

Illicit Tobacco Compliance and Enforcement Uplift - Victoria
 FEDERATION FUNDING AGREEMENT - HEALTH

Table 1: Formalities and operation of schedule																					
Parties	Commonwealth and Victoria																				
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 Victoria in relation to the trade of illicit tobacco and nicotine products. Actions will target areas of need identified by Victoria through:</p> <ul style="list-style-type: none"> • Increasing resourcing capacity and capability; • Improving information and intelligence capture and sharing; • Expanding operational capability to support proactive compliance and enforcement activity; and • Enhancing and enforcing legislative and regulatory frameworks. 																				
Estimated financial contributions	<p>The Commonwealth will provide an estimated financial contribution to Victoria of \$10,061,540 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>\$5,100,000</td> <td>\$4,961,540</td> <td>\$0</td> <td>\$10,061,540</td> </tr> <tr> <td><i>Less estimated National Partnership Payments</i></td> <td>\$5,100,000</td> <td>\$4,961,540</td> <td>\$0</td> <td>\$10,061,540</td> </tr> <tr> <td>Balance of non-Commonwealth contributions¹</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> </tbody> </table> <p>¹Victoria 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	\$5,100,000	\$4,961,540	\$0	\$10,061,540	<i>Less estimated National Partnership Payments</i>	\$5,100,000	\$4,961,540	\$0	\$10,061,540	Balance of non-Commonwealth contributions ¹	-	-	-	-
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Estimated total budget	\$5,100,000	\$4,961,540	\$0	\$10,061,540																	
<i>Less estimated National Partnership Payments</i>	\$5,100,000	\$4,961,540	\$0	\$10,061,540																	
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>Investment in legal staff for licence refusals and appeals.</p> <p>Investment in forensic staff to support tobacco-related prosecutions.</p>	<p>Commonwealth acceptance of an Implementation Plan that articulates timeframes and activities associated with:</p> <ul style="list-style-type: none"> - Recruiting specialist staff (legal and forensic). - Supporting the regulator's refusal and/or review of licence applications. - Conducting forensic examinations of seized tobacco (e.g., sampling of illicit tobacco) and providing evidence for court proceedings. <p>The Implementation Plan must also outline how Victoria 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 specialist staff employed. - Number of licence applications, refusals and appeals in previous 12 months. - Number of matters reviewed/advised on in previous 12 months. - Number of evidence management support requests for transport of illicit tobacco products in previous 12 months. - Number of evidence management support requests for storage of illicit tobacco products in previous 12 months. - Number of evidence management support requests for disposal of illicit tobacco products in previous 12 months. 	One month following execution.	\$5,100,000
<p>Improving information and intelligence capture and sharing:</p> <p>Investment in specialist staff to support Victoria Police's operational response and inter-agency co-ordination.</p>	<p>Commonwealth acceptance of an Implementation Plan that articulates timeframes and activities associated with:</p> <ul style="list-style-type: none"> - Recruiting specialist staff (intelligence analysts). - Establishing a central point of contact with the regulator (Tobacco Licensing Victoria) and other external stakeholders. - Actioning of requests from the regulator and other law enforcement agencies. - Increasing the efficiency of the processes for disclosures of information. <p>The Implementation Plan must also outline how Victoria 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 specialist staff employed. - Current approaches to intelligence gathering. - Current processes for intelligence analysis and reporting. - Number of requests received from the regulator and other law enforcement agencies in the previous 12 months. - Number of requests from the regulator actioned within 28 days of receipt in the previous 12 months. 		

Table 2: Performance requirements, reporting and payment summary

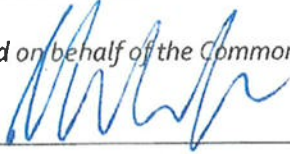
Outputs	Performance milestones	Report due	Payment
<p>Expanding operational capability to support proactive compliance and enforcement activity:</p> <ul style="list-style-type: none"> Investment in logistics support staff. Investment in transport, storage and disposal of seized goods. Development of a state operation centre proof of concept. 	<p>Commonwealth acceptance of an Implementation Plan that articulates timeframes and activities associated with:</p> <ul style="list-style-type: none"> - Recruiting specialist staff (logistics support). - Securing appropriate storage facilities for seized illicit tobacco. - Procurement of appropriate transport and destruction services. - Establishing a state operation centre proof of concept. <p>The Implementation Plan must also outline how Victoria 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"> - Current approaches to storing, transport and disposal of seized illicit tobacco. - Current approaches to storing, transport and disposal of other seized illicit nicotine products (as relevant). - Number of logistics support requests (transport, storage and destruction) for illicit tobacco in previous 12 months. - Number of logistics support requests (transport, storage and destruction) for illicit nicotine products in previous 12 months (as relevant). - Quantities of seized illicit tobacco stored in previous 12 months. - Quantities of seized illicit tobacco destroyed in previous 12 months. - Quantities of seized illicit nicotine products stored in previous 12 months. - Quantities of seized illicit nicotine products destroyed in previous 12 months. 		
<p>Enhancing and enforcing legislative and regulatory frameworks:</p> <ul style="list-style-type: none"> Investment in specialist staff to operationalise Victoria's regulatory framework. 	<p>Commonwealth acceptance of an Implementation Plan that articulates timeframes and activities associated with:</p> <ul style="list-style-type: none"> - Recruiting specialist staff (legal support). - Establishing the regulatory framework. - Uplift of operational policy and procedures to support implementation of the regulatory framework. <p>The Implementation Plan must also outline how Victoria 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"> - Current number of staff engaged to work on legislative frameworks and regulatory change. - Current number of policies and procedures to support the regulatory framework. 		

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<ul style="list-style-type: none"> ➤ Increasing resourcing capacity and capability. ➤ Improving information and intelligence capture and sharing. ➤ Expanding operational capability to support proactive compliance and enforcement activity. ➤ Enhancing and enforcing legislative and regulatory frameworks. 	<p>Commonwealth acceptance of a Status Report which includes the following:</p> <ul style="list-style-type: none"> - 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. - 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. - 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. - Victoria's initial considerations for ensuring the continuity of system improvements and the advancement of compliance and enforcement activities beyond the designated funding period. 	<p>31 January 2027.</p>	<p>\$4,961,540</p>
	<p>Commonwealth acceptance of a Final Report, including:</p> <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. - Victoria's intended approach for ensuring the continuity of system improvements and the advancement of compliance and enforcement activities beyond the designated funding period. 	<p>31 January 2028.</p>	<p>N/A</p>

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

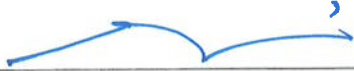
Minister for Health and Ageing and

Minister for Disability and the National Disability Insurance Scheme

[Day] [Month] [Year]

20 03 26

Signed for and on behalf of the State of Victoria by



The Honourable Anthony Carabines MP

Minister for Police

Minister for Community Safety

Minister for Victims

Minister for Racing

[Day] [Month] [Year]

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