



Fact sheet



Information on renting a house, unit, caravan or moveable dwelling

Rental Bond

The *Residential Tenancies and Rooming Accommodation Act 2008* (the Act) outlines rules for the collection, managing and refund of rental bonds in Queensland. The Residential Tenancies Authority (RTA) administers the Act and holds bonds during a tenancy.

What is a rental bond?

A rental bond is money paid by the tenant at the start of a tenancy agreement as financial protection for the lessor in case the tenant breaches the terms of the agreement. A bond is sometimes referred to by other names such as a security deposit, linen deposit, key (or security card) deposit or pet bond. However, if it is money paid as protection over the property and its inclusions (that is not rent) – then it is a rental bond. It is paid in addition to rent or rent in advance.

Does a rental bond have to be taken?

The Act does not require a bond to be taken. However, most lessors/agents take bond money as security for the premises. They may need to claim a part or all of the bond money at the end of the tenancy if the tenant costs them money by damaging the premises, breaching the agreement or owing rent.

When is a bond taken?

A bond can be taken only after the prospective tenant is given a copy of the proposed tenancy agreement containing any 'special terms' that apply to the tenancy, as well as copies of other paperwork such as park rules or body corporate by-laws.

What happens once bond money is taken?

The lessor/agent has the following responsibilities once the bond money is taken:

- to give the tenant a receipt straight away
- to fill in a *Bond Lodgement* (Form 2) that the tenant/s have to sign, and
- to send all bond money and the form to the RTA within 10 days of receiving it.

How much bond can be taken?

For general tenancies the law says if the rent is \$700 or less per week, the maximum bond amount is 4 weeks rent. If the weekly rent is higher than \$700, the amount of bond should be negotiated between the lessor/agent and tenant. The law gives no maximum amount where the weekly rent is higher than \$700.

For moveable dwelling tenancies, the maximum bond is the same as 2 weeks rent, or if the electricity is connected to the premises in the owner's name, 3 weeks rent.

The maximum amounts stated in the Act apply to all 'bonds', no matter what they are called (e.g. pet bond) or how many bonds are taken.

There are different rules where accommodation is provided by an employer. Check with the RTA for more information.

What if the tenant can not afford the bond?

If the tenant can not afford the bond money upfront, they may be able to:

- 'pay off' the bond in instalments over time if the lessor/agent agrees by making 'part-payments'. The tenant and lessor/agent complete a *Bond Lodgement* (Form 2), then the lessor/agent lodges the first instalment and the form within 10 days to the RTA. Each time the tenant makes another part-payment, a *Part-Payment of Rental Bond* (Form 7) needs to be completed and, together with the rental bond money, must be lodged with the RTA by the lessor/agent within 10 days of receipt. This process continues until the full bond is paid.
- take out a 'bond loan'. Contact the Department of Communities (Housing & Homelessness Services) to find out more about bond loans and eligibility criteria.

What happens to a bond?

All bond money must be sent by the lessor/agent within 10 days of receipt to the RTA for safekeeping during the tenancy. At the end of the agreement, either party can make a claim on the bond.

Can a bond be transferred from one property to another?

Sometimes a tenant will want to transfer their bond from one property to another they are moving into. This can be done if both the old and new lessor/agent agree to the transfer. The RTA must be informed of the change in bond arrangements on a *Bond Transfer* (Form 3). A new *Bond Lodgement* (Form 2) should also be completed, signed and sent to the RTA for the new tenancy.

How is a bond refunded at the end of a tenancy?

If the parties agree:

If the tenant/s and lessor/agent agree on how the bond is to be refunded, they should fill out the *Refund of Rental Bond* (Form 4) together and send it, signed by all parties, to the RTA. The RTA will refund the bond as directed on the form.

If the parties don't agree:

If the tenant/s and lessor/agent do not agree on how the bond is to be refunded, any party to the bond (tenant or lessor/agent) can fill in a *Refund of Rental Bond* (Form 4) and lodge it with the RTA without the other parties' signatures. The RTA will process the first form received, refund any undisputed amount and send the other parties a *Notice of Claim*.

The person receiving the *Notice of Claim* has 14 days to:

- dispute the claim by filling in a *Dispute Resolution Request* (Form 16) and sending it to the RTA, or
- agree with the other person's claim by signing the back of the *Notice of Claim* and sending it to the RTA, or
- do nothing.

It is important to note that if the party receiving the notice does nothing, after 14 days the RTA will refund the bond as requested on the first form received.

What happens if a *Dispute Resolution Request* (Form 16) is sent to the RTA?

If dispute resolution is requested through the RTA, a conciliator will contact the parties and help them come to an agreement. If no agreement is reached, they will issue a *Notice of Unresolved Dispute*, allowing the parties to apply to the Tribunal for a decision to be made. There are tight time limits that apply.

The RTA's publication *Handling tenancy disputes in the Small Claims Tribunal* is a step-by-step guide to assist tenants, lessors or agents when applying to the Tribunal. This publication is available on the RTA website, or by contacting the RTA on 1300 366 311.

Further Information

For more information about the *Residential Tenancies and Rooming Accommodation Act 2008*, contact the Residential Tenancies Authority.

Accessing RTA forms

The RTA's approved forms can be obtained by:

- visiting the RTA website at www.rta.qld.gov.au
- calling the RTA on 1300 366 311
- faxing a *Request for Forms* to 3216 2258
- visiting the RTA offices at 33 Herschel St, Brisbane
- calling the RTA's Forms Distribution Service on 1300 136 939
- posting a *Request for Forms* to the Forms Distributor: Post Logistics, 52-54 Qantas Dr, Eagle Farm 4009.

A selection of the most commonly used forms are also available at Australia Post outlets around Queensland.



If you need interpreting assistance to help you understand this information, contact TIS on 13 14 50 (for the cost of a local call) and ask to speak to the Residential Tenancies Authority (RTA).

Disclaimer

This Fact Sheet is prepared for information only. The Residential Tenancies and Rooming Accommodation Act 2008 is the primary source on the law and takes precedence over this information should there be any inconsistency between the Act and this Fact Sheet.

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