

Housing Assistance Rental Bond Program 2018 (No 1)

Disallowable instrument DI2018-270

made under the

Housing Assistance Act 2007, s19(1) Approved housing assistance programs

EXPLANATORY STATEMENT

The Rental Bond Program 2018 (No 1) (the Program) is designed to help people who receive low to moderate income, and have the capacity to sustain a tenancy under the *Residential Tenancies Act 1997*, to meet the financial requirements of a rental bond. The Program acknowledges the significant challenge that some households experience meeting the lump sum upfront costs of establishing a home and seeks to remove rental bonds as a potential barrier to gaining stable and secure accommodation.

The Program is approved by the Minister for Housing and Suburban Development under section 19(1) of the *Housing Assistance Act 2007*. It establishes a framework for the Commissioner for Social Housing (the housing commissioner) to provide an amount to the Territory entity responsible for holding a rental bond (see the *Residential Tenancies Act 1997*, section 24) up to the value of the rental bond sought by an eligible applicant's lessor. This amount is then paid to the housing commissioner in small instalments, without interest or financial penalty, over an agreed period.

Clauses 1, 2, 3 and 4 are formal requirements. These clauses establish the name of the Program, its commencement date, the object of the Program, and define particular terms used in the instrument.

Clause 5 enables the housing commissioner to make operation guidelines outlining procedures for the program.

Clause 6 establishes the type and amount of assistance that the housing commissioner may provide to an eligible applicant under the Program, and imposes mutual obligations on the applicant and housing commissioner. It allows for the provision of an amount, up to and including the total rental bond amount sought by a lessor in accordance with the *Residential Tenancies Act 1997* (section 20), by the housing commissioner to the Territory entity responsible for holding a rental bond.

Clause 7 sets parameters for the rental bond agreement held between the eligible applicant and the housing commissioner. It requires that, upon entering into the agreement, the applicant comply with its terms and resign their right or interest in any monies that remains unpaid under the agreement to the housing commissioner. It also

allows for an application to be made by a single or joint applicant, provided both applicants to enter into the agreement with the housing commissioner.

Clause 8 sets parameters for the application process to be followed when applying for rental bond assistance, including who may make an application under the Program, the information that must be provided to the housing commissioner by the applicant, the number of parties to an application and the length of time that an application remains valid.

Clause 9 establishes the eligibility criteria for rental bond assistance. An applicant's eligibility is determined by their age, their intent to enter a tenancy agreement in the Territory and to reside in the tenanted residence for the duration of their tenancy; the cash or cash equivalent holdings of the applicants; and the income of the single and/or joint applicants for the financial year. The clause also sets limits on the application of eligibility criteria, including where an applicant: already holds a rental bond agreement with the housing commissioner, cannot meet the schedule of repayments contained in the loan agreement, or has provided false or misleading information.

The Program does not require an applicant to have identified a tenancy to satisfy the eligibility criteria. Rather, a rental bond agreement will not be entered into until a rental bond is sought by a lessor from the applicant under the *Residential Tenancy Act 1997* (see clause 6). Combined with the application of clause 8, this gives an eligible applicant up to 6 months from the date of application to find an appropriate tenancy.

Clause 10 allows the housing commissioner to disregard any eligibility criteria in their absolute discretion, with the exception of an applicant's age and their intent to enter a tenancy in the Territory and to reside in the tenant residence for the duration of their tenancy. The clause applies criteria against which the housing commissioner must be satisfied before making a decision to exempt any eligibility criteria.

Clauses 11 and 12 set the meaning of income and the methodology applied when calculating an applicant's income for the purpose of determining eligibility. When working out income, the housing commissioner should use the method that best reflects the current and foreseeable circumstances of the applicant.

Clause 13 sets minimum process requirements that apply to a rental bond agreement when a tenancy ends. In effect, it requires that any monies still owing to the housing commissioner be paid to satisfy the balance of the loan, before remaining funds are released to the applicant.

Clauses 14, 15 and 16 outline the process for a review of decision under this Program and when an application may be made to the ACAT about a decision made under the Program.

Clause 17 revokes the preceding instrument, the *Housing Assistance Rental Bonds Housing Assistance Program 2017 (No 1)*.