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**Together we can**

**Educate and share information with each other about our rights as renters**

**Support and defend each other from exploitation and eviction**

**Build a long-term community of renters to self represent our rights as renters for safe and secure housing for all.**

**The Renters And Housing Union (VIC) is a member-run union of renters and people in precarious housing, formed through the Rentstrike as a response to COVID19.**

**We collectively organise for the right to safe and secure housing through self-advocacy, education, and frontline eviction defence.**

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# The RAHU Guide To **Bond Claims**

RAHU believes our members are stronger when we have access to useful and practical information about our rights. However, this is general information only, not legal advice. If you need legal advice, please contact a community legal centre.

## What will be changing on March 29th, 2021?

From March 29th, 2021, the Residential Tenancies Act Amendments (RTAA) will be enacted. These amendments include:

**Faster bond repayments:** Renters will now be able to apply to the Residential Tenancies Bond Authority (RTBA) at the end of the tenancy to have all or part of the bond released with or without the landlord's consent.

**Allow early release of bond:** In the current system, a tenant can apply for their bond to be released before the end of the lease. If the landlord agrees, the RTBA releases the bond 7 days before the end of the lease. If both parties agree, the RTBA will pay out the bond within 14 days in full or in accordance with instructions from the parties as to any apportionment.

**Apportionment - a portion of the total bond:** If the landlord has not consented to the bond being paid out, the RTBA will notify the renter, who then has 14 days to notify the RTBA if they are disputing the claim. If not the bond will be automatically paid out. This reform will mean that, in practice, renters will lodge their bond form and if the landlord does not dispute the bond within 14 days, the tenant will be paid out by the RTBA.

## How do you claim your bond back?

**Renting direct from the landlord:** If you're renting directly from their landlord, you can take control of the return of bond by downloading a completed Bond Claim form, for you and your landlord to sign before forwarding it to the RTBA.

Note: It is an offence for a landlord to request or obtain a tenant's signature on a bond refund application form if the application does not specify the amount of bond to be refunded and the apportionment, if any, of the bond.

If the bond is to be paid in full to the tenant do ensure the full amount of the bond is recorded in the 'Tenant payment details' section before it is signed.

If an amount of the bond is agreed to be paid to the landlord, then the Bond Claim form must be signed by the tenant not earlier than 7 days before the termination date.

**Renting through a Real Estate Agency:** It is now mandatory for licensed estate agents to lodge, claim and transfer renters' bonds electronically. The agent and renters should agree on the division of the bond before the agent submits a bond claim.

You can check your bond has been lodged at [rentalbonds.vic.gov.au](http://rentalbonds.vic.gov.au)

## What if the landlord wants to make a claim on the bond?

If the agent or landlord is making a claim on the bond then each renter will be sent both an email and a text message with a link to confirm details of the bond claim. If the renters do not respond to the link within seven days, all parties will receive a reminder and should they fail to respond within 14 days, the claim will be cancelled and all parties will be notified.

The Landlord has 10 business days from the time either the renter vacates the property and returns the keys, (which may not necessarily be the termination date specified in the notice), or the landlord becomes aware that the renter has abandoned the rented premises.

## What are allowable reasons for a bond claim?

if the landlord believes they suffered loss or damage on account of any one or more of the following:

- damage caused to the rented premises or common areas by the tenant or their guest, other than fair wear and tear;
- any act or omission of the tenant or their guest, other than fair wear and tear, that occasioned the loss of goods belonging to the landlord;

- failure by the tenant to keep the premises in a reasonably clean condition, fair wear and tear excepted;
- abandonment of the premises by the tenant;
- any liability of the landlord for charges payable by the tenant that are or may be recoverable by the person to whom they are owed from the landlord, (excluding any costs and charges for the installation of a solar energy system under the Solar Homes Program);
- an amount of rent that has accrued due and is unpaid.

### What's common but not law

- My agent/landlord is expecting professional cleaning before I receive my bond back

Often, tenancy agreements will contain clauses around steam cleaning or professional cleaning services. Renters are only required to leave the property in a "reasonably clean" condition. The landlord or agent cannot request you to do more than the law states, even if it is in the tenancy agreement. For example, if the tenancy agreement states that the carpets must be steam cleaned when moving out, the tenant can argue that it is invalid.

You can refer to your copy of the condition report you received at the start of your tenancy.

## What's considered "fair wear and tear"?

Basically, anything that is considered normal deterioration of the house from you living in it. Examples of fair wear and tear include: faded curtains or carpet, scuffed floors from renters walking on it, chipped or cracked paint and loose hinges and handles.

**Depreciation:** Every fixed item in a house has a depreciation value. Some examples of fixed items are the cupboards, bench tops or cabinets.

You can calculate the annual depreciation of an asset by subtracting the salvage value from its purchase price and dividing it by its useful life (the number of years it is used). As a rough guide, most fixed items over 10 years old have a depreciated value under \$100

## My agent/landlord is claiming part of my bond for damages, what can I do?

Landlords & agents often claim part or all of the bond for damages that can be included as fair wear & tear and often don't account for depreciation.

Example: Tim\* and his partner are moving out of their house, and there is a stain on the bathroom cabinet. Tim has downloaded and completed the bond form from RTBA, but the landlord refuses to sign it. Five days after Tim moves out, Tim receives a notice from the RTBA that his landlord is claiming Tim's total bond of \$1,400 to replace the whole cabinet. The landlord has been leasing this property for over 10 years, and the bathroom cabinet has never been renovated or replaced.

Tim applies at VCAT for return of the bond, and equates the cabinet to be worth \$50 after depreciation. The cost of repairing the stain could be fixed with a spot remover.

VCAT must consider fair wear and tear, and the depreciated value of the cabinet to make a decision whether any or all of the bond should be refunded to the landlord.

VCAT decides that the stain on the cabinet is not fair wear and tear, but considers the depreciated value of the cabinet to be \$50. VCAT orders for Tim to receive his total bond of \$1,400 minus \$50 apportionment to the landlord.

## Further Resources

[rentalbonds.vic.gov.au](http://rentalbonds.vic.gov.au)

RTBA: 1300 137 164

Consumer Affairs: Releasing or claiming the bond