



Australian
**Small Business and
Family Enterprise**
Ombudsman

MEDIA STATEMENT

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Ombudsman launches Review of Discretionary Mutual Fund proposal

The Australian Small Business and Family Enterprise Ombudsman Bruce Billson has today launched a Review of the Discretionary Mutual Fund proposed for small businesses in the amusement, leisure and recreation sector unable to secure essential insurance coverage.

Mr Billson says the self-generated review, will build on ASBFEO's [Insurance Inquiry](#) as well as ongoing feedback from the [Australian Amusement, Leisure and Recreation Association \(AALARA\)](#) on behalf of its members – many of which face imminent closure without adequate insurance coverage.

“Our country shows that we all love so much are facing a bleak future because small businesses, such as ride-operators, cannot get insurance coverage,” Mr Billson says.

“Closure of these small businesses will mean significant job losses and hurt local economies.

“Our Review will be a deep dive into the inaccessibility of insurance for amusement, leisure and recreation businesses, so that we can provide further advice to the Australian Government on what measures could help these small businesses secure the insurance products needed to remain in operation.

“At the core of this Review, my office will independently examine AALARA’s proposal to establish an industry-owned and operated Discretionary Mutual Fund as the most effective and durable solution to the sector’s insurance crisis.

“We will consider if this proposal will resolve the insurance issues in the sector, the responsibilities and obligations it would impose, its adequacy in satisfying regulatory requirements as well as other options that may assist these businesses.”

“This Review will use the Ombudsman’s internal expertise and seek external expert advice on complex issues, such as specialist legal, financial sustainability and actuarial matters.”

AALARA President Shane McGrath welcomed ASBFEO’s Review of its proposed Discretionary Mutual Fund, which it is seeking to establish in partnership with Aon.

“The amusement, attractions, leisure and recreation industries are facing catastrophic consequences without necessary insurance coverage,” Mr McGrath says.

“ASBFEO’s Review will provide vital information to the Australian Government about the challenges our members are up against regarding insurance accessibility, as well as what that means for these businesses and what support could help address insurance issues faced by the sector.”

A final report is expected to be completed in August.

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