



**“How to avoid Risk”
Information Booklet**

AON



There are 3 basic components
of Risk Management

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



Introduction

In our everyday lives, we face risks and we make judgements 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 and businesses however, not matter how big or small, 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 and/or individuals 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 business or 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 business or sport is seen to be unsafe and disorganised, it is unlikely to attract future participants.



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, surface and site area conditions

environmental -
weather, land management, surrounding landscape, ground impact etc.

A format similar to the template provided overleaf could assist in the early stages of identification.

This can then be broken down into two additional categories

physical hazards -
are those substances which threaten your physical safety

management systems/training -
is the framework of processes and procedures used to ensure that an organisation or business can fulfil all tasks required to achieve its objectives





Physical Hazards

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

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

- 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
- Good means of communication available
- General security and crowd control where applicable
- 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.
- Adequate stewards, marshals, volunteers

Ground inspections should be carried out regularly including prior to and upon completion of events and/or activities.

Why are inspections necessary?

- To identify and eliminate transient hazards
- They check hazard control measures
- Because conditions change
- Because changes have effects
- They measure safety performance
- They detect management deficiencies
- 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:

- Do you have a “Code of Conduct” or “Rules” in place.
- How do you ensure that all participants are aware of these codes or rules and how do you enforce their compliance.
- How do you police the wearing of appropriate clothing and protection by participants.
- Do you have a standard of apparel and protection for official, volunteers etc and how do you police compliance.
- What training do you provide to employees, officials, volunteers, etc. to ensure they carry out their duties in the appropriate way.
- Do you use waivers and/or disclaimers, are they on the application or entry forms, schedule or tickets.
- Do you have appropriate signage at entry points to the event and restricted areas.
- Do you review the site layout to ensure that conflicting risk areas are kept separate or are controlled, ie horses away from spectators, horses away from vehicles, animals such as dogs away from horses.
- Do you have speed limits sign posted on the property
- Do you ensure you have a first aid certified employee or volunteer at each event or activity
- Do you keep records of all incidents
- Do you keep a detailed register of all employees or volunteers

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.

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



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*.

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

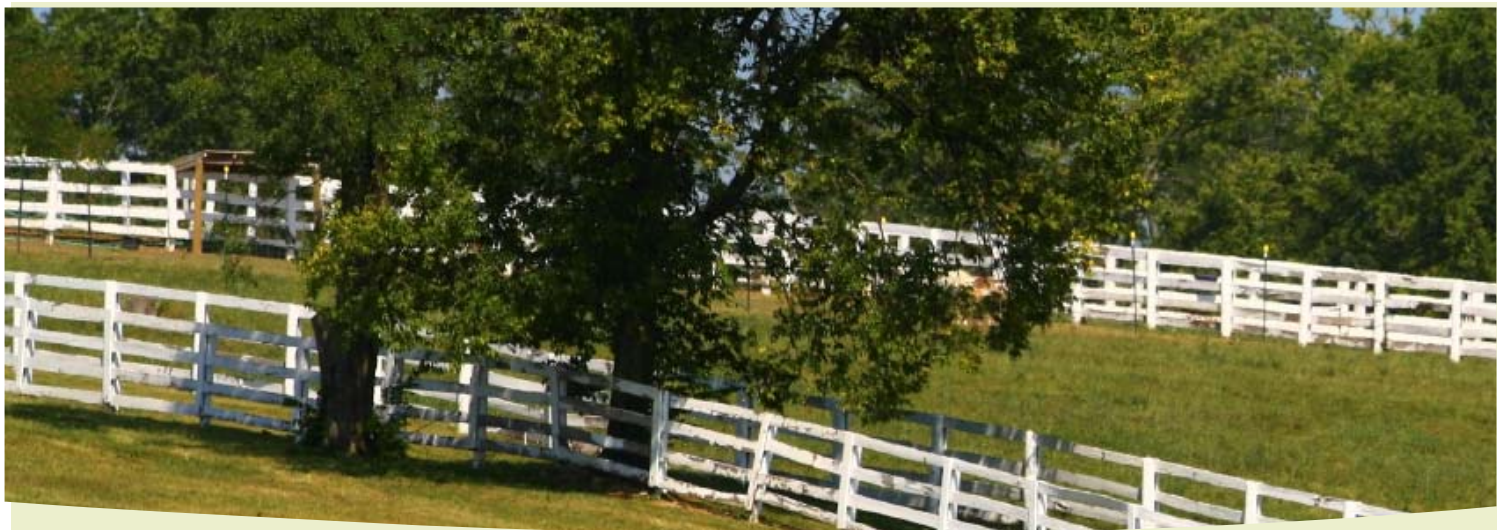
Often people pick the 'easier' option by going straight to administrative controls or personal protective equipment but there are often more effective ways to control the hazard.

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.





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 businesses 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.



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

1. A Loss Control Prevention Program

2. Insurance

Insurance is a service that offers protection against those uncontrollable incidents.

The consequences of these incidents can sometimes be financially disastrous and insurance offers an opportunity to protect against some of the financial consequences associated with these incidents.

Important things to remember when effecting insurance.

- Ensure the policy is in the correct entity name and ABN
- Ensure all required activities of the business or organisation have been declared
- Ensure you have familiarised yourself with the terms, conditions and exclusions of the policy
- Ensure you maintain accurate record keeping, such as incident report forms.
- Ensure you have implemented your risk management plan
- Ensure you use waivers or disclaimers where required

Incident Report Form

IMPORTANT: Do not make any public statements or admit fault of any kind. Do not say or imply that the incident was your own fault or that of your staff or premises. The completion of this form is not an Admission of Liability.

Name of Insured or Policy Holder <small>(This should not be the Person who was injured or had property damaged)</small>				
Policy Number			Expiry Date	
Name of Person Completing Report				
Affiliated Club / Member Name (if applicable)				
Address				
Telephone	(...)	Email		
Type of Activity being conducted at time of Incident				
Official Competition <input type="checkbox"/>	Unofficial Competition <input type="checkbox"/>	Training Day <input type="checkbox"/>	Riding Lesson <input type="checkbox"/>	Trail Ride <input type="checkbox"/>
Discipline _____	Discipline _____	Other Club Activities <input type="checkbox"/>	Group <input type="checkbox"/>	Clinic <input type="checkbox"/>
			Individual <input type="checkbox"/>	
Injured Person Information				
Name				Age _____
Address				
Telephone	(...)	Email		
Was this person a:	Participant <input type="checkbox"/>	Spectator <input type="checkbox"/>	Volunteer <input type="checkbox"/>	
Rider Experience	Beginner / Novice <input type="checkbox"/> Intermediate <input type="checkbox"/> Advanced <input type="checkbox"/>			
Was a waiver completed	Yes <input type="checkbox"/>	No <input type="checkbox"/>	If no, provide reason _____	
Incident Information				
Date of Incident			Time	AM/PM
Address of Incident				
Weather Conditions	Fine <input type="checkbox"/>	Hot <input type="checkbox"/>	Other <input type="checkbox"/>	
	Raining <input type="checkbox"/>	Temperature _____	_____	
Ground Conditions	Dry <input type="checkbox"/>	Wet <input type="checkbox"/>	Undulating <input type="checkbox"/>	Other <input type="checkbox"/>
	Hard <input type="checkbox"/>	Soggy <input type="checkbox"/>	_____	
Location of Incident	Competition Area <input type="checkbox"/>	Parking Area <input type="checkbox"/>	Warm-Up Area <input type="checkbox"/>	General Riding Area <input type="checkbox"/>
	Other <input type="checkbox"/> _____			

Page Break

Injury sustained		None visible <input type="checkbox"/> Fracture <input type="checkbox"/> Sprain <input type="checkbox"/> Bruise/Contusion <input type="checkbox"/> Abrasion/Laceration <input type="checkbox"/> Concussion <input type="checkbox"/> Heat-related <input type="checkbox"/> Other <input type="checkbox"/> _____						
Injury Area		Head <input type="checkbox"/>	Back <input type="checkbox"/>	Shoulder <input type="checkbox"/>	Elbow <input type="checkbox"/>	Hip <input type="checkbox"/>	Knee <input type="checkbox"/>	Other <input type="checkbox"/>
		Face <input type="checkbox"/>	Chest <input type="checkbox"/>	Arm <input type="checkbox"/>	Wrist <input type="checkbox"/>	Leg <input type="checkbox"/>	Ankle <input type="checkbox"/>	_____
		Neck <input type="checkbox"/>	Abdomen <input type="checkbox"/>		Hand <input type="checkbox"/>		Foot <input type="checkbox"/>	
Disposition		No injury/never continued <input type="checkbox"/>		First aid given <input type="checkbox"/>		Ambulance <input type="checkbox"/>		
		Released to parent <input type="checkbox"/>		Refused first aid <input type="checkbox"/>				
Full description how incident occurred								
(If insufficient space attach a statement)								
Details of any Property Damage								
Details of owner of property								
Declaration								
Did you admit liability?		YES <input type="checkbox"/> NO <input type="checkbox"/>						
Has any formal claim been made on you by the injured party or owner of damaged property?		YES <input type="checkbox"/> NO <input type="checkbox"/>		If YES, please attach copies of all correspondence				
Was incident witnessed?		YES <input type="checkbox"/> NO <input type="checkbox"/>						
Signed by person completing report						Date		
						→ / →		

Hot Weather Policies

People who organise outdoor activities or events often ask when should the event be cancelled or changed to the cooler hours of the day.

We all agree it is easier for us and for horses to be in and 'work' in conditions of low humidity.

Even when the temperature is high and there is a breeze, we feel more at ease than we do in lower temperatures with high humidity. This is basically because the body is cooled down by the evaporation of surface water otherwise known as "sweat".

This evaporation is slowed down as humidity rises and the air circulation reduces thus the body finds it harder to sustain a satisfactory temperature.

An overheating body can suffer heat stress and even death without some intervention. The impact on humans and horses varies depending on many factors including acclimatisation, fitness and 'fatness', measures taken to re-hydrate and/or cool down.

The potential risk to humans and horse can also influenced by the facilities being used i.e. have shade areas been provided or made available, do indoor venues have sufficient air flow available, do you have access to sufficient water.

The most important thing organisers need to keep in mind is that the knowledge of how best to manage horses before and after riding may vary greatly between horse owners. Some may not realise the effect of the heat may have on their horse and may fail to take adequate measures.

Organisers should consider the welfare of the horse as well as the rider when determining cancellation of and event or activity.



Volunteers

The success of many organisations and businesses rely heavily on volunteers who are willing to provide their time and experience for, in most cases, no reward.

Whilst acting in a voluntary capacity you need to be aware a volunteer, can be held liable for an incident, should something go wrong.

The Volunteers Act implemented in each state and territory of Australia does not provide immunity against all situations.

These days it is becoming more common for volunteers to be reimbursed for their expenses or paid an honorarium so you should check with your local Workcover Authority and the ATO to ensure they are not crossing the border into employee or sub-contractor status as cover may be prejudiced.

All organisations and businesses or other similar groups must undertake background checks on their volunteers to ensure they meet legislative requirements i.e. “working with children” as if not, fines up to \$140,000 apply in some states.

In the event of a claim, whether it be Liability or Personal Injury, you will be required to provide proof the Volunteer in question was rostered on, on the day of the incident. It is therefore good practice to maintain a register of all volunteers, recording names, dates of service, duties assigned.

For this reason, it is not advisable to be utilising spectators or other people from the sidelines to fill some of these voluntary roles. You need to ensure these rolls are organised in advance, volunteer rosters are maintained and checklists form part of your day to day risk management.





Property Management

Horse properties, whether it be paddocks, stables, yards, exercise or riding areas, should be well designed and fit for purpose as well as well managed to avoid problems such as:

- soil erosion, wet and boggy surfaces
- excess odour or pollution
- pests and rodents
- noise
- dangerous people traffic areas
- unsecure premises

As a checklist, you should ask yourself, does the property have :-

- good fencing
- appropriate signage and/or rules displayed
- good pasture cover and weed management
- no overhanging trees
- clear horse access and thoroughfares
- safe riding areas
- security and gate access
- bio security measures

Intensively used areas such as stables, yards, arenas and drive ways have a lot of traffic, human or horse, so the ground in these areas need to be well surfaced. It is also often these same areas which form part of a workplace and you therefore have a duty of care for the safety of workers, volunteers and visitors to your property.

There are many well written documents available to provide further advice on the “Do’s “ and “Don’ts” of horse keeping.



Fire Prevention and Evacuation & Emergency Response Procedures

Horse properties are predominantly located in rural areas, which means they pose a high threat of being in the line of a bushfire. Many of the materials used to build horse facilities and the storage of hay and bedding also makes them very combustible.

You should check with your local country fire services on the requirements for your area. They may also be in a position to give you some good preventative measure you can implement.

Then you should document your fire prevention plan and ensure all staff are well informed in the procedures .

All property owners should be aware of and heed fire restrictions e.g. Total Fire Ban Days that apply in their districts, and reschedule events or activities accordingly.

A FPE&ER procedure may include:–

- Maintaining adequate fire breaks
- Managing excess fuel loads.
- Feed storage on the property.
- Ensuring fire fighting equipment is on hand, in working order, and ensure staff are capable of basic fire control.
- Ensuring sufficient water resources are accessible on the property.
- Contact numbers for reporting a fire, flood and even disease outbreak
- Emergency Contact numbers for horse owners, veterinarians, fire services, state emergency services, primary industries
- Ensuring clear access for fire fighting vehicles
- Safe assembly areas for people and horses
- Emergency first aid facilities.
- Quarantine procedures

Waivers

Organisations and businesses involved in potentially dangerous activities in most cases must, but inevitably should use Release and Waivers of indemnity forms.

The participant signs the form acknowledging the activity they are about to engage in is dangerous, taking responsibility for their action and "waiving" their right to sue to activity supplier if they are injured.

The idea is to deter the number of frivolous negligence cases against your organisation or business, as well as aiding a defence in the event of a serious accident.

Even if your insurer does not insist on waivers or releases, it is a good business practice and should be a part of your risk management program.

You should familiarise yourself with legislation in your state to understand your obligations. These could include Trade Practices Act, Recreational Services Act and Civil Liability Act.

Obtaining a legal opinion is always a good place to start if your are unclear about your obligations and responsibilities.

"I, for myself and on behalf of my heirs, assigns, personal representatives and next of kin, HEREBY RELEASE AND HOLD HARMLESS AND AGREE NOT TO SUE the Recreational Service Supplier, their officers, officials, volunteers, coaches, agents and/or employees, other participants, sponsoring agencies, sponsors and if applicable, owners and lessors of premises used to conduct the activities (all of whom are referred to as "Releasees") WITH RESPECT TO ANY AND ALL INJURY, DISABILITY, DEATH, OR loss or damage to person or property, WHETHER CAUSED BY THE NEGLIGENCE OF THE RELEASEES OR OTHERWISE"



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.



Sam Small

Sam is Aon's online insurance advocate.

By visiting him at <http://business-insurance.aon.com.au/sam-small.aspx> you have access to valuable small business insights, frequently asked questions and our unique business exchange.



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The AON logo, consisting of the letters 'AON' in a bold, italicized, sans-serif font.