

## Fact sheet

### Rental bonds

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The *Residential Tenancies and Rooming Accommodation Act 2008* (the Act) outlines the rules for the collection, management 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. It is used as financial protection for the property manager/owner in case the tenant breaches the terms of the agreement. A bond is sometimes referred to by other names such as a security deposit, or key deposit.

#### Does a rental bond have to be taken?

The Act does not require a bond to be taken. However, most property managers/owners take bond money as security for the premises. They may 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, as well as copies of other paperwork, such as park rules or body corporate by-laws. The tenancy agreement should contain any special terms that apply to the tenancy.

#### How does bond money get paid to the RTA?

Bond money should only be paid after securing the tenancy and signing the tenancy agreement.

##### Option 1

The tenant can lodge and pay the requested bond money directly to the RTA via the [Bond Lodgement Web Service](#). The tenant and property manager/owner will receive an *Acknowledgement of rental bond* from the RTA as part of this process.

##### Option 2

The tenant can pay the bond money to the property manager/owner, who can lodge the bond on their behalf via the [Bond Lodgement Web Service](#). The property manager/owner must:

- give the tenant a receipt straight away, and
- lodge the bond within ten days of receiving the money from the tenant.

##### Option 3

The tenant or property manager/owner can post the completed [paper Bond lodgement form](#) to the RTA with a cheque or money order. If the property manager/owner is lodging the bond on behalf of the tenant, they must:

- give the tenant a receipt straight away, and
- lodge the bond within ten days of receiving the money from the tenant.

#### 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 four weeks rent. There is no maximum amount if the weekly rent is higher than \$700. In this situation, the bond amount should be negotiated between the property manager/owner and tenant.

**For moveable dwelling tenancies**, if the rent is \$700 or less per week, the maximum bond amount should be the same as two weeks rent (or three weeks rent, if the electricity is connected to the premises in the owner's name). There is no maximum amount if the weekly rent is higher than \$700. In this situation, the bond amount should be negotiated between the property manager/owner and tenant.

**For rooming accommodation**, if the rent is less than \$500, the maximum bond amount is equivalent to four weeks rent. There is no maximum amount if the weekly rent is higher than \$500. In this situation, the bond amount should be negotiated between the property manager/owner and tenant.

**Please note:** Different rules apply if the accommodation is provided by your employer. Check with the RTA for more information.

### What if the tenant cannot afford the bond?

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

- pay off the bond in instalments over time – if the property manager/owner agrees – by making part-payments via the [Bond Lodgement Web Service](#), until the full amount is paid.

In this case:

- the tenant can lodge the first instalment of the bond to the RTA, using the Bond Lodgement Web Service. Each time another part-payment is made, they can use the bond increase option of the Bond Lodgement Web Service to lodge and pay for a bond top-up. This process continues until the requested bond amount has been paid in full
- the property manager/owner can lodge the bond on the tenant's behalf, using the Bond Lodgement Web Service.
  - **for general tenancies:** the property manager/owner must lodge each bond instalment with the RTA, within 10 days of receiving the payment from the tenant
  - **for rooming accommodation:** if the full bond is paid within three months, the property manager/owner can wait to receive all instalments before they lodge the bond. They must lodge the bond with the RTA within 10 days of receiving the final bond payment from the tenant
  - **for approved supported accommodation providers** (i.e. supported accommodation funded by the State or Federal Government): the property manager/owner can wait to receive all instalments before they lodge the bond. They must lodge the bond with the RTA within 10 days of receiving the final bond payment from the tenant.
- the paper [bond lodgement form](#) can be used to lodge the bond, if customers can't access Web Services. The same timelines apply for property managers/owners lodging the bond, whether they use the Bond Lodgement Web Service or the paper form.
- you may be eligible for a bond loan. Visit [the Department of Housing and Public Works' website](#) to find out more about bond loans and eligibility criteria.

### What happens to a bond?

Typically, bond money is lodged with the RTA before keys to the rental property are provided. At the end of the agreement, either party can make a claim on the bond using the Bond Refund Web Service.

At the end of the agreement, either party can make a claim on the bond using the [Bond Refund Web Service](#). Tenants and property managers/owners can also request a bond refund using the [paper Bond refund form](#), if they can't access Web Services. Property managers may also be able to use [eServices](#) to process a refund, if they intend to refund 100% of the bond to the tenants.

### Can a bond be transferred from one property to another?

A tenant can use the [Change of rental property paper form](#) if they are moving from one property to another, and there is no change of property manager/owner. This form can only be used to change the address of an existing rental bond. The form cannot be used to change the bond amount, the tenants' details or the property manager/owner's details.

If the new rental bond is less than the previous bond, customers can complete a rent reduction through the [Bond Refund Web Service](#). If the new bond is higher than the previous bond, customers can use the bond increase option of the [Bond Lodgement Web Service](#) to top-up the bond, before submitting the *Change of rental property* form.

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

Either the tenant or property manager/owner can apply for a bond refund using the Bond Refund Web Service, once the property handover day has been reached.

### ***If the parties agree:***

Either a tenant or the property manager/owner can apply for a bond refund, through the [Bond Refund Web Service](#). Once a refund has been requested, all parties will be sent a Fast Track email, which gives them 48 hours to request a quick and easy bond refund online. If all parties agree with the refund within the Fast Track period, the bond can be refunded within hours.

If one or more parties does not respond within the Fast Track period (or disagrees with the Fast Track bond refund) a *Notice of claim* will be sent out. The *Notice of claim* goes to all parties who have not responded to, or who have disagreed with, the bond refund. These parties will then have 14 days to respond to the *Notice of claim* and either agree or dispute the bond refund. If no one disagrees with the bond refund during this period, it will be refunded.

**Please note:** a party must respond to the *Notice of claim* to dispute the bond refund, even if they have already declined the bond refund Fast Track. **If no one responds to the *Notice of claim* and disputes the bond refund within 14 days, the originally requested refund will be processed automatically.**

### ***If the parties don't agree:***

If the tenant/s and property manager/owner do not agree with how the bond is to be refunded, either party can request dispute resolution. To launch a dispute, the customer must disagree with the bond refund *Notice of claim*. They will then be able to dispute the bond via RTA Web Services. Find out more about the process of disputing a bond refund, on the [Bond Refund Web Service page](#).

**Remember:** if the party receiving the *Notice of claim* takes no action, the RTA will automatically refund the originally requested refund once the 14-day *Notice of claim* period expires.

### ***What happens if a bond refund is disputed?***

If the tenant/s and property manager/owner are unable to resolve a dispute, they can request to have free dispute resolution through the RTA. A conciliator will contact the parties and help them come to an agreement. If no agreement is reached, the conciliator will issue a *Notice of Unresolved Dispute*, allowing the parties to apply to [QCAT](#) (Queensland Civil and Administrative Tribunal) for a decision to be made.

## Further information

For more information contact the RTA on 1300 366 311.



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).

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## Try our new Web Services

- Bond Lodgements
- Bond Refunds
- Bond Disputes
- Update Your Details
- Change of Bond Contributors



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### **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.