Schedule

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	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: • 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. This Schedule will also enhance transport, storage and disposal capability for illicit vaping goods.
Estimated financial contributions	The Commonwealth will provide an estimated total financial contribution to Victoria of $15,161,501.00 in respect of this Schedule. The profile for the total financial contribution is presented in Table 1.
Additional terms	None.

Table 1: Financial contributions to the state				
($)	**2025-26**	**2026-27**	**2027-28**	**Total**
Estimated total budget	**5,100,000.00**	**10,061,501.00**	**0**	**15,161,501.00**
Less estimated National Partnership Payments	5,100,000.00	10,061,501.00	0	15,161,501.00
Illicit tobacco compliance and enforcement uplift funding	5,100,000.00	4,961,540.00	0	10,061,540.00
Illicit vaping goods transport, storage and disposal funding	0	1,735,535.00	0	1,735,535.00
Illicit tobacco compliance and enforcement uplift additional funding	0	3,364,426.00	0	3,364,426.00
Balance of non-Commonwealth contributions[1]	0	0	0	0

Note: [1] Victoria is contributing funding to the initiatives supported by this Schedule, but the specific amount is unknown.

Table 2: Performance requirements, reporting and payment summary			
Output	**Performance milestones**	**Report due**	**Payment**
Increasing resourcing capacity and capability: Investment in legal staff for licence refusals and appeals. Investment in forensic staff to support tobacco-related prosecutions.	Commonwealth acceptance of an Implementation Plan that articulates timeframes and activities associated with: - 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. The Implementation Plan must also outline how Victoria will identify and manage risks and issues. 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: - 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.	$5,100,000.00 (complete)
Improving information and intelligence capture and sharing: Investment in specialist staff to support Victoria Police's operational response and inter-agency co-ordination.	Commonwealth acceptance of an Implementation Plan that articulates timeframes and activities associated with: - 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. The Implementation Plan must also outline how Victoria will identify and manage risks and issues. 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: - 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.		
Expanding operational capability to support proactive compliance and enforcement activity: Investment in logistics support staff. Investment in transport, storage and disposal of seized goods. Development of a state operation centre proof of concept.	Commonwealth acceptance of an Implementation Plan that articulates timeframes and activities associated with: - 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. The Implementation Plan must also outline how Victoria will identify and manage risks and issues. 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: - 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.		
Enhancing and enforcing legislative and regulatory frameworks: Investment in specialist staff to operationalise Victoria's regulatory framework.	Commonwealth acceptance of an Implementation Plan that articulates timeframes and activities associated with: - Recruiting specialist staff (legal support). - Establishing the regulatory framework. - Uplift of operational policy and procedures to support implementation of the regulatory framework. The Implementation Plan must also outline how Victoria will identify and manage risks and issues.		

	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: - Current number of staff engaged to work on legislative frameworks and regulatory change. Current number of policies and procedures to support the regulatory framework.		
➢ 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.	Commonwealth acceptance of a Status Report which includes the following: - 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.	31 January 2027.	$4,961,540.00
	Commonwealth acceptance of a Final Report, including: - 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.	31 January 2028.	N/A

Table 3: Performance requirements, reporting and payment summary for additional vaping goods TSD funding			
Output	**Performance milestones**	**Report due**	**Payment**
Enhance transport, storage and disposal capability for illicit vaping goods	Provision of an Additional Report that provides: - An overview describing the planned operational approach and activities related to the transporting, storing and disposing of illicit vaping goods. ***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.**	15 July 2026.	$1,149,418.00
Enhance transport, storage and disposal capability of illicit vaping goods	ADDITIONAL ITEM to add to Status Report: - A summary of the transport, storage and disposal activities undertaken for illicit vaping goods from date of execution to 31 December 2026 including volume of illicit vaping goods disposed.	31 January 2027.	$586,117.00
Enhance transport, storage and disposal capability of illicit vaping goods	ADDITIONAL ITEM to add to Final Report: - A summary of the transport, storage and disposal activities undertaken for illicit vaping goods from 1 January 2027 to 31 December 2027 including volume of illicit vaping goods disposed.	31 January 2028.	N/A

Table 4: Performance requirements, reporting and payment summary for additional compliance and enforcement funding			
Output	**Performance milestones**	**Report due**	**Payment**
Increasing resourcing capacity and capability: Delivering Tobacco Licensing Victoria (TLV)'s on-call monitoring and support model.	Commonwealth acceptance of an Implementation Plan that articulates timeframes and activities associated with: - Delivery of an on-call monitoring model. - Increased intelligence products prepared and disseminated to the TLV enforcement team. The Implementation Plan must also outline how Victoria will identify and manage risks and issues. 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:	1 month after execution of the variation.	$3,364,426.00

	- Current processes for out of hours closed premises monitoring. - Current number of closures. - Current number of intelligence products prepared and disseminated.		
Improving information and intelligence capture and sharing: Update compliance, enforcement and intelligence systems. Streamline compliance, enforcement and intelligence processes. Recruit specialist staff to enhance information gathering, sharing and monitoring of compliance activity.	Commonwealth acceptance of an Implementation Plan that articulates timeframes and activities associated with: - Recruiting additional specialist staff. - Making enhancements to existing systems and trialling new software. - Implementation and rollout of specialist systems and software. - Development and rollout of mandatory role-specific training. The Implementation Plan must also outline how Victoria will identify and manage risks and issues. 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: - Current specialist staff employed. - Current approaches and systems to intelligence gathering. - Current processes for intelligence analysis and reporting. - Improving and providing training on processes for intelligence gathering and analysis. - Using software for intelligence gathering and mapping.		
➢ Increasing resourcing capacity and capability. ➢ Improving information and intelligence capture and sharing.	Commonwealth acceptance of a Status Report which includes the following: - 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.	30 July 2027.	N/A

	ADDITIONAL ITEM to add to Final Report (per Table 2 requirements): - A summary of all activities that have been supported by the Schedule from July 2027 to 31 December 2027. - 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.	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
Minister for Disability and the National Disability Insurance Scheme

[Day] [Month] [Year]
28 10 2026

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

The Honourable Paul Edbrooke MP
Minister for Police
Minister for Crime Prevention
Minister for Emergency Services
Minister for Multicultural Affairs

[Day] [Month] [Year]
3/11/2026