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WESTERN AUSTRALIA

Make It Portable

A Portable Bond and Renters' Dividend for WA

November 2026

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Acknowledgement of country

This report was written on the lands of the Darug and the Eora Nations and the Whadjuk people of the Noongar Nation. The McKell Institute acknowledges Aboriginal and Torres Strait Islander peoples as the Traditional Owners of Country throughout Australia and their continuing connection to both their land and seas.

About this paper

This Western Australia-focused paper builds on national research published by The McKell Institute in January 2025 (Rewarding Renters: How the Commonwealth can make renting easier and fairer for all Australians), which first established the concept of a renters' dividend alongside portable bonds. It adapts subsequent state-level research, including McKell's South Australian proposal, Rewarding Renters to Make SA Competitive (November 2025), and its Queensland paper, Fair Rent Reform (June 2026), translating the core framework into WA's policy and institutional context.

Executive Summary

Western Australia's (WA) rental market risks being a constraint on the state's economic ambitions. The state is entering a decade-long contest for workers across construction, energy and defence at the same time as it records the strongest rental price growth of any state or territory in the country. Essential workers are increasingly being priced out of the communities they serve. Although WA's existing rent-relief framework provides valuable assistance to tenants at risk of losing their homes, it does not support renters facing the upfront costs of relocating for work. In a tight rental market and a high cost of living environment, a highly mobile workforce is particularly exposed to the financial burden of funding a new bond before the existing bond is returned.

This paper recommends the WA Government adopt a portable bond and renters' dividend, two reforms already emerging as national best practice, delivered alongside a modernised bond lodgement system. A portable bond scheme would allow a tenant's bond to transfer directly between tenancies, removing the up-front cash-flow burden of a double bond — providing a cash flow benefit of up to $3,000 per move at current median rents. A renters' dividend would return the interest earned on bond capital to the tenants whose money generates it, rather than funding the administration of WA's tenancy system; modelled over twenty years, this could be worth several thousand dollars. Together, the reforms should be understood as both targeted cost-of-living relief and practical workforce infrastructure for a state competing nationally and internationally for labour.

Victoria and NSW have already legislated portable bond schemes; South Australia has funded one; and Queensland's Opposition has committed to both a portable bond and a renters' dividend. WA now risks being the outlier among the larger states. This paper also identifies a practical opportunity: WA's bond lodgement system is overdue for modernisation regardless of this reform, and delivering portability alongside that upgrade would reduce implementation risk and cost.

Key Findings

- **More than 60,000 WA tenancies end every year,** with the typical tenancy lasting under two years.

- **Many renters face paying 'double bonds', where they pay a new bond before their previous bond is returned.** Without access to portable bonds, a renter can be forced to fund a new bond of up to $3,000 before their old one is returned.

- **WA rents are rising faster than anywhere else in Australia** — up 75 per cent statewide in the six years to April 2025, while the median advertised rent in Perth is now $750 a week.

- **A renters' dividend could turn "dead money" into real savings.** Modelled over 20 years, a standard $3,000 WA bond could earn more than $5,000 in returns if invested like a conservative superannuation option, or more than $14,000 in a high-growth option.

Introduction: Everyone is moving

WA is asking more of its renters than ever before — to move for work, to move often, and to pay more each time they do. More than 60,000 WA tenancies end each year, with the typical tenancy lasting less than two years[1]. At the same time, WA has recorded the strongest rent growth of any state or territory in the country, with the median Perth rent now $750 a week — up nine per cent on 2025, while statewide rents rose 75 per cent in the six years to April 2025[2]. For the roughly one-third of West Australians who rent, moving has become both more frequent and more expensive.

A portable bond and renters' dividend respond directly to that reality, offering three practical benefits for WA. First, a more flexible rental market is a genuine lever in the state's contest for workers as it removes a cost and mobility barrier making WA a more attractive place to live and work, at exactly the moment the state needs to attract skilled and essential workers at scale. Second, it is a meaningful cost-of-living measure: portability limits the need for a renter to find as much as $3,000 for a new bond, while awaiting the return of their previous bond, each time they move. Third, a renters' dividend delivers a direct financial return to renters themselves as the interest currently earned on bond funds would, for the first time, go to the tenants whose money generates it, rather than funding the administration of WA's tenancy system.

Some states have moved early to reward renters. Victoria and NSW led on implementation: Victoria's Portable Rental Bond Scheme passed into law and began operating in 2026, while NSW's Smart Rental Bonds system began the roll out from August 2026. Ahead of those schemes commencing, in January 2025, The McKell Institute published Rewarding Renters, national research examining how federal levers could ease pressure on tenants and introducing the concept of a renters' dividend to return bond interest to tenants. Since then, McKell has set out state-based cases for reform in South Australia and Queensland. South Australia adopted part of this reform, committing to and funding a portable bond scheme in its 2026 state budget. In Queensland, the Labor Opposition committed in its 2026 Budget Reply speech to both a portable bond scheme and a renters' dividend, returning bond interest directly to tenants.

[1] Australian Housing Data Analytics Program. "WA Rental Bonds Data 2023 - Current - Wa-Rental-Bond.Zip - National Housing Data Exchange." Ahdap.Org, Australian Housing Data Analytics Program, 2026, housing-data-exchange.ahdap.org/dataset/west-australia-rental-bonds-data-2023-current/resource/b33edf45-fb89-4258-abae-d85391ccee72. Accessed 8 Oct. 2026.

[2] Australian Bureau of Statistics, *Latest insights into the rental market*, https://www.abs.gov.au/articles/latest-insights-rental-market. Figure covers the six years from April 2019 to April 2025.

This paper sets out the case for why WA should be next.

Renting in the West

As the West Australian government works to deliver its ambitious economic agenda, it continues to be confronted with cost of living challenges. Crucially, WA's rental pressures are not separate from its economic agenda. They affect whether the state can attract and retain the workers needed to build homes, deliver the energy transition, expand defence capability, and staff essential services.

Rents are rising faster in WA than anywhere else in the country

The cost of rent is felt acutely in WA. Anglicare WA's 2026 Rental Affordability Snapshot reports a median advertised rent of $750 a week in metropolitan Perth: up nine per cent from $688 in 2025 and 15 per cent from $650 in 2024.[3] At that rent, a household would need an annual income of approximately $130,000 to remain below the conventional 30 per cent rental-stress threshold. Financing a new bond before an existing bond is released compounds the cost of relocating for work. More than 60,000 WA rental tenancies end each year, while the typical completed tenancy lasts less than two years.[4] For renters moving from one rental to another, this means regularly confronting the cost of a new bond before their existing bond is returned.

[3] AnglicareWA. "Rental Affordability Snapshot | Research | Anglicare WA." Anglicarewa.Org.Au, 2026, www.anglicarewa.org.au/our-initiatives/research/rental-affordability-snapshot-ras. Accessed 8 Oct. 2026.

[4] Australian Housing Data Analytics Program. "WA Rental Bonds Data 2023 - Current - Wa-Rental-Bond.Zip - National Housing Data Exchange." Ahdap.Org, Australian Housing Data Analytics Program, 2026, housing-data-exchange.ahdap.org/dataset/west-australia-rental-bonds-data-2023-current/resource/b33edf45-fb89-4258-abae-d85391ccee72. Accessed 8 Oct. 2026.

Table 1: Length of completed rental tenancies in Western Australia, Aug 25–Jul 26

Length of tenancy	Completed tenancies	Share of completed tenancies
Less than 1 year	15,075	24.4%
1–2 years	19,317	31.3%
2–3 years	10,164	16.4%
3–5 years	9,408	15.2%
5 years or more	7,828	12.7%
Total	61,792	100.0%

Source: Analysis of Western Australian Rental Bonds Data, Australian Housing Data Analytics Platform (AHDAP), based on rental bond disposals between August 2025 and July 2026

This pressure holds across the state, not just in Perth. WA has recorded the strongest rent growth of any state or territory over the six years to April 2025, up 75 per cent from $350 to $613 a week statewide.[5] Roughly one-third of West Australians rent,[6] and both Anglicare WA and Shelter WA find the median renting household now spends around 33 per cent of income on rent, which is above the 30 per cent threshold that defines housing stress.

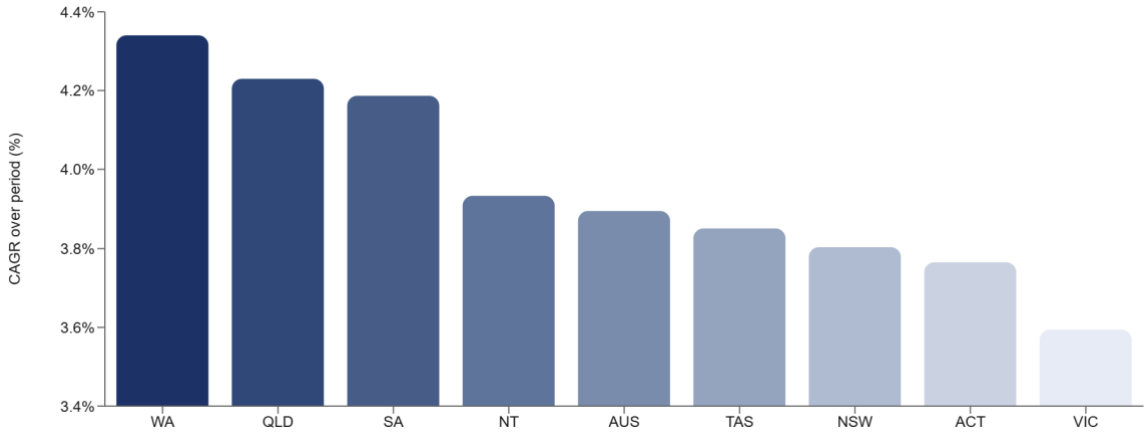
This pressure is also unusually acute in national terms. As Figure 1 shows, rents in WA grew at a compound annual rate of about 6.9 per cent between March 2020 and August 2026 which is almost twice the Australian rate of about 3.6 per cent, and faster than every other state or territory.[7]

[5] Australian Bureau of Statistics, *Latest insights into the rental market*, https://www.abs.gov.au/articles/latest-insights-rental-market. Figure covers the six years from April 2019 to April 2025.

[6] McCarthy, Sabrina. "Media Statement: Shelter WA and Tenant Advocates Question Vacancy as Sector Calls for Step Change for Renters This Election." Shelter WA, 26 Feb. 2025, www.shelterwa.org.au/media-statement-shelter-wa-and-circle-green-joint-statement/. Accessed 8 Oct. 2026.

[7] Australian Bureau of Statistics, Consumer Price Index, Australia, capital-city rents index numbers, Table 10, August 2026, https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/consumer-price-index-australia/jun-2026

Figure 1: Rent growth by state and territory, March 2020 to August 2026: compound annual growth rate



Source: McKell Institute calculations using Australian Bureau of Statistics, Consumer Price Index, Australia, capital-city rents index numbers, Table 10, March 2020 to August 2026.

Essential workers are being priced out of the communities they serve

WA's rental market is precariously narrow for moderate and lower-income workers.[8] Out of more than 3,300 advertised private rental listings across WA, a single full-time minimum wage worker could afford just 0.4 per cent of properties (13 listings, 10 of them in Perth Metro), while a family of four with both parents on the minimum wage could afford only around 3.5 per cent.[9] For entry-level support staff, youth workers, and income support recipients, affordable private market options across both metropolitan and regional WA have effectively disappeared.[10]

Further, essential workers across health, care, education, and emergency services face severe constraints when looking for a home within reasonable commuting distance of their workplaces. This presents a potential bottleneck to the state's diversification agenda. Expanding major projects requires expanding the local health, education, and community infrastructure around them. When essential workers cannot afford to live near those regional hubs or metro centres, service delivery struggles to keep up.

Existing income support only partly offsets these pressures. Figure 2 shows that Commonwealth Rent Assistance (CRA) materially reduces rental stress in WA but does not eliminate it. In 2025, 73.8 per cent of WA income units receiving CRA would have spent more than 30 per cent of their gross

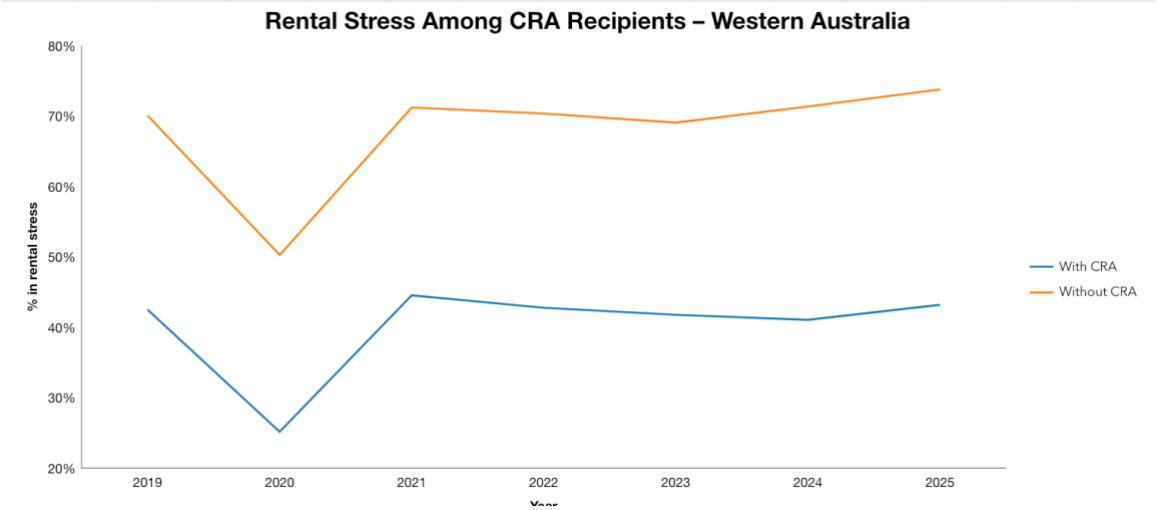
[8] AnglicareWA. "Rental Affordability Snapshot | Research | Anglicare WA." Anglicarewa.Org.Au, 2026, www.anglicarewa.org.au/our-initiatives/research/rental-affordability-snapshot-ras. Accessed 8 Oct. 2026.

[9] Ibid.

[10] Ibid. see also Anglicare Australia, Rental Affordability Snapshot 2026: National Report, Canberra, ACT, 2026.

income on rent without CRA; 43.2 per cent remained above that threshold after CRA was included.[11] This persistence matters for the state's workforce agenda. When a substantial share of lower-income renters remains financially stretched even after assistance, large and irregular costs such as overlapping bonds can impede a worker's ability to move closer to a job or take up an opportunity elsewhere.

Figure 2: Rental stress among Commonwealth Rent Assistance recipients in Western Australia, 2019–2025



Source: Australian Institute of Health and Welfare, Commonwealth Rent Assistance quarterly data, Supplementary table CRA.2.

WA's own safety net does not address this challenge. The WA Government's $24.4 million Rent Relief Program, delivered with Anglicare WA and Vinnies WA, offers a one-off payment of up to $5,000 per household to clear rent arrears and support up to three months of future rent, for tenants already at risk of losing their existing tenancy.[12] It is a genuinely effective program for the crisis it targets. To date, it has supported 4,500 WA households and has recently been extended to June 2027.[13] But it is explicitly designed to keep an existing tenant in an existing lease and is not designed to help a renter secure a new tenancy.

WA's existing rent support addresses tenancy breakdown by activating when a tenancy is at risk. A portable bond removes the up-front cost barrier to moving rentals. The two mechanisms are

[11] Australian Institute of Health and Welfare, Commonwealth Rent Assistance in Australia: quarterly data, Supplementary table CRA.2, 2026, https://www.aihw.gov.au/reports/housing-assistance/cwlth-rent-assistance-in-australia-quarterly-data.

[12] Government of Western Australia, *WA Rent Relief Program*, https://www.wa.gov.au/service/community-services/grants-and-subsidies/wa-rent-relief-program. The program began in December 2023 and has been extended to 30 June 2027.

[13] Glasson, Mark, and Anne Curran. "WA Rent Relief Program Reaches $20 Million | Latest News | Anglicare WA." Anglicarewa.Org.Au, 2026, www.anglicarewa.org.au/learn-about-us/media-and-resources/latest-news/wa-rent-relief-program-hits-$20k-helping-west-australian-homes. Accessed 8 Oct. 2026.

complementary, not overlapping: one keeps people housed where they are, the other helps them move when they need to.

Western Australia's workforce is being pulled in multiple directions

WA is entering a decade-long contest for workers that will shape the state's economy well beyond the current resources cycle. In March 2026, the Cook Government committed to developing a 10-year workforce strategy, aimed at diversifying the economy beyond the $150 billion mining sector while still meeting demand across construction, clean energy, defence, hospitality, tourism and care.[14]

The scale of demand is significant. WA's 160,000-strong construction workforce has grown 17 per cent in three years, but modelling indicates it needs to grow by a further 50,000 workers by 2030 and 130,000 by 2035[15] to keep pace with housing targets. Defence adds a second, overlapping pressure: government and Defence Department modelling points to around 10,500 workers being needed to deliver works across Henderson and HMAS Stirling.[16] The last piece of this tripartite workforce dilemma is the energy transition. WA has a clean energy investment pipeline of about $200 billion, with the sector projected to need more than 351,000 workers by 2050.[17]

Construction, energy and defence are effectively drawing from the same limited pool of tradespeople and technical workers, and WA is leaning increasingly on interstate and overseas arrivals to close the gap. The WA Government is alert to this challenge, with incentives such as the Build a Life in WA,[18] designed to entice building and construction professionals to WA. While the $10,000 cash incentive would undoubtedly be well received by prospective workers, they are still

[14] Government of Western Australia, *WA Workforce Strategy* https://www.wa.gov.au/organisation/department-of-training-and-workforce-development/wa-workforce-strategy

[15] Burton, Jesinta. "WA Tackles Labour Shortages With 10-Year Strategy as Industries Vie for Workers." Australian Financial Review, 2 Mar. 2026, www.afr.com/policy/economy/the-three-way-battle-for-workers-in-wa-20260301-p5o6ee. Accessed 8 Oct. 2026.

[16] Department of Defence. "Henderson Defence Precinct." Defence, Commonwealth Government, 24 Aug. 2026, www.defence.gov.au/business-industry/industry-capability-programs/continuous-naval-shipbuilding-sustainment-enterprise/henderson-defence-precinct . Accessed 20 Oct. 2026.

[17] Department of Training and Workforce Development 2025, State government positions WA as Global Clean Energy powerhouse, Western Australian Government, viewed 20 October 2026, https://www.wa.gov.au/government/announcements/state-government-positions-wa-global-clean-energy-powerhouse .

[18] McGurk, Simone. "Incentives Luring More Than 2,000 Builders, Job-Ready Workers to WA | Western Australian Government." Western Australian Government, 4 Oct. 2025, https://www.wa.gov.au/government/media-statements/Cook%20Labor%20Government/Incentives-luring-more-than-2%2C000-builders%2C-job-ready-workers-to-WA-20251004. Accessed 12 Aug. 2026.

exposed to WA's housing and rental market. Any effort to make renting in WA flexible and competitive with other states would be a positive.

A mobile workforce is a renting workforce

Changing jobs is a well-established driver of residential relocation.[19] Nationally, younger workers are the most likely to change employers, and they make up a large share of the construction, energy and defence workforce WA is trying to grow.[20]

For this cohort, renting is the norm. Figure 3 shows 32 per cent of Western Australians aged under 35 were living in rented dwellings at the 2021 Census, compared with 23 per cent of people aged 35–54, and 13.2 per cent of those aged over 54.[21] This exposure is not simply a temporary feature of early adulthood. Figure 4 shows that the home-ownership rate among WA households whose reference person was aged
30–34 fell from 66.5 per cent in 1981 to 56.4 per cent in 2021.[22] The workers most likely to change jobs and relocate are therefore also more likely to remain dependent on a rental system that imposes substantial up-front costs each time they move.

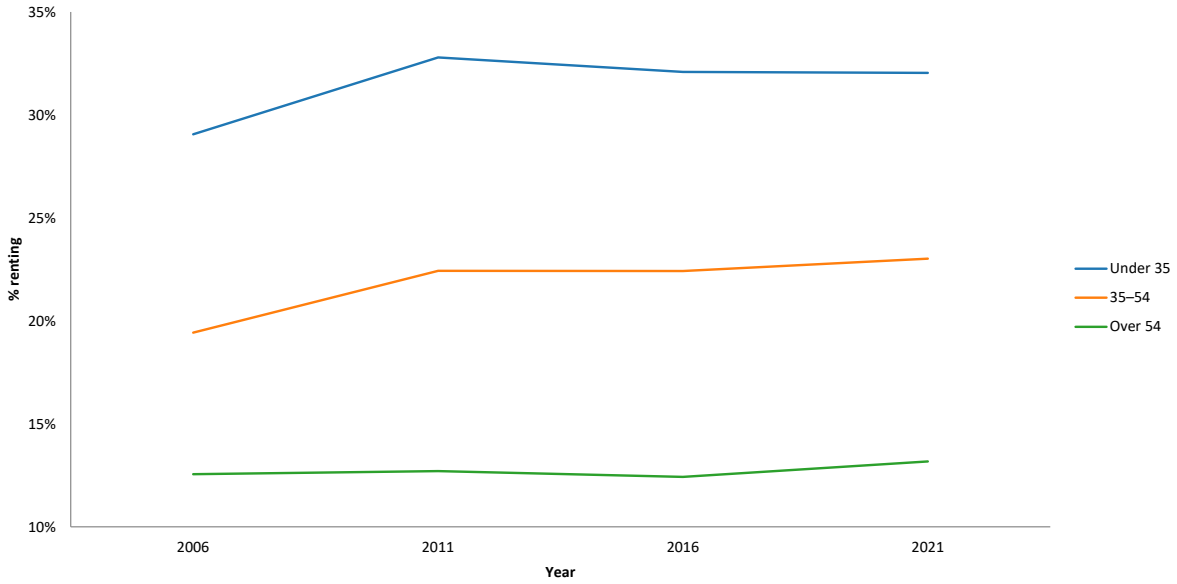
[19] Clark, William A. V., and Suzanne Davies Withers. "Changing Jobs and Changing Houses: Mobility Outcomes of Employment Transitions." Journal of Regional Science, vol. 39, no. 4, Nov. 1999, pp. 653–673, 10.1111/0022-4146.00154. Accessed 12 Aug. 2026.

[20] Australian Bureau of Statistics. "Housing Mobility and Conditions, 2019-20 Financial Year | Australian Bureau of Statistics." 29 July 2022.

[21] Australian Bureau of Statistics, Census of Population and Housing, Western Australia TableBuilder extracts, 2021, https://www.abs.gov.au/census/find-census-data.

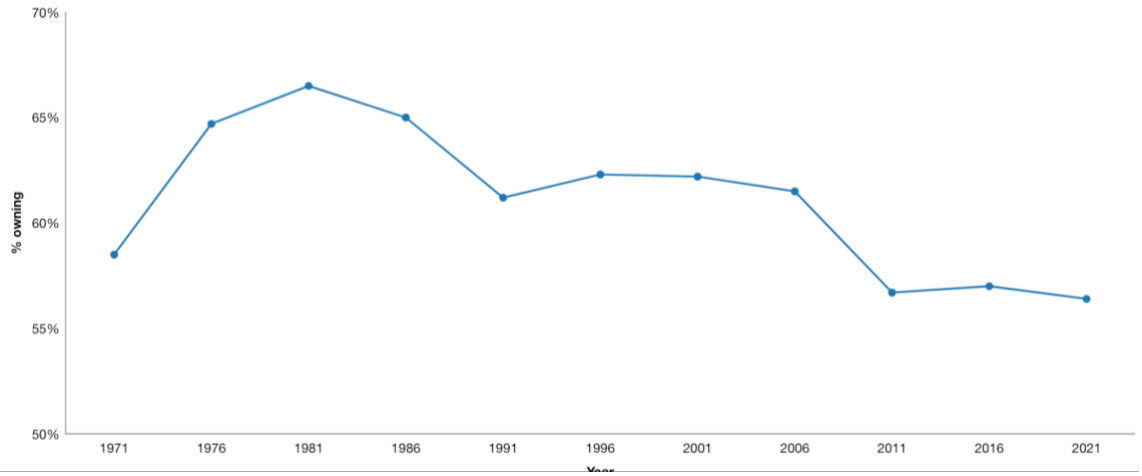
[22] Australian Institute of Health and Welfare, Home ownership by age group, Housing Data Dashboard, 2026, https://www.housingdata.gov.au/visualisations/home-ownership/home-ownership-by-age-group.

Figure 3: Proportion renting by age group in Western Australia, 2006–2021



Source: ABS Census TableBuilder (AGEP/AGE5P x TEND, persons, WA). Note: Home ownership is classified using the age of the household reference person. AIHW interpolated the 1991 observation because no directly comparable 1991 data point was available.

Figure 4: Home ownership rate among Western Australians aged 30–34, 1971–2021



Source: Australian Institute of Health and Welfare analysis of customised ABS Census data, Housing Data Dashboard.

Many of the additional workers WA needs will also be recruited from interstate and overseas and, in a well-established pattern, they are likely to enter the private rental market when they arrive and often rent multiple properties over the course of their careers. Each move can require a renter to lodge a new bond before their existing bond is released, creating an avoidable financial barrier to the labour mobility underpinning WA's growth strategy. Although this cohort would have to find money for an initial bond, subsequent relocations within WA will be more convenient and affordable if that bond is portable.

Government is already acting

None of this is unrecognised by the WA Government. The Cook Government has moved on renter protections in stages, and the record shows a government willing to keep legislating in this space rather than one that needs to be convinced reform is necessary.[23] A first tranche of reforms, already in effect, limited rent increases to once every 12 months, banned rent bidding, and gave tenants greater rights and protections. [24] A second tranche, announced in May 2026, goes further: it seeks to end no-grounds terminations, meaning landlords can no longer end a periodic or fixed-term tenancy without a valid, reasonable ground; introduces clear minimum standards for rental properties; and requires that renters be given at least one way to pay their rent without incurring service or other fees. [25]

Together, these reforms demonstrate an ongoing commitment to modernising WA's rental system and improving outcomes for tenants. As WA seeks to attract and retain a highly mobile workforce across construction, energy, defence, and other essential sectors, reducing the upfront costs associated with moving between rental properties becomes increasingly important. A portable bond scheme is a natural next step in this broader reform agenda, complementing existing protections by making it easier for workers to relocate for employment without unnecessary financial barriers.

[23] Cook, Roger, et al. "Cook Labor Government to Deliver Protection, Rent Relief for Tenants | Western Australian Government." Western Australian Government, 4 May 2026, www.wa.gov.au/government/media-statements/Cook%20Labor%20Government/Cook-Labor-Government-to-deliver-protection%2C-rent-relief-for-tenants---20260504 . Accessed 20 Oct. 2026.

[24] Ibid.

[25] Ibid.

How bond reform can make renting easier

McKell recommends the WA Government adopt a portable bond scheme and a renters' dividend, delivered alongside a modernised bond lodgement system and adapted to WA's own bond administration framework.

A portable bond scheme

In WA, rental bonds are lodged with Bonds Administration under the Residential Tenancies Act 1987 (WA) and credited to the Rental Accommodation Account established under Schedule 1 of that Act. Under the current system, a renter moving between properties must typically fund a new bond before their existing bond is refunded, essentially outlaying two bonds at once. At a Perth median rent of around $750 a week,[26] a standard four-week bond now sits at around $3,000, a substantial sum to fund twice over in the middle of a move.

A portable bond scheme would allow a tenant's existing bond to transfer directly to their new tenancy, removing this double-bond burden. Following the Victorian and NSW models, government would guarantee the outgoing bond to the departing landlord while the transfer takes place; if a claim against the bond is later upheld, government recovers the amount from the tenant. This retains full landlord protections while removing the up-front financial shock for the tenant.

Under a portable bond, if the new property's bond is higher than the old one, the renter tops up the difference; if it's lower, they get the surplus refunded, as long as no agreed claim has been made against the bond.

A renters' dividend

Bond funds held in the Rental Accommodation Account are invested and accrue interest over time. Under current WA arrangements, this interest largely funds the administration of WA's tenancy system rather than going to the tenants whose capital generated it. McKell recommends this arrangement be reformed so that, upon final exit from the rental market or scheme, tenants receive a renters' dividend: the net return accrued on their bond capital, calculated against a transparent

[26] AnglicareWA. “Rental Affordability Snapshot | Research | Anglicare WA.” Anglicarewa.org.au, 2026, www.anglicarewa.org.au/our-initiatives/research/rental-affordability-snapshot-ras . Accessed 8 Oct. 2026.

published benchmark (such as the RBA cash rate) or, if government chooses, linked to the returns of an approved investment option.

If bond funds earned the long-run return of a conservative superannuation option (5.3 per cent a year), a renter with a typical West Australian bond of $3,000 would receive $6,509 after 15 years: their original bond plus $3,509 in returns. If rental bonds were placed in higher-growth options, with the risk level selected by the tenant, the returns could be notably higher. Take, for example, the situation presented in Table 2. Let's say a 21-year-old enters the rental market and stays in the rental market for the next 20 years. Their $3,000 bond could have grown to over $17,000 (more than $14,000 in returns), if invested in a high growth fund, based on the average long-run returns of high-growth superannuation funds. These figures are illustrative and shown before administration costs. Because bonds must remain available to be refunded or to meet landlord claims, any investment approach would need to protect bond principal and determine who bears investment risk in weaker years.

Table 2: Total payout on a $3,000 bond based on superannuation fund returns (entry age 21)

Duration (years)	Exit age	Conservative (5.3%)	Balanced (6.6%)	High Growth (9.2%)
5	26	$3,884	$4,130	$4,658
10	31	$5,028	$5,685	$7,233
15	36	$6,509	$7,825	$11,232
20	41	$8,427	$10,771	$17,441
25	46	$10,910	$14,827	$27,082

Note: Figures include the original $3,000 bond and are shown before administration costs. Source: McKell Institute modelling; Chant West 15-year annualised returns (19 Jan 2026); bond = 4 weeks x $750 (REIWA). Full grid (entry ages 18-30) in main data workbook.

This is a structural change in how renters build wealth and it challenges the common perception that 'rent money is dead money'. A renters' dividend converts a currently idle, locked-up cost into a genuine financial asset, changing the trajectory of a renter's financial security and building at least some long-term resilience. In practical terms, it is the difference between leaving the rental market empty-handed and leaving with a buffer that can go toward a deposit, cushion a financial shock, or add to retirement savings.

Modernising bond lodgement

WA already holds all residential bonds centrally through Bonds Administration, within Consumer Protection at the Department of Local Government, Industry Regulation and Safety (LGIRS), under Schedule 1 of the Residential Tenancies Act 1987 (WA). The lodgement process itself, however, still reflects an older model. In WA, the tenant pays the bond to the landlord or agent, who must then lodge it with Bonds Administration. The tenant has no option to pay Bonds Administration directly. This makes WA the outlier among Australian jurisdictions with a central bond authority. NSW, Victoria, South Australia, Tasmania, Queensland and the ACT all now give tenants at least the option of paying the authority directly, with the agent's role limited to raising the payment request.

WA's bond lodgement system is due for modernisation. Industry itself supports moving toward the direct-payment model already operating in most other states.[27] A portable bond scheme is a natural, low-cost extension of the same reform: if WA modernises its lodgement system to allow direct tenant payment, the logical next step is to allow that same direct relationship between tenant and Bonds Administration to support a bond transferring between tenancies, rather than being paid out and
re-lodged each time a tenant moves.

There is also a practical implementation lesson from NSW's experience. NSW's Smart Rental Bonds scheme was delayed due to the technical difficulty of retrofitting the existing Rental Bonds Online system to support bond transfers after the fact.[28] For WA, modernising BondsOnline's payment model and introducing bond portability as a single, coordinated build, rather than sequencing portability as a later retrofit, makes sense.

The two reforms, lodgement modernisation and bond portability, are complementary, share the same digital infrastructure, and could reasonably be delivered as a single package rather than two separate pieces of reform and potentially mitigate some of the implementation risk NSW encountered.

A modest cost, structured on WA's terms

[27] REIWA. "REIWA - 2026-27 REIWA Pre-Budget Submission." Https://Reiwa.Com.Au, REIWA, 13 Nov. 2025, view.publitas.com/reiwa-1/2026-27-reiwa-pre-budget-submission/page/1. Accessed 20 Oct. 2026.

[28] ABC News, "Portable bonds scheme for NSW renters quietly delayed after flagged rollout missed," 29 January 2026, https://www.abc.net.au/news/2026-01-29/nsw-minns-government-portable-bonds-scheme-quietly-pushed-back/106223732

Comparable jurisdictions provide a useful benchmark. NSW invested $6.6 million to build and deliver Smart Rental Bonds.[29] South Australia has set aside $3.6 million to establish the scheme.[30] Victoria's Regulatory Impact Statement estimated ongoing administration costs at around $2.9 million a year on average, plus a level of debt write-off.[31]

These costs can be recovered without drawing on the state budget. Two mechanisms are available, and government could use either or both:

- **Netting administration costs out of investment returns.** Administration costs are deducted before interest is credited to renters, so government retains only the portion of returns needed to run the scheme. Retention may need to be higher in strong investment years to cover weaker ones, but over the long run it should not exceed the genuine cost of administration.

- **A small per-transfer fee.** Victoria and NSW each charge $25 per transfer. [32, 33] Set against the cost of moving, and cash flow benefit of up to $3,000 by avoiding a second bond, this is a minor amount.

McKell does not take a position on whether a fee should apply. The point is that a portable bond and renters' dividend can be delivered on a fully revenue-neutral basis, so cost need not stand in the way of reform. Cost recovery of this kind also reflects a broader principle: interest earned on renters' bond money should primarily benefit the renters whose funds are held, rather than strengthening the state's general cash position.

Together, these two reforms convert a locked-up cost into a modest financial asset for WA's renters, at a cost government can structure to be neutral.

Other states are modernising their bond systems

[29] Fair Trading, NSW. "Portable Bonds Scheme to Deliver Cost of Living Relief." NSW Government, 28 July 2024, www.nsw.gov.au/ministerial-releases/portable-bonds-scheme-to-deliver-cost-of-living-relief. Accessed 20 Oct. 2026.
[30] SA Government. "State Budget 2026-27 - Housing." State Budget 2026-27, Government of South Australia, 4 June 2026, statebudget.sa.gov.au/our-budget/housing. Accessed 20 Oct. 2026
[31] Department of Government Services 2026, Regulatory impact statement – portable rental bond scheme residential tenancies (transfer of bond scheme) regulations 2026 , https://engage.vic.gov.au, State Government of Victoria.

[32] State Government of Victoria. "Portable Rental Bond Scheme." Vic.gov.au, State Government of Victoria, 30 June 2026, www.vic.gov.au/portable-bonds. Accessed 20 Oct. 2026.
[33] NSW Fair Trading. "Smart Rental Bonds." NSW.gov.au, NSW Government, 25 Sept. 2026, www.nsw.gov.au/housing-and-construction/renting-a-place-to-live/residential-rental-bonds/smart-rental-bonds. Accessed 20 Oct. 2026.

Other states in Australia are working to modernise their rental frameworks in line with the recommendations in this report. Victoria[34] and NSW[35] have each established portable bond schemes. The South Australian Government has committed to and funded a portable bond scheme in its 2026 state budget. [36] In Queensland, portable bonds are actively being debated, with the Queensland Opposition advancing the concept, in addition to promoting the concept of a renters' dividend.[37]

This national momentum is further reason for WA to examine how a portable bond scheme could be implemented in the state. While these schemes have been established elsewhere, WA also has the opportunity to become the first state to establish a renters' dividend, where the interest accrued on a portable bond is allocated back to the renter, rather than funding the administration of WA's tenancy system.

With Victoria, NSW, SA, and Queensland moving forward on portable bonds, and Queensland picking up the renters' dividend, WA risks emerging as an outlier among major jurisdictions.

[34] State Government of Victoria. "Portable Rental Bond Scheme." Vic.gov.au, State Government of Victoria, 30 June 2026, www.vic.gov.au/portable-bonds. Accessed 20 Oct. 2026.
[35] NSW Fair Trading. "Smart Rental Bonds." NSW.gov.au, NSW Government, 25 Sept. 2026, www.nsw.gov.au/housing-and-construction/renting-a-place-to-live/residential-rental-bonds/smart-rental-bonds. Accessed 20 Oct. 2026.
[36] SA Government. "State Budget 2026-27 - Housing." State Budget 2026-27, Government of South Australia, 4 June 2026, statebudget.sa.gov.au/our-budget/housing. Accessed 20 Oct. 2026.
[37] Miles, S 2026, 'Speech by hon. Steven Miles (Murrumba) on the appropriation (Parliament) Bill, revenue (cost of living relief locked-in law) and other legislation amendment bill', Hansard, Qld Parliament, viewed 20 October 2026, https://documents.parliament.qld.gov.au/speeches/spk2026/Steven_Miles-Murrumba-20260625-303679378413.pdf .

The McKell Institute recommends the WA Government:

1. **Establish a portable rental bond scheme in Western Australia**

The WA Government should establish a portable rental bond scheme allowing tenants to transfer their bond directly between properties. Consistent with eastern states models, government should act as guarantor during the transfer period, maintaining existing landlord dispute protections.

2. **Modernise WA's bond lodgement system**

The WA Government should modernise bond lodgement so tenants can pay their bond directly to Bonds Administration, in line with other jurisdictions with a central bond authority. Lodgement modernisation and bond portability should be delivered as a single, coordinated build to reduce implementation risk and cost.

3. **Introduce a renters' dividend**

The WA Government should reform the treatment of interest earned on funds in the Rental Accommodation Account, returning net interest directly to tenants as a renters' dividend upon bond exit.