



Everything you need
to know about Rental
Bonds in ACT

Abstract

This comprehensive guide provides a detailed overview of rental bonds in the Australian Capital Territory (ACT). It covers essential information such as the purpose of rental bonds, the maximum amount landlords can charge, and how and when the bond should be paid and lodged. The guide also explains the importance of condition reports, the process for getting a bond refund at the end of a tenancy, and what to do in case of a dispute.

Whether you're a tenant looking to understand your rights or a landlord seeking clarification on bond regulations, this guide serves as a valuable resource for navigating the rental process in the ACT.

Embark on a journey of knowledge and empowerment with our comprehensive guide to rental bonds in the Australian Capital Territory (ACT). Whether you're a seasoned tenant or a first-time renter, this guide offers invaluable insights into understanding, managing, and maximizing your rental bond experience. From the basics of what a rental bond is to the intricate details of payment, lodgement, condition reports, refunds, and dispute resolution, this guide covers it all. Navigate the world of rental bonds with confidence, armed with the knowledge and understanding needed to ensure a seamless and rewarding tenancy.

1. Understanding Rental Bonds: Explaining what a rental bond is and why it is required



A rental bond is a three-way agreement between the landlord, tenant, and the surety provider. Generally, to protect losses arising from the tenant's default, landlords follow the practice of taking security deposits from the tenant.

Delve into the intricacies of rental bonds in the Australian Capital Territory (ACT) with our comprehensive guide, designed to empower both tenants and landlords. Rental bonds serve as

a crucial aspect of renting, ensuring landlords have financial security against potential damages or rent arrears while providing tenants with a tangible investment in the property. Understanding the nuances of rental bonds is essential for both parties, from knowing the maximum amount landlords can charge to understanding the process of payment, lodgement, and refund.

One of the key aspects covered in this guide is the importance of condition reports. These reports serve as a vital record of the property's condition at the beginning and end of the tenancy, helping to resolve disputes over bond deductions. Additionally, the guide explains the process for resolving disputes, providing tenants and landlords with the knowledge needed to navigate potential conflicts.

Whether you're a tenant seeking to protect your bond or a landlord looking to understand your obligations, this guide equips you with the knowledge and confidence to navigate the world of rental bonds in the ACT. Stay informed, stay empowered, and enjoy a seamless and rewarding tenancy experience with our comprehensive guide.

However, landlords still face trust issues with tenants and don't provide their apartments easily on rent. A rental bond gives landlords a wider and comprehensive cover than the [trahttps://www.livemint.com/news/india/how-rental-bonds-can-help-to-end-trust-deficit-between-landlords-and-tenants-11623551570062.html](https://www.livemint.com/news/india/how-rental-bonds-can-help-to-end-trust-deficit-between-landlords-and-tenants-11623551570062.html)ditional cash security deposit. The rental bond company or surety provider underwrites the tenant and issues a bond once it is convinced about the credibility of the tenant. If the tenant defaults, the bond pays the landlord the amount of the loss up to the limit of the indemnity under the bond. After that, it proceeds to collect the same from the defaulting tenants.

Vikash Khandelwal, chief executive officer, Eqaro Guarantees, said, "The rental bonds come with an institutional guarantee, and all the legitimate claims are settled within five working days."

How it works

The landlord and the tenant execute a rental agreement at the time of the tenancy. The agreement lays out the tenancy terms, including the obligations of the landlord and the tenant. However, it does not assure the landlord of the performance of the tenant's responsibilities under the tenancy contract (rent agreement). The landlord also does not have the means to assess the credibility of the tenant.

A rental bond covers the landlord for risks of loss emanating from the tenant's default, including unpaid rent, utility bills, unpaid rent for the breach of the lock-in period, and damages to the property.

By eliminating the need for security deposits, the rental bond makes the property more striking to the prospective tenant and shortens tenant conversion cycles.

Further, the rental bond follows the rent agreement and assures the landlord of the performance of tenants' obligations that arise under the tenancy contract. This way, the rental agreement is also a must to ensure the enforceability of the rental bond.

2. How Much Can Landlords Charge: Discussing the maximum bond amount that landlords can charge in the ACT

The Residential Tenancies Act 1997 (the Act) is the law that governs renting in the ACT. It provides a balanced framework that gives tenants strong protections, so they feel secure in their homes, while respecting the legitimate rights and interests of landlords in their property. The law also provides for fast, independent and informal resolution of disputes through the ACT Civil and Administrative Tribunal.

The Act also sets out the law on occupancies. Occupancies are an alternative form of legal agreement for housing to tenancies. People who live in student accommodation, crisis accommodation, a caravan (or mobile home) park, a room in a club, or a boarding house, will usually be occupants. Occupants are also protected under the Act with minimum guaranteed rights and access to dispute resolution options to enforce them.



Access to secure and stable housing is fundamental to well-being. The information on this page is intended to help landlords, tenants, occupants and grantors to know their rights and obligations. This allows the parties to tenancy and occupancy agreements to make informed choices, manage their relationship with confidence, minimise and constructively resolve disputes, and as necessary enforce their rights.

Rental bonds are a fundamental aspect of renting a property in the Australian Capital Territory (ACT). They serve as a form of security for landlords against potential damages or unpaid rent by tenants. Understanding the regulations surrounding rental bonds, including the maximum amount landlords can charge, is crucial for both parties involved in a tenancy agreement.

Maximum Bond Amount:

In the ACT, landlords are limited to charging a maximum bond equivalent to 4 weeks' rent. This means that if the weekly rent is \$400, the maximum bond that can be charged is \$1,600. This regulation is outlined in the Residential Tenancies Act 1997 (ACT) and is designed to protect tenants from excessive bond charges.

Purpose of Rental Bonds:

The primary purpose of a rental bond is to protect landlords from financial loss due to tenant-related damages or unpaid rent. It provides landlords with a sense of security knowing that they have funds available to cover any costs incurred during the tenancy. For tenants, the bond serves as a commitment to maintaining the property in good condition and fulfilling their rental obligations.

Implications for Landlords:

Landlords in the ACT must adhere to the maximum bond amount regulations to avoid potential legal issues. Charging more than the prescribed amount can lead to penalties and disputes with tenants. It is essential for landlords to accurately calculate the bond amount based on the weekly rent and clearly communicate this amount to tenants.

Implications for Tenants:

Tenants should be aware of their rights regarding rental bonds and ensure that they are not being overcharged by their landlord. Before paying the bond, tenants should verify that the amount being charged is in accordance with the maximum allowable limit. Additionally, tenants should request and carefully review the condition report to avoid potential disputes over bond deductions at the end of the tenancy.

Resolving Disputes:

In the event of a dispute over the rental bond, tenants and landlords can seek assistance from the ACT Civil and Administrative Tribunal (ACAT). The tribunal can help resolve disputes related to bond deductions, ensuring that both parties are treated fairly and in accordance with the law.

Understanding the regulations surrounding rental bonds, including the maximum amount landlords can charge, is essential for both landlords and tenants in the ACT. By adhering to these regulations, landlords can avoid legal issues and disputes with tenants. Similarly, tenants can protect themselves from overcharging and ensure a fair and transparent rental process.

3. Payment and Lodgement: Detailing how and when the bond should be paid and lodged with the relevant authority

A bond acts as a security for the performance of the tenant's obligations under a residential tenancy agreement. Lessors are not required by law to take a bond from a tenant, however, if they do receive a bond, they are required to lodge it with the ACT Revenue Office. Bonds can be any amount up to a maximum of four weeks rent. Bonds and security deposits must be lodged by a lessor within two weeks of receipt of the bond or commencement of the tenancy and lessors must give the tenant a receipt as proof of payment of the bond.

Registering for the Rental Bonds Portal



Lessors managing their own properties can access the portal via the 'Rental Bonds Portal' by clicking [here](#). This will take you to the portal sign-in page.

Select the 'Create Account' button to commence the registration process and follow the on-screen prompts.

Registration should be done by the principal lessor for a property, that is, the person responsible for lodging and managing the bond. The principal lessor will need to supply contact information and bank details to complete the registration process.

Where there are multiple lessors for a property, only the principal lessor needs to register for the Portal. Additional lessors will be identified during the bond lodgement process but will not have access to view the account.

Lodging a bond via the Portal

Bonds must be lodged via the Portal, except for bonds with an ACT Housing Loan. You can refer to the User Guides attached below for step by step instructions on how to set up an account for the portal and complete a bond lodgement online.

You will be required to enter the details of the bond during a single session. You cannot return to the bond to complete the lodgement process at a later stage. Once the bond has been submitted you cannot edit it. If you have made an error, you will need to contact the Rental Bonds Office for assistance.

Please ensure that you have obtained email addresses and mobile phone numbers from each tenant contributing to the bond for the service of documents. Tenants will not be able to use the same contact details.

What to anticipate from post-bond cleaning inspections includes a thorough assessment of the property's cleanliness and condition, comparison with the initial condition report, and potential deductions from the bond for damages or inadequate cleaning.

Clearing rental inspection at the end of a tenancy is crucial for tenants in Canberra to get their rental bond back in full. Landlords or property managers conduct the review to ensure the rental property is in the same condition it was in at the tenancy's start. Only after this inspection can you claim complete bond refund if there is no damage to the premises and it is reasonably clean. Therefore, expert end of lease cleaning in Canberra is essential and must be performed adequately by renters who paid the security deposit.

However, learn everything about post-bond cleaning inspections before you start to know what to expect. Have a look.

What Is Bond Cleaning & Why Is It Important?

End of lease cleaning is the deep sanitation of surfaces and fixtures in a rental property. It differs from routine house cleaning because it is more extensive and only done at the end of a tenancy. The primary goal of an end of lease clean is to help a renter get their bond back without deductions or disputes.

Therefore, expert end of lease cleaning in Canberra is an important moving out activity. You must perform it after emptying a rental property and focus on all areas of the house/apartment.

What Is Post-Bond Cleaning Inspections?

A post-bond cleaning inspection is a thorough review of a rental house or apartment's cleanliness and condition after a tenant moves their belongings and vacates it. This inspection is done by the rental provider or property manager. Its primary objective is to make sure that the property is reasonably clean and meets the lease agreement's standard terms and conditions. Through this review, rental providers can identify areas that may need adequate cleaning or maintenance to make the property suitable for habitation by the owner or the next tenant. After this inspection, it is decided whether the renter can get a complete bond refund or not.

What Are The Important Factors Of A Post-Bond Cleaning Inspection?

General cleanliness is one of the most important things when it comes to keeping your rental property in a sanitary condition. Thus, you must focus on all areas of the house during regular house cleaning. Make sure all the floors, walls, windows, countertops, appliances and other things are neat and sanitary. The prime aim is to remove dust, dirt and grime which can accumulate.

In addition, you must consider the following important factors while cleaning because they will be reviewed during the post-bond cleaning inspection.

Sanitise Carpet and Flooring



Vacuum all carpets and area rugs in the property. Inspect if they need steam cleaning, shampooing or any other special treatment. In addition, clean and sanitise hardwood, laminate, or tile flooring to free them of any stains, stains or marks.

Deep Clean the Kitchen

By following a daily cleaning routine, you can make it easy to sanitise your kitchen every week. Clean your kitchen on a weekend or a day off, as deep cleaning requires more time than regular sanitation. Focus on the stove, oven, microwave, refrigerator, and dishwasher, while performing end of lease cleaning in Canberra.

Thoroughly Clean & Disinfect The Bathroom

Germs like E. coli, salmonella, staph, mould, and many others are found in the bathroom. The risk of bacterial or viral infections is high when you visit the bathroom because it is a high traffic area. Therefore, while end of lease cleaning, make sure to do necessary tasks to sanitise your bathroom deeply.

Bust the Dust

Every day make sure to dust the entire house after decluttering and organising. Use the following techniques while removing dust, dirt, cobwebs, and other pollutants from household surfaces or objects.

Wash Windows and Blinds

These fixtures are often ignored while cleaning, leading to excessive accumulation of dust, dirt, debris, and other pollutants. On windows and doors, there are allergens, dust mites, pollens, mould spores, bacteria, and many other pollutants and microbes. Therefore, while cleaning your home, it is essential you wash these fixtures or clean with microfiber tools.

Clean Walls and Ceilings

If these areas have any scuff marks, stains, or cobwebs on you must remove them in time to avoid hassle during the rental inspection.

Focus on Outdoor Areas Too

The post-bond cleaning inspection isn't limited to indoor areas. Therefore, you must make sure the outdoor areas like balconies, patios, and gardens are also neat and tidy. Also, remove trash from the premises before the inspection.

How To Prepare For A Exit Inspection?

For a successful post-bond cleaning inspection and securing the return of your bond, preparing well for the activity is the most important task. Here are tips to get your bond back by clearing the inspection without hassle.

- Review your lease agreement to understand the specific cleaning requirements expected by your landlord. This will help you focus on the areas that need extra attention.
- Schedule your cleaning well in advance of your move-out date. This will give you ample time to complete the cleaning tasks meticulously
- Clean the property room by room, following a checklist to ensure that no area is overlooked.
- Take photographs before and after cleaning to document the property's condition. This can serve as evidence in case of any disputes.

Wrapping Up

End of lease cleaning is a vital task; tenants must perform to end a tenancy without dispute and get their bond back in full. Thus, use the above insights to understand everything about post-bond cleaning inspection and what it necessitates. Also, don't hesitate to hire professionals for end of lease cleaning in Canberra when you lack the expertise, equipment or energy for DIY end of lease cleaning.

4. Bond Refunds In ACT: Outlining the process for getting your bond refunded at the end of the tenancy

Ensure a final inspection has been done before refunding the bond.

The purpose of the bond is as a sort of 'insurance' to make sure that the owner is not left with a financial burden of some sort at the end of the tenancy such as damage to the property, cleaning, rent left owing.

NOTE: It is illegal for a tenant to request to use their bond money to cover a rent payment, including the final rent payment.

The process for bond and returning the bond at the end of the tenancy is different for each state but the general gist applies to all.

The bond is usually held by a state bond authority and at the end of the tenancy, can be applied for using a form or online application process once the tenants have vacated the property and handed over the keys.

Generally, both the owner and tenants need to sign off on the return of the bond. This is to ensure that neither party are left at a disadvantage. For example, if an owner attempts to claim an amount of the bond that is considered unwarranted by the tenants or the tenants attempt to claim back the bond even though they have left damage.



In the Australian Capital Territory (ACT), the process for obtaining a bond refund at the end of a tenancy is outlined to ensure a fair and transparent procedure for both landlords and tenants. Once the tenancy ends, the landlord or agent will conduct a final inspection of the property to assess its condition against the initial condition report. If the property is deemed to be in the same condition as at the start of the tenancy, excluding fair wear and tear, the landlord must return the bond within 14 days of the tenant vacating the property.

To request a bond refund, tenants must complete a 'Claim for Refund of Rental Bond' form, which is available from the ACT Revenue Office website. Both the tenant and landlord or agent must sign the form. Once submitted, the bond refund will be processed, and the funds will be returned to the tenant's nominated bank account.

If there is a dispute over the bond refund, either party can apply to the ACT Civil and Administrative Tribunal (ACAT) for a decision. The tribunal will consider evidence from both parties and make a binding decision on the bond refund.

ACT

- For general information on the process visit the Tenants Act website.
- The owner must provide the tenants with a signed Bond Claim form within 3 business days after the tenancy ends (or 10 business days if the owner is claiming for repairs etc.).
- If the owner is claiming any part of the bond they must provide a written statement outlining the reason for the deduction with a written estimate for costs that do not have a quote or receipt.
- The completed and signed bond claim form can be sent to the Office of Regulatory Services by post to: GPO Box 158, Canberra, ACT, 2601.
- If there is a dispute and the tenants do not agree with the bond claim form as provided, they should not sign it but complete and lodge their own form.
- If the Office of Rental Bonds received a bond form that is not signed by either tenants or owner, they will notify the unsigned party who will then have 10 days to dispute the release of the bond. If a dispute is received, the matter will be referred to the ACT Civil and Administrative Tribunal.

5. Resolving Bond Disputes: Learn what to do if you have a disagreement over your bond refund

"Resolving Bond Disputes" provides guidance on how to handle disagreements between tenants and landlords regarding bond refunds. It outlines steps tenants can take to resolve disputes, such as communicating with the landlord or agent to understand the reasons for deductions, providing evidence to support their case, and seeking mediation or assistance from the relevant tenancy authority if needed.

The section emphasizes the importance of keeping records of communications and documenting the property's condition to support their claim. By providing clear information and steps for resolution, tenants can better navigate bond disputes and seek a fair outcome.

How a dispute is referred to ACAT

In the ACT, bond money and security deposits are lodged with ACT Rental Bonds. They will refer matters to ACAT when:

- there is a disagreement about the distribution of a rental bond at the end of a tenancy agreement
- there is a disagreement about the distribution of a security deposit at the end of an occupancy agreement
- the name of the tenant or occupant seeking the release of the bond or security deposit does not match the name on record with ACT Rental Bonds.

Make sure you have provided your current contact details to ACT Rental Bonds, including an address (postal or email).

For disputes between co-tenants about the bond, read out information on co-tenancies.



What happens next?

When ACAT receives a referral from ACT Rental Bonds, we will send a conference notice to the parties.

At least seven days before the conference, the lessor or grantor must provide a list of claims to explain how and why the rental bond or security deposit should be distributed.

A copy of the claims must be given to the tenant or occupant, and to ACAT.

If an agreement is reached at the conference, ACAT will make orders about the disbursement of the bond or security deposit. A copy of this order will go to ACT Rental Bonds, who will disburse the bond or security deposit in accordance with the order. If no agreement is reached at a conference, ACAT will schedule a hearing date.

Understanding Bond Disputes:

Bond disputes can arise for various reasons, such as disagreements over the condition of the property at the end of the tenancy or disputes over deductions made by the landlord. In the ACT, tenants are entitled to the return of their bond within 14 days of the tenancy ending, provided there are no disputes. However, if there is a dispute, the process may be delayed while the matter is resolved.

Steps to Resolve Disputes:

If a tenant believes that their bond has been unfairly withheld or disagrees with the deductions made by the landlord, there are several steps they can take to resolve the dispute. The first step is to communicate with the landlord or agent to try to reach a resolution. Tenants should request an itemized list of any deductions and ask for evidence to support these claims.

If communication with the landlord is unsuccessful, tenants can seek assistance from the ACT Civil and Administrative Tribunal (ACAT). ACAT can help mediate the dispute and make a decision on the bond refund if necessary. Tenants should be prepared to provide evidence to support their case, such as photos of the property at the start and end of the tenancy, receipts for any repairs or cleaning, and copies of the condition report.

Tips for Tenants



To avoid disputes over the bond, tenants should take proactive steps during their tenancy. This includes completing a thorough condition report at the start of the tenancy and keeping a copy for their records. Tenants should also ensure they leave the property in a clean and undamaged condition, as any excessive wear and tear may result in deductions from the bond.

Bond disputes can be a stressful and frustrating experience for tenants, but by understanding their rights and following the correct procedures, tenants can effectively manage these situations. By communicating openly with the landlord, seeking assistance from ACAT if

necessary, and keeping detailed records, tenants can navigate bond disputes with confidence and ensure a fair outcome.

Bottom Line

In conclusion, understanding rental bonds in the Australian Capital Territory (ACT) is essential for both tenants and landlords to ensure a smooth and fair tenancy. Rental bonds serve as a form of security for landlords against potential damages or unpaid rent by tenants, while also providing tenants with a commitment to maintaining the property in good condition.

Key points to remember about rental bonds in the ACT include the maximum bond amount that landlords can charge, which is equivalent to 4 weeks' rent. This amount must be paid and lodged with the relevant authority, and tenants should receive a receipt and a copy of the condition report for their records.

At the end of the tenancy, the bond should be refunded to the tenant within 14 days, provided there are no disputes. If there is a dispute over the bond refund, tenants and landlords can seek assistance from the ACT Civil and Administrative Tribunal (ACAT) to help resolve the issue. To avoid disputes over the bond, tenants should ensure they leave the property in a clean and undamaged condition, complete a thorough condition report at the start of the tenancy, and keep a copy for their records. By following these guidelines and understanding their rights and responsibilities, tenants can navigate rental bonds in the ACT with confidence and ensure a fair and transparent rental process.

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