

PARLIAMENTARY INQUIRY QUESTION ON NOTICE

Department of Health

Senate Select Committee on COVID-19

Inquiry into Australian Government's response to the COVID-19 pandemic

28 January 2021

PDR Number: IQ21-000087

Cost to taxpayers in terms of non-recurring costs associated with vaccine contracts

Spoken

Hansard Page number: 28

Senator: Rex Patrick

Question:

Senator PATRICK: In terms of the non-recurring costs associated with these contracts—again, they're sole source, and I understand the urgency with which these contracts were given—in effect we're funding the tooling up of a facility. That's not a criticism in any way shape of form. Typically in these sorts of arrangements, with things like grants, we would ask the company to have skin in the game in respect of making their own commitments. Can you outline broadly whether taxpayers are paying for all of this. If they are, what rights do they have in relation to the equipment the taxpayer paid for, perhaps with priority use in the future? Or is it simply we've given the company money and it's gone off and bought the equipment and we have established a capability but don't have any future rights.

Ms Edwards: I understand the question, and I can see why you'd be interested in the answer. We're constrained in what we can say because of the very tight commercial-in-confidence requirements. I might take the question on notice so as to come back with what I can legally provide you. I can provide the assurance that we have entered into a unique deal in order to have a locally produced vaccine, which, as we've discussed already, gives us great security in relation to the supply chain. The value of that to Australia has been taken into account. But in making these arrangements and entering into the contracts, value for money and our accountability to the taxpayer have been absolutely taken into account throughout. The detail of it I can't provide today—we'll come back with what we can—but that is the process we've put in place throughout the pandemic and throughout everything. The detail that you're seeking won't be available at this stage, because of the commercial arrangements that are in place.

Answer:

The details of the contracts are commercial in confidence.

The agreement that we have entered into for local manufacture of COVID-19 vaccines is with CSL, consideration of value for money and accountability to the taxpayer were key when entering into this agreement.