

DON'T GET CLEANED OUT

Accidents do happen!

Outsourcing domestic tasks that were once common household duties is becoming big business in Australia. Busy work schedules, long working hours plus higher disposable and/or dual incomes have resulted in a growing trend for families and couples to pay someone else to do chores in and around the home.

According to IBISWorld, our collective spend on home services is rising. Sitting at around \$3.1 billion in 2010-11, spending was predicted to grow at 2.5% per annum. At that time, **gardening** accounted for \$1.3 billion pa and **cleaning and housekeeping** accounted for around \$820 million pa.

Households with incomes in the top 20% account for almost half the cleaning spend. However many people engage cleaners and/or gardeners on a regular basis to allow them to spend their limited and valuable weekend time doing what they love to do rather than what they have to do.

Interestingly, growth in spending on leisure and time saving activities has also grown exponentially. Spending on takeaway food and restaurants has exploded and the number of car wash businesses has increased. We are even outsourcing pet grooming and walking. No time to wash or walk the family dog!

Leisure and recreational activities are found to take up 20% of our day. We work hard and we want our leisure time! It is not really a surprise that demand for gardening, cleaning and other personal services is growing.

What happens if an accident occurs in your home?

One area frequently overlooked when it comes to the subject of hired help is insurance cover. Many registered cleaning, home help and gardening services will have their own appropriate insurance cover in place in case workers injure themselves while working on your property. However, it is NEVER a good idea to rely entirely upon an insurance policy **held by another person** as protection for yourself. If the correct cover is not in place, or if the policy has been breached in regards to the worker, then **YOU may not be protected** in the event they are injured while on your property.

What do you need?

If you use domestic workers you should ensure your home insurance policy



includes a **domestic workers cover component**. This is different to public liability insurance. Public liability protects you when a visitor to your property injures themselves and holds you responsible. Most home policies will cover public liability of this sort but not all of them will include a component for domestic workers.

In 2010-11 there were 20 serious workers' compensation claims made against private households employing staff in Australia¹.

Domestic workers compensation is a requirement by law for some employers, but is not required by anyone paying staff less than \$7,500 a year. So if you had a cleaner who worked for two hours once a week and was paid \$60 and a gardener who also worked for two hours a week and you paid them \$60, you would still be paying under the threshold (\$6,240 a year)².

As the home owner, if you were held responsible for the catastrophic injury or death of someone working in your home the damages bill and legal costs would most likely bankrupt you.

Everyone employing domestic workers should check their home and contents insurance policy and add the appropriate cover if needed.

Time for a full insurance review?

At the same time it certainly won't hurt to check all your insurances. As a general rule policies should be reviewed annually - you do not want to find yourself either underinsured OR paying more than you need.

Changing life circumstances should also be a trigger for assessing if your full insurance needs are met. You should

consider your debts, financial responsibilities and dependents. Ideally, your current commitments and future needs should be covered by life and/or income protection insurance (or a combination of policies) in case the worst should ever happen.

Investing in insurance is all about NOT leaving your own or your family's future to chance.

1. Safe Work Australia statistics
2. Canstar.com.au/home-insurance



Time to review your insurances?

Contact the office for details of our preferred insurance specialist.