

Illicit Tobacco Compliance and Enforcement Uplift – Western Australia
 FEDERATION FUNDING AGREEMENT – HEALTH

Table 1: Formalities and operation of schedule																					
Parties	Commonwealth and Western Australia																				
Duration	This Schedule is expected to expire on 31 January 2028, or on completion of the initiative, including final performance reporting and processing of final payments against milestones, unless terminated earlier or extended as agreed in writing by the Parties.																				
Purpose	<p>This Schedule will support the strengthening of compliance and enforcement actions in Western Australia in relation to the trade of illicit tobacco and nicotine products. Actions will target areas of need identified by Western Australia through:</p> <ul style="list-style-type: none"> • Increasing resourcing capacity and capability; • Improving information and intelligence capture and sharing; and • Expanding operational capability to support proactive compliance and enforcement activity. 																				
Estimated financial contributions	<p>The Commonwealth will provide an estimated financial contribution to Western Australia of \$4,240,515 in respect of this Schedule.</p> <p>Note:</p> <table border="1"> <thead> <tr> <th>Table 1</th> <th>2025-26</th> <th>2026-27</th> <th>2027-28</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Estimated total budget</td> <td>\$1,805,500</td> <td>\$2,435,015</td> <td>\$0</td> <td>\$4,240,515</td> </tr> <tr> <td><i>Less estimated National Partnership Payments</i></td> <td>\$1,805,500</td> <td>\$2,435,015</td> <td>\$0</td> <td>\$4,240,515</td> </tr> <tr> <td>Balance of non-Commonwealth contributions¹</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> </tbody> </table> <p>¹ Western Australia is contributing funding to the initiatives supported by this Schedule, but the specific amount is unknown.</p>	Table 1	2025-26	2026-27	2027-28	Total	Estimated total budget	\$1,805,500	\$2,435,015	\$0	\$4,240,515	<i>Less estimated National Partnership Payments</i>	\$1,805,500	\$2,435,015	\$0	\$4,240,515	Balance of non-Commonwealth contributions ¹	-	-	-	-
Table 1	2025-26	2026-27	2027-28	Total																	
Estimated total budget	\$1,805,500	\$2,435,015	\$0	\$4,240,515																	
<i>Less estimated National Partnership Payments</i>	\$1,805,500	\$2,435,015	\$0	\$4,240,515																	
Balance of non-Commonwealth contributions ¹	-	-	-	-																	
Additional terms	None.																				

Table 2: Performance requirements, reporting and payment summary			
Outputs	Performance milestones	Report due	Payment
<p>Increasing resourcing capacity and capability:</p> <p>Increase the enforcement of relevant Western Australian laws (and all associated activities) by uplifting capacity through the recruitment of additional staff.</p>	<p>Commonwealth acceptance of an Implementation Plan that articulates timeframes and activities associated with:</p> <ul style="list-style-type: none"> - Recruiting additional staff. - Expanding compliance operations, with a focus on regional outreach and targeted inspections. - Resourcing complex investigations. - Increasing enforcement actions to address illicit activity. <p>The Implementation Plan must also outline how Western Australia will identify and manage risks and issues.</p> <p>Provision of a Monitoring Plan that articulates how success will be measured and reported, and at a minimum includes baseline metrics for the following indicators:</p> <ul style="list-style-type: none"> - Current staffing levels - Number of inspections in regional and remote suburbs in previous 12 months. - Number of investigations leading to enforcement action undertaken in previous 12 months. - Average number of inspections month in previous 12 months. - Number of enforcement outcomes (e.g., closure orders, expiation notices, infringement notices, criminal prosecutions) undertaken in previous 12 months. 	<p>One month following execution.</p>	<p>\$1,805,500</p>
<p>Improving information and intelligence capture and sharing:</p> <p>Implement new/update existing licensing, case management and evidence management systems.</p> <p>Establish a data analyst function.</p>	<p>Commonwealth acceptance of an Implementation Plan that articulates timeframes and activities associated with:</p> <ul style="list-style-type: none"> - Scoping and developing a modernised licensing system to improve tobacco retailer application processing, renewals, and compliance monitoring. - Investigating and progressing options for a centralised platform to manage investigations, inspections, and enforcement actions. - Implementing a secure, auditable digital system for managing evidence. - Establishing a data analyst role. <p>The Implementation Plan must also outline how Western Australia will identify and manage risks and issues.</p> <p>Provision of a Monitoring Plan that articulates how success will be measured and reported, and at a minimum includes baseline metrics for the following indicators:</p> <ul style="list-style-type: none"> - Current systems and/or approaches used to manage licensing, investigations and evidence management. - Number of tobacco licences approved, rejected, suspended or cancelled in previous 12 months. - Number of illicit tobacco reports received in the previous 12 months. - Current approach to data analysis and reporting. - Current number of disclosures of information through ad hoc and scheduled reports on suspected illicit tobacco activity sharing across Western Australia. - Current number of data analysts employed. 		

Table 2: Performance requirements, reporting and payment summary			
Outputs	Performance milestones	Report due	Payment
<p>Expanding operational capability to support proactive compliance and enforcement activity:</p> <ul style="list-style-type: none"> Strengthen operational capacity through coverage of regional travel costs. Investment in storage, transport, testing, and disposal infrastructure. Develop and implement training, procedures and guidance documents. 	<p>Commonwealth acceptance of an Implementation Plan that articulates timeframes and activities associated with:</p> <ul style="list-style-type: none"> - Planning and coordinating regional visits. - Increasing visibility and engagement in regional areas. - Expanding the available storage, transport and disposal services to meet operational requirements and to ensure safe and efficient handling of evidence. - Developing and implementing procedures and guidance documents that meet operational, legal and regulatory needs. <p>The Implementation Plan must also outline how Western Australia will identify and manage risks and issues.</p> <p>Provision of a Monitoring Plan that articulates how success will be measured and reported, and at a minimum includes baseline metrics for the following indicators:</p> <ul style="list-style-type: none"> - Current approach to storing, transporting, testing and disposing of seized illicit tobacco. - Current approach to storing, transporting, testing and disposing of other seized illicit nicotine products (as relevant). - Quantities of seized illicit tobacco in storage on 31 January 2026 with reporting of maximum storage requirement for illicit tobacco annually thereafter. - Quantities of illicit tobacco seized in previous 12 months. - Quantities of seized illicit tobacco destroyed in previous 12 months. - Quantity of seized illicit nicotine products in storage on 31 January 2026 with reporting of maximum storage requirement for nicotine products annually thereafter. - Quantities of illicit nicotine products seized in previous 12 months. - Quantities of seized illicit nicotine products destroyed in previous 12 months. - Current approach and status of Standard Operating Procedures/guidance documents/regulatory policies. - Current training requirements for operational staff. - Percentage of staff who have completed all training requirements to date. 		
<ul style="list-style-type: none"> ➤ Increasing resourcing capacity and capability. ➤ Improving information and intelligence 	<p>Commonwealth acceptance of a Status Report including:</p> <ul style="list-style-type: none"> - A summary of the illicit tobacco and other nicotine products (as relevant) compliance and enforcement activities that have been supported by the Schedule to date. - Progress against the Implementation Plan and forecast activities that were expected to be supported by the Schedule to date. - Detail on the overall performance observed, or if not yet observed the anticipated impact, of the compliance and enforcement uplift being supported by the Schedule. - Data reporting in accordance with the Monitoring Plan, highlighting improvements/increases to indicators reported on at baseline. 	31 January 2027..	\$2,435,015

Table 2: Performance requirements, reporting and payment summary			
Outputs	Performance milestones	Report due	Payment
capture and sharing. ➤ Expanding operational capability to support proactive compliance and enforcement activity.	<ul style="list-style-type: none"> - Any changes to the activities expected to be supported by this Schedule (including any relevant targets or outcome objectives against which performance will be measured). - Identified risks, management strategies and lessons learned. - Western Australia's initial considerations for ensuring the continuity of system improvements and the advancement of compliance and enforcement activities beyond the designated funding period. 		
	Commonwealth acceptance of a Final Report, including: <ul style="list-style-type: none"> - A summary of all activities that have been supported by the Schedule. - Progress against the Implementation Plan and forecast activities that were expected to be supported by the Schedule. - Detail on the overall performance observed, or if not yet observed the anticipated impact, of the compliance and enforcement uplift being supported by the Schedule. - Data reporting in accordance with the Monitoring Plan, highlighting improvements/increases to indicators and cumulative reporting on indicators at baseline, within the Status Report and for the current period. - Key achievements, challenges and lessons learned, with supporting data where available. - Western Australia's intended approach for ensuring the continuity of system improvements and the advancement of compliance and enforcement activities beyond the designated funding period. 	31 January 2028.	N/A

The Parties have confirmed their commitment to this schedule as follows:

Signed for and on behalf of the Commonwealth of Australia by

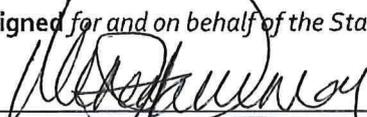


The Honourable Mark Butler MP
Minister for Health and Ageing and
Minister for Disability and the National Disability Insurance Scheme

[Day] [Month] [Year]

20 03 2026

Signed for and on behalf of the State of Western Australia by



The Honourable Meredith Hammat MLA
Minister for Health and
Minister for Mental Health

[Day] [Month] [Year]

26/03/2026