

**LANDLORD AND TENANT (RENTAL BONDS) AMENDMENT  
BILL 1989**

NEW SOUTH WALES



**EXPLANATORY NOTE**

**(This Explanatory Note relates to this Bill as introduced into Parliament)**

The object of this Bill is to amend the Landlord and Tenant (Rental Bonds) Act 1977 so as to provide for the payment of an amount equivalent to interest on rental bonds when they are paid out by the Rental Bond Board.

**Clause 1** specifies the short title of the proposed Act.

**Clause 2** provides for the commencement of the proposed Act on 1 January 1990.

**Clause 3** is a formal provision giving effect to the Schedule of amendments.

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**SCHEDULE 1 - AMENDMENTS**

The main amendment is that made by Schedule 1 (2), which inserts a new section 11A into the Principal Act.

The new section will require an amount of money to be calculated (in the same way as interest is calculated) in respect of every rental bond held by the Board when the bond is paid out by the Board. The calculation is to be based on the minimum monthly balances of the amount of the rental bond on deposit with the Board and is to be compounded as set out in regulations made under the Principal Act. Only monthly balances during or after January 1990 are considered in the calculation.

If a rental bond is paid out on or after 1 January 1990, the amount required to be calculated under the new section in respect of the rental bond is to be taken to form part of the amount available for payment to the tenant, or landlord, or both, in accordance with the existing law (contained in section 11 of the Principal Act) relating to the disposition of rental bonds.

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The additional amount to be paid out as a result of the amendments is to be paid from the Rental Bond Interest Account maintained under section 20 of the Principal Act. The amendment authorising such payments is made by Schedule 1 (3).

The amendment made by Schedule 1 (1) to section 10 of that Act is consequential.

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