

THE ACQUISITION OF HMAS *SUCCESS* (II)

The Royal Australian Navy is currently in the middle of the largest shipbuilding program this country has seen since World War II. Two new *Canberra* class amphibious landing ships were commissioned in 2014 and 2015 respectively, while the first of the RAN's new *Hobart* class guided missile destroyers commissioned in September 2017. Still to come are the *Arafura* class offshore patrol vessels, *Attack* class guided missile submarines, *Hunter* class guided missile frigates, and *Supply* class auxiliary oiler replenishment vessels. The plan provides for a permanent Australian shipbuilding industry, ending the 'boom/bust' cycle inherent in the industry in the past.

Correspondingly a large number of vessels are being decommissioned, including the current 'First Lady of the Fleet'; HMAS *Success* (II). *Success*' own construction was fraught with problems; symptoms of the boom/bust cycle the Navy now seeks to avoid.

Plans for the acquisition of a replenishment ship to extend the endurance of RAN vessels date back to the early 1960s. The fleet tanker, HMAS *Supply*, had been in commission since August 1962 but had little capacity for the provision of bulk, dry stores. The acquisition of a replenishment ship was approved by Cabinet in November 1964 but was cancelled the following October as other projects took priority.

The Navy once again sought Cabinet approval for the construction of a replenishment ship, based on the hull design of HMAS *Stalwart* (II), in May 1969 at a cost of \$42M. Cabinet approved the proposal on 22 July. Subsequently a Navy team visited the UK, US and Canada to examine certain aspects of the underway replenishment system. The team returned to Australia and recommended some amendments to the approved proposal including an increase in the ship's length by 54 feet to accommodate an additional replenishment station.

A detailed design was developed 'in-house' by the RAN and completed in May 1972 with an amended cost of \$61M. In light of the increased cost, the Department of Defence urged the Navy to consider a competitive tender process and even re-examine the requirement for the ship. Another submission was made to the new Whitlam Government in May 1973, and subsequently rejected. On 22 August, the Minister for Defence, Mr Lance Barnard MP, said; "We have decided that there is no need to proceed at this time with the construction of a fast combat support ship, capable of underway replenishment of the fleet. It has been assessed that such a ship would not be required before 1980, when HMAS *Supply* is expected to be retired. I believe that a less sophisticated and less costly ship than that originally proposed at a cost now estimated at around \$69M might be more suitable. This is being further examined."

A Military Movement and Support Group was established in March 1974 to investigate the need for both a heavy lift capability and an underway replenishment ship. Concurrently a Naval Scientific Service Underway Replenishment Study was initiated and its report,

advocating the acquisition of an underway replenishment ship, was handed down that May. The Military Movement and Support Group submitted its report in November which also advocated for the acquisition of an underway replenishment ship for fuel and general stores, but put a lesser priority on armament stores in times of low threat.

Meanwhile, in November 1974, the Navy succeeded in having an underway replenishment ship included in the 1975/80 Five Year Defence Programme at an estimated cost of \$51M. The proposal did not rule out an Australian build but acknowledged that only an overseas build would see the proposed ship replace *Supply* in 1980.



HMAS Success (II) under construction at Cockatoo Island Dockyard (John Jeremy Collection)

In January 1975, 31 Australian and international shipbuilders were invited to register their interest. Eleven registrations were received. Two companies, *Rijn Schelde Verolme* from the Netherlands and *Direction Techniques des Construction Navales* (DTCN) from France, were invited to tender for a project definition study based on an existing ship design. Two Australian companies, Evans Deakin and Vickers Cockatoo Dockyard (VCD), were also invited to tender but later withdrew.

In February 1977, DTCN was contracted to conduct the study based on the *Durance* class. The study was to include an investigation of possible Australian industry involvement, including an Australian build with French design and support services. An RAN liaison officer arrived in France just days after the contract had been signed and remained there until June 1977. A permanent naval attaché commenced duty in Paris in March 1978.

Cabinet approval for the acquisition of an Auxiliary Oiler Replenishment (AOR) vessel was given in August 1977 at a cost of \$73.2M under the assumption that the ship would be built by DTCN in France; however, VCD lobbied the Government to be allowed to tender. The Government agreed and invited both VCD and DTCN to submit tenders, though VCD's tender would be based on an extensive Shipbuilder's Estimating Package (SEP), based heavily on information provided by its competitor, DTCN.

Both tenders were submitted in December 1978. The VCD tender was accepted the following August and a fixed-price contract to build the ship, to the value of \$68.403M, was signed on 26 October 1979 with an option to build a second. In France a joint government and industry organisation, established to facilitate the sale of French military and naval equipment to foreign governments, was contracted to supply construction documentation; a Production Package, provided by DTCN and containing more than 29,000 documents.

Cockatoo Island Dockyard underwent a series of upgrades to enable the build to go ahead including the acquisition of a 50-ton shipbuilding crane, the conversion of existing foundry buildings into fabrication workshops, the conversion of an existing plate-cutting machine from photoelectric to computer control and the introduction of Computer-Aided Drafting. A variety of other specialised equipment, such as new welding machines and lifting gear, was also purchased.

The final Production Package, excluding queries and requests for further information, was received by 28 July 1980 and VCD began laying the keel on 9 August. However, the translation of documents from French to English, differing production methods between France and Australia, and discrepancies between the Production Package and the SEP proved problematic. In September 1980 some 93 differences between the two packages had been identified in the hull alone with an estimated cost variation of \$1.4M.

In February 1981 Australian authorities expressed some dissatisfaction with the Production Package stating that it was particularly deficient in four key areas; detailed definition of build, design detail, configuration status definition, and quality of information. Further delays were experienced when an updated package was delivered in October 1981 reflecting amendments incorporated into the build of the second ship of the class, FNS *Meuse*. The establishment of a Technical Assistance Group (TAG) as well as a French-Australian Steering Committee did much to alleviate the problems. It did not prevent the re-negotiation of the contract between VCD and the Commonwealth, but it did contribute to getting the project back on track and keeping it there.

Contract re-negotiations caused increasing delays, but construction slowly continued. By the end of 1982, Navy estimated that some 40% of construction had been completed and that a completion date in 1985 was feasible. However, engineering differences between French and Australian shipyards, particularly regarding the standard of welding, also caused significant delays, as did design changes incorporated in Australia to suit local production methods.

A new contract was signed on 5 September 1983 to the value of \$94.25M on a fixed-price, incentive basis whereby the risk of the actual price exceeding the contract price would be shared by VCD and the Commonwealth. The increase in cost would be one of the determining factors in the decision not to pick up the option for a second vessel.

The ship was launched on 3 March 1984 by Her Excellency Lady Valerie Stephen, wife of the then Governor-General of Australia Sir Ninian Stephen, KG,

AK, GCMG, GCVO, KBE, QC. Fitting out commenced alongside the Cruiser Wharf at Cockatoo Island.

Contractor sea trials were conducted in November and December 1985, and acceptance trials were conducted in April 1986. The ship was handed over to the Navy, at sea, on 15 April. HMAS *Success* (II) commissioned into the RAN at Pymont on 23 April 1986 under the command of Captain James Longden, RAN. She moved to Garden Island later in the month to make preparations for sea. Over 430 Australian companies had supplied equipment, material or sub-contract services to VCD over the construction period. She was the last ship built at Cockatoo Island before the dockyard closed in 1991.



HMAS Success (II) launched, 3 March 1984

The construction of HMAS *Success* was beset with problems from the start, but they were problems that could have been addressed early by greater emphasis on project definition. The Joint Committee of Public Accounts stated in its review of Defence Project Management in 1985: "The dispute remained unresolved for an unacceptable time and reflected differences between Cockatoo Dockyard and the Commonwealth over matters fundamental to the management of any project. These matters should have been more thoroughly addressed in early project planning, definition and management." In addition, Lloyds Register Group pointed to VCD's "lack of recent shipbuilding experience" as a contributing factor to the delays. Cockatoo Dockyard had not undertaken a major naval construction project for more than ten years. The experience gained from the building of *Success*, however, informed later naval construction projects, and continues to do so now, helping to build an efficient, effective and sustainable shipbuilding industry.

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