**FAMILY LAW 4217/ 8217**

**Josephine, Stephen, Lilly and Sam**



Josephine and Stephen started living together in June 2004. Josephine was 22 when they started living together and Stephen was 27.

When they started living together Josephine moved into the house where Stephen lived in Hawker, which he owned. At the time that Josephine moved in with Stephen there was a mortgage (with NAB) on the Hawker house. Stephen estimates that at that time, the house was worth about $190,000 and there was about $150,000 owing on the mortgage at that point. They each owned a car although both cars were pretty old and wouldn’t have had much resale value. The house was sparsely furnished, mostly with hand-me-downs. Over the first few years they were together they replaced most of the furniture, using money they saved together from their wages.

Josephine was studying science at university when they first started living together. She had been living with her parents prior to that and doing a small amount of casual work for pocket money. She kept up this casual employment and contributed about $100 per week to living expenses. She finished her degree at the end of 2007.

At the time they started living together in 2004, Stephen was working in the public service. He had been in public service for about 3 years by then. At that point he was an ASO5, earning about $70,000 per annum. Stephen hadn’t worked prior to joining the public .

Josephine and Stephen went backpacking in Europe for 3 months in Nov 2007- Jan 2008. They financed the Europe trip, and the wedding later in November the year, partly from savings and partly by borrowing a bit more on the mortgage. As best Stephen can remember they borrowed another $40,000 during that year (2008). Prior to the backpacking trip they maintained separate bank accounts but they set up a joint account for the trip and then started using the joint bank account from then onwards – they both deposited all of their salary into that account and paid all household expenses from it.

When they got back from overseas Josephine did a Graduate Diploma of Education (12 months), and then started working as a high school science teacher. This was her first permanent and regular employment. She had a small amount of superannuation from the previous casual jobs when they started living together. Josephine taught full time between 2008 and March 2011. She earnt about $60,000 pa during this period.

Josephine stopped teaching in March 2011 just before she gave birth to their first child. Lily was born on 17 April 2011 and Josephine stayed home with her full-time until Lily was 18 months old. For the first 6 months this was paid maternity leave, and then unpaid leave after that. In 2013, she then returned to work part-time, initially 2 days per week but this increased to 3 days per week when Lily was nearly 3. She received income of about $40,000 per annum for her 3 day a week employment.

Around the time of Lily’s birth in 2011, Stephen was promoted to EL1 level, which came with about a $10,000 pay rise (then about $90,000 pa). When Lily was about 6 months old they decided to move to a larger home. They sold the Hawker house – after repaying the mortgage and after sale costs there was about $80,000. They fell in love with a house in Watson that was a bit beyond their budget. With Josephine out of the workforce their borrowing capacity was pretty limited. However, Josephine’s parents helped them out with a gift of $50,000 – which they called it an “early partial inheritance”. Josephine knows that when her parents pass away she will get $50,000 less than her two sisters on account of having received this gift. The house was purchased in joint names – it cost $700,000, plus there were purchase costs (including stamp duty) of $47,000. Stephen and Josephine took out a mortgage, in joint names, of $620,000.

In 2014 Stephen was promoted to the SES (Branch head). This came with a salary increase of about $60,000, plus a work car. He works long hours. His current income is approximately $190,000 per annum.

Their second child, Sam was born on 23 June 2015. Josephine stopped paid work again and stayed home until Sam was 18 months old. She returned to work 3 days per week at the beginning of 2017, and has continued to work 3 days per week since then.

Lilly is now in year 6 at school, and Sam is in grade 2. They attend the local public school but their parents agree that they should attend private school for high school (years 7- 12). They are on the waiting list for Radford College.

Josephine and Stephen separated in January 2021. It was a fairly mutual decision and they have managed to maintain a pretty amicable relationship. Stephen moved out in February 2021– to a rental property just around the corner. Stephen has been paying the rent. Both Stephen and Josephine have continued to pay the mortgage.

Lilly and Sam are living mostly with Josephine in the Watson House, but spend time with Stephen each alternate weekend from after school on Friday until before school on Monday morning. They also have dinner with Stephen every Wednesday night. The kids stay with him for half of each school holidays. They both agree that this is a pretty similar “division of labour” to how it was in the relationship because Stephen always worked pretty long hours – he spent lots of time with the kids on the weekends but he wasn’t around much during the weekdays and Josephine did almost all the housework and activities after school.

Since he moved out Stephen has been paying child support of more than the minimum required amount of $500 per week.

Stephen is in a new relationship with a woman called Gillian. She is an EL2 in the Public Service and earns about $150,000 pa. She is also separated, with 2 late primary school age children who she has in a week-about care arrangement with her ex-partner. She and her ex-wife have recently finalised their settlement and she will be retaining their house, with equity of about $200,000. Stephen and Gillian have talked about getting married, and buying a house and living together once his settlement with Josephine is finalised.

Josephine is also seeing someone else, a man called Glen. Glen stays over at Josephine’s some nights when the children aren’t there but she is not sure how serious the relationship is. Glen is a barrister. He doesn’t have any children, and he has his own apartment in Civic. Glen earns about $400,000 pa.

Josephine would like to keep the Watson house if possible. The value of the house is approximately 1,600,000 (1.6 million), and the mortgage is currently $500,000. Stephen would like to buy a new home, but he wants Lilly and Sam to be able to stay in the Watson house with Josephine, so he is willing to negotiate a settlement that sees Josephine keeping the house, provided he doesn’t sell himself short too much. Josephine has spoken to NAB and they have said that she could borrow up to $600,000 in her sole name, provided it is secured by the Watson property.

Stephen has a defined benefit superannuation plan with the PSS. The value on his statement says that it is currently $500,000. Josephine has an accumulation plan with NGS Superannuation. Her statement says that she has currently $150,000 is superannuation.

Stephen has said that he will pay the school fees for the kids if they go to the private high school as he recognises that Josephine won’t have much capacity to do so.