



Bond administration

A guide for property owners, real estate agents and operators of residential parks about lodging tenants' security bonds with the department's Bond Administration Section.

How to lodge a bond

Forms

To lodge a bond, you need to fill in all the relevant sections of the *Lodgement of Security Bond Money* (Form 8). This and all other tenancy related forms are available from:

- participating newsagencies;
- State Law Publisher,
10 William Street Perth,
telephone 9321 7688; and
- the Department of Commerce
website:
www.commerce.wa.gov.au

Amount

The bond must be no more than four times the weekly rent. There are two exceptions:

- 1) when the rent is more than \$500 a week; or
- 2) where the rental property was the owner's residence in the three months before the tenancy started. In this case, owners should tick the box provided on Form 8.

If you collect rent on a calendar month basis, the bond you are allowed to take must not be more than four weeks' rent.

To determine four weeks' rent, first calculate the weekly figure (a month's rent multiplied by 12 and divided by 52). Then multiply the weekly rent by four to get the maximum amount that can be lodged as security bond.

For example, if the rent is \$1,300 a month:

Multiply \$1,300 by 12

$$\begin{aligned} & \$1300 \times 12 \\ & = \$15,600 \text{ a year} \end{aligned}$$

Divide \$15,600 by 52

$$\begin{aligned} & \$15,600 \div 52 \\ & = \$300 \text{ a week} \end{aligned}$$

*Multiply \$300 by 4 weeks
(four weeks' rent)*

$$\begin{aligned} & \$300 \times 4 \\ & = \mathbf{\$1,200 \text{ bond}} \end{aligned}$$

The answer, \$1,200, is the maximum that can be taken in bond if the monthly rent is \$1,300.

Do not collect the equivalent of a calendar month's rent as a security bond. This would be greater than four weeks' rent and would be in breach of section 29 of the *Residential Tenancies Act 1987* (penalty \$1000 for individuals, \$5000 for companies) and section 21 of the *Residential Parks (Long-stay Tenants) Act 2006* (penalty \$5000).

Other amounts

If your tenant has one or more pets, you may collect an additional \$100 as bond irrespective of the number of pets. Then, the total bond amount lodged would be equal to four weeks' rent plus \$100.

Park operators are also entitled to charge tenants of residential parks a long-stay security access bond of no more than \$100.

Department of Housing bond assistance

If the tenant gets bond assistance from the Department of Housing (formerly Homeswest) please attach a copy of the agreement that gives the Department of Housing's file and application numbers, or write these numbers on the lodgement form.

When bonds must be lodged

Private owners and park operators must lodge bonds within 14 days of receiving them. Real estate agents must lodge them as soon as possible, normally understood as the next working day.

Owner's name

The full name(s) of the owner(s) must be on the lodgement form. This information cannot be omitted because the owner does not want to reveal his/her identity. Section 51 of the *Residential Tenancies Act 1987* requires the names of the owners to be given to tenants, (maximum penalty \$1000). However, an owner may give the real estate agent's address instead.

Who signs?

The lodgement form must be signed

by all the tenants and the owner(s), park operators or real estate agent.

Submitting the forms

Submit the completed form with payment by cheque, cash or direct debit. Cheques should be made out to the 'Bond Administrator'.

You can submit the form with payment to the Department of Commerce:

- in person at 219 St George's Terrace Perth (a limited counter service is available at the regional offices of the Department); or
- if paying by cheque or direct debit, by post to:

Bond Administration,
Department of Commerce
Locked Bag 14
Cloisters Square
Perth WA 6850

Processing

Bond Administration will process the application and will then post a *Record of payment of the Security Bond Certificate* (Form 1) to both the owner(s) or park operators and the tenant.

Owners and park operators should retain a copy of the signed lodgement form for their records.

Change of ownership/property management

If there is a change of ownership or property management, the owner/s of the property or park operators has/ have to fill in a *Notice of Variation of Security Bond* (Form 9) and submit it to the department. These forms are available at the places listed on the front page.

How to claim a bond

Forms

You need to get a *Joint Application for Disposal of Security Bond* (Form 4). These are available at the places listed on the front page.

To speed up the processing of your application, please write the **bond reference number** on the disposal form. This number can be found on the Form 1 certificate posted to owners or park operators and tenants. The reference number helps quickly match the disposal forms with the original lodgement forms.

Date on which the tenancy agreement ended

Please use the date of the tenant's last day in the property as the date on which the tenancy agreement ended.

Signatures

The signatures on the disposal form must match those on the lodgement form. If any of the signatories have changed their name(s), they must use the same signature used at the start of the tenancy. Before submitting the form, check that the signature(s) match those on the copy of the lodgement form that you retain.

If three tenants signed the original lodgement form, then those three must sign the disposal form. If only one half of a domestic partnership signs the lodgement form as either the owner or the tenant, the same partner must sign at the end of the tenancy.

Inability to match signatures on the disposal form with those on the lodgement form is the single most common reason why an application for disposal is delayed or rejected and returned.

Alterations and additions to the form

The names of parties who are to receive refunds can be changed and the amounts to be paid to them can be altered, but these changes must be verified by the full signature of all the affected parties at the site of the change, or by way of a signed note that clearly states that they agree to the precise details of the change.

Example



Please pay tenant(s)	\$450	\$500
Please pay Homeswest	\$450	\$200
Please pay owner(s)	\$150	\$100

In this example, the full signature(s) of the tenant(s), and the owner(s) (or the agent or park operator) is required at the site of the alteration to show that they agree to the change.

Submitting the form

You should mail or deliver the form, signed by all parties after they have read the information on the back of the form, to the Bond Administrator at the Department of Commerce.

Points to remember

When lodging a bond

1. Obtain a *Lodgement of Security Bond Money* (Form 8) from the places listed on the front page.
2. Read the information on the reverse side of the form.
3. Fill in all the relevant sections. The owner's or park operator's name must be filled in and the form must have the signatures of all the tenants and the owner(s), park operators or agent.
4. Make sure the bond taken is not more than four times the weekly rent, except as indicated on page 1 (see Amount), plus pet bond, or security access bond in the case of park operators.
5. Private landlords or park operators must lodge bonds within 14 days of receiving the bond. Real estate agents must lodge the bond as soon as possible, normally understood as the next working day.
6. Keep a copy of the signed lodgement form and the record of payment certificate sent to you. Use the bond reference number when contacting the Bond Administrator.

When claiming a bond:

1. Get a *Joint Application for Disposal of Security Bond* (Form 4) from one of the places listed on the front page.
2. Read the information on the reverse side of the form.

3. Fill in the form and remember to include the bond reference number.
4. Full signatures of all parties are required beside any alterations.
5. Make sure the signatures match those on the lodgement form.

Do not sign the *Joint Application for Disposal of Security Bond* (Form 4) until the refund section is complete (all \$ amounts).

Further information

If you have any queries, phone the Consumer Protection Advice Line on 1300 30 40 54 (for the cost of a local call), Monday to Friday 8.30am - 5.00pm.

The Department of Commerce produces other free publications which can be obtained by contacting the Consumer Protection Advice Line on 1300 30 40 54.

If you are an owner managing your own property, or a park operator, *Renting out your property: an owner's guide* answers the most commonly asked questions on renting out residential properties.

Park operators can find further information on the laws regulating long term living in park homes and caravan parks in the the Department's publication *Park living*.

Another Department of Commerce publication which may be of interest regarding tenancy is *Renting a home in Western Australia: a tenant's guide*.

National Relay Service: 13 36 77
Quality of service feedback line: 1800 30 40 59

This publication is available in other formats on request to assist people with special needs.

Regional Offices

Goldfields/Esperance	(08) 9026 3250
Great Southern	(08) 9842 8366
Kimberley	(08) 9169 2811
Mid-West	(08) 9964 5644
North-West	(08) 9185 0900
South-West	(08) 9722 2888