

MEDIA RELEASE

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OMBUDSMAN'S REPORT SAYS THE SHOW MUST GO ON

The Australian Small Business and Family Enterprise Ombudsman, Bruce Billson, has today released an interim report into the insurance crisis facing Australia's amusement, leisure, and recreation sector.

"There is a clear and present danger facing the amusement and recreation sector because an inability for these businesses to get insurance cover means that many of the attractions people know and love won't be able to operate," Mr Billson said.

"The lack of insurance coverage could lead to the closure of businesses in the amusement and leisure sector, significant job losses (particularly in regional areas), stranded assets and loss of economic activity generated by metro and regional shows and amusement parks."

The report, *The Show Must Go On*, explores whether a Discretionary Mutual Fund (DMF) can be a durable solution and discusses required legislative reform by states and territories to ensure it is 'fit for purpose'. It also highlights the need for DMF to be recognised and accepted as a suitable solution by councils and showground managers.

Mr Billson said the interim report seeks urgent feedback from all stakeholders by 3 November to the ideas and questions raised in the report.

"We are calling for submissions from those in the industry so we can further understand any issues before we release a final report to government," Mr Billson said.

"As businesses look to re-open after lockdowns, this issue is a shattering blow for those small and family businesses in the amusement, leisure and recreation sector which will be forced to stay shut because they can't get insurance.

"There is a very real possibility shows won't go on - something has to be done for the show to go on. A DMF may represent the only workable solution."

The ASBFEO has been reviewing a proposal by the Australian Amusement, Leisure and Recreation Association ([AALARA](#)) to establish a DMF as a solution to the critical and immediate need for insurance in the sector.

The interim report found the lack of affordable insurance was not the fault of the amusement industry but due to a "hardening" in the global insurance market. Very few insurers are willing to insure the industry, and premiums – when available – had risen by as much as 200 per cent.

"In many instances the policy is priced such that it may as well not exist because small operators have no capacity to pay for the cover they need to continue operating," the report says.

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“In the case of the amusement, leisure and recreation sector, there isn’t an offering that provides full coverage.”

Public liability insurance coverage is a legal requirement for the operation of rides at showgrounds and fixed installations, both through contractual obligations and obligations imposed on councils and other landowners by state and territory governments.

DMFs operate to provide cover on a discretionary basis to a group of individuals or organisations that have a similar risk profile. Under a DMF, members who meet requirements would have access to a certificate of protection, enabling them to operate these amusement rides.

[The Show Must Go On interim report and overview](#) and Submissions should be sent to: inquiries@asbfeo.gov.au by COB 3 November 2021.

Media contact: 0448 467 178

Case studies available on request