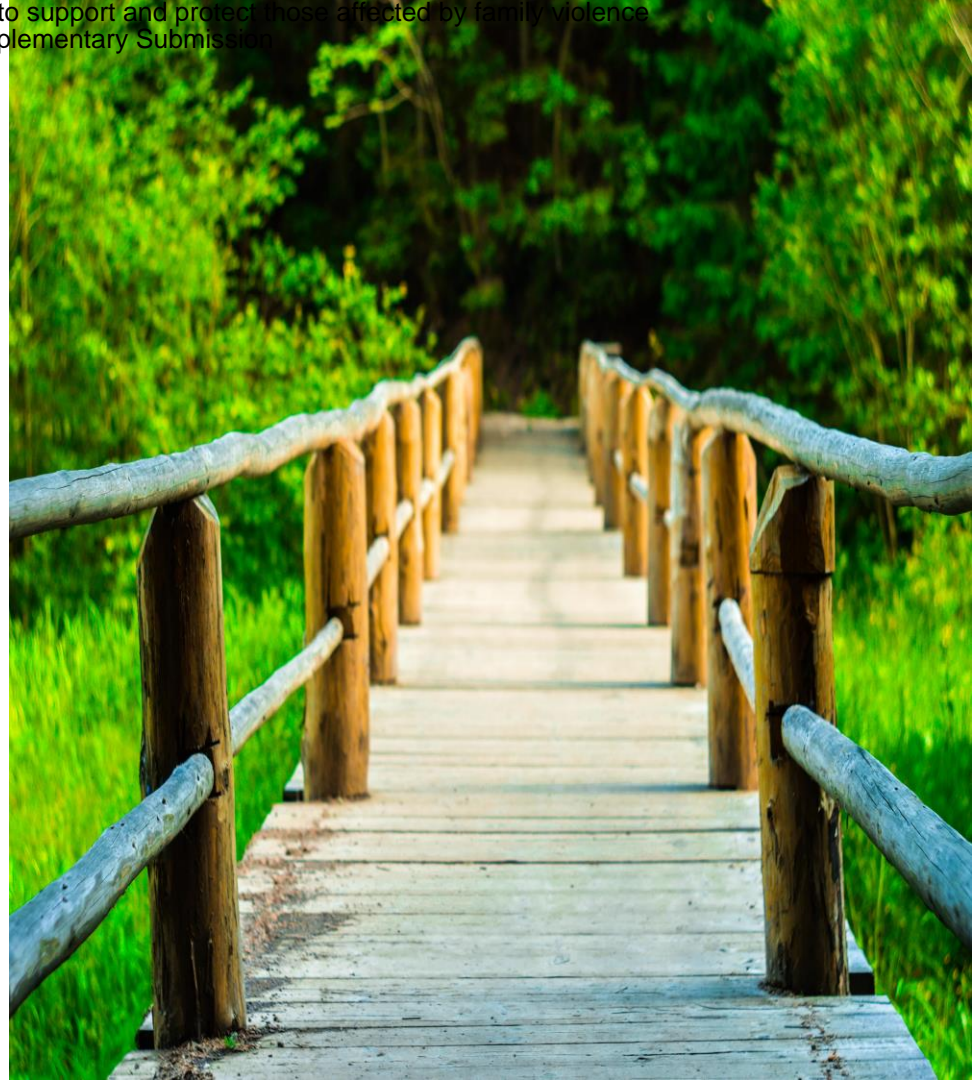


FINANCIAL REHABILITATION IN DIVORCE



**“90% of couples
financially sorted
out within 90 days”**



Up to
90%

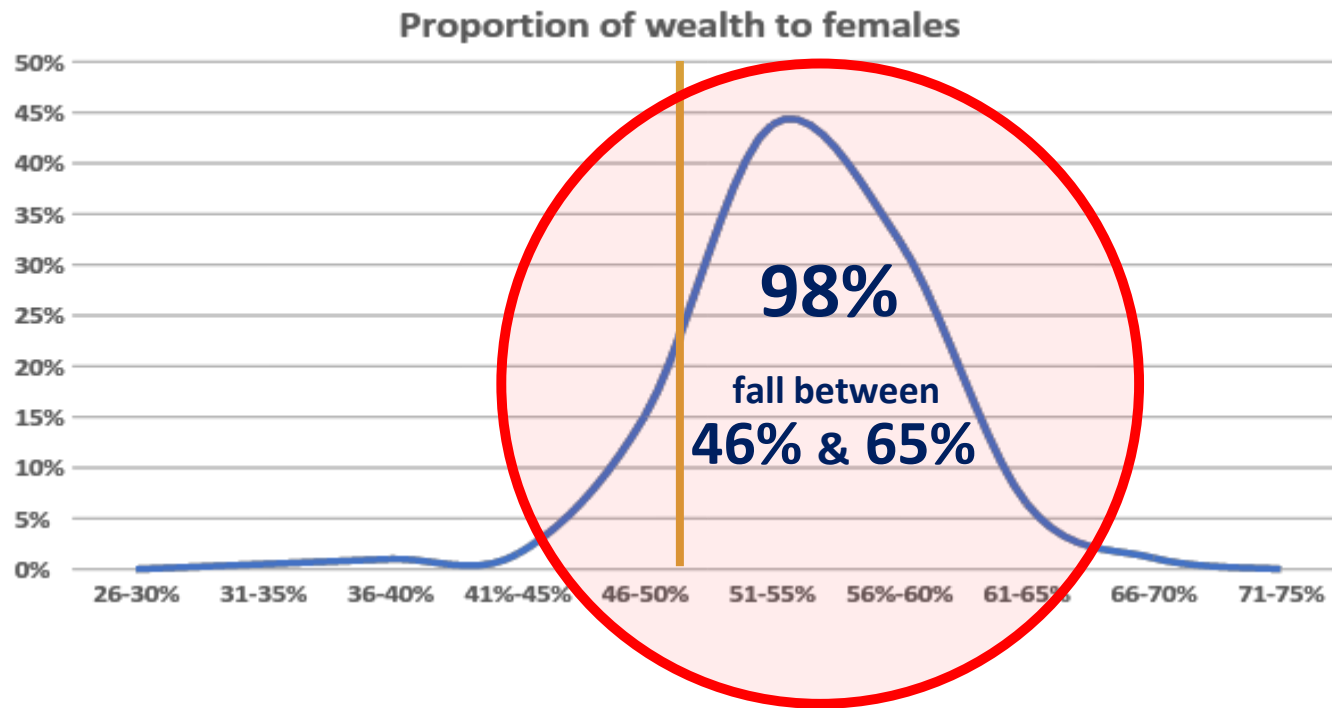
of domestic violence
includes financial
abuse

[But the Family Court and FCC
hear only 0.26% of them]



**This is a cycle
we can break**

What financial outcomes look like when couples separate



(With staggering
delays & high costs...)

This is a key
insight for
optimal
dispute
resolution
policy

In all
except
the 2%
“outlier”
cases...

...each spouse will end up with
at least 35% of their wealth.

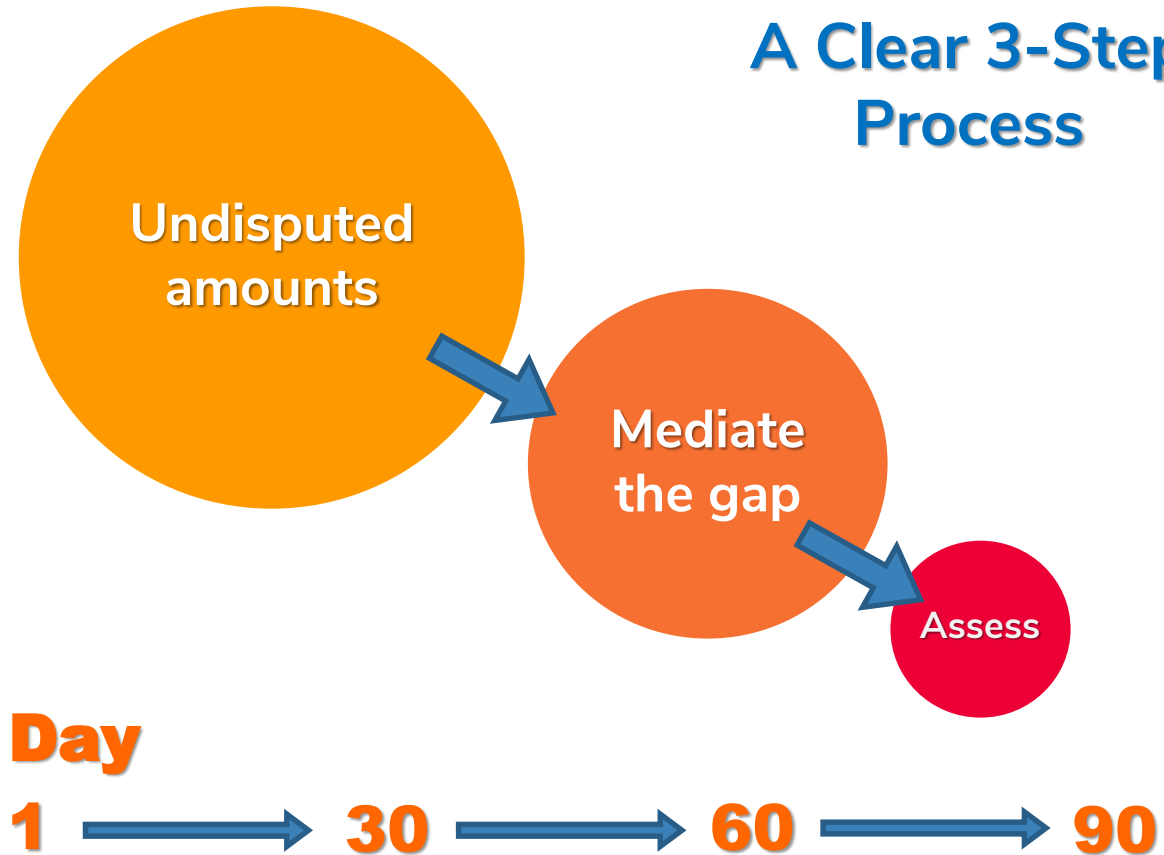
So there is no rational reason
not to have $2 \times 35\% = 70\%$ of
wealth paid or payable
immediately.

THE CORE CONCEPT:

Couples must
distribute their
wealth in a
timely manner



A Clear 3-Step Process



Naturally,
there are
detailed
procedures:

Simple notifications required for commencement

Specific mechanisms for houses, business valuations etc

Exemptions for genuine 2% “outlier” fact patterns

Appeal & opt-out options

Penalties for non-compliance

The working draft legislation that you have is a version of existing mechanical sections of The Family Law Act, Income Tax Assessment Act, Civil Procedure, Construction Payments, etc



Major Benefits



Financial rehabilitation for separating couples



Lower financial stress → lower violence



Up to 67% of cases out of the court queue



More resource focussed on children and victims



Up to \$50m funding for Rosie Batty and other community initiatives

Justice delayed is justice denied

<i>WHAT</i>	<i>WHEN</i>	<i>HOW</i>	1.3% of cases No enforcement mechanisms
Court Hearings	24-36 months	Freeze assets	
Collapse in Court queues	20 months	Freeze, Attrition	
Solicitors bartering	23 months	Delay tactics	
Mediation	4 weeks	Low stress	
Others	15 months	DIY, Legal Aid	

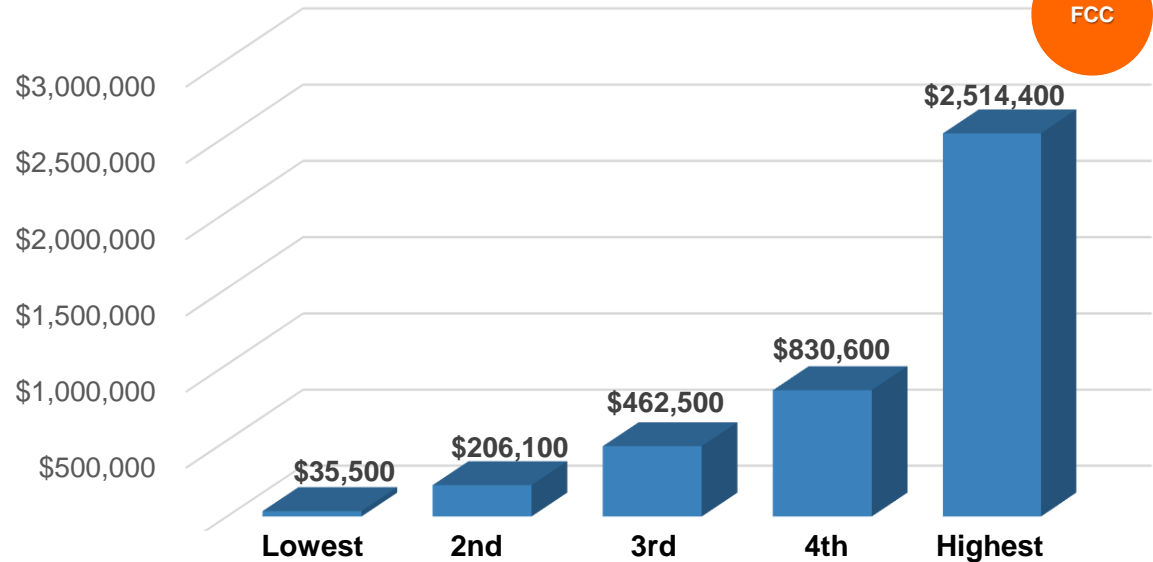
Who are the 1.3%?

Average wealth:

Fed Circuit Court
\$2,800,000

Family Court
\$6,800,000

Australian Household Wealth Quintiles



Resource Allocation

“What’s the
net effect?”

On average around **25%** of the family courts’ resources – around **\$50,000,000** per annum...

...is spent on property matters for **1.3%** of the divorcing population...

...whose average **\$2.8m+** of wealth places them in the **top 5%** of the nation...

...while the family courts address only **0.26%** of domestic violence cases.

Clean reform

No cost to
taxpayers

Legislation
drafted

Access to justice
for all

Break the cycle:
“Safer, Sooner”



What will be the legacy of The Henderson Committee?



More reports



**Request even more
money from Treasury**



**Reallocate resources
to where they're
really needed**



Annexure A:

**Suggested
solutions to
financial
violence
received by
The Henderson
Committee**

	Proposal	Promoters	Constraint
1	More money for Courts	The Law Society, Legal academics; The Barristers Associations of various states.	No money & proven ineffective.
2	Defer & form another committee	Law Reform Commission; AGs Dept.	Delay is political death.
3	Try semi-formal tribunals	Prof Parkinson; Sexual Assault Support Service; Vic Legal Aid; Good Shepherd; Monash Legal.	Great for parenting issues. \$12m.
4	Arbitration	National Legal Aid Secretariat.	Chapter III of the Constitution.
5	More money for Legal Aid	Legal Aid NSW; Aust Women Against Violence; Victims of Violence.	Lots of sympathy from MPs - but little cash.

Annexure A:

Continued

	Proposal	Promoters	Constraint
6	Can't say at this point	The Family Law Council.	Status quo is a political death wish.
7	Merge Courts for greater efficiency	Kay Hull - former Parliamentarian.	
8	Peoples Tribunal	Fathers Groups; individuals; One Nation Policy paper.	Chapter III of the Constitution.
9	Pay citizens ASAP	Divorce Partners.	



Annexure B:

Divorce Partners

- ☐ Focus on behavioural economics
- ☐ Focus on the middle class:
 - ☐ Quintiles 2 and 3
 - ☐ \$200k - \$750k wealth
 - ☐ Enjoy no state subsidies
 - ☐ Can't afford legal advice
- ☐ Solved: 92% in 3 weeks

Sources:

Australian Bureau of Statistics

Australian Institute of Family Studies

AUSTLII

Bureau of Crime Statistics and Research (BOCSAR) NSW

Family Court - 2016 Annual Report

Federal Circuit Court - 2016 Annual Report

Commonwealth Treasury Reports