



Extensive Reforms to ACT Rental Bonds Program

People in the ACT on moderate incomes now have greater access to interest-free loans to help cover the cost of security bonds in the private rental market under changes to the ACT Government's Rental Bonds Housing Assistance Program.

These changes became effective on 4 May 2010.

Reforms to the rental bonds program, administered by Housing ACT, include –

- Substantial increases in the income eligibility criteria;
- New arrangements for sole parent applicants with dependent children, ensuring they are assessed in the same way as couples with the same number of children;

Increase in the loan limit from 80% to 90% of the required bond; and

Expansion of the period for pre-approved bond loan applicants to find a suitable rental property from one month to three months

These changes will enable more people to enter the private rental market by increasing the household income thresholds. For single-person households the pre-tax threshold has increased from \$1383 to \$1431. For two-person households, the threshold has increased from \$1717 to \$1908. Allowances for additional household occupants have also been increased.

The loans will cover most of the cost of a rental bond, freeing up funds to assist individuals and families with other expenses associated with moving house.

The ACT Government recognises that for many Canberrans who are either already renting and wanting to move, or looking to enter the private rental market, the upfront costs can be quite prohibitive and through this program that big step has been made easier for them.

The changes are consistent with the strategic directions of the new National Affordable Housing Agreement (NAHA) between the Commonwealth and all States and Territories that commenced in January 2009.

The NAHA requires a broader approach to providing housing assistance than simply striving to meet people's needs through the public housing system. This includes offering support for people to access and maintain private rental accommodation.