

PROCEDURES FOR STRATEGIC OPPORTUNITIES NOTIONAL ALLOCATION (SONA) UNDER THE REGIONAL PARTNERSHIPS PROGRAMME

A portion of the Regional Partnerships programme (RP) funding is available each financial year for new projects that are seen as strategic opportunities.

The Strategic Opportunities Notional Allocation (SONA) will allow the Government to respond quickly and easily to a diverse range of situations which may fall outside the administrative constraints of RP, but which are consistent with the purposes of RP. The procedures for managing SONA projects are set out below.

Types of projects that can be considered

SONA projects and initiatives need to be consistent with the goals and priorities of either *Regional Partnerships* or the *Stronger Regions, A Stronger Australia* statement and must meet the majority of the Regional Partnership programme's selection criteria.

Projects that could be considered under SONA include those that meet a broad national need, for example, they:

- ❖ are of national or cross-regional significance;
- ❖ are a whole-of-government response; or
- ❖ respond to a significant event, such as a regional economic or social crisis, where support is not available from existing relief programmes.

In addition SONA may be used to address programme constraints of a more administrative nature. Examples include:

- ❖ where funding for a high priority project would significantly exceed the relevant ACC's notional allocation and approval cannot be delayed until sufficient RP funding becomes available; or
- ❖ where a decision not to support a project is reversed following formal review and additional funding flexibility is required; or
- ❖ where a project or initiative would require the waiver of some specific part of the guidelines or eligibility criteria in order to be funded (eg the waiver that enabled normally ineligible proponents, Australia Post and Centrelink, to participate in Rural Transaction Centres [RTCs]).

Funding

A notional allocation of funds will be established for SONA each year. Just like an ACC notional allocation, SONA represents a notional guide to the amount of funds available for SONA projects. The SONA allocation is not an additional source of funding. Projects approved under SONA are funded from the same pool of Regional Partnerships funds as normal RP projects.

There is no obligation to commit all of the SONA allocation as the funding can be used to fund normal RP projects if necessary. However, to ensure RP funding is utilised effectively and does not remain unspent, the SONA allocation will be progressively reduced to a pre-determined level at the beginning of each quarter of the financial year (see example below). Any uncommitted amounts above these levels will be returned to the general RP funding pool. SONA will be finally closed off at the beginning of each June.

Example (for 2003-04)

Period	Maximum allocation available at start of period*	% of full year allocation
1 July – 30 September	\$3.000m	100%
1 Oct – 31 December	\$2.000m	66%
1 Jan 04 – 31 Mar 04	\$1.000m	33%
1 April 04 – 30 June 04	\$0.500m	16%

*Note: The allocation available may actually be less than the maximum cited in the example table above if there had been higher levels of approvals in previous quarters. For example, if approvals of \$1.5 million were made in the first quarter, then the maximum allocation available in the second quarter would be \$1.5 million not \$2.0 million as shown in the table above.

Will SONA be advertised?

SONA arrangements will not be advertised and specific applications for consideration under SONA arrangements will not normally be called for.

Where will SONA projects come from?

SONA projects may come from a number of sources. Some may come through the normal channels via an ACC and Regional Office. Other potential SONA projects may originate from representations made to the Minister, Parliamentary Secretary or other members of Parliament.

In addition, projects may come from:

- direct representations to the Department
- the Standing Committee on Regional Development
- a commitment made by the Government.

Who decides whether a project is suitable for consideration under SONA?

The decision on whether projects are suitable for consideration under SONA will be made by the Branch Head of Regional Communities Branch in National Office. The decision will be made in consultation with the Directors of the Regional Partnerships Operations and Applications, Approvals and Contracts Sections and the relevant Regional Office. If the decision is made that the project is suitable for SONA, the Regional Partnerships Operations Section will be responsible for quality assurance and any other issues that need to be managed by National Office. (Standard applications will continue to be managed by the Applications, Approvals and Contracts Section.)

Managing SONA projects

Where possible, SONA projects should follow the usual processes for RP projects, that is, the proponent submits an application, the application is assessed by the Regional Office in consultation with the relevant ACC and National Office reviews the assessment to ensure quality and consistency.

However, as some SONA projects will go beyond addressing the needs of one region, it may be necessary to vary this process in some respects, primarily to allow for consultation with a larger than usual number of ACCs and other stakeholders.

For this reason, an ACC with a potential SONA project should contact the Regional Office as soon as possible to discuss it. Regional Offices are also encouraged to provide National Office with an 'early alert' that a SONA project is being considered.

An 'early alert' will enable discussions to take place between the Regional Office and National Office on the project's suitability for SONA arrangements and the process for managing the application before undue expectations are raised and time and effort is invested in developing the application.

Consultation and assessment for SONA projects

The exact process will depend on the nature of the project, but some broad rules of thumb are as follows:

- Whenever possible, the consultation and assessment process for SONA projects should be managed by a Regional Office to ensure that the assessment process (Regional Office) and the quality assurance process (Central Office) are kept distinct. Where a project has come through a Regional Office, that Regional Office will generally continue to manage the project once the decision has been made to consider it under SONA. Where the project has been developed at National Office level, it will generally be referred to the Regional Office closest to the area in which the application originated for assessment.
- On rare occasions, the decision may be taken for National Office to manage the consultation and/or assessment of a SONA project. This is most likely to occur with projects of national significance or whole-of-government projects which did not originate through the usual ACC/RO channels and which require extensive consultation with other departments or agencies at national level.
- In the case of projects with national scope, it is more appropriate and timely to seek comments from the CRG instead of individual ACCs. In this case, the consultation process would be facilitated by National Office. However, a Regional Office may still be required to manage consultation on any local dimensions of the project such as the capacity of the proponent.
- For cross-regional projects it will generally be up to the Regional Office to request comment from the relevant ACC(s). The ACC covering the area the application comes from may be required to consult with other affected ACCs. Alternatively,

the Department may choose to seek comment from a State Representative on the Chairs Reference Group (CRG).

Project Approval

The Parliamentary Secretary to the Minister for Transport and Regional Services and the Minister for Trade will be the delegate in consultation, where appropriate, with the Minister for Transport and Regional Services. The amount of funding for a project will be at her/his discretion but within the confines of funds available for SONA at that time.

National Office will make a recommendation to the delegate to either approve or not approve the project based on a review of the assessment received from the Regional Office. SONA projects will be included in regular approval packages wherever possible.

The Parliamentary Secretary to the Minister for Transport and Regional Services and the Minister for Trade, in consultation where appropriate, with the Minister for Transport and Regional Services, will have the final decision on whether the project is suitable for funding through SONA.

Reporting

All decisions relating to SONA applications, and the reasons for the decisions, will normally be tracked through TRAX. Successful SONA projects will be placed on the public record via media releases as well as being published on the Department's website. Unsuccessful applicants will be notified via a letter from the Department outlining the reasons as to why the project was unsuccessful. The letter may be sent by the Regional Office or National Office, depending on who was responsible for managing the project.

Contracting and Monitoring

The majority of funding agreements under SONA will still be prepared by the relevant Regional Office, although there may be instances where a contract could be prepared, and possibly managed, by National Office, eg. if the project is an extremely complicated one or where the contract management arrangements are most sensibly located at National Office level.

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