

# Illicit Tobacco Compliance and Enforcement Uplift - Queensland

## FEDERATION FUNDING AGREEMENT - HEALTH

Table 1: Formalities and operation of schedule																															
Parties	Commonwealth and Queensland																														
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 Queensland in relation to the trade of illicit tobacco and nicotine products. Actions will target areas of need identified by Queensland through:</p> <ul style="list-style-type: none"> <li>Increasing resourcing capacity and capability;</li> <li>Improving information and intelligence capture and sharing;</li> <li>Expanding operational capability to support proactive compliance and enforcement activity; and</li> <li>Enhancing and enforcing legislative and regulatory frameworks.</li> </ul> <p>This Schedule will also enhance transport, storage and disposal capability for illicit vaping goods.</p>																														
Estimated financial contributions	<p>The Commonwealth will provide an estimated financial contribution to Queensland of \$9,475,157.00 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>\$4,972,941</td> <td>\$4,502,216</td> <td>\$0</td> <td>\$9,475,157</td> </tr> <tr> <td>Less estimated National Partnership Payments</td> <td>\$4,972,941</td> <td>\$4,502,216</td> <td>\$0</td> <td>\$9,475,157</td> </tr> <tr> <td>Illicit tobacco compliance and enforcement uplift funding</td> <td>\$4,055,000</td> <td>\$4,034,135</td> <td>\$0</td> <td>\$8,089,135</td> </tr> <tr> <td>Illicit vaping goods transport, storage and disposal funding</td> <td>\$917,941</td> <td>\$468,081</td> <td>\$0</td> <td>\$1,386,022</td> </tr> <tr> <td>Balance of non-Commonwealth contributions<sup>2</sup></td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> </tbody> </table> <p><sup>2</sup> Queensland 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	\$4,972,941	\$4,502,216	\$0	\$9,475,157	Less estimated National Partnership Payments	\$4,972,941	\$4,502,216	\$0	\$9,475,157	Illicit tobacco compliance and enforcement uplift funding	\$4,055,000	\$4,034,135	\$0	\$8,089,135	Illicit vaping goods transport, storage and disposal funding	\$917,941	\$468,081	\$0	\$1,386,022	Balance of non-Commonwealth contributions <sup>2</sup>	-	-	-	-
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Additional terms	None.																														

Table 2: Performance requirements, reporting and payment summary

Outputs	Performance milestones	Report due	Payment
<p><b>Increasing resourcing capacity and capability:</b></p> <p>Increase the enforcement of relevant Queensland 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"> <li>- Recruiting additional officers to support enforcement action in regions with high numbers of illegal operators, and harder-to-access regions.</li> <li>- Increasing inspection rates in metropolitan areas and outside business hours.</li> <li>- Increasing inspection rates in harder-to-access regional areas.</li> <li>- Increasing the number of large-scale joint operations with other regulators.</li> <li>- Supporting the processing of trust/trustee licence applications.</li> </ul> <p>The Implementation Plan must also outline how Queensland 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"> <li>- Current staffing levels.</li> <li>- Average number of inspections each month in previous 12 months.</li> <li>- Number of inspections in regional and remote suburbs in previous 12 months.</li> <li>- Proportion of inspections undertaken in evenings and on weekends in previous 12 months.</li> <li>- Number and location (metro or regional/remote) of multi-agency operations in previous 12 months.</li> <li>- Number of licence applications from trusts/trustees processed in previous 12 months.</li> <li>- Average number of days (from receipt) taken to fully process licence applications from trusts/trustees in previous 12 months.</li> </ul>	One month following execution.	\$4,055,000
<p><b>Improving information and intelligence capture and sharing:</b></p> <p>Update compliance, enforcement and intelligence systems.</p> <p>Streamline compliance, enforcement and intelligence processes.</p> <p>Source and maintain security clearances for all specified officers.</p> <p>Recruit specialist staff to enhance information gathering, sharing and monitoring of compliance activity.</p>	<p>Commonwealth acceptance of an Implementation Plan that articulates timeframes and activities associated with:</p> <ul style="list-style-type: none"> <li>- Making enhancements to existing systems and trialling new software.</li> <li>- Developing and implementing electronic processes to support seizures and forfeitures.</li> <li>- Streamlining the referral of community reports of breaches.</li> <li>- Increasing the efficiency of the processes for disclosures of information.</li> <li>- Using statewide systems for recording compliance and enforcement activity.</li> <li>- Increasing the number of baseline security clearances for Managers and enhancing intelligence sharing.</li> <li>- Improving and providing training on processes for intelligence gathering and analysis.</li> <li>- Using software for intelligence gathering and mapping.</li> <li>- Recruiting specialist staff.</li> </ul> <p>The implementation plan must also outline how Queensland 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>		

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Outputs	Performance milestones	Report due	Payment
	<ul style="list-style-type: none"> <li>- Proportion of seizure receipts and forfeiture notices issued electronically in previous 12 months.</li> <li>- Number of intelligence-based targets and operations undertaken in previous 12 months.</li> <li>- Number of disclosures of information through ad hoc and scheduled reports on suspected illicit tobacco activity to the Australian Government in previous 12 months.</li> <li>- Proportion of officers accurately using statewide systems in previous 12 months.</li> <li>- Current number of Managers with baseline security clearance.</li> <li>- Current approaches to intelligence gathering.</li> <li>- Current specialist staff employed.</li> </ul>		
<p>Expanding operational capability to support proactive compliance and enforcement activity:</p> <p>Source equipment to support the detection and seizure of tobacco products.</p> <p>Address the increased evidence storage demands resulting from higher volumes of seized illicit tobacco products.</p>	<p>Commonwealth acceptance of an Implementation Plan that articulates timeframes and activities associated with:</p> <ul style="list-style-type: none"> <li>- Purchasing surveillance cameras and associated licenses to enable more complex operations and increase officer safety.</li> <li>- Rolling out mandatory training on the use of surveillance equipment.</li> <li>- Securing appropriate storage facilities for seized illicit tobacco.</li> <li>- Forfeiture and destruction of seized goods in line with legislative timeframes.</li> <li>- Procuring of appropriate transport to support enforcement activity across regional areas.</li> <li>- Procuring inspection kits to conduct inspections, collect evidence and maximise officer safety.</li> </ul> <p>The Implementation Plan must also outline how Queensland will identify and manage risks and issues.</p> <p>Provision of a Monitoring Plan that articulates how success will be measured and reported, and which at a minimum includes baseline metrics for the following indicators:</p> <ul style="list-style-type: none"> <li>- Current surveillance equipment and/or inspection kits available to Queensland officers.</li> <li>- Percentage of staff who have completed all mandatory/role-specific training.</li> <li>- Current approaches to storing, transport and disposal of seized illicit tobacco.</li> <li>- Current approaches to storing, transport and disposal of other seized illicit nicotine products (as relevant).</li> <li>- Quantities of seized illicit tobacco stored in previous 12 months</li> <li>- Quantities of seized illicit tobacco destroyed in previous 12 months.</li> <li>- Quantities of seized illicit nicotine products stored in previous 12 months.</li> <li>- Quantities of seized illicit nicotine products destroyed in previous 12 months.</li> <li>- Number of vehicles leased in previous 12 months.</li> </ul>		
<p>Enhancing and enforcing legislative and regulatory frameworks:</p>	<p>Provision of an Implementation Plan that articulates timeframes and activities associated with:</p> <ul style="list-style-type: none"> <li>- Recruiting specialist staff with legal expertise</li> <li>- Exploring and implementing an IT solution to support the efficient development of briefs of evidence.</li> </ul>		

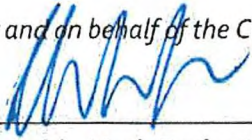
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Outputs	Performance milestones	Report due	Payment
Investment in specialist staff to support stronger and more effective court actions.	<p>The Implementation Plan must also outline how Queensland will identify and manage risks and issues.</p> <p>Provision of a Monitoring Plan that articulates how success will be measured and reported, and which at a minimum includes baseline metrics for the following indicators:</p> <ul style="list-style-type: none"> <li>- Number of prosecutions commenced in the previous 12 months.</li> <li>- Percentage of prosecutions completed in the previous 12 months.</li> <li>- Number of applications for long-term closures in the previous 12 months.</li> <li>- Number of applications for injunctions in the previous 12 months.</li> </ul>		
<ul style="list-style-type: none"> <li>➤ Increasing resourcing capacity and capability.</li> <li>➤ Improving information and intelligence capture and sharing.</li> <li>➤ Expanding operational capability to support proactive compliance and enforcement activity.</li> <li>➤ Enhancing and enforcing legislative and regulatory frameworks.</li> </ul>	<p>Commonwealth acceptance of a Status Report which includes the following:</p> <ul style="list-style-type: none"> <li>- A summary of the illicit tobacco and other illicit nicotine products (as relevant) compliance and enforcement activities that have been supported by the Schedule to date.</li> <li>- Progress against the Implementation Plan and forecast activities that were expected to be supported by the Schedule to date.</li> <li>- 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.</li> <li>- Data reporting in accordance with the Monitoring Plan, highlighting improvements/increases to indicators reported on at baseline.</li> <li>- 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).</li> <li>- Identified risks, management strategies and lessons learned.</li> <li>- Queensland's initial considerations for ensuring the continuity of system improvements and the advancement of compliance and enforcement activities beyond the designated funding period.</li> </ul>	(By) 31 January 2027.	\$4,034,135
	<p>Commonwealth acceptance of a Final Report, including:</p> <ul style="list-style-type: none"> <li>- A summary of all activities that have been supported by the Schedule.</li> <li>- Progress against the Implementation Plan and forecast activities that were expected to be supported by the Schedule.</li> <li>- 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.</li> <li>- 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.</li> <li>- Key achievements, challenges and lessons learned, with supporting data where available.</li> <li>- Queensland's intended approach for ensuring the continuity of system improvements and the advancement of compliance and enforcement activities beyond the designated funding period.</li> </ul>	(By) 31 January 2028.	N/A

Table 3: Performance requirements, reporting and payment summary for additional vaping goods TSD funding

Outputs	Performance milestones	Report due	Payment
Enhance transport, storage and disposal capability for illicit vaping goods	ADDITIONAL ITEM to add to Implementation Plan: <ul style="list-style-type: none"> <li>- An overview describing the planned operational approach and activities related to the transporting, storing and disposing of illicit vaping goods.</li> </ul> <p><b>*Note – transport, storage or disposal activities undertaken should be as a result of vape enforcement activity where the activity or a component of the activity has been undertaken in collaboration with the TGA, and in line with the National Vaping Enforcement Framework.</b></p>	One month following execution or by 26 June 2026, whichever is earlier.	\$917,941
Enhance transport, storage and disposal capability of illicit vaping goods	ADDITIONAL ITEM to add to Status Report: <ul style="list-style-type: none"> <li>- A summary of the transport, storage and disposal activities undertaken for illicit vaping goods from 1 July 2025 to 30 June 2026 including volume (kgs) of illicit vaping goods disposed.</li> </ul>	31 January 2027.	\$468,081
Enhance transport, storage and disposal capability of illicit vaping goods	ADDITIONAL ITEM to add to Final Report: <ul style="list-style-type: none"> <li>- A summary of the transport, storage and disposal activities undertaken for illicit vaping goods from 1 July 2026 to 30 June 2027 including volume (kgs) of illicit vaping goods disposed.</li> </ul>	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



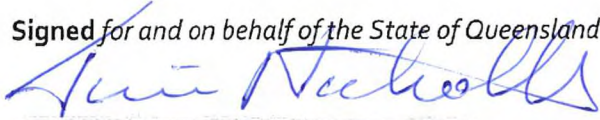
**The Honourable Mark Butler MP**

Minister for Health and Ageing and

Minister for Disability and the National Disability Insurance Scheme

11 / 05 / 2026

Signed for and on behalf of the State of Queensland by



**The Honourable Timothy Nicholls MP**

Minister for Health and Ambulance Services

29 / 05 / 2026