

# Equestrian Australia

## Risk Management

### Guide

#### ***What is Risk Management?***

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.

However, organisations 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 that you comply with this duty.

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

In this manual, we will provide you with some essential tools to assist in developing your own risk strategy that is 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 that may be 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 in place an effective risk management strategy, 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 that 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, it is unlikely to attract future participants.

### ***Rules and Regulations***

Before addressing the principles and strategies of Risk Management, we need to first deal with the issue of the rules and regulations that govern your sport.

Equestrian Australia has detailed rules and regulations that govern the way in which the sport will be controlled in Australia. It is imperative that all clubs, committee members, coaches, officials, volunteers, members and others that participate in the sport, are fully aware of these rules and regulations and ensure that they are adhered to in the sport's administration and participation.

These, by their very nature, have inherent risk management elements as they put in place measures and requirements that control the way the sport is conducted. The rules provide a consistent approach to the conduct of participants and the clubs and reduce the exposure that would result from a lack of control.

It is a vital part of any risk management procedure that any rules and regulations are strictly adhered to and it is imperative that all concerned are fully aware of the requirements.

For your information, the EA rules are available on the web at [www.EAnational.com](http://www.EAnational.com) and the FEI (International Rules) are available on [www.horsesport.org](http://www.horsesport.org)

In addition to the above, there may be particular legislative responsibilities that apply to each state and that impose requirements. We would suggest that these be investigated to ensure that you comply.

There are also Australian Standards, which detail a minimum level requirement of safety, and we would suggest that you also ensure that these are implemented. In the event of an incident, courts generally will apply the minimum standards that are set by the Australian Standards.

We have addressed the issue of the rules and regulations of the EA and other possible statutory requirements. We would expect, however, that as part of your constitution, you also may have rules and codes of conduct that govern the way in which your committee and the club members operate as a club.

It is vital that all members of your club are fully aware of their requirements and it is essential that you have in place a system that ensures that these are complied with.

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

There are 3 basic components of Risk Management and they are 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. Risk Financing**

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 and they are:

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

#### ***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 strategy 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 food for sale at the event. Although this will be seen as part of your risk exposure, you do not have any control over the quality or preparation of the food.

In this case, you would seek to transfer the risk to the provider by insisting they have the appropriate insurance coverage, noting your interests to cover the aspects of their involvement in your event. This can apply to any supplier or provider of goods and services where the control over the safety aspects is under their control.

#### ***Insurance***

When you have considered all of the above options, you will come to the conclusion that you will be able to avoid some risks, reduce others and transfer others as well but there will always be some risks which need to be covered by insurance.

In developing a Risk Management Plan, you should consider the components as we have indicated and, using the strategies as part of the risk assessment, put in place a structured plan to deal with the risks in the appropriate manner according to your particular circumstances. Remember that you are in the best position to make the judgements about your risk exposures but we will provide some of the tools that will assist you in developing your plan.

## ***Risk Identification***

The first step to managing risk is identifying the exposures that are present in your activities. These can take a number of forms and they are as follows:

- 1. Physical Hazards and**
- 2. Management systems/training**

### ***Physical Hazards***

These are the most obvious causes of risk to participants, spectators and officials/volunteers. In many cases, they can be controlled by having an effective system where **inspections** are carried out prior to the events/activities and on a regular basis during events.

#### **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 become the cause of a claim.

Each activity will have its own risks but some examples of physical hazards are as follows:

#### **Competition area**

1. Is the ground surface in good condition and free of hazards such as holes, rocks, water troughs and other obstructions including other animals?
2. Is the fencing appropriate for the activity for the protection of both participant and spectators?
3. Is the size of the area appropriate for the number of participants?
4. If there are jumps or other equipment of any kind, are they in good repair and safe condition?
5. Is the holding/practice area for competitors free from ground obstructions and appropriate for the number of competitors?

#### **Spectator area**

1. Is the designated area ground surface free from obstructions as above?
2. Are all spectator traffic areas clear and safe?
3. Are any viewing structures in good condition and well maintained?
4. Are there barriers between spectators and horses?
5. Is there appropriate signage clearly showing spectator areas and restrictions?
6. Are there any barriers or officials preventing access to non-removable physical hazards e.g. creeks, dams, structures, trees etc

#### **Vehicle areas**

1. Is there a designated area for vehicles and is this free from obstructions?
2. Is this area removed from the horse traffic area?

The above examples are only a guide and when you carry out the inspections, you should develop your own checklist to ensure that all of those potential risks that are peculiar to your activities are noted and dealt with.

### **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. In addition to the EA rules and regulations, do you have a “Code of Conduct”? How do you ensure that all competitors are aware of these rules and 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, ie horses away from spectators, horses away from vehicles, animals such as dogs away from horses?

This is not, by any means, an exhaustive list but is a start 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 the possible outcome, ie 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 will 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 Management – Management/Loss**

#### **Control Prevention Program**

The next step is how you deal with the information that you have gathered as part of the assessment process. To assist with the process, we have included a "**Risk Priority Chart**" that will give you a guide to matching the likelihood to the consequences and a "**Simple Risk Assessment**" form to assist in the assessment process.

#### **RISK PRIORITY CHART**

LIKELIHOOD: How likely is it that it will occur?	CONSEQUENCES: How severely could it hurt someone?			
	EXTREME (Death, permanent)	MAJOR (Serious bodily injury)	MODERATE (Casualty treatment)	MINOR (First aid only)

VERY LIKELY (Could happen frequently)	1	2	3	4
LIKELY (Could happen occasionally)	2	3	4	5
UNLIKELY (Could happen, but rare)	3	4	5	6
VERY UNLIKELY (Could happen, probably never will)	4	5	6	7

This stage of the risk assessment is a way of ranking risks in terms of their priorities. The risk scores obtained have no absolute value. This chart ONLY ranks the risks.

The scores (1-7) in the risk priority chart indicate how important it is to do something about each risk, as follows:

Score	Action
1, 2 or 3	Do something about these risks immediately
4 or 5	Do something about these risks as soon as possible
6 or 7	These risks may not need immediate attention

### ***Simple Risk Assessment***

#### **Identify Risk Issue(s)?**

“What would happen if ...?” “Is it possible that ...?” “Could somebody ...?”

**Identify Cause(s)?** Think what could cause the issue to occur.

#### **Impact)?**

What could be the consequences?

What is the likelihood of it occurring?

**Rank of the Risk?** Refer to Risk Priority Chart

#### **Controls –**

#### **Are they adequate?**

Are there any existing controls? Are they adequate?

Think what could prevent or reduce this impact – does it work?

**Recommended Actions** Practical steps to prevent the cause (remove the risk) or lessen the impact.

**Action Priority / timing?** Use the Risk Priority Chart to prioritise the timing for the actions to treat the risk

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

It is now imperative that, having collected all of the information in relation to your risks, you put in place an action plan to ensure that the hazards are remedied or are scheduled for remedy. The action plan can be in the form of a Risk Management and Control Schedule (sample available).

Your Risk Management Action Plan should then be a document that is under constant review. 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 last component of Risk Management is **“Risk Financing”**.

The most commonly used method 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.**

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.

We have included an **“Incident Analysis”** form for your use. This should be incorporated into your Action Plan and become a natural part of the process of assessment. 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.

**Incident Analysis Form**

<b>Name of Event:</b>	
Name of Organising Committee/Club:	

Address:			
		Postcode:	
Tel: No.:		Fax No.:	
E-mail Address:			

<b>Responsible Officer</b>		Date of analysis	
----------------------------	--	------------------	--

**What happened?** (Direct Cause of Incident/Loss of Success; attach drawing if appropriate)

---



---



---



---



---

**Why did it happen?** (What was the process Failure/Success)

---



---



---



---



---

**Why didn't/did we pick it up?** (What was the Detection Failure/Success)

---



---



---



---



---

**What could have prevented it from happening?**

---

**Recommended Action  
To be completed by when?**

By whom?

Actions Completed (Date):

Responsible Officer's  
Signature \_\_\_\_\_ Date: \_\_\_\_\_

Club President's  
Signature \_\_\_\_\_ Date: \_\_\_\_\_

Please file this form in the Risk Management File when action is completed, and send a copy to

EA National Office  
PO Box 673  
SYDNEY MARKETS, NSW, 2129