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HHSD/2008/OUT/82

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

Dear Dr Dermody

I write to clarify evidence that I gave at the Budget Estimates hearing on 04 June 2008 concerning the sale of Penguin missiles.

In answer to a question from Senator Johnston (page 82 of Proof Hansard 04 June 2008), the transcript reads as if we already have a deal to sell the Penguin missiles. I believe that whilst Senator Johnston's follow-on question indicates my intent was clear, I consider it appropriate that I clarify the situation. "DMO has been in discussion with the manufacturer, and while other countries have requested further information on a potential sale, we do not yet have agreement with any party and we have not signed a contract for the sale of Penguin."

The word 'command' needs to be changed to Kaman in all cases where 'command' appears in the transcript in all of my responses.

I apologise for any misunderstanding that may have arisen.

Yours sincerely

A.P. FRASER
MAJGEN
HHSD

12 Jun 08