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Department of Defence
Defence Materiel Organisation

Land Systems Division
Director General
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DGLCS/OUT/2010/102

Dr Kathleen Dermody
Secretary
Senate Standing Committee on
Foreign Affairs, Defence and Trade
Parliament House
CANBERRA ACT 2600

Dear Dr Dermody

I write to correct and clarify evidence that I gave at the Additional Budget Estimates hearing held on 10 February 2010 concerning modular combat body armour, modular load carriage and sourcing of DPCU fabric from China.

In answer to a question from Senator Johnson "We are getting 14,688 sets, aren't we?" (page 38 of *Proof Hansard* 10 February 2010), I stated "Correct." This information was incorrect because a further contract change had increased the total number of MCBAS to 18,888 sets. The correct answer is "The total number we are receiving is 18,888 sets."

In answer to a question from Senator Johnson "What were the breaches?" (page 39 of *Proof Hansard* 10 February 2010), I stated that "There were administrative breaches ..." In terms of clarification my answer should include "The probity audit found that there had been significant administrative breaches that included not following the planned sequence of events such as assessing value for money before completion of the detailed evaluation and tender documentation shortfalls."

In answer to a question from Senator Johnson "As a percentage, if you can, give me the differential between the Australian manufactured DPCU and the Chinese manufactured DPCU." (page 46 of *Proof Hansard* 10 February 2010), I stated that "The saving was approximately 10 per cent ..." In terms of clarification my answer should include "The saving was approximately 10 per cent across the whole of the contract and a saving of approximately 40 per cent across the sourcing of the fabric from China."

I apologise for any misunderstanding that may have arisen.

Yours sincerely

W. Horrocks
Brigadier
Director General Land Combat Systems

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23 April 2010