

HB 246:2010
Guidelines for managing risk in
sport and recreation organizations



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Handbook

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PREFACE

The Standards Australia/Standards New Zealand Joint Technical Committee, Risk Management, has prepared this Handbook in accordance with AS/NZS ISO 31000:2009, *Risk Management—Principles and guidelines*, to enable better understanding and application of effective risk management within the sport and recreation sector. It supersedes HB 246—2004, *Guidelines for managing risk in sport and recreation*.

The purpose of this Handbook is to assist sport and recreation organizations understand the concept of ‘risk’ and the principles, process and underlying framework that is needed to manage risk effectively and thereby help achieve the organization’s objectives.

Sport and recreation

Sport and recreation makes a significant contribution to the economic and social wellbeing of our society, contributing billions of dollars to the economy, employing tens of thousands of people, and providing an ethos and lifestyle that are synonymous with Australia and New Zealand.

The sector is generally considered to comprise organizations operating in five fields; sport, outdoor recreation, community recreation, fitness and horse racing. It includes both government and non-government organizations. Although diverse in its discussion of activities, the common characteristics of the sector make this Handbook generally applicable.

NOTE: The term ‘organization’ includes any formally constituted entity within the sector including national, state and regional associations, clubs, facility operators, educational institutions involved in sport and recreation and businesses conducting sporting or recreational activities.

Although all organizations are subject to a wide range of laws, some parts of the sector are regulated by specific legislation.

Who should use this handbook?

This Handbook has been prepared mainly for those responsible and or accountable for ensuring that risk is managed effectively in their organization. For larger organizations, it will also be of assistance to those specialist staff responsible for developing, mentoring and overseeing the deployment of risk management processes and practices across their own organization and/or those other organizations which their organization provides support.

Although all organizations wanting to manage risk effectively will need to ensure their management framework will support their risk management activity, and will need to approach their risk management efforts in a way that reflects the principles that are explained in the Standard, AS/NZS ISO 31000:2009 and will need to diligently apply the risk management process as outlined, small organizations will often be able to develop simplified approaches closely customized to their situation, without compromising quality.

NOTE: Each of the Federal and State government bodies concerned with sport and recreation in Australia has done this.

National or state/regional organizations can help their local constituent organizations by providing them with customized risk management tools that will ensure that risks will be properly detected and understood, and where necessary treated, but minimize the amount of time needed by local officials to do so.

Similarly, national and state/regional organizations should develop processes to assist constituent local organizations with the transition of present risk management approaches to align with this new Handbook.

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SECTION 1 INTRODUCTION

1.1 OVERVIEW

Many Australians and New Zealanders value sport and recreation, both as participants and as spectators. Our passion for sport and recreation is driven from each nation's grass roots and, in turn, the sport and recreation sector provides key social forums for participants and their families.

Sport and recreation also drives and supports the commercial, educational and community infrastructure that is needed by way of venues, equipment, clothing, media coverage, and a wide range of career specialists. The importance of sport and recreation to our nation's health is increasingly recognized.

Achieving these diverse goals, and doing so efficiently, requires effective management of the associated risks.

1.2 WHAT IS RISK?

Risk is associated with everything that sport and recreation organizations do and with every decision they take. It comes about because organizations have to pursue their particular objectives in an environment, both within and external to the organization, which has uncertainties.

Risk is defined in AS/NZS ISO 31000:2009 as the 'effect of uncertainty on objectives' together with the following explanatory notes.

NOTES:

- 1 An effect is a deviation from the expected—positive and/or negative.
- 2 Objectives can have different aspects (such as financial, health and safety, and environmental goals) and can apply at different levels (such as strategic, organization-wide, project, product, and process).
- 3 Risk is often characterized by reference to potential events and consequences, or a combination of these.
- 4 Risk is often expressed in terms of a combination of the consequences of an event (including changes in circumstances) and the associated likelihood of occurrence.
- 5 Uncertainty is the state, even partial, of deficiency of information related to, understanding or knowledge of an event, its consequence, or likelihood'.

Risk is neither 'good' nor 'bad'. To completely eliminate some risks could mean that it was no longer possible to achieve the objective. For example, when a team travels to a competition venue, it is exposed to risks relating to the mechanical reliability of the vehicle, the skills of the driver (two examples of the 'internal' uncertainties) and the behaviour of other vehicles and their drivers along the journey ('external' uncertainties).

It can be imagined that while more could be done to minimize the internal uncertainties than to minimize the external uncertainties, to totally eliminate risk would make it impossible to travel. So, by accepting some 'level of risk' it becomes possible to achieve the objectives.

The level of risk is defined by AS/NZS ISO 31000:2009 as the 'magnitude of a risk or a combination of risks expressed in terms of the combination of consequences and their likelihood'. 'Consequences' are the outcomes of events affecting objectives.



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