

Family law changes for property matters from June 2025

Author: Jane Holford
Email: jane@smithfamilylaw.com.au
Date: **Tuesday June 10, 2025**

The *Family Law Amendment Act 2024* (the Amendment Act) passed Parliament on 10 December 2024 and most of the amendments will take effect in relation to all family law matters from 10 June 2025.

The Amendment Act contains a number of amendments that will alter the *Family Law Act* (the Act) and change the way the Federal Circuit and Family Court of Australia approach property matters. In this blog, we explore the major changes to the Act and how they may impact your family law property matter.

I already have final property orders. Will they be affected by the changes?

The changes to the Act do **not** apply 'retrospectively'. This means the new law is only applicable to matters that are decided by the Court after 10 June 2025, not before. As such, the legislative changes do not automatically revoke or 'open up' previous property matters that have already been finalised.

Property reforms from June 2025

1. Codify decision-making steps

The usual process for determining a just and equitable property settlement between parties has been well-established in case law.

This process has now been codified (that is, formally written into law) into the Act in a 4-step process.

The 4-step process for property settlement

Step 1: Identify all legal and equitable rights and interests the parties have in property and existing liabilities.

Step 2: Take into account the considerations in relation to the contributions (including financial, non-financial and parenting/homemaker contributions) made by each party before, during, and after the relationship. If necessary, a percentage adjustment can be made based on a party's contributions.

Step 3: Take into account the considerations relating to current and future circumstances (including the capacity of a party to earn an income in the future). If necessary, a percentage adjustment can be made based on a party's future needs.

Step 4: Only if it is just and equitable in all the circumstances to do so, the Court may make an order altering the parties' property interests. It is not always the case that it will be just and equitable for a Court to make an order in relation to property matters. If it is not just and equitable for the Court to make a property order, they are not able to do so.

1. New and amended factors

New and amended factors that the Court can consider in determining a family law property settlement have been added to the Act. These include:

Wastage – the effect of any significant or material wastage of property or financial resources, caused intentionally or recklessly by a party.

Wastage refers to when a party to a relationship intentionally, recklessly or negligently reduces the net property pool available for distribution between the parties during the relationship or after separation.

Liabilities – any liabilities incurred by either or both parties, including the nature of the liabilities and the circumstances relating to them (i.e. how they were incurred and for what purpose).

Housing needs of children – the extent to which either party has the care of a child of the relationship (under 18 years), including the need for either party to provide appropriate housing for such child.

The Court can now consider whether an adjustment should be made based on these factors. These factors will be significantly dependent on the facts of each separate case, and just because one of the above factors might exist in a case, it does not necessarily mean an adjustment will be made because of it.

If you are unsure whether these factors may be present in your family law matter, we recommend you obtain advice from a specialist family lawyer.

GET ADVICE FROM A FAMILY LAWYER: 03 8625 8957

1. Accounting for economic consequences of family violence

Substantial sections have been added to the Act to account for the effect that any family violence has had on a party's contributions, current and future circumstances, and need for spousal maintenance.

This means if a party has been subjected to family violence, an adjustment may be made to a property settlement due to this. How the economic consequences of family violence are accounted for will be significantly dependent on the facts of each separate case, and just because family violence might exist in a case, it does not necessarily mean an adjustment will be made because of it.

Additional examples of what behaviour may be economic and financial abuse are now specified in the definition of family violence in section 4AB of the Act.

1. Ownership of pets or 'companion animals'

A new definition of 'companion animals' (i.e. pets) has been added to the Act. This allows the Court to consider specific factors relating to pets when determining ownership or sale of a pet after separation.

1. Changes to duty of disclosure

The Amendment Act uplifts the existing duty that parties have to exchange disclosure from the *Federal Circuit and Family Court of Australia (Family Law) Rules 2021* and codifies this obligation into the *Family Law Act*.

A statutory review will be conducted 3 years after the commencement of these reforms on 10 June 2025 to determine whether the reforms are operating effectively and as intended.

Get help from a family lawyer

There are a number of factors that can affect the outcome of a family law property settlement. Family law property matters are often complex, and there is no one-size-fits-all approach.

While the reforms aim to simplify the process, they also include a number of new legislative changes, which are likely to cause further uncertainty until case law is developed to see how these changes will be interpreted by the Court.

If you're negotiating property matters after separation and you need assistance to ensure your interests are being protected, our family lawyers have significant expertise and experience in all aspects of property disputes.

Contacting Smith Family Law

03 8625 8957

info@smithfamilylaw.com.au

This blog is of a general nature and should not be relied upon as legal advice. If you require further information, advice or assistance for your specific circumstances, please contact us.