



Women's Economic Security Package

Family Law Property Mediation – Family Relationship Centres

November 2018

What is the measure?

- The Australian Government will provide an additional \$40m in new funding to keep families out of court.
- \$13m in new money will be given to the 65 Family Relationship Centres (FRCs) across Australia each year, on an ongoing basis, to provide mediation services to families to help them reach agreements about splitting their property after separation.
- Separated families will now be able to access affordable and timely assistance for both their property and parenting matters through an FRC without having to go to court.
- This new mediation service will be available nationally, from 1 July 2019, to all families to help them divide their property after separation.

Why is the Government funding this measure?

- Property cases make up more than half of all new cases filed in the Family Court, and over a third of all new family law cases filed in the Federal Circuit Court, each year.
- There is a growing backlog of cases in the family courts, and the delays for families are untenable. Providing mediation services that support families to reach agreements about property splits between themselves will keep these families out of court.
- Avoiding court saves separated families time and money.
- Increased funding for mediation was recommended by the Productivity Commission as a cost effective way to finalise property and financial arrangements after separation, and is consistent with proposals put forward by the Australian Law Reform Commission in its Discussion Paper on the review of the family law system.
- The Government has been funding FRCs to support families to resolve disputes about children since 2006. This proposal provides additional funding for FRCs to expand their mediation services to include property disputes as well.
- Due to the costs and delays in seeking court decisions on property after separation, some people, particularly women, are abandoning their property claims or may not be obtaining a fair settlement. By providing a safe and supportive environment for separated couples to discuss property matters and agree on property splits between themselves will result in fairer, cheaper and quicker outcomes for families.

What is the expected impact of the measure?

- An estimated 31,200 couples across Australia are expected to benefit from access to property mediation through FRCs each year.

- Each FRC charges fees based on an individual's capacity to pay. This means that all separating couples will have access to affordable property mediation through the FRCs (if they are considered suitable for mediation). Wait times for FRCs generally range from a few weeks to a couple of months. Couples will be able to access this mediation far sooner than they would be able to obtain a property settlement through the courts.
- Over the medium term, there is likely to be a reduction in the number of new court filings for property cases (based on the experience following the roll out of mediation for parenting cases, which saw a 25% reduction in new court filings).
- By facilitating faster decisions for families, this new funding supports the Government's proposed structural reform of the family law courts which is also targeted at reducing the time families spend working through disputes about parenting and property arrangements after separation.

Case study

Rebecca and Richard are separated. They have agreed on the arrangements for their two children but are not able to agree on a property settlement, specifically who will live in the family home. Rebecca is anxious to resolve the issue quickly as the ongoing conflict and uncertainty is upsetting for their two children, and she is struggling financially. She has considered filing an application for a property order in the family law courts, but understands a court process will take some time. She cannot afford ongoing private legal representation, is ineligible for legal aid, and isn't comfortable representing herself in court proceedings. Rebecca is considering giving Richard what he wants so they can all move on, when she learns that her local Family Relationship Centre now provides affordable mediation services for property disputes. A neutral and independent practitioner helps them come to an agreement about their property arrangements, which sees Rebecca receive an equitable share of the property including the family home, setting her up for financial independence.