GOVERNMENT OF WESTERN AUSTRALIA
Department of **Energy and Economic Diversification**
Department of **Health**

Aged Care Low Interest Loan Scheme

Frequently Asked Questions

January 2026

1. General

1.1 What is the Low Interest Loan Scheme?

The Aged Care Low Interest Loan Scheme (Loan Scheme) is a $100 million Western Australian (WA) Government initiative to address the State's critical shortage of residential aged care capacity, particularly for concessional/supported clients. Limited sector growth and challenging market conditions, such as high construction costs, workforce shortages, and low financial returns, have constrained investment, and reduced the industry's ability to meet the growing needs of an ageing population.

To foster industry development, the Loan Scheme provides concessional finance to eligible aged care providers to construct, upgrade, and refurbish facilities in WA. Its goal is to increase concessional/supported bed capacity, improve service access, and ensure long-term sector sustainability. For a definition on concessional/supported aged care beds in the context of the Loan Scheme, please refer to Appendix A.

1.2 Who administers the Loan Scheme?

The Loan Scheme is administered by the Department of Energy and Economic Diversification (DEED) in partnership with the Department of Health (Health), under the *Industry and Technology Development Act 1998 (WA).*

1.3 How do I apply?

Applications must be lodged through the SmartyGrants portal. For a loan submission checklist to assist with your application process, please refer to Appendix B.

Applications open on the **Wednesday, 7 January 2026** and close at 11:59pm (AWST) on **Friday, 13 February 2026.** Late or incomplete applications will not be accepted.

2. Eligibility

2.1 Who can apply?

Eligible applicants must be registered Australian aged care provider under the *Aged Care Act 2024 (Cth)* (including not-for-profit, private, and public companies), have an Australian Business Number (ABN) or Australian Company Number (ACN), and be registered for Goods and Services Tax (GST).

Strong applicants will demonstrate the financial capacity and readiness to deliver capital projects that expand concessional/supported residential aged care places beyond what would have been achieved without the loan.

2.2 Who is not eligible?

Government agencies and Government Trading Enterprises (GTEs), individuals (including sole traders) without an ABN, organisations not registered for GST, applicants unable to demonstrate financial capacity or solvency, and applicants unable to enter into a legally binding agreement with the WA Government.

2.3 Can a provider that is not currently operating in WA apply if it intends to build its first WA facility?

Yes. Providers that do not currently operate in Western Australia may apply, provided they are a registered residential aged care provider under the *Aged Care Act 2024* and meet all other eligibility requirements.

The proposed facility must be located in WA, and applicants must demonstrate their capacity, experience, and readiness to successfully deliver and operate a residential aged care service in the State.

2.4 Can a provider apply if it is under regulatory sanction?

No. Providers that are under regulatory sanction issued by the Aged Care Quality and Safety Commission are not eligible to apply.

2.5 Can a provider apply if it is facing non-compliance notices?

Where a provider has current non-compliance notices, a case-by-case review will be undertaken as part of the eligibility and due diligence process. Applicants must disclose all current regulatory actions as part of their application.

2.6 Can projects on leased land apply? What lease terms are acceptable?

Yes. Projects on leased land are eligible, provided the applicant can demonstrate secure and legally enforceable tenure for the duration of the project and the loan term.

Applicants must show:

- a minimum remaining lease term of 20 years, or
- evidence that renewal options are available and likely to be exercised, ensuring continuity of tenure for at least 20 years.

2.7 Are joint ventures or consortium applications allowed? If so, what evidence is required?

Yes. Joint venture and consortium applications are permitted, subject to clear governance and accountability arrangements.

Applicants must demonstrate that:

- One lead entity is nominated as the borrower and will enter into the Deed of Loan (only one entity may hold the loan).

- Any required Parent Guarantees or cross-guarantees are provided where the group structure necessitates additional credit support.

2.8 Can a project be delivered across multiple sites under one application?

Yes, multi-site projects may be considered under a single application, provided that:

- each site contributes to the overall increase in concessional/supported residential aged care beds;
- the applicant demonstrates the financial and organisational capacity to deliver all sites within the required 48-month timeframe;
- the business case clearly outlines the scope, timing, capital structure, and risk management for each site; and
- all sites meet core eligibility requirements, including evidence of tenure, planning readiness, and alignment with priority areas.

2.9 If a provider has an existing Government loan, can it apply?

Yes, you may apply for the Loan Scheme even if you have an existing loan with the Local, State or Commonwealth Government. However, you must declare any other Government funding received or applied for in relation to the proposed project as part of your application.

3. Projects

3.1 What projects will the Loan Scheme fund?

The Loan Scheme supports capital projects that deliver new, expanded, or refurbished residential aged care facilities in Western Australia. To be eligible, a project must result in an increase in concessional/supported aged care beds. Examples include building new facilities, upgrading existing ones to add beds, and improving infrastructure to meet modern care standards.

3.2 What are the priority areas for the Loan Scheme?

In addition to the mandatory requirement to increase concessional/supported aged care beds, the Loan Scheme also prioritises services for vulnerable groups, such as older Aboriginal people or those at risk of homelessness, facilities that cater for complex care needs including bariatric, dementia, or palliative care, and developments that address geographic undersupply, particularly in regional or remote areas. Capital projects that align with these areas are considered more competitive.

3.3 What activities will the Loan Scheme not fund?

The Loan Scheme will not fund activities that fall outside its objectives or do not demonstrate a clear increase in concessional/supported aged care bed outcomes for WA. Examples include operational costs such as salaries, rent, utilities, concessional/supported aged care bed maintenance, routine maintenance or equipment replacements. The purchase of property, including land, buildings, or vehicles, is excluded, as are retrospective costs for expenses incurred before the loan agreement is signed.

3.4 Can the loan be used to acquire land?

No. Loan Scheme funds cannot be used to purchase land. However, the applicant's equity contribution, senior debt, or other non-Scheme funding sources may be used for land acquisition as part of the broader project capital structure.

3.5 What evidence is required to demonstrate construction readiness?

Applicants must provide documentation showing that the project is able to commence construction shortly after execution of the Deed of Loan. Evidence may include:

- Master plans or concept designs;
- Development or planning approvals (or evidence of submission and expected timeframe);
- Building permits or evidence that permits are ready for lodgement;
- Detailed design documentation, master plans or architect drawings (as applicable);
- Construction schedule outlining key milestones and projected completion dates;
- Signed or draft construction contracts, tenders, or quotes from builders;
- Evidence of secured funding (equity and senior debt) sufficient to support the full capital structure;
- Site due diligence such as geotechnical reports, environmental assessments, or heritage clearances; and
- Confirmation of site control (ownership, long-term leasehold, or legal authority to develop).

3.6 What counts as "operational readiness" for the 48-month requirement?

Operational readiness means the facility is capable of safely admitting and caring for residents within 48 months of execution of the Deed of Loan. This requires more than construction completion and includes:

- Practical completion of construction;
- Fit-out and commissioning of all required equipment and systems;
- Staffing and workforce arrangements sufficient for service commencement;
- Be a registered aged care facility under the *Aged Care Act (2024 (Cth)*

- Occupancy permits or equivalent certifications;
- Policies, procedures, and clinical systems in place for service delivery; and
- Ability to offer the required number of concessional/supported beds from day one of operation.

3.7 What evidence is required to demonstrate practical completion?

Evidence of practical completion must confirm that construction works have been completed to the standard required to commence commissioning and regulatory processes. Acceptable documentation may include:

- A Certificate of Practical Completion issued by the principal contractor;
- An architect's or superintendent's certification verifying completion in accordance with plans and specifications;
- Inspection reports confirming the facility is fit for use and compliant with building codes;
- Occupancy Permit or equivalent approval from the relevant authority (if available at this stage); and
- Photographic records or site reports demonstrating completion of major works.

4. Concessional/Supported Beds

4.1 How are concessional/supported beds defined for Loan Scheme eligibility?

A concessional/supported bed is a residential aged care bed provided to a resident who does not contribute, or only partially contributes towards the costs of their accommodation.

In the context of the Loan Scheme, concessional/supported beds must be maintained for the duration of the loan and include beds that are:

- Occupied by residents who have been assessed by the Commonwealth as requiring concessional/supported; or
- Reserved as part of the provider's operational plan to meet concessional/supported resident demand at the facility.

Applicants must demonstrate how many concessional/supported beds will be delivered as a direct outcome of the project.

4.2 How do applicants demonstrate the number of concessional/supported beds created?

Applicants must provide:

- the current number of concessional/supported beds at the facility (baseline);

- the number of new concessional/supported beds the project will deliver;
- evidence supporting demand (e.g. waitlist data, demographic or planning analysis); and
- a clear explanation of how the project increases the net supply of concessional/supported beds that would not have occurred without the loan.

4.3 Can a provider count existing concessional/supported beds toward the requirement?

No. Existing concessional/supported beds do not constitute industry growth. Only new concessional/supported beds directly resulting from the project can be counted. This however does include refurbished places, such as ‘mothball facilities’ that were previously offline.

4.4 Do concessional beds and supported places need to be maintained for the entire 15-year loan term?

Yes. Borrowers must maintain the committed number of concessional/supported beds for the duration of the loan term. Periodic audits will verify compliance. If the number falls below the committed level, WA Government may impose remedies as set out in the Deed of Loan.

5. Funding

5.1 How much can I apply for?

Loans of up to $20 million per application will be available to eligible aged care providers to deliver capital projects aligned with the Loan Schemes objectives.

The State expects the Loan Scheme to complement an efficient capital structure, with loan requests optimising the number of concessional/supported beds, leveraging other funding sources, and minimising reliance on the loan. All applications must be supported by quotes or other evidence showing how the funds will be used.

5.2 Can I apply for multiple loans?

You may submit applications for multiple projects, but each must meet eligibility criteria and will be assessed individually.

5.3 Will GST be funded?

The loan may include GST, where supported by quotes. However, the total amount awarded will not be increased to cover GST.

5.4 Why do applicants need to contribute equity to be eligible?

An equity contribution is required to ensure that projects funded through the Loan Scheme are financially robust and commercially viable. Equity is a standard requirement in major capital projects and helps protect both the applicant and the State by reducing financial over-leverage, strengthening the project's capital structure, and improving the likelihood of successful delivery.

5.5 Can the equity requirement be met through land valuation or in-kind contributions?

No. The equity requirement must be met through cash or cash-equivalent contributions that directly support delivery of the capital project.

Land valuations, existing assets, or in-kind contributions (such as donated labour, internal project management, or previously acquired land) cannot be counted toward the equity requirement.

5.6 What forms of evidence are acceptable to demonstrate equity?

Applicants must provide verifiable documentation demonstrating that equity is available, committed, and sufficient to meet the requirement. Acceptable evidence includes:

- Bank statements or term deposit statements showing available funds;
- Letters of offer, approval, or pre-approval from financiers confirming equity contributions;
- Board or governing body resolutions committing equity to the project (for NFPs or corporate groups);
- Executed partnership, contribution, or investment agreements; and
- Evidence of internal capital allocation for the project (e.g., CFO letter supported by financial statements).

5.7 Can senior debt be drawn before the State loan? Can it be drawn after?

Yes. Senior debt may be drawn before, after, or concurrently with the State loan, provided the overall capital structure is clearly defined and consistent with the project's financing structure.

5.8 What is a capital structure?

A capital structure (sometimes referred to as a capital stack) refers to the layers of funding sources, such as loans, equity, investments, and other forms of finance, which combine to provide the total amount required to deliver a project. For the Loan Scheme, applicants should clearly outline their capital structure in the application, demonstrating how the Loan Scheme will complement other funding and commercial loan sources to achieve the project's objectives.

For example, a $100 million capital project could comprise of $20 million (20%) in subordinate concessional finance under the Loan Scheme, $20 million (20%) in equity contributions, $50 million (50%) in senior debt from a commercial lender and, $10 million (10%) from other sources such as grants, philanthropic contributions, or incentives.

5.9 What is a Special Purpose Vehicle?

A Special Purpose Vehicle (SPV) is a separate legal entity established to deliver a specific project. Under the Loan Scheme, an SPV may be created to deliver an aged care facility, enabling the project's assets, liabilities, and cash flows to be managed independently from other business activities.

Where an SPV is used, the ultimate aged care provider (or its parent entity) must provide a Parent Guarantee to support the loan and ensure it meets all regulatory and legal obligations.

Borrowers using an SPV are responsible for all costs associated with establishing and operating the SPV, including legal, financial, and advisory costs. Loan funds cannot be used to cover these costs or any expenses that are not directly related to delivering the approved capital project.

5.10 Does the SPV need to be established before applying, or only before contracting?

An SPV does not need to be established at the time of application. However, if your project is approved, the SPV must be legally established before the Deed of Loan is executed.

Applicants must still outline the proposed SPV structure in their application and demonstrate how it will meet all eligibility, governance, and financial requirements.

5.11 Can I use an existing SPV?

Yes, provided the existing SPV meets all Scheme requirements, including:

- being established solely for delivering the aged care capital project;
- having no unrelated business activities, liabilities, or encumbrances;
- being capable of entering into a Deed of Loan; and
- being fully supported by a Parent Guarantee from the registered aged care provider (or its parent entity).

5.12 Can multiple projects be delivered under a single SPV?

Generally, no. An SPV must be established solely for the purpose of delivering a single approved project.

This ensures clarity of financial reporting, ring-fenced risk, transparent cash flows, and enforceability of loan obligations.

If an exception is proposed, it must be justified and will be assessed on a case-by-case basis.

6. Applications

6.1 Can I commence my project before I have received the loan funding?

A project may commence prior to the execution of a loan agreement however, funding is not guaranteed until the agreement is signed. Any costs incurred before the agreement is executed are not eligible for funding.

If works are already underway, applicants must provide evidence confirming that loan funds will not be applied retrospectively to completed works or incurred project costs.

6.2 What should my business case include?

Your application must outline your project’s objectives, strategy, financial projections, implementation plan, organisational capacity, and evaluation methods. It must also demonstrate commercial viability and readiness to deliver the proposed project.

Importantly, your business case must clearly set out a practical and achievable pathway for how the project will deliver the Loan Scheme’s objectives, including sector growth and an increase in concessional/supported residential aged care beds.

A template is available on SmartyGrants and outlined in the Loan Scheme Guidelines.

7. Assessment and Approval

7.1 How will the application be assessed?

Applications are assessed against published eligibility and assessment criteria, including strategic alignment, impact, feasibility, and organisational capability. Assessment is conducted by an independent panel and overseen by a probity adviser.

7.2 Do I need to sign a Deed of Loan?

Yes, successful applicants must sign a Deed of Loan before any funds are released.

7.3 What insurance do I need to have?

You must hold appropriate insurance for your project, such as public liability, professional indemnity, and builder’s or construction insurance, as relevant to your activities.

7.4 How will re-payments be made?

Repayments follow a staged structure over a maximum 15-year loan team. During construction, no repayments are required, and interest is capitalised. After practical completion, borrowers make interest-only payments at a concessional 3% rate, with the option for voluntary principal repayments.

Loan funds will be drawn down progressively against verified project milestones to ensure accountability. At the end of the 15-year term any remaining balance must be repaid in full.

7.5 How long will it take to process my application?

Successful applications are expected to be announced in May 2026.

7.6 Can applicants appeal the loan assessment decision?

No formal appeal process is available. Assessment outcomes are final and made following a rigorous process that includes probity oversight.

However, applicants may request clarification or high-level feedback to support future submissions or project development.

7.7 Can borrowers negotiate the terms of the Deed of Loan?

The core terms and conditions of the Deed of Loan are standard and typically non-negotiable, as they ensure consistency, legal compliance, and protection of the State's financial interests.

However, project-specific elements, such as milestone schedules, drawdown timetables, and reporting deadlines, may be refined through negotiation, provided they remain within the parameters of the Loan Scheme.

7.8 Are there penalties for early repayment?

No. However borrowers will be required to meet their concessional/supported residential aged care beds obligations as set out in the Deed of Loan.

8. Loan Management

8.1 How is interest capitalised during construction?

During the construction phase, borrowers are not required to make loan repayments.

Interest accrues on the outstanding loan balance at the concessional interest rate of 3 per cent per annum. Rather than being paid during construction, this interest is capitalised and added to the loan principal, increasing the outstanding loan balance over the construction period.

Capitalisation of interest ends when the project reaches practical completion or at 48 months from the execution of the Deed of Loan, whichever occurs earlier. From this point, the loan enters the operational phase and interest-only repayments commence.

8.2 How frequently are interest payments made during operations?

Interest payments are made monthly during the operational phase, based on the outstanding loan balance at the concessional 3% rate. Borrowers may choose to make voluntary principal repayments, subject to agreement with the State.

8.3 How often will concessional/supported bed numbers be audited?

Concessional/supported bed numbers will be reviewed annually as part of routine reporting and may be subject to spot audits or verification checks at any time during the 15-year loan term.

Borrowers must retain documentation demonstrating compliance (e.g., occupancy records, service allocation data).

8.4 What happens if concessional/supported bed commitments are not maintained over the 15-year loan term?

Failure to maintain concessional/supported bed commitments may trigger penalty or enforcement mechanisms under the Deed of Loan.

9. Contact Information

For enquiries relating to the Aged Care Low-Interest Loan Scheme, please contact: doh.lils@health.wa.gov.au.

This contact point is available for general enquiries regarding Scheme eligibility and requirements, clarification of the application and assessment process, and guidance on completing application documentation.

For updates, Frequently Asked Questions (FAQs), and application resources, please visit the Aged Care Low Interest Loan Scheme website.

Enquiries relating to individual applications will be managed in accordance with probity, confidentiality and privacy requirements. The State is unable to provide advice on the likelihood of success of individual applications.

Appendices

Appendix A: Definitions

Term	Definition
Applicant	An organisation or entity that submits an application for funding under the Loan Scheme.
***Aged Care Act 2024* (Cth)**	Legislation for providing and regulating aged care services.
Australian Business Number (ABN)	A unique 11-digit identifier issued to businesses registered in Australia.
Australian Company Number (ACN)	A unique 9-digit number issued by the Australian Securities and Investments Commission to companies registered under the *Corporations Act 2001.*
Aged Care Quality and Safety Commission	The national regulator responsible for the safety, health, wellbeing and quality of life for people receiving aged care services in Australia.
Capital Project	A significant investment to construct, upgrade, or refurbish physical assets, requiring substantial resources to deliver long-term benefits.
Capital structure	The combination of different sources of funding, such as loans, equity, and investments, used to finance a project.
Concessional/Supported Aged Care Bed	In the context of the Loan Scheme, this refers to a bed provided to a resident who qualifies for government financial support due to limited financial means.
Concessional Interest Rate	A lower than usual interest rate offered to support eligible borrowers under the Loan Scheme.
Financial Assistance Agreement (FAA)	A formal agreement between the successful applicant and the State, setting out the terms and conditions of the funding.
***Industry and Technology Development Act 1998 (WA)* (IDT Act)**	Legislation designed to encourage, promote, facilitate and assist the development of industry, trade, science, technology and research within the State
Offset Account	A bank account linked to a loan account, where the balance is used to offset the loan principal for interest calculation purposes.
Principal Repayment	A payment made to reduce the original amount borrowed, not including interest.
Redraw Facility	A feature that allows borrowers to withdraw extra repayments made on a loan. Redraw facilities are not available under this scheme.
SmartyGrants	The online portal used to submit applications for the Loan Scheme.
Special Purpose Vehicle (SPV)	A separate legal entity created to manage a specific project, allowing assets, liabilities, and cash flows to be managed independently from other business activities

Appendix B: Loan Submission Checklist

LOAN SUBMISSION CHECK LIST

Required documentation:

- ☐ Evidence of registration as an Approved Provider under the *Aged Care Act 2024 (Cth)*
- ☐ Evidence of compliance with Aged Care Quality and Safety Standards
- ☐ Audited financial statements for FY2024 and FY2025
- ☐ Comprehensive financial model including financial forecasts/projections for the project, including cash flow and operating assumptions
- ☐ Evidence of capital structure and funding commitments
- ☐ Detailed business plan (as per template)
- ☐ Cost estimates, quantity surveyor reports, or contractor quotes
- ☐ Master plans, architectural drawings and/or floor plans
- ☐ Planning, environmental, or regulatory approvals (if applicable)
- ☐ Evaluation plans including KPIs
- ☐ Risk Management Plan
- ☐ Evidence of site control (ownership, leasehold, option-to-lease, or other legal authority)
- ☐ Insurance certificates, including Public Liability and Workers Compensation
- ☐ Evidence of organisational capability, governance structure, experience delivering comparable developments
- ☐ Letters of support or commitment (partners, funders, local governments, community organisations)

Application check list:

- ☐ Confirm eligibility against program guidelines
- ☐ Ensure the application addresses all selection criteria (objectives, funding priority areas, criteria)
- ☐ Provide a clear and concise project summary
- ☐ Demonstrate ability to deliver the project within 48 months of loan approval
- ☐ Clearly outline the issue or need the project addresses
- ☐ Set realistic and measurable objectives and outcomes
- ☐ Attach all required supporting documentation
- ☐ Submit the complete application in SmartyGrants by 11:59pm on Friday, 13 February 2026 (AWST)