

Implementing Reforms for Regional Forest Agreements

FEDERATION FUNDING AGREEMENT – ENVIRONMENT

Table 1: Formalities and operation of schedule

Parties	Commonwealth Tasmania
Duration	This Schedule is expected to expire on 30 June 2028 or on completion of the project, including final performance reporting and processing of final payments against milestones.
Purpose	This Schedule will support Tasmania to develop a landscape-scale approval pathway for Regional Forest Agreement (RFA) forestry operations under the reformed <i>Environment Protection and Biodiversity Conservation Act 1999</i> (EPBC Act).
Estimated financial contributions	The Commonwealth will provide an estimated total financial contribution to Tasmania of up to \$8.5 million in respect of this Schedule. The profile for the total financial contribution is presented in Table 1.
Additional terms	• The RFA exemption under the EPBC Act will sunset on 1 July 2027 as a result of reforms to Australia's national environment laws that passed the Australian Parliament on 28 November 2025. • The RFA states are developing alternative landscape-scale approval pathways for RFA forestry operations under the EPBC Act before the exemption sunsets. The pathways are an approval bilateral agreement, a strategic assessment or a bioregional plan. RFA states can choose their preferred pathway. • The final approval decision for all landscape-scale approval pathways rests with the Commonwealth Environment Minister. • The funding will support Tasmania to assess its forest management systems, make any necessary enhancements and prepare industry for the regulatory transition. Funding will be paid on completion of the performance milestones detailed in Table 2. • The Commonwealth and Tasmania will engage regularly throughout the development of the landscape-scale approval process through agreed governance arrangements.

Table 1: Financial contributions to the state

(\$)	2026-27	2027-28	Total
Estimated total budget	4,500,000	4,000,000	8,500,000
Less estimated National Partnership Payments	4,500,000	4,000,000	8,500,000

Table 2: Performance requirements, reporting and payment summary

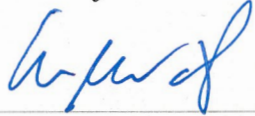
Output	Performance milestones	Report due	Payment (\$)
A landscape-scale approval pathway under the EPBC Act for RFA forestry operations in the Tasmanian RFA region is delivered for the Commonwealth Environment Minister's consideration and decision.	Formal confirmation to the Commonwealth of the Tasmanian Government's preferred pathway, signing of the Schedule and agreement to a joint project plan.	1 July 2026	2,000,000
	Commonwealth acceptance of a milestone report confirming completion of public statutory consultation process on landscape scale pathway.	30 November 2026	1,500,000
	State submission of all required pathway documentation for consideration and decision by the Commonwealth Minister for the Environment. This must appropriately reflect feedback from the public statutory consultation process.	31 March 2027	1,000,000
	Commonwealth acceptance of a milestone report from the Tasmanian Government confirming that state systems appropriately reflect any Commonwealth Environment Ministerial decision in relation to RFA forestry operations in Tasmania.	1 July 2027	3,000,000
Tasmanian forestry industry is equipped for the transition to EPBC Act requirements	Commonwealth acceptance of a milestone report outlining relevant industry support and education delivered to ensure a smooth transition for Tasmanian industry stakeholders to EPBC Act regulatory arrangements.	1 December 2027	1,000,000

**As set out in the Federation Funding Agreement – Environment, if a milestone is met in advance of the due date, where the relevant performance report demonstrates that the milestone has been met, the Commonwealth may make the associated payment earlier than scheduled provided it falls within the same financial year as the original milestone date.*

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

Signed *for and on behalf of the Commonwealth
of Australia by*

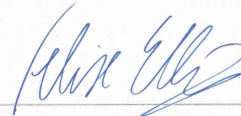


Senator the Honourable Murray Watt
Minister for the Environment and Water

6/8/26

[Day] [Month] [Year]

Signed *for and on behalf of the
State of Tasmania by*



The Honourable Felix Ellis MP

Minister for Business, Industry and Resources
Minister for Innovation, Science and the Digital Economy
Minister for Police, Fire and Emergency Management
Minister for Skills and Jobs

19/8/2026

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