



Australian Government
Department of Defence
Defence Materiel Organisation

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HLS/OUT/2014/238

Mr David Sullivan
Secretary
Senate Standing Committee on
Foreign Affairs, Defence and Trade
Parliament House
CANBERRA ACT 2600

Dear Mr Sullivan,

**CLARIFICATION OF EVIDENCE PROVIDED AT THE ADDITIONAL
ESTIMATES HEARING ON 26 FEBRUARY 2014**

I write to clarify evidence that I gave at the Additional Estimates hearing held on 26 February 2014 concerning the manufacture of flatracks under Project LAND 121 Phase 3B.

In answer to a question from Senator Fawcett (page 85 of *Proof Hansard* for 26 February 2014), I stated that 'it was never our intention for any of the flatracks to be manufactured in Australia, and consequently they were not considered as any part of AIC [Australian Industry Capability] calculations.'

This information requires clarification because although the manufacture of the actual Module, Heavy, Flatracks – ISO 1C will occur overseas and not count towards Rheinmetall MAN Military Vehicles Australia's local content value for flatracks, certain associated design, development and project management activities will be included in AIC calculations.

I apologise for any misunderstanding that may have arisen.

Yours sincerely,

P.D. McLACHLAN, AM, CSC
Major General
Head Land Systems

2 April 2014

