



Department of **Energy and Economic Diversification**

Department of **Health**

Aged Care Low Interest Loan Scheme

Program Guidelines

January 2026

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1. Overview

1.1 Background

Growth in Western Australia's (WA) residential aged care industry is not keeping pace with the rapidly increasing demand generated by the State's ageing population. The industry's restricted capacity to expand and modernise has created structural constraints in a critical service industry, leading to capacity shortfalls, reduced responsiveness to community needs, and increasing pressure on the broader health and aged care system.

Market conditions have further constrained new investment in aged care infrastructure. High capital costs, construction delays, and workforce shortages have made it more difficult to deliver new facilities. While commercial returns are also limited for concessional/supported residents whose beds generate lower revenue than non-concessional/supported places. Together, these factors have curtailed industry expansion, reduced investment certainty, and limited the industry's ability to respond to population growth and evolving care needs.

To promote industry development and address these challenges, the WA Government announced a \$100 million Aged Care Low Interest Loan Scheme (Loan Scheme) in February 2025. The Loan Scheme supports investment in the development, refurbishment and expansion of aged care infrastructure to support capital investment, to promote innovation, expand industry capability, and strengthen long-term industry sustainability.

The Loan Scheme is administered under the *Industry and Technology Development Act 1998 (WA)* (ITD Act). Under section 9(b), the Minister for State Development may provide loans to promote and foster the growth and development of industry (s.3(a)). Residential aged care is recognised as a critical service industry supporting WA's economic and social development.

The Loan Scheme will be administered by the Department of Energy and Economic Diversification (DEED) and the Department of Health (Health). 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.

Applications open on **Wednesday, 7 January 2026** and close at **11:59pm (AWST)** on **Friday, 13 February 2026**. These Guidelines are intended to help eligible aged care providers prepare their applications. Further information including the Frequently Asked Questions and supporting materials, is available on the [Aged Care Low Interest Loan Scheme](#) webpage.

The Loan Scheme may provide funding directly to eligible aged care providers and, where appropriate, to a Special Purpose Vehicle (SPV) established for delivering concessional/supported aged care beds.

1.2 Purpose & Objectives

The Loan Scheme is an industry development initiative aimed at expanding WA's aged care capacity through concessional finance. It seeks to:

1. **Promote industry growth and capital investment** by facilitating the development, expansion and modernisation of residential aged care infrastructure, reducing financing barriers and improving project viability where market conditions limit the delivery of concessional/supported beds and supported resident places.
2. **Encourage innovation and investment** to modernise aged care infrastructure to meet changing community expectations and care standards.
3. **Enable industry development in priority locations and markets** by directing investment toward areas of undersupply, including vulnerable populations and regions with limited-service availability, to improve access and equity.
4. **Deliver economic and employment outcomes for WA** by creating economic opportunities, driving industry expansion and generating employment across the aged care, health and construction industries.
5. **Grow the supply** of concessional/supported aged care places by enabling new builds, refurbishments and facility expansions.

The State is seeking the Loan Scheme to complement an efficient capital structure. The amount of the loan requested should optimise the number of concessional/supported places to be supplied and maximise funding from other sources.

Who should apply?

The Loan Scheme is open to registered Australian aged care providers (including not-for-profit, private, and public companies) proposing to deliver scalable and impactful projects that can transform aged care capacity for concessional/supported clients.

Strong applications will need to demonstrate:

- Ability to deliver a commercially viable capital project that achieves operational readiness within 48 months from the execution of the Deed of Loan.
- Ability to increase or sustain concessional/supported aged care bed supply.
- Clear community benefit and measurable system-wide impact.

What will be funded?

Funding will support aged care providers to invest in capital projects that increase the supply of concessional/supported residential aged care places to a level that is over-and-above the level that would have arisen had no loan been provided. This includes:

- New residential aged care developments, including non-traditional aged care facilities.

- Refurbishment or expansion of existing facilities to deliver additional concessional/supported beds.
- Infrastructure upgrades required to meet contemporary care and building standards (e.g. dementia-friendly design, accessibility).
- Integration of facilities or models that support step-down care, transitional care, or hospital discharge pathways.

Ineligible activities include concessional/supported residential aged care bed maintenance, routine maintenance, operational expenses, minor refurbishments, property purchases, or standalone equipment acquisitions.

1.3 Priority Areas

To ensure the Loan Scheme promotes industry growth and development of the aged care industry, priority areas guide investment toward projects that address the State's most significant aged care capacity and service needs.

All applications must address the Loan Scheme's eligibility criteria and application requirements to be considered. This includes demonstrating financial due diligence, value for money and competitive merit.

Projects must address Priority 1 - Industry Expansion and Increased Concessional/Supported Capacity to be eligible for funding. Alignment with additional priority areas will enhance competitiveness. Final decisions will consider program objectives, value for money, and strategic fit with industry development needs.

- 1. Industry Expansion and Increased Concessional/Supported Capacity (mandatory):** Projects that promote growth and development of the aged care industry by delivering a net increase in concessional/supported residential aged care beds. This includes new developments, expansions, and projects ready for immediate commencement (e.g., shovel-ready proposals).
- 2. Services for Vulnerable populations:** Projects that support industry development in underserved markets by expanding culturally appropriate, inclusive and accessible aged care services for vulnerable groups, including older Aboriginal people and individuals experiencing or at risk of homelessness.
- 3. Complex care and Specialised Capability:** Projects that build industry capability and innovation by developing facilities that deliver specialised care, including bariatric, dementia, and palliative care services.
- 4. Geographic undersupply and Market Gaps:** Projects that address regional market failure and uneven industry distribution, particularly in regional or remote areas where aged care services are insufficient to meet current or anticipated demand.

2. Loan Features

2.1 Loan Amount, Term and Drawdowns

Loans of up to \$20 million are available per application, with a maximum term of 15-years inclusive of any development phase, repayment-free and interest-free periods.

Loans may be used to fund GST costs on projects; however, the maximum loan amount will not exceed \$20 million. Loan funds will be disbursed progressively in accordance with an agreed milestone schedule, with each drawdown linked to verified stages of construction or project delivery. This ensures accountability and alignment with approved timelines.

2.2 Interest Rate and Repayment Structure

The Loan Scheme applies a concessional fixed interest rate of **3% per annum**, calculated on a 365-day basis, with a staged repayment structure designed to support project delivery and early operations.

Stage 1 – During Construction

- During the construction period, a repayment-free period will apply for a maximum of 48 months. Interest accrued during this period will be capitalised, allowing borrowers time to obtain approvals, complete construction and commence operations.

Stage 2 – Post Construction

- From practical completion through to the end of the loan term, borrowers will make interest-only payments on the outstanding loan balance at the concessional rate. Borrowers may elect to make voluntary principal repayments during this period, subject to agreement with the State.

The combined duration of Stage 1 and Stage 2 will not exceed a maximum loan term of 15-years. At the end of the loan term, borrowers must repay fully the outstanding balance.

2.3 Loan Security

All borrowers, whether an eligible aged care provider or an approved SPV, must provide security acceptable to DEED to protect the State's financial interests and ensure repayment obligations are met. No loan funds will be released until all required security documentation has been executed.

For clarity, all Scheme security will be subordinated to senior debt, and security arrangements must align with any required intercreditor terms.

All security instruments must comply with relevant legal, probity and financial management requirements and be in a form approved by the State.

2.3.1 Core Security Requirements

Depending on the borrower's structure (SPV, direct provider, or provider with a parent entity), DEED will require one or more of the following:

Parent Guarantee (mandatory in certain cases):

- **SPVs:** A Parent Guarantee is mandatory and must be provided by the ultimate approved aged care provider (or its parent entity).
- **Direct Borrowers:** A Parent Guarantee is required where a parent entity exists, and the group structure warrants additional credit support.

The guarantee must cover all borrower obligations, including loan repayment and delivery of concessional/supported beds.

Mortgage Security

A registered mortgage over the project site or facilities, with priority determined by DEED to align with the overall project financing structure.

General Security Agreement (GSA)

A GSA over the borrower's assets, structured to reflect the agreed capital structure and any senior debt arrangements.

2.3.2 Conditions Precedent to Drawdown (Non-Security Requirements)

Prior to any drawdown, borrowers may be required to provide evidence of:

Capital Structure Requirements (Borrowing Ratio)

Borrowers must demonstrate an appropriate capital structure that supports project viability and protects the State's financial interests. This includes:

- An equity contribution appropriate to the project's capital structure, funded and committed prior to, or at the time of, first drawdown.
- An appropriate balance between senior debt and subordinated debt, consistent with commercial lending practice; and
- Subordination of equity to subordinated debt, ensuring the State's position as a concessional lender is maintained.

Project Site and Delivery Requirements

- ownership, leasehold, or legal authority to use the project site;
- assignment of key project contracts or insurance rights; and
- project-specific undertakings necessary to safeguard delivery of concessional/supported beds.

All security instruments must comply with relevant legal, probity, and financial management requirements and must be in a form approved by the State.

2.4 Additional Repayments

Borrowers are permitted to make additional repayments to reduce their outstanding balance, however, once paid, the applicant is unable to draw down on the balance. The borrower must inform DEED of their intention to make an additional payment. Offset Accounts or Redraw facilities will not be available under the Loan Scheme.

3. Eligibility

3.1 Eligible Applicants

To be considered for financial assistance, the application **must** meet all of the following components of the eligibility criteria:

3.1.1 Eligible Aged Care Providers (Direct Applicants)

The applicant must:

- Be a legal entity with an Australian Business Number (ABN) or Australian Company Number (ACN).
- Be a registered residential care provider under the *Aged Care Act 2024 (Cth)*.
- Be registered for Goods and Services Tax (GST).
- Be solvent and able to demonstrate financial capacity, including provision of recent financial statements or financial projections.
- Have no overdue debts to the Australian Taxation Office (ATO) or unpaid superannuation obligations.
- Be capable of entering into a legally binding Deed of Loan with the WA Government.
- Declare any other Government funding (Commonwealth, State and Local, Grants, and/or philanthropic arrangements) received or applied for in relation to the project (grants, loans, or other financial support).

3.1.2 Special Purpose Vehicles (SPVs)

Please note, a SPV may not be established at the time of the application by the parent entity. However, in the instance that a SPV is established and may apply for the purpose of delivering the approved age care infrastructure project, a SPV application must:

- Hold an ABN or ACN.
- Be registered for GST.
- Be solvent and capable of entering into a legally binding Deed of Loan.
- Be fully supported by a Parent Guarantee from the ultimate aged care provider (or its parent entity).

The ultimate aged care provider associated with the SPV must:

- Be a registered residential care provider under the *Aged Care Act 2024 (Cth)*.

3.2 Eligible Projects

The proposed project must:

- Promote and foster the growth and development of the aged care industry in WA.
- Deliver new, expanded, or refurbished aged care infrastructure that increases the supply of concessional or supported residential aged care places, demonstrating a net increase in places that would not have occurred without Scheme financing, and maintaining that uplift for the duration of the loan.
- Demonstrate an appropriate capital structure for the project, including an equity contribution, an appropriate balance between senior and subordinated debt (where applicable), and subordination of equity to subordinated debt.
- Be completed within the agreed milestone schedule and achieve operational readiness within 48 months from execution of the Deed of Loan.
- Demonstrate commercial readiness and the applicant's capacity to deliver the proposed project by providing a detailed business plan and supporting evidence (e.g. funding proof, approvals, feasibility studies, letters of support).
- Be delivered either:
 - directly by an eligible aged care provider; or
 - through a SPV established to deliver the project, supported by a Parent Guarantee from the eligible provider or its parent entity.

The applications will be assessed on whether the proposal loan will achieve the purpose of the Loan Scheme; promote and foster industry growth.

3.3 Ineligible Applicants and Activities

Not eligible:

- Projects not related to delivering concessional/supported residential aged care beds.
- Government agencies, Government Trading Enterprises (GTEs), individuals, or non-GST-registered entities.
- Operational expenses, general maintenance, marketing, research, training or land purchases.
- Retrospective projects or those completed prior to executing a Deed of Loan.
- Capital projects undertaken outside WA.

4. Application & Assessment Process

4.1 How to Apply

All applications must be lodged through the SmartyGrants portal at smartygrants.com.au/ACLS. The official receipt date and time will be recorded by the system at the point of submission.

Applicants are responsible for allowing sufficient time for electronic transmission; **incomplete or late applications will not be accepted.**

4.2 Evidence Required

To be considered for the Loan Scheme, the applicant must provide all the documents listed below in an unredacted, PDF format (PNG, JPGs and word documents will not be accepted). Please note, all information submitted will be used to conduct financial due diligence as part of the shortlisting process.

1. Property address of the facility or proposed development site (must be located in WA).
2. If works are already underway, evidence and confirmation that loan funds will not be applied retrospectively to completed works or incurred project expenditure.
3. A copy of valid Insurance certificates relating to the aged care facility including, (where applicable and at the time of funding if not currently available):
 - Workers' compensation.
 - Professional indemnity.
 - Public liability.
 - Builder's or construction insurance.
4. If the business is a Trust a copy of the Trust Deed.
5. Financial statements – Audited financial statements for FY2023-24 and FY2024-25, including a signed letter from the auditor supporting the statements.
6. Any overdue payments due to employees, including superannuation contributions supplemented by a letter providing an overview.
7. Any unsatisfied Statutory Demand Notices, Debt Collection Warning letters or ATO Director Penalty Notices supplemented by a letter providing an overview/explanation.
8. If the applicant or any associated entity is currently involved in legal proceedings or disputes that may affect financial capacity or project delivery, a letter outlining the circumstances, status, and any potential implications must be provided.
9. Comprehensive financial model (submission via Excel) showing project viability over useful life of building. The financial model should include the following:
 - a. Capital cost of project.
 - b. Financing.
 - i. Construction financing.
 - ii. Senior debt.
 - iii. Revolver facilities; and
 - iv. Equity.
 - c. Operating Model.
 - i. Refundable accommodation deposit (RADs)/ (refundable accommodation contribution (RACs)
 - ii. Revenue (AN-ACC subsidies, RAD/DAP, basic daily fees).
 - iii. Operating expenses.
 - d. Lifecycle costs / routine capital replacement.

4.3 Application Requirements

Applicants must submit a Business Case to demonstrate the commercial soundness and financial due diligence of the project. Key components are set out in **Table 1**.

Table 1: Key Business Case Components

Business Case Requirement	Details to be Provided
Business Strategy	Business vision/mission Business goal, objectives and outcomes Business size/position in market
Project overview	Description of the project outcome Distinguishing features of project (including technical basis) Target market
Industry growth strategy	Industry growth strategy assessed to increase concessional/supported bed capacity: <ul style="list-style-type: none"> • Employment • Adoption of Innovation • Net concessional/supported residential aged care beds proposed through project • Percentage of concessional/supported clients across bed stock at the aged care facility/site
Commercial soundness of the proposal	Market analysis (trend/market size/competitors/barriers to entry) Demand analysis and demonstrated customer need Price point and justification Ability of the business to generate revenue and profits
Business readiness	Implementation plan Marketing plan Recruitment and skills development plan Project budget (including quotes, investment)
Organisation capacity	Financial capacity Robust governance structure Previous experience in delivering similar scale projects Evidence in relation of quality and safety of residential care delivered by the registered aged care provider
Evaluation	Project objectives and outcomes Performance measures and data collection methods
Financial Viability of Project	The financial viability assessment of the Project will be conducted to assess: <ul style="list-style-type: none"> • Serviceability of the Loan Scheme. • Aged Care Provider's ability to repay at maturity (based on cash flows, and ability to refinance); and • Financial sustainability of the capital project based on the increased concessional places.

Applicants may wish to provide additional supporting information as part of the application process, including master plans and/or floor plans related to the capital project. Please note, this is not a mandatory requirement and will not impact shortlisting processes.

4.4 Assessment Criteria

All Loan Scheme applicants must address each assessment criterion outlined in **Table 2**. Applications that do not respond to all criteria will be considered incomplete and excluded from the shortlisting process.

All information submitted will be used by the Assessment Panel to determine whether proposed capital projects meet the eligibility requirements.

The assessment process will be competitive and will consider value for money, cost effectiveness, industry benefits and community benefits.

Table 2: Assessment Criteria

Assessment Criterion	Description
Promote and foster industry growth	Promote and foster the growth and development of the aged care industry in WA by increasing the net supply of concessional/supported residential aged care beds. Proposals must clearly identify the market or industry gap being addressed and demonstrate an uplift in capacity. Continuation or maintenance of existing places is not considered industry growth.
Timeliness of Impact	The capacity of the project to deliver measurable outcomes within 48 months, demonstrating readiness to commence construction and achieve operational impact within the loan period.
Strategic Alignment	The degree to which the proposal aligns with the Loan Scheme's purpose and objectives, contributes to long-term industry development, addresses priority areas, and supports sustainable industry capability in WA.
Feasibility & Readiness	The overall feasibility of the project, including business plans, financial model, financial viability of project, regulatory approvals, planning readiness, and the robustness of implementation and risk-management plans.
Financing Efficiency	The extent to which the proposal demonstrates that other sources of finance have been maximised, while clearly evidencing that the Loan Scheme enables additional industry capacity that would not otherwise be delivered.
Organisational Capability	The applicant's demonstrated governance, management, quality and safety of service delivery, and financial capacity to deliver and sustain the proposed project, including relevant experience in delivering comparable developments.

4.5 Assessment & Timeframe

The assessment process will be overseen by a probity adviser to ensure transparency, integrity, and the appropriate management of any actual, perceived, or potential conflicts of interest.

Table 3: Key dates and timeframes

Stage	Milestones	Indicative timing
Applications open	Launch via SmartyGrants	January 2026
Eligibility Screening	Preliminary assessment against the eligibility criteria. Applications that do not meet requirements will not proceed further.	February 2026
Due Diligence	Eligible applications will be referred to independent third parties for confidential financial due diligence.	February 2026
Panel Assessment	An assessment panel will review and score applications against the published criteria and prepare a shortlist for consideration.	March 2026
Government Review of Recommendations	The Aged Care Executive Working Group will review recommended applications against criteria before provision to Minister for Aged Care. Negotiation may occur during this period.	March/April 2026
Approval	Final decisions by the Minister for Aged Care announcement of successful projects and all applicants notified of outcomes.	April/May 2026
Agreements	Execution of Deed of Loan to enable project commencement.	May 2026

All timeframes are indicative only and may be subject to change.

4.6 Assessment Panel

Applications will be evaluated by an Assessment Panel established under the Loan Scheme, Governance Framework. The Panel will include:

- Representatives from the Aged Crae Executive Working Group with responsibility for loans, commercial finance, aged care and healthcare experience.
- Independent technical assessors, engaged to provide specialist advice on the feasibility, scalability, and application of proposed solution.

The Assessment Panel will assess projects against the published eligibility and criteria and provide recommendations to the Executive Working Group.

All assessment processes will be overseen by an independent probity advisor to ensure transparency, impartiality, and consistency.

5. Further Information

Successful applicants will be required to enter into a Loan Agreement with Health and DEED. The Loan Agreement must be executed within 90 business days of the funding offer; if it is not finalised within the timeframe, the offer may be withdrawn. Funding cannot commence until the Deed of Loan is signed by both the applicant and a government representative.

Payments will be made in instalments linked to the achievement of agreed milestones. The payment schedule, including amounts and dates, will be confirmed during negotiations. Payment claims must be supported by evidence, and instalments will only be released once milestone conditions have been verified. All payments will be made electronically to the applicant's nominated bank account.

5.1 Reporting

Recipients must submit a final acquittal, baseline report, periodic progress updates, demonstrating achievement of agreed milestones and outputs. Reports must be accurate, timely, and substantiated.

Ongoing financial reporting should be provided under the terms of the lending post operations commencing, including financial statements and ratios, bed composition, and concessional/supported aged care bed vacancy levels.

Failure to meet reporting obligations may result in repayment of funds, suspension of disbursements, or termination of the loan. Health and DEED reserve the right to audit recipients, verify data, and request further information to ensure transparency and alignment with the Loan Scheme's objectives.

5.2 Information Management, Privacy and Disclosure

Health and DEED is subject to the *Freedom of Information Act 1992 (WA)*, which provides a general right of access to records held by WA State and Local Government agencies. Information relating to the receipt of State Government financial support may be tabled in the WA Parliament. This may include recipient names, funding

amounts, project titles, and short project descriptions, and could result in further details being released publicly.

Health and DEED may also collect and disclose personal information for the purposes of administering, assessing, and evaluating applications. Information may be provided confidentially to third parties engaged to assist in the assessment process. Recipients may be publicly identified in Ministerial media releases, on the DEED website, and on social media platforms.

All personal information will be managed in accordance with the *Privacy Act 1988 (Cth)* and the Australian Privacy Principles. Failure to supply required information may result in an application not being assessed. Additional information on the Freedom of Information Act 1992 is available on DEEDs website.

5.3 Terms and Conditions

These terms and Conditions apply to the Loan Scheme.

- By submitting an application, the Applicant agrees to comply with these Terms and Conditions of the Loan Scheme.
- In consideration of the Applicant agreeing to comply with these Terms and Conditions, the State will, on and subject to these Terms and Conditions, receive and consider the application.
- The Department of Health and the Department of Energy and Economic Diversification (DEED) assist the State in administering and assessing applications. Without limitation:
 - the State reserves the right to vary, suspend or withdraw the Loan Scheme or funding availability if program parameters change or appropriated funds are exhausted;
 - these Terms and Conditions may be exercised by, or through, the Department of Health and DEED on behalf of the State;
 - anything that may be done by the State in connection with the Loan Scheme (including corresponding with an Applicant or assessing an application) may be done by the State through the Department of Health or DEED; and
 - all representations, warranties, undertakings, consents, acknowledgements and agreements given by the Applicant in favour of the State are also given in favour of the Department of Health and DEED.
- Anything required or permitted to be done by the State may be done by an authorised officer of the State, the Department of Health or DEED, as applicable.
- Where the Borrower is a Special Purpose Vehicle (SPV), the Loan Agreement must include a Parent Guarantee from the ultimate approved aged care provider or controlling entity, in a form acceptable to the State.

5.4 The State's Rights

The State reserves the right for any reason, at any time and from time to time, to (in whole or in part) cancel the Loan Scheme or to (in whole or in part) vary, supplement, supersede or replace the Loan Scheme, Guidelines or these Terms and Conditions.

6. 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.

Up-to-date information to support the application process and application link, including program updates, Frequently Asked Questions (FAQs) and supporting materials, is available on the [Aged Care Low Interest Loan Scheme](#) webpage.

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.

This document can be made available in alternative formats on request for a person with disability.

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