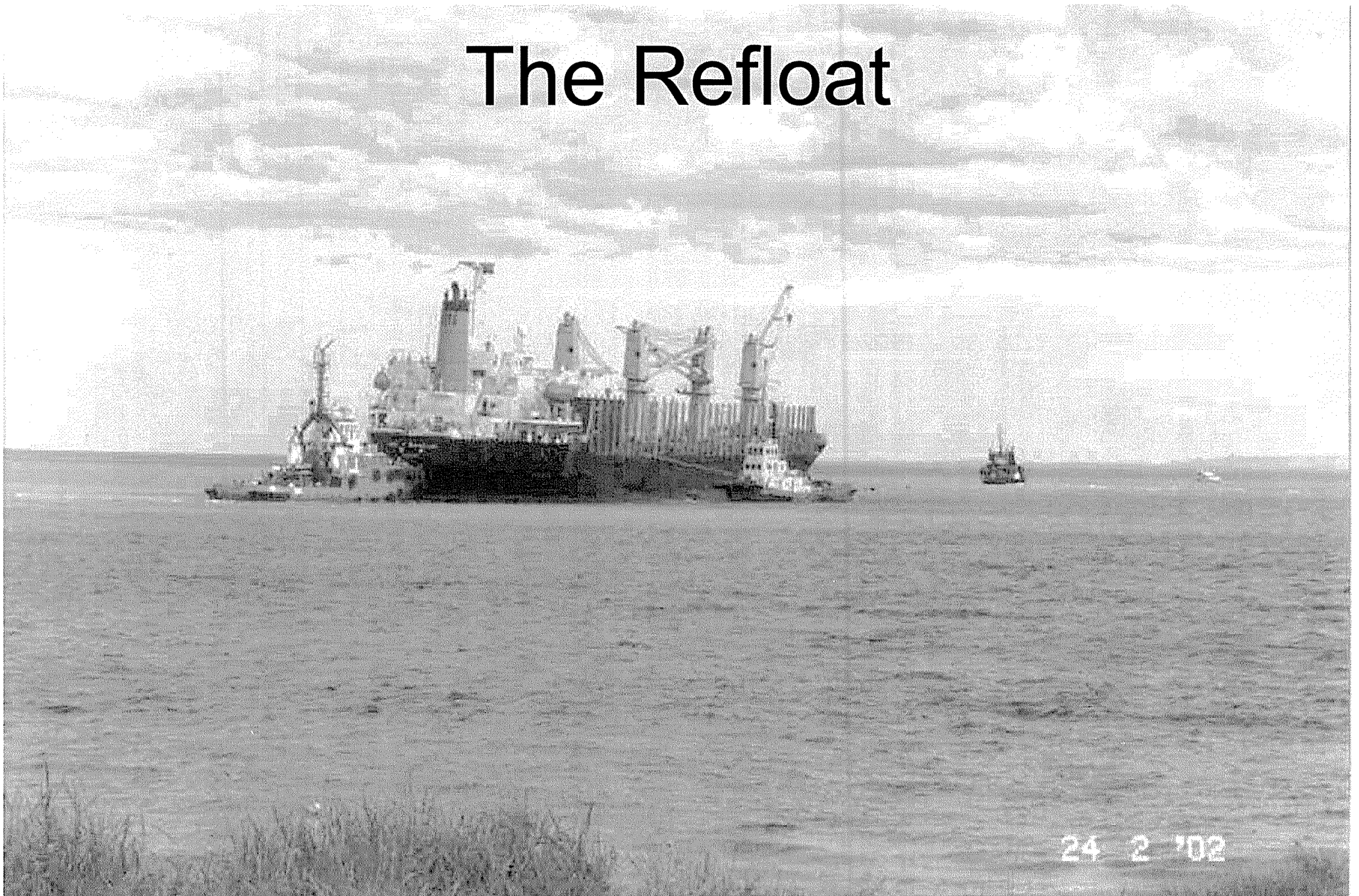
- Consensus that Salvage Capability is a necessity
- The recommendations
- Wither now?





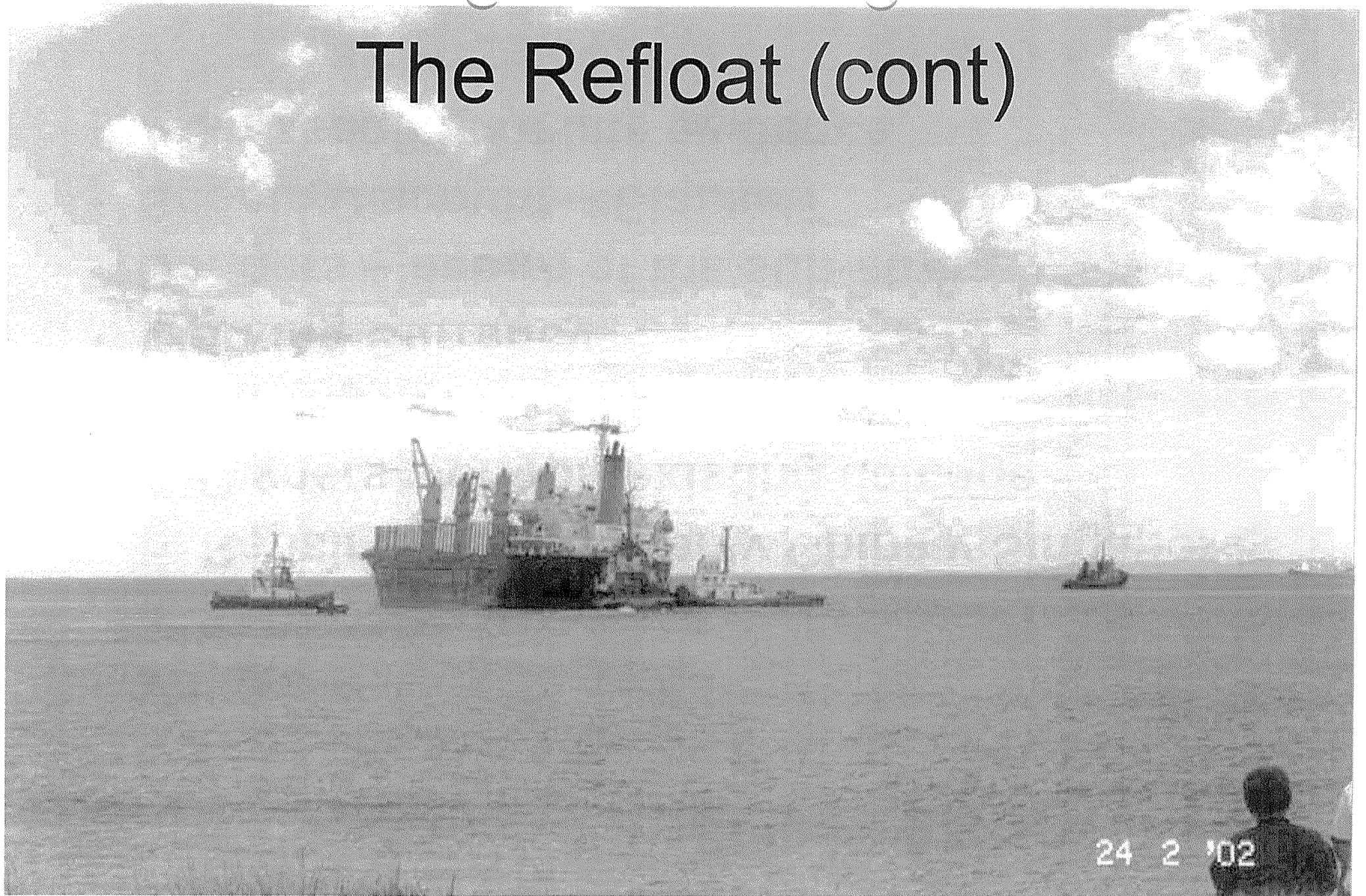
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The Refloat



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The Refloat (cont)



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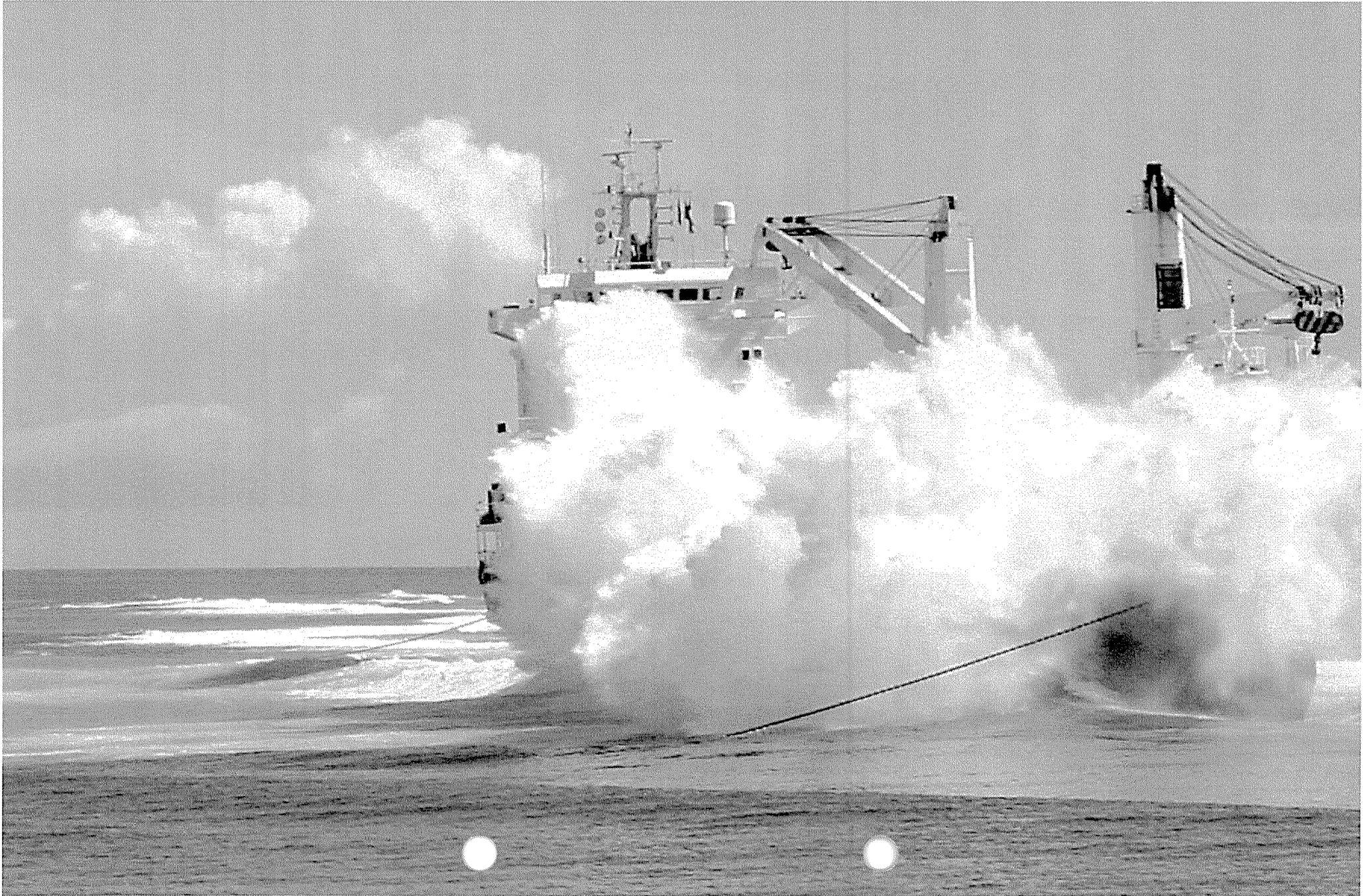
Issues – In Arbitration

- **Values –**
 - a. Sound Value**
 - b. Repair costs – Japan v China v Singapore**
 - c. Owners work/preexisting damage.**
 - d. Towage costs**
- **Working Currency**
- **Dangers – nature of the sub-strata**
- **Scopic Discount – Clause 7**
- **Admissability of late evidence**





“Southern Moana”







United Salvage Pty Ltd



Your friendly, local salvor.

