

1 Policy Statement

The Town of Gawler supports the long-term sustainability of local community infrastructure by providing equitable access to loan funding for eligible community groups, to assist with capital improvements to community, sporting, recreational, cultural and associated facilities.

2 Scope

This Policy applies to applications from eligible community groups based within the Town of Gawler seeking loan funding for capital works on Council-owned or Council-controlled land.

This Policy does not apply to:

- recurrent or operational expenditure
- funding arrangements outside a formal Council-approved loan
- projects that have commenced prior to Council approval, unless the works were authorised by Council and undertaken in accordance with an approved Works Agreement

3 Legislation and References

This Policy is to be read in conjunction with:

- *Local Government Act 1999*
- Long Term Financial Plan 2025 - 2035
- The Gawler Community Plan 2035
- Treasury Management Policy

4 Definitions

For the purposes of this Policy the following definitions apply:

community group	a not-for-profit organisation based within the Town of Gawler, predominately operated by volunteers
community loan	means a fixed-term loan provided by Council to an eligible community group for approved capital works
capital improvements	the construction, redevelopment or significant upgrade of buildings or facilities

5 Policy

5.1 Eligibility

5.1.1 Applications may only be submitted by community groups that:

- are based within the Town of Gawler
- are predominately volunteer run
- have limited capacity to secure funding from alternative sources
- demonstrate sound governance arrangements.

5.1.2 Applications will only be considered for capital improvement projects:

- located on Council-owned or Council-controlled land
- aligned with Council's strategic objectives
- delivering a demonstrated long-term community benefit
- supported by a clear project plan, budget and delivery timeframe.

5.2 Financial Parameters

5.2.1 Community loans:

- must be between \$10,000 and \$100,000 per loan
- may fund up to a maximum of 50% of total project costs
- will not exceed a total outstanding portfolio limit of \$500,000

5.2.2 Loans will be:

- provided on a fixed principal and interest basis
- repayable by fixed frequency instalments (minimum half-yearly)
- for a term not exceeding 10 years, unless otherwise resolved by Council
- subject to the prevailing Local Government Finance Authority debenture interest rate at the time of approval.

- 5.2.3 Interest free loans may be approved up to a maximum of \$50,000, subject to Council resolution.
- 5.2.4 Loan funding may be sourced from Council reserves or through borrowing from the Local Government Finance Authority.
- 5.2.5 A non-refundable loan establishment fee of \$100 applies to all applications.

5.3 Assessment and Approval

- 5.3.1 Applications must be submitted using Council's Community Loans Application Form.
- 5.3.2 Applicant groups may be required to attend a Council briefing or meeting to present their application and respond to questions.
- 5.3.3 Applicants must provide:
 - independently audited financial statements for the most recent three (3) years
 - evidence of committee approval of the application
 - information demonstrating financial capacity to service the loan.
- 5.3.4 Council will consider its Net Financial Liabilities Ratio and financial sustainability thresholds when assessing application.
- 5.3.5 All applications must be assessed by a delegated Council officer with no conflict of interest. Financial capacity assessments will be undertaken by the Manager Finance & Procurement (or delegate).

5.4 Loan Conditions

- 5.4.1 All approved loans must be documented through a legally binding loan agreement.
- 5.4.2 Repayments must be made via electronic funds transfer.
- 5.4.3 Council may take recovery action in the event of default, with any associated costs recoverable from the borrower.
- 5.4.4 Loan recipients must:
 - obtain all required permits, approvals and insurance
 - acknowledge Council's funding support in all project-related publicity
 - provide a project acquittal report upon completion confirming appropriate use of funds.

6 Administrative Information

Document Type	Policy
Procedure Developer	Manager Finance & Procurement
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Adopted & Effective Date	24 February 2026
Applicable Legislation	<i>Local Government Act 1999 (SA)</i>
Review Due By	February 2030
Adopting Authority	Council

7 Version History

Revision	Date	Change
1	24 February 2026	Update to current policy template and modernised to improve clarity and consistency, intent and principles remain the same.