



# Senator Ralph Babet

UNITED AUSTRALIA PARTY SENATOR FOR VICTORIA

## PUBLIC GOVERNANCE, PERFORMANCE AND ACCOUNTABILITY AMENDMENT (VACCINE INDEMNITY) BILL 2023

### Frequently Asked Questions



**Committee Enquiry:** Finance and Public Administration Legislation Committee

**Submission due date:** 29 September 2023

<b>What act does this bill amend?</b>	This bill amends the Public Governance, Performance and Accountability Act 2013 (PGPA Act). This Bill inserts a new section 61A into the PGPA Act to provide that indemnities cannot be granted to manufacturers of a vaccine in relation to the use of the vaccine.
<b>What is indemnity?</b>	The Oxford dictionary defines indemnity as: "protection against damage or loss, especially in the form of a promise to pay for any damage or loss that happens". Simply put, it is taxpayers who are paying for a vaccine product from a private company, but it is also taxpayers who accepting responsibility for any failure of that product.
<b>Why is indemnity a problem?</b>	During the Coronavirus pandemic, Australia granted indemnity vaccine sponsors, they justified this as necessary because of an emergency. But this is not a one off. Indemnity has also been granted for monkeypox/smallpox and for future pre-pandemic and pandemic influenza vaccines. A precedent has been set. Unless we put an end to it now these large corporations will continue to demand indemnification.
<b>What is an unquantifiable contingent liability?</b>	Every indemnity clause signed creates a new unquantifiable contingent liability for taxpayers. They are liabilities that could pose an unquantifiable risk to the Government's financial projection. Taxpayers will pay, but the amount cannot be calculated, hence they are 'unquantifiable'.
<b>How does the bill work, is it retrospective?</b>	This bill draws a line in the sand. Once passed, the finance minister or their delegate will no longer be able to grant indemnity for the use of a vaccine on behalf of the Commonwealth.
<b>What do we know about existing indemnity clauses?</b>	We know very little. Contracts have been protected as 'commercial in confidence'. What we know from the budget papers is that indemnity clauses exist and have become all too common. We know the cost of the clauses is unquantifiable which proves the clauses are not in our nation's interest.