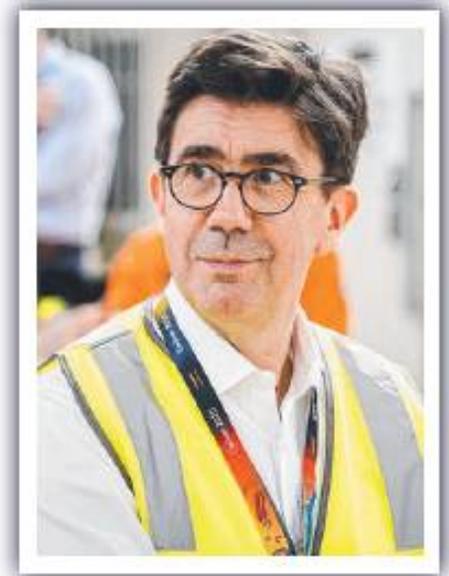


Full steam ahead for sub build

CLAIRE BICKERS



Naval Group boss Pierre Eric Pommellet at Osborne yesterday.
Picture: Mike Burton

FRENCH defence giant Naval Group has moved to ease fears its \$89bn Future Submarines contract could be scrapped, risking thousands of jobs.

The company's global chief executive Pierre Eric Pommellet said its "full steam" ahead on the project to design and build 12 Attack-class submarines in Adelaide, which is set to involve 1700 direct jobs in South Australia and thousands more in the supply chain by 2030.

"My concern is to deliver," Mr Pommellet said yesterday.

He was responding to reports that senior navy officers had been tasked by the Federal Government to examine options for Australia's sub fleet, including how to terminate the Future Submarines contract.

"My concern is to meet with my customer, to demonstrate we deliver on commitments, to meet with my teams," Mr Pommellet said in an exclusive interview at Osborne shipyard.

Asked about Naval Group's relationship with the Defence Department, which industry figures say has deteriorated and turned "toxic" over cost and timeframe concerns, Mr Pommellet said his view was firmly "customer first".

He said he had been "very, very happy" to meet with top Defence officials and Federal Government ministers in Canberra during the week.

"I met them, I engaged with them, now they know me, now I know them, and ... we needed that, we needed this moment, this moment of just meeting," he said. "I needed to understand the Australian environment. And I hope also I made Australia understand a little bit (of) what is happening in France and in Europe under COVID conditions."

Mr Pommellet said the Future Submarines project was on cost and on time, and added: "I think what our customer is expecting from us is transparency, and when we say something,

we do what we say, and so my message here was all about that.”

He said he would visit again, and invite government ministers to France when COVID-19 allowed. “It’s all about confidence and confidence comes with personal relationships and commitments,” Mr Pommellet said.

Finance Minister Simon Birmingham, who toured the shipyard with Mr Pommellet, said it was a business relationship that “we hope grows into a very deep, long-term partnership spanning decades”.

He did not comment directly on reports that the government could consider terminating the contract.

“Our priority is to see that Australia has the defence capabilities that we need for the future, including the most sophisticated of submarines that can operate in a much more contested environment,” he said. Senator Birmingham said the government was pleased Naval Group had been able to submit “further information” to Defence during Mr Pommellet’s visit to Australia.

“We look forward to working carefully with Naval Group towards the progress that can be made from this visit and to give everybody the certainty that naval capability will be delivered in the future,” Senator Birmingham said.

He said Naval Group and Defence were “definitely closer” to locking the company’s commitment to spend 60 per cent of its contract value in Australia into the contract.

Mr Pommellet vowed the company would deliver on its promise to give the work to Australian companies.

“For that, we need to involve a huge amount of supply chain with us, and it’s part of my work and job here,” he said.

“Having a contract is something but bringing those companies to the level they deserve and helping them to do that is really the job we have to do.”