

# Permitted uses of refundable deposits

You can use refundable deposits to generate income and to fund investments and permitted expenses. The primary purpose of using refundable deposits must be to provide residential and flexible aged care. The 'permitted uses' govern how you use refundable deposits. For full details, see the *Aged Care Act 1997 (Cth)*, Div 52N and the *Fees and Payments Principles 2014 (No 2) (Cth)*, Pt 62.

'*Refundable deposits*' refers to refundable accommodation deposits, refundable accommodation contributions, accommodation bonds and entry contributions.



## Approved financial products

### Investments

- ✓ Bank and term deposits
- ✓ Debentures, stocks and bonds (issued by Commonwealth, States and Territories)
- ✓ Securities
- ✓ Religious charitable development funds
- ✓ Unregistered managed investment schemes for residential or flexible care investments



## Debt and refundable deposit repayment

### Repayments

- ✓ Debt from capital expenditure for providing residential or flexible care
- ✓ Debt from refunding refundable deposits
- ✓ Debt from providing residential or flexible care (debt from before 1 October 2011)
- ✓ Refundable deposits



## Capital expenditure

### Expenses and payments

- ✓ Buy land to build a service
- ✓ Buy, construct, extend or refurbish an existing service
- ✓ Refurbish/renovate (major) including furniture, fittings and equipment
- ✓ Pay associated costs and expenses for land, construction and refurbishment



## Commercial loans

### Between entities or services

- ✓ For a permitted use
- ✓ To a business/corporation
- ✓ On a commercial basis
- ✓ For the purpose of residential or flexible aged care
- ✓ With a written agreement stating it can only be used for a permitted use



## Business losses

### Repayments for business losses

- ✓ For new providers
- ✓ In the first 12 months of opening
- ✓ For any operational expense