

Disposal of the Bond

BOND QUICK CHECKLIST

 From 1 July 2013 Property Condition Reports (PCR's) are compulsory when commencing and ending a tenancy agreement. In the
Residential
Tenancies Act
the landlord is
referred to as
the lessor.

- You should be provided with two copies of an incoming PCR within seven days of entering into occupation of the premises. Within seven days after receiving the ingoing PCRs, you must mark both copies with any issues that are not already marked or which you dispute, and you must return a copy of the report to the lessor, and you should keep a copy for yourself.
- The lessor must provide you with an outgoing PCR as soon as practicable, and in any event within 14 days after termination of the agreement.
- You should take photos of the property at the beginning and end of your tenancy.
- You should read all documents carefully and never sign a blank or incomplete form.
- You should keep copies of all rent receipts or a record of your rent payments.
- You must leave the premises in a clean condition that is as close as possible to the condition of the property when you moved in.
- You should keep copies of receipts if you have paid for general cleaning, carpet cleaning, gardening or repairs.
- You must return all keys when you move out.
- You must notify the lessor of your forwarding address.

VACATING THE PROPERTY

When leaving a tenancy you should leave the property in as close as possible to the same condition as it was when you moved in (except for fair wear and tear). If you don't do this, the lessor can claim part or all of your bond money to cover the cost of cleaning or carrying out repairs.

When vacating a property, you must provide in writing a forwarding address. This can be a postal address, or the address you are moving to. Failure to provide this information may result in a \$5000 fine.

NOTE: Make sure you take photos when you vacate the property so you can show what condition it was in.

FINAL INSPECTION

Once you have handed back your keys, the lessor will conduct a final inspection. The final inspection must be conducted and an outgoing PCR must be provided to you as soon as practicable, and in any event within 14 days of the tenancy ending.

However, if your interest in the tenancy ends under one of the Family Violence provisions then the lessor may carry out the final inspection within different time frames. This will depend on how each interest in the tenancy is being terminated.

The lessor should give you a reasonable opportunity to be present at the final inspection and you should make every effort to attend.

The family violence provisions came in to effect on **15 April 2019.**

See our <u>Family Violence fact</u> sheets for more information.

If the property needs any further cleaning after termination, the lessor might give you access to the property to do the work yourself. However, they are not obliged to do so. It may be reasonable for them to get a cleaner and charge you for the cost. After termination, you are not obliged to return to the property to do the further work yourself (you can let the lessor sort it out and pay the bill).

FAIR WEAR AND TEAR

A property will often suffer some deterioration due to 'fair wear and tear'.

You are not responsible or liable for fair wear and tear.

Fair wear and tear is the deterioration of the property that occurs through ordinary and reasonable use of the house by the tenant.

Intentional damage (done on purpose) or damage caused by negligence (by not taking enough care) is not fair wear and tear and you will be responsible for the costs of these types of repairs.

FAIR WEAR AND TEAR VS NEGLIGENT DAMAGE

Fair Wear and Tear (Owner/Agent Responsible)	Negligent damage (Tenant Responsibility)
Cracked window pane due to old warped frames	Cracked window pane from carelessly slamming window shut
Curtains faded from years in the sun	The cat tears the curtains
Paint fading and discolouring over time	Paint discolouring through candle smoke
Plaster cracks as building settles	Plaster chipped by nails being hammered in
Worn carpets due to day-to-day use	Scratches on kitchen bench tops due to cutting food on the surface
A lock that breaks because it is old and worn out	A lock that was broken when you forgot the key and broke into the house
Paint flakes off because it is old or was not applied properly	Mould/mildew formed because you didn't air the property

If you think the lessor is being unreasonable by trying to hold you responsible for damage that you think is "fair wear and tear" you should refer to your PCR and photos to compare the condition of the property when you first moved in to when you vacated.

To avoid going to Court you should then attempt to negotiate a settlement by writing to the lessor explaining what you dispute and giving reasons why.

If there is still a dispute over the bond you should lodge an application to have the matter heard in the Magistrates Court.

RETURN OF THE BOND

The bond money can only be disposed of by consent or court order.

Once you have handed the keys back to the lessor and the lessor has conducted a final inspection, you can then seek to have your bond returned.

All of the bond money should be returned to you unless you owe money for outstanding rent, are responsible for property damage, or have outstanding water bills or incurred other costs – such as cleaning.

1. WHEN YOUR LESSOR MAKES NO CLAIM AGAINST YOUR BOND, OR YOU AGREE WITH THE AMOUNT TO BE PAID

If all parties agree to the amount of the bond to be disposed, there are two processes that can be followed to dispose of the bond.

Process 1 – where lessor privately manages the property

If the property is rented through a private lessor, you and the lessor can complete and sign a Joint Application for Disposal of Security Bond form.

The form can be lodged with the Bond Administrator by either the tenant or lessor in one of the

following ways:

- by post, addressed to 'Bond Administrator, locked bag 100, East Perth WA 6892;
- scanned and emailed to <u>bondsadmin@dmirs.wa.gov.au</u>; or
- In person at one of the following locations:
 - o Level 2, 140 William Street, Perth WA 6000 (drop box only);
 - Level 1, Mason Bird Building, 303 Sevenoaks Street, Cannington WA 6107 (counter service).
 - Please note that counter service is available at regional offices of the Department of Mines, Industry Regulation and Safety.

Process 2 – where real estate agent manages the property

If the property is rented through a real estate agent, the agent must request disposal of the bond via the <u>BondsOnline</u> system as an eTransaction. The agent will lodge the application online as an eTransaction and you can approve the transaction if you agree. Upon receiving the eTransaction, the Bond Administrator will pay the agreed amount to you and the lessor generally within 3 business days.

If the eTransaction is not approved by all parties within 28 days, it will lapse, and the agent will need to start the process again.

Important note: do not sign the form or approve the eTransaction if you disagree with the amount of bond money being claimed or returned, and never sign a blank bond form.

2. IF THE LESSOR MAKES A CLAIM AGAINST YOUR BOND THAT YOU DO NOT AGREE WITH

If the lessor is claiming that you owe money they will notify you of this and tell you the amount that they want to deduct from the bond. This may be for damage, cleaning costs, rent or outstanding water bills.

If you do not agree to the amount of bond money being claimed or returned do not sign the bond disposal form. Contact the lessor and tell them why you are disputing each claim. You can refer to your Property Condition Reports, photos or any correspondence between you and the lessor.

Try to negotiate an agreement with the lessor.

If there is damage to the property that you are responsible for, you should only be responsible to the extent of your damage. For example: if you spilt red wine on the carpet, you should only pay for re-carpeting or repair of that one room, not the whole property.

When asking for compensation for damage, the lessor should consider the age of the item that was damaged and whether it has depreciated in value since it was purchased.

If no agreement can be reached, you or the lessor can apply to the Magistrates Court for an order for the disposal of the bond money.

3. YOU HAVE NOT BEEN ABLE TO CONTACT YOUR LESSOR TO DISPOSE OF THE BOND

If you have vacated the property but have had no contact with the lessor regarding the bond, or have not received any relevant documentation (PCR, bond disposal form), then write to the lessor requesting the disposal of the bond. Ask them to provide you with a list of what they are claiming (if anything) or a copy of the bond disposal form.

You may wish to give them a time frame and inform them that if you do not receive a response within a certain time period, you will be lodging an application with the Magistrates Court for disposal of the bond.

4. WHAT HAPPENS TO THE BOND IF THE TENANCY IS ENDED BY A FAMILY VIOLENCE PROVISION?

There are special rules that apply to disposal of a bond when your tenancy is affected by family violence. If family violence affects your tenancy, please see our facts sheets relating to family violence.

APPLYING TO THE MAGISTRATES COURT FOR BOND DISPOSAL

You may need to apply to the Magistrates Court for the disposal of the bond if you cannot contact your lessor or reach an agreement about how much bond you should get back.

You need to make the application online using a Form 6: Application for Disposal of Bond Money. If the lessor disputes your application, they must within 7 days respond to the court with the attached Form 5: Notice of Intention to Dispute Application for Disposal of Bond Money. If they do not respond on the Form 5 within the 7 days, a court can make an order as per the application without either party present.

List your name and address in the "Applicant" section, and the lessor's name and address in the "Respondent" section. If the property is managed through a real estate agent, you will need to find the lessor's name on your lease agreement. The address will then be the real estate agent's address.

Note that if the lessor applies to Court using the <u>Form 6</u>, you must then lodge the Form 5 within 7 days to dispute their application. If you do not do this, your bond will probably not be returned to you.

WHAT IF MY BOND WAS NEVER LODGED?

A lessor who receives a security bond in relation to a tenancy agreement must lodge it with the Bond Administrator within 14 days after they receive the bond.

If the lessor has failed to lodge the bond, you may wish to contact <u>Consumer Protection</u>, as the lessor can be fined for failing to lodge the bond. Alternatively, you can still apply to the Magistrates Court to get your bond back. You will likely need to apply on a <u>Form 12 Application</u> for Court Order – Residential Tenancies for the bond to be paid directly from the lessor.

RELEVANT FORMS

<u>Joint Application for Disposal of Security Bond</u> - can be found on Department of Mines, Industry Regulation and Safety (Consumer Protection) <u>website</u>.

MAGISTRATES COURT FORMS:

Each of these forms can be completed on the Magistrates Court Online Forms system

- Form 6: Application for Disposal of Bond Money
- Form 12: Application for Court Order

Disclaimer

This fact sheet only contains general information. This fact sheet is not legal advice and should not be relied on as a substitute for legal advice. You may wish to seek advice from a lawyer regarding your own particular circumstances. We are not responsible for any consequences arising from your use of, or reliance on, the information contained in this fact sheet.

Further information about our disclaimer and your use of this fact sheet can be found here: www.circlegreen.org.au/disclaimer/

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FURTHER HELP - TENANTS' ADVICE AND ADVOCACY

Circle Green Community Legal

(08) 6148 3636

www.circlegreen.org.au

Department of Mines, Industry Regulation and Safety

<u>www.dmirs.wa.gov.au</u>, **Consumer Protection** for consumer and tenancy related matters <u>commerce.wa.gov.au</u>/<u>consumer-protection</u> | 1300 304 054

METROPOLITAN COMMUNITY LEGAL CENTRES

REGIONAL COMMUNITY LEGAL CENTRES

Fremantle CLC

(08) 9432 9790

www.fremantle.wa.gov.au/fclc

Gosnells CLC

(08) 9398 1455

www.gosclc.com.au

Midland Information Debt & Legal Advocacy Service

(08) 9250 2123

www.midlas.org.au

Northern Suburbs CLC (Joondalup)

(08) 9301 4413

www.nsclegal.org.au

Northern Suburbs CLC (Mirrabooka)

(08) 9440 1663

www.nsclegal.org.au

Southern Communities Advocacy & Legal Education Services (SCALES)

(08) 9550 0400

murdoch.edu.au/School-of-Law/Clinical-Legal-Education-SCALES

Sussex Street CLS

(08) 6253 9500

www.sscls.asn.au

Welfare Rights & Advocacy Service

(08) 9328 1751

www.wraswa.org.au

Albany CLC

(08) 9842 8566

www.albanyclc.com.au

Goldfields CLC

(08) 9021 1888 | 1300 139 188 (if outside Kalgoorlie-Boulder)

www.gclc.com.au

Kimberley Community Legal Services:

www.kcls.org.au

Kununurra

(08) 9169 3100 | 1800 686 020 (freecall)

Broome

(08) 9192 5177

Peel CLS

(08) 9581 4511

www.peelcls.com.au

Pilbara Community Legal Services:

www.pcls.net.au

- Karratha
 - (08) 9185 5899
- Newman

(08) 9140 1613

- Roebourne
 - (08) 9185 5899
- South Hedland

(08) 9140 1613

Regional Alliance West

(08) 9938 0600

www.raw.org.au

South West CLC

(08) 9791 3206 | 1800 999 727 (freecall)

www.swclc.org.au

Wheatbelt CLC

(08) 9622 5200

www.wheatbeltclc.com.au