District Council of
Loxton Waikerie

Community Loan Policy

Responsible Officer/s	Chief Executive Officer Chief Finance Officer
Relevant Legislation / Documents	Local Government Act 1999 Treasury Management Policy
Adopted	August 2025
Reviewed	
Next Review	August 2028

A. Purpose

The District Council of Loxton Waikerie values and recognises the important role community and sporting groups play within its district and is committed to supporting them in a variety of ways. Council also acknowledges the challenges these groups often face in securing appropriate financing for their projects.

The primary purpose of this Policy is to provide equitable access to Community Loan funding for incorporated not-for-profit organisations based within the District. This funding is intended to assist with capital improvements to the community, sporting, recreational, cultural, and associated facilities.

B. Objective

The objective of this Policy is to establish a clear framework for Council to assess requests for financial assistance, including direct loans or loan guarantees, from community groups—particularly those operating on Council-owned or controlled land.

It ensures that such decisions align with the medium- to long-term objectives of the Council's Long-Term Financial Plan without compromising financial sustainability. The Policy also provides Council administration with clear guidance on the procedures, responsibilities, and processes required to manage community loans in accordance with Council directives, statutory obligations, and sound financial management practices.

C. Policy

1. Principles

Applications will only be considered from community groups based within the District council of Loxton Waikerie

Applications will only be considered from community groups based within the District Council of Loxton Waikerie that meet the following criteria:

- Are incorporated not-for-profit organisations

- Have limited capacity to access funding from other sources
- Are proposing projects that develop or redevelop buildings or facilities located on Council-owned or controlled land
- Demonstrate alignment with the goals, objectives, or strategies outlined in Council's Strategic Plans
- Provide long-term benefits to the community
- Include a clearly defined project plan and budget

A loan will only be considered once all other funding options have been fully explored and the group complies with the requirements of this Policy. Other funding options may include:

- Government grants
- Sponsorships
- Fundraising
- Bank or institutional loan funding

Council may choose to:

- Borrow funds from the Local Government Finance Authority (LGFA) on behalf of the community group, or
- Lend funds from Council's available cash reserves (subject to availability), with interest charged at the applicable LGFA rate for the term of the loan

Council may, at its discretion, approve loans or loan guarantees that exceed the standard thresholds where a project demonstrates substantial benefit to the wider District.

2. Eligibility Conditions/Criteria

2.1 Applications will not be accepted for projects that have already commenced or for ongoing operational costs.

2.2 Applicants may be requested to attend a briefing or Council meeting to present their proposal and respond to questions from Elected Members.

2.3 All loans will be on a fixed principal and interest basis, with half-yearly repayments, over a term not exceeding 15 years, unless otherwise negotiated and approved by Council. Balloon payments may be considered in exceptional circumstances, subject to Council approval.

2.4 Interest will be charged at the LGFA Debenture Loan rate applicable at the time of loan approval.

2.5 Loan funds may be sourced from Council reserves (if available) or through borrowing from the LGFA.

2.6 Applicants must provide independently audited financial statements for the most recent three consecutive years.

2.7 Applicants must supply documentation (e.g. meeting minutes) showing formal internal approval of the application by the group's governing committee, along with evidence of sound governance practices.

2.8 Council must be satisfied that the applicant has the financial capacity to meet loan repayments over the full term. This assessment will be conducted by the Chief Finance Officer.

2.9 Loan applications must be assessed by a delegated Council officer who has no conflict of interest in relation to the applicant.

2.10 Loan repayments must be made via periodic direct debit from the group's nominated bank account.

2.11 Early repayment of a Council-funded loan will not attract a penalty. However, where the loan funds have been sourced through the Local Government Finance Authority (LGFA), any early repayment may be subject to LGFA penalty charges.

2.12 In the event of default, Council reserves the right to take appropriate action to recover outstanding amounts, with associated recovery costs payable by the community group.

2.13 The community group must acknowledge Council's support in all project publicity, including use of Council branding on marketing materials.

2.14 The group must enter into a formal loan agreement with the District Council of Loxton Waikerie.

2.15 The group must obtain all necessary permits, approvals, and insurances for the project.

2.16 Upon project completion, the group must submit an acquittal report demonstrating that loan funds were used as approved

3. Review

Outstanding community loan balances will be assessed annually, with a summary of all current loans provided to Council monthly.

D. Availability

This Policy will be available for inspection at the Council Offices at Loxton or Waikerie during ordinary business hours at no charge.

Copies of this Policy will also be available from Councils website: www.loxtonwaikerie.sa.gov.au or postal copies may be obtained from the Council Office free of charge.

E. Document history and version control

Date	Version	Authorisation	Amendment Details
20/08/2025	1	Council Meeting	New Policy