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## Hidden Cost of Divorce to Business



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A lot has been written on the huge financial impact sickness, work place accidents and the like have on the business community. However, very little attention has been given to the effects a breakdown of marriage has on a person's office productivity. Up to 40% of marriages now end in divorce, with the trend increasing. Accordingly, a very large percentage of the workforce is directly affected and involved. Indirectly, virtually everyone is involved in some way in the process, whether as a family member, confidante, or sympathetic work colleague.

There are the obvious and immediate effects to the business, such as absenteeism. Then there is the distraction of the staff member seeking support from within the office during those difficult times. Less obvious are the mistakes that are made due to being distracted, lack of motivation, sometimes for long periods of time, and lack of positive initiative. When a senior and valued executive is effected in this way, the effects on the organisation can be devastating. There are even instances where a separation of top level executives or proprietors has created doubts in the minds of all employees as to the long term viability of the business concerned, with the resultant debilitating consequences. The legal process of divorce proceedings can also be quite stressful. Several attendances at Court may be required as well as counselling in certain circumstances, particularly when children are involved.

Given the above, a concerned employer would observe that it is important to see that the process is carried through quickly and efficiently. Appropriate and sensitive support from the organisation would be beneficial. At the very minimum, the staff member should obtain competent counselling and legal advice. Whilst legal action may not be contemplated and indeed may not even be necessary, at least in this way many popular misconceptions regarding the ramifications of the separation can be disabused. If action is required for the benefit of the employee, then it can be taken sooner rather than later. It is appreciated that different people react differently to the stress of a divorce. By pointing the person in the right direction, the prospects of a speedy recovery can be greatly enhanced. This is particularly so if the work environment provides sympathetic and positive support during these difficult times.

In our view, if your organisation has not yet given consideration to pro-actively providing assistance, it would be advantageous to do so. The message to the recipient is one of care and concern for their welfare. For the organisation, the end result would be a speedier return to a balanced and settled work environment, with improved productivity. The Family Law Department at Moores Legal is well aware of the need to ensure speedy and efficient service, conscious of the concept that "time is money" both for the organisation and for the staff member concerned.

Personnel managers in your organisation may wish to give consideration to the possibility of contacting us to provide first consultation advice as part of their services to the staff. If there are any inquires in that regard, or regarding counselling and other support services, please do not hesitate to contact us.

Separations are unavoidable. When they do occur, it is important that they are dealt with quickly, and with dignity. Providing appropriate support to an employee bolsters that objective, for everyone's benefit.

### ABOUT THE AUTHOR:

Peter Szabo, is a Principal and member of Moores Legal's Family Law Group. An acknowledged leader among Family lawyers throughout Australia and an Accredited Family Law specialist, Peter is particularly expert in handling financial issues and taxation/estate planning within property settlements. He was the key lawyer in the famous High Court case of Ascot Investments and Harper which remains the definitive case on third party rights in the Family Court. Peter is also experienced in international aspects of Family Law and is a member of the International Academy of Matrimonial Lawyers.

Peter is engaged by clients, financial advisors and national financial planning institutions to assist with financial, tax and estate planning strategies and how those strategies are affected by marital breakdown.

Some particular focuses include:

- making arrangements for "blended families" - where people remarry/reside in a de facto relationship, and both parties have assets and children. They may want to protect or share certain assets, depending on their circumstances;
- where a person is paying child support – to give consideration to child support trusts to effectively turn children into adult beneficiaries for tax purposes;
- ensuring assets go to the client's children and not (for example) to the trustee in bankruptcy or an estranged son or daughter in law; and
- bankruptcy protection – involving the transfer of for example the marital home to protect it from relation back issues.

Peter was the founding Chairman of the Advisory Committee to the Accreditation Board for Family Law Specialists in Victoria and was at the forefront in establishing legal specialisation in family law, the first in Australia.

Peter lectures to the Law Institute of Victoria, the Leo Cussen Institute and to the legal and accounting professions nationally, in all aspects of Family Law. He has written several books, including the Leo Cussen Institute's "Family Court Practice Manual" (now in its 5th edition), "Family Law Financial Settlements for Accountants", and contributed to the chapter entitled "Family Breakdown" in the CCH publication "The Australian Master Financial Planning Guide". He is a regular contributor of articles and papers to the media.

Peter can be contacted on 03 9843 0416 or at [pszabo@mooreslegal.com.au](mailto:pszabo@mooreslegal.com.au)

### The Moores Legal Family Law Team

We have a range of practitioners who are able to assist with any minor queries or major issues you may have. If you require further information, please contact a member of our Team

#### Stephen Winspear

Accredited Family Law Specialist (1989)  
Head of our Family Law Team

#### Catherine Weir

Over 20 years experience and Principal  
with our Family Law Team

#### Peter Szabo

Accredited Family Law Specialist and  
Principal with our Family Law Team

#### Margaret Carney

Senior Lawyer and Accredited Family  
Law Specialist

#### Sheryl Barker

Broad experience in Family Law and  
General Litigation

#### Ellie Delafield

Broad experience in Family Law

#### Micheil Paton

Broad experience in Family Law

#### Katie Waldron

Broad experience in Family Law

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