

The Renters And Housing Union (RAHU) is Australia's first and largest member run union of renters and people in precarious housing.

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

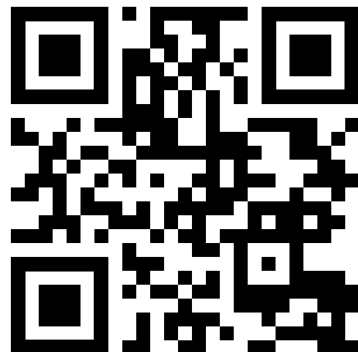
Together we can

- Educate and share information about our renters rights
- Support and defend each other from exploitation and eviction
- Build a powerful community of renters to represent our rights for safe and secure housing for all.



The RAHU Guide To **Bond Claims**

contact@rahu.org.au
www.rahu.org.au/join



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 is a bond?

A bond is a lump sum payment that is held by the Residential Tenancies Bond Authority (RTBA) in trust as an insurance on your lease. Your bond cannot be more than a month's rent for that property, unless your rent is more than \$900 per week.

Faster bond repayments: You can apply to the 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: You can apply for your 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.

What's Apportionment? Simply it's a portion of the total bond. Usually in cases where the landlord is attempting to claim costs out of your total bond.

How do you claim your bond back?

Renting direct from the landlord: If you're renting directly from the 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 your 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 back in full, make sure to check the bond amount is recorded in the 'Renter payment details' section before signing.

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

Renting through a Real Estate Agency: It is mandatory for 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

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

The Landlord has 14 days from the time either the you vacate the property, or the landlord becomes aware that the property is now vacant.

If the landlord has not consented to the bond being paid out, the landlord has 14 days to dispute it by making a claim on the bond. Usually this is to claim you for damage or cleaning. The RTBA will notify you with an SMS and email and you can challenge the landlord's claim within 7 days. If the renters do not respond to the link within 7 days, both the landlord and renters will receive a reminder. If no response is received in 14 days, the bond claim will be cancelled and the RTBA will return the bond to the renters.

What are allowable reasons for a bond claim?

Landlords can attempt bond claims for anything, however a reasonable claim may be:

- damage caused to the property by the renters other than fair wear and tear;
- any goods stolen, or not reported lost to the landlord by the renters;
- the property being in unreasonably clean condition, fair wear and tear excepted;
- abandonment of the property by the renter;
- an amount of rent that has accrued due and is unpaid.

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 renter 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"?

The normal deterioration of the house from it being lived in. Examples include: faded curtains or carpet, scuffed floors from walking, chipped/cracked paint or loose hinges or 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 annual depreciation 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.

Don't forget

Renters' rights are only as strong as our willingness to enforce them. Talking to your housemates, neighbours, friends and other comrades about your plans, concerns and successes helps us all grow stronger.

Join RAHU: rahu.org.au/join

Contact your RAHU Branch for support:

North Branch: Darebin & MerriBek - north@rahu.org.au

Inner Melbourne Branch: Melbourne City & Yarra - innermelb@rahu.org.au

West Branch: Wyndham, Brimbank & Melton - west@rahu.org.au

General Membership Branch: Australia wide - contact@rahu.org.au

Further Resources

RTBA: 1300 137 164 rentalbonds.vic.gov.au