

MEDIA RELEASE

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Helen McQueen
Deputy President
Law Commission

LAW COMMISSION RECOMMENDS NEW LAW FOR DIVIDING PROPERTY ON SEPARATION

The current law for dividing property on separation is out of date and in need of reform, the Law Commission concludes in its report, [Review of the Property \(Relationships\) Act 1976 – Te Arotake i te Property \(Relationships\) Act 1976](#), tabled in Parliament today.

The Law Commission recommends a range of changes to make the law fairer for partners dividing property on separation.

The Report concludes a three year, first principles review of the law about dividing property on separation, which is set out in the Property (Relationships) Act 1976.

Helen McQueen, Deputy President and lead Commissioner on the review, said:

"New Zealand has undergone a significant period of social change since the Property (Relationships) Act 1976 was passed.

"It is important that the law keeps pace with social change and reflects the reasonable expectations of New Zealanders. In our view, the law for dividing property on separation is no longer fit for purpose in 21st century New Zealand.

"We think that some of the fundamental concepts of the law remain appropriate, such as the general rule of equal sharing and its application to marriages, civil unions and de facto relationships that last for three years or more.

"But we recommend other significant changes that will affect what property is shared. These recommendations are designed to make the law more responsive to the wide range of different family situations that exist today."

The Commission's Report presents a package of reforms. The key recommendations include:

- Changing how the family home is shared. If the family home was owned by one partner before the relationship began or was received as a third party gift or



inheritance, only the increase in the value of the home during the relationship should be shared.

- Giving a court greater powers to divide trust property. These powers should apply when a trust holds property that was produced, preserved or enhanced by the relationship.
- Introducing Family Income Sharing Arrangements or FISAs, which would require some partners to share income for a limited period following separation in order to ensure the economic advantages and disadvantages from a relationship are shared more fairly.
- Giving children's best interests greater priority in relationship property matters. This should include greater rights to occupy the family home in the period immediately following separation.
- Improving the way relationship property matters are resolved in practice to address behaviour that causes delay and increases costs.

These recommendations have been informed by the Law Commission's consultation with the public and experts, together with survey evidence of public attitudes and values about property division on separation.

-ENDS-

Background:

The Law Commission is an Independent Crown Entity operating under its own statute, the Law Commission Act 1985. It reports to the Minister responsible for the Law Commission. The Commission's statutory purpose is to "promote the systematic review, reform and development of the law of New Zealand". The Law Commission receives its work programme for reform and development work as references from the responsible Minister under section 7 of the Law Commission Act and from Parliament.

More information can be found at <https://lawcom.govt.nz>

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This media release and a copy of the publication is available from our website at <https://www.lawcom.govt.nz/our-projects/review-property-relationships-act-1976?id=1589>

