

Naval locks in local subs spend

CLAIRE BICKERS



Submarine architect Sue-Ellen Jahshan at the project site. Picture: Roy VanDerVegt



AT least 60 per cent of the \$89bn Future Submarines contract will be spent in Australia after French company Naval Group and the Defence Department officially locked the promise into the contract.

It comes a year after Naval Group first made the promise, after Australian defence companies voiced concerns they may not get enough work on the lucrative military contract.

Premier Steven Marshall said he was “absolutely delighted” with the deal.

“It is a huge coup for South Australia, and shows confidence in our state-of-the-art local capabilities and skills,” he said.

Mr Marshall said the State Government was “leaving no stone unturned” to deliver the skilled workforce in SA to deliver the Future Submarines and Future Frigates.

Opposition leader Peter Malinauskus also welcomed the agreement being locked into the contract, but said: “We want to see that these jobs are actually being delivered on the ground.

“We desperately need these jobs given South Australia has the worst unemployment rate in Australia.”

The Labor leader added: “This comes at a time when we are still unsure about what’s going on with Full-Cycle Docking and the future of hundreds of jobs there.”

Finance Minister

Simon Birmingham would not reveal when the Federal Government would make its decision on the future location of Collins Class submarine maintenance when asked by Labor frontbencher Penny Wong in Senate estimates yesterday.

The Federal Government initially planned to announce its decision by December 2019, but shipyard workers are still in limbo.

West Australian Premier Mark McGowan has recently increased his public push to nab the contract, but Mr Marshall reiterated yesterday it should stay in South Australia. Acting Defence Minister Marise Payne said the 60 per cent agreement with Naval Group would maximise Australian industry involvement “in all phases” of the Future Submarines project.

Defence and Naval

Group had disagreed on the details of how to achieve spending at least 60 per cent of the contract with Australian businesses, which had stalled locking the pledge into the contract over the past year.

But an in-principle agreement was reached when Naval Group’s global chief executive Pierre Eric Pommellet visited Canberra and Adelaide last month.

Mr Pommellet yesterday said Naval Group was “fully committed” to supporting Australia’s goal of developing a sovereign submarine capability.

“I have been very impressed by the existing capacity of Australia’s manufacturing sector, and its enthusiasm for the Attack Class project,” he said.

Australian Industry & Defence Network, which represents defence companies, said how 60 per cent would be achieved needed to be made public.

Naval Group Australia chief executive John Davis said his staff was already working with hundreds of local businesses, and that there would be “increasing levels of local content”

in each of the 12 Attack Class submarines. Work will start on the subs in 2023.