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Alert

Family Law

Family Violence, Pets and Wastage of Finances - Important Changes to Property Settlements under the *Family Law Act*

By Joanne Cliff

Important changes come into effect on 10 June 2025 in relation to financial settlements after separation. The Court is now required to consider the economic consequences of family violence, clarify how pets are dealt with in property disputes, and strengthen requirements for disclosure of financial documents.

The Family Law Act (FLA) now contains legislative recognition of family violence with new provisions directly considering the economic impact of family violence if relevant. It defines what constitutes economic and financial abuse and how it may have affected a party's ability to make financial and non-financial contributions. Wastage of finances, such as caused by gambling, is also to be considered.

The Court now adopts a 5 stage process when considering a financial settlement. The first question to ask is whether it is just and equitable to make an order adjusting the parties' property interests. If the answer is yes, then the next steps are:

1. Identify and value the assets, liabilities, and financial resources of the parties;
2. Assess the contributions made by the parties and allocate a percentage entitlement to each;
3. Assess the future needs of each party; and
4. Consider if the division of assets is just and equitable.

5. The changes codify this process and insert some new considerations at steps 2 and 3, namely:

Step 2 – contributions: the Court will consider the effect of family violence on the ability of a party to make contributions;

Step 3 – future needs: the Court will consider the economic effect of family violence on the current and future needs of a party, as well as material wastage of property or financial resources, liability, and housing needs.

So, it is codifying the existing common law to provide clearer guidance on the factors a Court must consider in property proceedings.

There are also new provisions specifically dealing with the ownership of companion animals (family pets) at separation. While pets have been considered to be property and factors such as who purchased the pet usually meant that the purchaser ended up with the pet, the Court will now consider who looks after the pet, such as who walks the pet, when deciding with whom the pet remains. The Court can now make an order that one party have ownership of the companion animal; for the companion animal to be transferred to another person; or that the companion animal be sold. The Court will not however make an order for one party to spend time with the pet if it lives with the other party.

There are also changes to the financial disclosure of documents. The changes elevate the duty each party has to make disclosure of financial documents, which is aimed to increase each parties obligations to disclose financial documents and increase compliance.

The purpose of the amendments is to establish a clear decision-making framework for property matters formally recognised in the impacts of family violence, codifying disclosure obligations, and to simplify and streamline the Act where possible. It is trying to transition towards a family law system that is more just and equitable, easy to understand, and places an emphasis on the needs of each family.

The changes will apply to:

- an application that is on foot and has not progressed to a final hearing before 10 June 2025; and
- any application made after 10 June 2025.

If you require any assistance with a family law matter, please contact our team.



MORE INFO

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