

# Hazard & Risk Management Procedures



## *What is Risk Management*

In our everyday lives, we face risks and we make judgments about whether we will accept these risks. For example, every time we sit behind the wheel of a motor vehicle, we accept that there is a chance of being injured in an accident, but we make a conscious decision that the benefits outweigh the risks.

Organisations however that invite people to participate in their activities have a responsibility to ensure that these activities are free from risk of injury and are as safe as reasonably possible. This responsibility is expressed in legislation such as the “Trade Practices Act” as having a “**Duty of Care**”. It is very important that this duty of care is taken seriously and that you do all that is possible to make sure you comply with this duty.

Risk Management is all about identifying those risks associated with your activities which may result in injury to another person or damage to their property. It is then the process you put in place to either remove or minimise the risk to an acceptable level.

This process is designed to assist Committees in protecting the property under their care and safety along with the health of persons who use the facilities. In spite of care taken, losses cannot be totally eliminated although they can be kept to a minimum by an understanding of the hazards and the instigation of proper safety measures.

In this manual, we will provide you with some essential tools to assist in developing your own risk strategy particular to your activities. You are in the best position to assess your risks, as only you know the extent of your activities and those risks peculiar to your circumstances.



## ***Benefits of an effective Risk Management program.***

There are a number of benefits and all are equally important.

Firstly, when an insurance company assesses both the premium and the acceptance of a cover, the factors that control their decision are the class of risk and the claims experience of the client. It is not only the size of the claims but the frequency and number of claims which will be taken into consideration.

Obviously if there is an effective risk management strategy in place which reduces the frequency of claims and the number of incidents that could result in claims, then an insurer is more likely to give the insurance greater consideration.

Secondly, serious injuries not only affect the injured person but can impact on their family and friends as well. We have seen examples in the media of the trauma these people experience and the effect on their quality of life. The financial impact is only one part of the problem but the social impact on the community is far reaching. One effect of serious injuries is often overlooked and that is the emotional effect on those people involved in the activity which resulted in the injury, namely your committee members, club members, officials etc. This effect cannot often be measured but nevertheless it has a very real consequence.

Lastly, in these days of media scrutiny, injuries can have a significant effect on the reputation of your sport. As you are aware, there is much competition, particularly in the junior ranks, between sporting bodies trying to attract the future champions to their sport. If a sport is seen to be unsafe and disorganised, it is unlikely to attract future participants.



## ***Key components of Risk Management***

There are 3 basic components of Risk Management as follows:

- 1. Risk Identification**
- 2. Risk Measurement**
- 3. Management of the risk**

Having completed a review of each of the components, there are generally 2 outcomes:

- 1. A Loss Control Prevention Program**
- 2. Insurance**

In conjunction with these components, there are also strategies that you can use in the risk assessment process, which will have a significant effect on the type of risk management plan you decide to put in place.

## ***Risk Management Strategies***

There are 5 strategies when you are considering the risks associated with the sport:

- 1. Risk Avoidance**
- 2. Risk Reduction**
- 3. Risk Acceptance**
- 4. Risk Transfer**

### **Risk Avoidance**

This simply means can the risk be totally avoided. Can the activity be changed in such a way to completely remove any risk of injury or property damage?

### **Risk Reduction**

Having identified a risk and having made the decision that it cannot be avoided; can the risk be reduced so that the impact is contained? This can be done in a number of ways, which we will discuss later.

### **Risk Acceptance**

There are times when the risks associated with an activity are inherent and part of the activity that make it attractive. These cannot generally be removed or reduced but have to be accepted and acknowledged.



## **Risk Transfer**

This can be done in two ways.

One is all about making another party or organisation responsible for the identified risk exposure. An example of this would be the use of service providers at club events. You may ask the local food outlet to provide catering at the event.

This reduces your liability should a claim arise from the supply food.

The second is Insurance. Although most risk can be reduced there are always going to be things outside of your control and your insurance policy is your protection in these instances.

Having adequate insurance gives you peace of mind that an unfortunate incident is going to be handled professionally, reducing the strain and financial burden on the club and committee.

## **Risk Identification**

The first step to managing risk is identifying the exposures that are present in your activities.

It is helpful to identify exposures by considering the people involved and their roles to ensure their safety at all times.

Exposure or Hazard 'groupings' that can assist in the identification process include:

- human - type and size of crowd expected, level of participation
- technological - mechanical, utilities such as gas and electricity
- natural - the physical location and site area conditions
- environmental - weather, ground impact etc.

This can then be broken down into two additional categories

- physical hazards
- management systems/training

## **Physical Hazards**

These are the most obvious causes of risk to participants, spectators, officials and volunteers.

In many cases, they can be controlled by having effective systems in place.

## **Rules/Duty Rosters/Designated Areas**

- Entry and exit areas are clear and easily accessible for staff and expected crowd numbers
- Entry and exit areas are adequate for emergency exit and emergency services
- Thoroughfares are well defined and clearly marked
- Adequate signage for entries, exits, toilet facilities etc.
- Signage for any hazardous areas or substances
- Clearly signed first aid and fire fighting locations
- First aid stations are suitably located, clearly signed and easily accessible for everyone
- First aid facilities are adequate for the type of event being held (i.e. first aid volunteers only or is an ambulance required)
- Good means of communication available
- General security and crowd control
- Traffic control and road usage considerations
- Site maps of area, highlighting specific services and utilities
- Vendor/exhibitor general information
- Noise levels
- Alcohol and food requirements
- Animal displays and requirements.

## Inspections

Should be carried out regularly including prior to and upon completion of events and/or club activities.

Why are inspections necessary?

1. To identify and eliminate transient hazards
2. They check hazard control measures
3. Because conditions change
4. Because changes have effects
5. They measure safety performance
6. They detect management deficiencies
7. They demonstrate your commitment

The control of physical hazards that have the potential to cause injury is essential in reducing your exposure to claims. By having an inspection program, you have the opportunity to identify the areas of risk and take the appropriate steps to manage these risks, before they cause a claim.

## Management systems & training

While it is very common to view risk management as dealing with the physical hazards, there are risks associated with the manner in which you manage your activities, your procedures and systems and your training programs.

The following are some examples of this that will impact on your risks:

1. Do you have a "Code of Conduct"? How do you ensure that all competitors are aware of these codes and how do you enforce their compliance?
2. How do you police the wearing of appropriate clothing and protection for competitors?
3. Do you have a standard of apparel and protection for official, volunteers etc and how do you police compliance?
4. What training do you provide to officials, volunteers, etc. to ensure they carry out their duties in the appropriate way?
5. Do you have a disclaimer printed on the entry forms, schedule or tickets?
6. Do you have appropriate signage at entry points to the event and restricted areas?
7. Do you review the site layout to ensure that conflicting risk areas are kept separate or are controlled, i.e. horses away from spectators, horses away from vehicles, animals such as dogs away from horses?
8. This is not by any means an exhaustive list but is a starting point and you will need to review your procedures and systems for any other exposures

## **Risk Measurement**

Now having identified the risks, the next step is to measure or assess the possible outcome, i.e. is the risk likely to cause serious injury, minor injury, damage to property etc.

This is an essential element of the process, as it will dictate the action and the timing of the action that you need to take.

It is important that you consider the worst case scenario particularly in the case of potential injury as it can be a fine line between a minor injury and a major injury. For example, falling off a horse may, in some cases, cause a minor injury but, depending on the circumstances, this injury can be more serious. As such, you need to not only consider the fall but take into consideration the environment as well.

## **Risk Assessment**

Risk assessment is the process of estimating the potential effects or harm of a hazard to determine its risk rating. By determining the level of risk, event organisers can prioritise risks to ensure systematic elimination or minimisation.

In order to determine a risk rating consider:

- the likelihood - chances or possibility of it occurring
- the consequence - what will happen, the extent of harm

A risk assessment matrix modelled from examples given in *AS/NZS 4360:2004 Risk Management*.

When conducting a risk assessment, include the people who are actually involved in undertaking the task. Experience is as important as a fresh perspective when undertaking risk assessment.

### **Likelihood**

How likely is it to occur?

Level	Descriptor	Example Detail Description
A	Almost certain	Is expected to occur in most circumstances
B	Likely	Will probably occur in most circumstances
C	Possible	Might occur at some time
D	Unlikely	Could occur at some time
E	Rare	May occur but only in exceptional circumstances

## Consequence

What is likely to be the impact?

Level	Descriptor	Example Detail Description
1	Insignificant	<ul style="list-style-type: none"> <li>No injuries</li> <li>No interruption to the event</li> <li>Low financial loss</li> </ul>
2	Minor	<ul style="list-style-type: none"> <li>First aid treatment</li> <li>Temporary halt of event</li> <li>Medium financial loss</li> </ul>
3	Moderate	<ul style="list-style-type: none"> <li>Medical treatment required</li> <li>Temporary halt of event requiring outside assistance (e.g. specialised maintenance, fire, police)</li> <li>High financial loss</li> </ul>
4	Major	<ul style="list-style-type: none"> <li>Extensive injuries</li> <li>Halt of event requiring investigation and outside assistance (e.g. fire, police, ambulance)</li> <li>Major financial loss</li> </ul>
5	Catastrophe	<ul style="list-style-type: none"> <li>Death</li> <li>Cessation of the event with investigation and potential prosecution (e.g. fire, police, ambulance)</li> <li>Catastrophic financial loss</li> </ul>

## Risk Assessment Matrix

The risk matrix determines a 'risk rating', based on the likelihood and consequence of risk.

CONSEQUENCE					
LIKELIHOOD*	Insignificant 1	Minor 2	Moderate 3	Major 4	Catastrophic 5
A (Almost certain)	H	H	E	E	E
B (Likely)	M	H	H	E	E
C (Possible)	L	M	H	E	E
D (Unlikely)	L	L	M	H	E
E (Rare)	L	L	M	H	H

## Ratings

**E = Extreme risk: immediate action required**

**H = High risk: senior management attention needed**

**M = Moderate risk: management responsibility must be specified**

**L = Low risk: manage by routine procedures**

Risk assessment tables enable event organisers to allocate risk ratings to all hazards so they can prioritise and address them in a systematic way.

The next step is how you deal with the information that you have gathered as part of the assessment process.

## ***Risk Management Action Plan***

It is now imperative, having collected all of the information in relation to your risks, you put in place an action plan and controls to ensure that the hazards are minimised, remedied or scheduled for remedy.

First we need to work out the best method of handling the risk.

Look at the following methods, which are referred to as the 'hierarchy of controls', to see if you can eliminate or reduce the risk.

- Elimination – by removing the hazard entirely through new design or implementing a new process
- Substitution – by replacing hazardous materials or methods with less hazardous alternatives
- Engineering – by isolating, enclosing or containing the hazard or through design improvements
- Administrative – by ensuring safe operating procedures are in place, and that effective training, induction and monitoring is available to all in the workplace, diligent reporting of all incidents which occur
- Personal protective equipment (PPE) – by making sure that appropriate safety equipment, such as helmets, riding boots, gloves are being worn by participants

Often people pick the 'easier' option by going straight to administrative controls or personal protective equipment but there are often more effective ways to control the hazard.

In many cases consultation and discussion with the people involved reveals new ideas or better ways of handling hazards and reducing the risks of injury.

Focus on what is both realistic and practical so that risks are minimised to an acceptable level. It is vital to ensure that risk assessment covers the entire event – from set up (bump in) to dismantling (bump out), not just during the event itself.

Most importantly, consult with those involved.

Your Risk Management Action Plan should be a document that is under constant review as your risks will change from time to time and, with the inspection program, these actions will need to be updated to maintain the control over the risk exposures.



The importance of a continuing education program for your members, officials, volunteers and committee members in the importance of maintaining a diligent approach to risk management is of a vital importance. These people are the key to the success of your Action Plan.

There are always likely to be situations that may result in an incident that inevitably results in injury. The most commonly used method to finance the risk is to take out insurance to cover those inevitable claims that will occur from time to time.

**An effective Risk Management Plan will help protect that insurance from being exposed to claims that could have been prevented. It is in your best interest to protect your cover in order to provide the greatest chance of its continuance.**

Part of this protection process should be diligent recording of all incidents regardless of the severity and reporting those circumstances which may give rise to a claim to your Insurer.

Some Club and/or Event committee's fear reporting any incidents to their Insurance Company may result in an immediate increase in the cost of their insurance, however this isn't the case. Reporting incidents provide a good source of information to enable improvements in safety and procedures within the industry in the future.

The completion of an "**Incident Report Form**" should be incorporated into your Action Plan and become a natural part of the process of assessment.

The final component of your program is to assess the success of your actions.

Should an incident occur (whether it results in an injury/property damage or not), it is important to review the details and circumstances surrounding the incident, to evaluate whether your processes and/or your Action Plan have failed or other processes need to be put in place to prevent the incident recurring.

By developing an ongoing analysis of each incident, however minor, this will continue to reinforce the importance of maintaining an effective Risk Management Plan and the benefits, over time, will become part of your success.

## ***Summary***

We are sure when this document is first read, the task will seem like an onerous undertaking, but once the principles and processes are adopted, it will become second nature and in time will be a natural part of way you conduct your activities.

Remember that the benefits are substantial and are not just financial. The emotional cost of accidents to the community and to each person is impossible to measure. By reducing the potential for these accidents to occur, we can minimise this effect on the community and benefit all.

**A checklist and signage for use at events have been enclosed to assist with your risk management.**