



MA Risk Management Plan

Version	1.0
Policy Number	MA.04.01
Doc. No	10341129
Short description	Identification, Assessment and Control of MA Risks
Relevant to	All members as defined in the Constitution
Authority	Board
Responsible Area	Risk and Compliance
Date introduced	5 December 2012
Date(s) modified	September 2013
Review Schedule	Annually
Next scheduled review date	As required
Related documents	Risk Management Policy

1. Introduction

Motorcycle sport has changed rapidly in recent years, so to has the environment in which the sport operates. There are now many opportunities for participation in activities and events. Along with increased opportunities comes an increased exposure to risk that must be understood and managed at all levels.

Risk Management is both an individual and a corporate responsibility. A systematic approach to risk management will ensure all representatives involved understand the environment in which they operate and allow them to anticipate and manage issues that may impact upon desired objectives and goals.

2. Purpose

A risk is defined in the Australian Standard for Risk Management as *“the chance of something happening that will have an impact upon objectives. It is measured in terms of consequence and likelihood”*.

MA is responsible for the provision of competitive and some recreational motorcycling activities in which volunteers, coaches, committee members, officials and administrators provide the framework for motorcycling sport to be engaged in. The purpose of a Risk Management framework is to manage MA's potential exposure to liabilities and prevent reoccurrence.

MA has created a Risk Management Policy which provides the framework for the development of the Risk Management Plan and Risk register.

3. Scope

The scope of this Risk management Plan covers MA's management, day to day operations, conduct of competitions and events, programs and related membership services.

The risk management framework included in this Plan assists to mitigate risks and hazards. It seeks to identify, respond to and prevent incidents, breaches of legislation or failing to comply with MA standards whilst promoting a culture of compliance within the sport.

Compliance requirements are assessed against the MA Risk Management Plan and procedures to ensure that appropriate attention and monitoring requirements are given to all areas of risk.



The risk ranking for possible hazards have been identified are assessed against the Risk Ranking Matrix.

In order to properly document and monitor the risk management obligations of MA, procedures have been established. These procedures are maintained to help MA identify and assess the risk of non-compliance. Safety requirements should be incorporated into all operational processes.

It is important that new legislative obligations are recognised promptly and included in procedures in a timely manner.

4. Objectives

The Risk Management framework contained in this Plan are designed to assist employees, officials, and other stakeholders in the risk management process. In general, the purpose of the plan is not to make MA risk averse but to allow people utilizing the plan to pro-actively identify and manage risks in order to optimise the sport, safety conditions and to achieve the objectives of MA.

The intent of the Risk Management Plan is not to create another level of compliance but to educate and to create a culture of risk management in day-to-day activities in a convenient and cost beneficial manner.

The business risk management process will be conducted as part of MA's regular strategic planning process. A key objective of the plan is to provide a comprehensive and systematic framework for the conduct of risk management at MA. To meet this objective, MA has developed the following documents:

Risk Management Policy which contains:

- Information on the general concept of risk and its application.
- Roles and Responsibilities regarding the implementation and ongoing facilitation of the Risk Management Framework.

Risk Management Plan which contains:

- Procedures, principles, techniques and tools to be applied in all areas of risk exposure with special emphasis on safety and environmental risks which may affect the MA in meeting goals and objectives.
- The Risk Management Process which outlines how the risk management process is to be conducted on a day to day basis while performing usual duties.

5. Definitions

6. Guiding Principles of the Policy

MA is committed to the protection of its employees, officials, volunteers, stakeholders, assets and the promotion of strategic opportunities through effective management of risk by identifying, analysing, evaluating and treating exposures that could impact on its objectives. We recognize that risk management is an integral part of good management practice. MA is committed to achieving best practice in the area of risk management and will communicate its principles and practices Nationally.

MA recognizes that risk is inherent in our sporting activities and that every member of the MA community manages risk. Over several years formal and systematic approaches have evolved to manage risks and are regarded as good management practice. MA follows the systems based on the Standards Australia AS/NZS ISO 31000:2009 – Risk Management. As a result of this system MA promotes the adoption of a culture which embraces a strategic and formal approach to risk management which improves decision-making and enhances outcomes and accountability.

7. Regulatory Requirements

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There is legislation in place for the management of specific risks such as Occupational Health and Safety, Equal Opportunity, Environmental Sustainability Act etc. The Risk Management Plan does not relieve MA's responsibility to comply with Acts of legislation or similar obligations. However, MA's risk management culture guides our risk management actions, rather than being a compliance driven program. The Risk Management Plan is devised to:

- Implement risk management across all aspects of MA's procedures in accordance with best practice guidelines, in conjunction with legislative obligations and
- Integrate risk management into the general management and safety management culture of MA and
- Foster an environment where all members of MA assume responsibility for managing risks.

8. Responsibilities

All employees, volunteers and members are responsible for ensuring that risks to themselves, to others, and to Motorcycling Australia are minimised. The Board of Directors has the ultimate responsibility for successful risk management with the CEO and Risk and Compliance Manager taking day-to-day responsibility for the process. Please refer to the Risk Management Policy for further details.

9. MA concept of Risk Management

The cornerstone of MA's Risk Management Program is the Risk Management Policy which outlines the expectations that the Board has of all stakeholders of MA with respect to risk management. Implementation of the Risk Management Policy, through this Risk Management Plan and the Risk Management guidelines will ensure that MA can demonstrate that risks in all parts of the University are being identified and managed in a way that is appropriate for the environment in which we operate, as well as MA's goals and objectives.

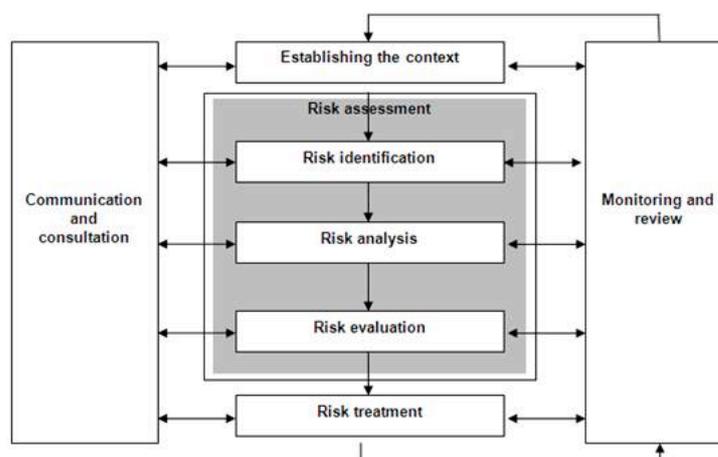
10. Plan

11. The Risk Management Process

In line with the Australian standards, MA's approach to risk management requires five key steps:

1. Establish the context
2. Identifying risks
3. Analyzing risks
4. Evaluating risks; and
5. Treating risks

This risk management process includes communicating and consulting with stakeholders, and the continuous monitoring and review of risks. The process adopted by MA is depicted below:



10.1 Communicate and Consult

MA will communicate and consult with relevant internal and external stakeholders as appropriate at each stage of the risk management process and for the process as a whole.

10.2 Establishing the context

10.2.1 Types of risk

The framework has been established following an extensive review of the operating environment.

Risks can be classified into 5 types:

1. **Strategic Risks** - protection of intellectual property, loss of a major account, competitor coming into the market, pursuing or not pursuing a new opportunity
2. **Operational Risks** – breakdown of procedures or technology causing service delays, data security, theft, fire, dealing with OHS risks, key employee leaving
3. **Financial Risks** - increase in interest rates, non-payment by a customer, foreign exchange movement, managing bad debts
4. **Compliance** – failure to comply with a regulation or standard, breach of contract, responding to the introduction of new legislation.
5. **Environmental** - external risks that Motorcycling Australia has little control over such as major storms or natural disasters, global financial crisis, changes in government legislation or policies.

Note: Many risks fall into different types so there is no rule when classifying risks. For example a change in government policies may impact environmental as well as compliance risks.

10.2.2 Categories of Risk

The following risk categories should be considered one by one, providing a structured approach to risk identification. This enables greater focus on a particular category and increasing the opportunity of identifying a broader range of risks.

Through a detailed review of the above factor, the risks identified will be assessed against the following sources:

- **Compliance / Legal:** includes compliance with legal requirements such as legislation, regulations, standards, codes of practice and contractual requirements. This category also extends to insurance and compliance with additional 'rules' such as policies, procedures or expectations, which may be set by contracts, members, the SCB's or the social environment.
- **Financial:** includes cash flow, budgetary requirements, tax obligations, creditor and debtor management, remuneration and other general account management concerns.
- **Health & Safety:** includes the safety of MA staff. This extends from individual safety, to staff workplace safety, public safety and to the safety and appropriateness of products or services delivered by the MA.
- **Reputation:** entails the threat to the reputation of MA due to the conduct of the entity as a whole, the viability of product or service, or the conduct of employees or other individuals associated with MA.
- **Strategic:** includes the planning, scoping and resourcing requirements for the establishment, sustaining and/or growth of the business.
- **Operational** includes the management of equipment, resources (including people), technology, timeframes and people associated with the management of MA.

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- **Service delivery:** relates to the delivery of services, including the quality and appropriateness of service provided, or the manner in which a service is delivered, including member, promoter and SCB interaction.
- **Security:** includes the overall security of the business premises (147 Montague Street South Melbourne), assets and people, and extends to security of information, intellectual property, and technology.
- **Product:** extends to the operations and conduct of motorcycle sport. It includes the general operations, appropriateness, business development, training and development of officials, volunteer management, venues, licencing, accreditation, enforcement and technical standards.
- **Technology:** includes the implementation, management, maintenance and upgrades associated with technology. This extends to recognising the need for and the cost benefit associated with technology as part of a business development strategy.

10.3 Identifying Risks

According to the Australian Standard, risk identification involves asking and answering the following questions:

- What can happen, where and when?
- How and why might it happen?

By asking these questions, risk identification is a simple process requiring a systematic approach to identifying risks.

10.3.1 Identification Methods

Both Retrospective and prospective risks need to be considered.

Retrospective risks are seen as incidents or accidents that have occurred in the past. Retrospective risk identification is the most common way to identify risk and the easiest. A risk is easier to understand if its impact has already been experienced. It is also easier to quantify its impact and to evaluate the damage. There are many sources of information about retrospective risks including:

- hazard or incident logs or audit reports
- complaints
- accreditation documents and reports
- staff or officials / member surveys
- newspapers or professional media, such as journals and websites.

Prospective risks are harder to identify. These are things that have not yet happened, but might happen in the future. Identification should cover all risks, whether or not they are currently managed. The plan will be to record all significant risks and monitor the effectiveness of their treatment.

Methods for identifying prospective risks include:

- brainstorming with employees and external stakeholders
- researching the economic, political, legislative and operating environment
- interviewing employees and officials / members to identify potential problems
- flow charting a process
- reviewing system design or preparing system analysis.

Risk Categories will help break down the process for prospective risk identification (see Categories of Risk 10.2.2).

MA will implement two down bottom up approach to identifying and prioritising risk:

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“Bottom Up” system: The objective is to ensure a comprehensive identification and prioritising of all important risks, define and implement risk policies and processes that control daily decision making throughout MA, and ensure a robust risk culture throughout the organisation.

“Top down” system: The objective is to provide the CEO and Board with the top 5 to 10 most important risks which shape the company performance to ensure a risk dialogue among the management team. It will enable proper risk oversight by the Board.

10.3.2 Analysing risks

This step in the process involves analysing the likelihood and consequences of each identified risk, to determine its severity, and ensure that relevant actions can then be implemented. The analysis, generally, utilises a qualitative approach, however from time to time a quantitative approach may be possible based on data available.

To assist the analysis process, a five by five rating scale will be used. Through use of the rating scale, a clear picture of the risk degrees associated with each risk can be identified allowing the Association to prioritize resource usage to manage the most critical risks.

Within the Risk Register, each identified risk is assigned a level for both Likelihood and Consequence, in line with the five point descriptive rating scales detailed below. These figures are then multiplied together to provide a Risk Rating.

Risk analysis involves asking and answering the following questions:

- What is the likelihood of the risk happening?
- What will be the consequence if the risk occurs?

The rating scales are detailed as follows:

Qualitative measures of Likelihood			
Level	Descriptor	Example Detail Description	Frequency
1	Rare	The event may occur only in exceptional circumstances	Less than once in 5 years
2	Unlikely	The event could occur but only rarely	At least once in 5 years
3	Possible	The event could happen occasionally	At least once in 3 years
4	Likely	The event will probably occur in most circumstances	At least once per 1 year
5	Almost certain	The event is expected to occur in most circumstances	More than once per year

Qualitative Measures of Consequence					
Level	Descriptor	Financial	Safety	Property	Operational Efficiency
1	Insignificant	Less than \$1000	Minor injuries requiring first aid or near miss.	No Damage	Some insignificant delays or change to service. Less than 1 hour.
2	Minor	\$1000 - \$10,000	First aid treatment.	Internal Repair	Some minor delays in some services. 1 hr – 1 day.
3	Moderate	\$10,000 – 50,000	Medical treatment required.	External Repair	Management effort required to re-direct resources to avoid delays in achieving performance. 1 day – 1 week.
4	Major	\$50,000 - \$150,000	Serious or extensive injuries	Extensive external repair	Major delays. Significantly reduced ability to achieve objectives / key deliverables. 1 week - 1 month
5	Catastrophic	More than \$150,000	Death or multiple severe permanent disablement.	Un-repairable / replace	Failure to achieve one or more key deliverables resulting in, major flow on effects for external stakeholders. More than 1 month.

* Note the Qualitative measures of consequence list is a sample only. Please contact the RCM for the full list.

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Risk Calculator	LIKELIHOOD 2. How likely is it to happen?				
	Almost certain	Likely	Possible	Unlikely	Rare
CONSEQUENCE 1. How severely could it hurt someone (riders, officials or public)? And what impact will it have?					
Catastrophic	Extreme	Extreme	Extreme	High	High
Major	Extreme	Extreme	High	High	Medium
Moderate	High	High	High	Medium	Low
Minor	High	Medium	Medium	Low	Low
Insignificant	Medium	Low	Low	Low	Low

(ASC Risk Matrix)

Risk rating	
Extreme	Extreme risks that are likely to arise and have potentially serious consequences requiring urgent attention
High	Major risks that are likely to arise and have potentially serious consequences requiring urgent attention or investigation
Medium	Medium risks that are likely to arise or have serious consequences requiring attention
Low	Minor risks and low consequences that may be managed by routine procedures

10.3.3 Evaluating risks

The risk evaluation step involves deciding whether the identified risk rating is acceptable, after considering:-

- The controls already in place;
- The cost impact of managing the risks or leaving them untreated;
- Benefits and opportunities presented by the risk; and
- The risks borne by other stakeholders.

During this process, the risk rating identified during the analysis step, is compared against all other risks and the known priorities and requirements of Motorcycling Australia. Any risks that have been accorded a rating that is too high, or too low, are adjusted with a record of the adjustment being retained for tracking purposes.

The outcome is a list of risks, with agreed priority ratings, recorded in the Risk Register.

10.3.4 Treat Risks

Risk treatment determines what can be done in response to the risks that have been identified, with a risk rating of 10 or higher, to reduce, transfer, or eliminate the risk by implementing new controls or enhancing existing controls.

Treatment strategies will aim to achieve one or a combination of the following outcomes:-

- Risk elimination (avoidance or discontinuance)
- Risk transfer

- Risk reduction
- Risk retention / acceptance *

* (acceptance of risk and/or adequate controls)

The types of actions that may result can involve:-

- Education & Training
- Administration controls (i.e signage, policy and/or procedures)
- Audits
- Contingency planning
- Risk transfer (including insurance)

Where a number of treatment options may be available, a Targeted Risk Assessment (TRA) may be utilised to record these. Treatment options are then evaluated in terms of feasibility, costs, benefits and priorities resulting in the most appropriate treatment action being adopted.

The following steps will be utilised to assist in the development of effective risk treatments:-

- Identification of actions, that will eliminate, reduce and/or transfer the likelihood or consequences of risks identified with a risk rating of 6 or higher
- Determine the potential benefits and costs of each action, including the possible impact on MA if the risk occurred, the reduced level of risk if the actions were implemented and the financial impact
- Select the best action
- Specify the “trigger points” at which the action might be implemented for those that have the form of contingency plans
- Identify links to related processes or activities currently within or outside of MA

Treatment strategies will be recorded into MA's Risk Management Action plan. Responsibility for implementation of the Action Plan will be assigned by the Risk and Compliance Manager, to the relevant Manager. Implementation will involve integration into existing procedures including budgeting, event management, development of resources, and communication systems.

12. Risk Monitoring and Review

Procedure

The Risk and Compliance Manager will continuously assess the effectiveness of risk treatment measures, and periodic reviews of the Risk Management Plan, including an annual review as part of the strategic plan.

Risk Closure

When all recommended actions have been undertaken and the risk is either reduced to an acceptable level, eliminated altogether and/or transferred the Risk and Compliance Manager has the authority to “close” the risk. This process will involve the risk being updated to the status ‘closed’ on the Risk Register and transferred to a closed items register. The RCM will advise the Board in an item for information for record purposes.

13. Communicate and Consult

Communication and consultation play an integral part in MA's Risk Management program. This ensures that the nature and significance of risks between affected parties, and across the wide range of stakeholders involved in motorcycle sport, are effectively communicated. MA's established communication strategies will be utilised by the Risk and Compliance Manager to ensure quick and effective communication, to relevant stakeholders, is possible. This includes –

- Email correspondence
- Annual Manual of Motorcycle Sport

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- Website
- Board Meetings
- Media Releases (where necessary)

14. Risk Register

As part of the Risk Management Plan, MA will develop a Risk Register to record the findings of an internal top down bottom up risk assessment undertaken, potential risks identified, current controls in place to mitigate risks and/or suggested improvements on controls.

As part of the Risk Register process, management will develop appropriate mitigation strategies (as approved by the Board) and assign action plans to individuals within Bowls SA to implement those strategies.

15. Links to strategic plan / management processes.

The Risk Register will incorporate a Reference Number for all identified risks. The number will be incorporated in all other Association documentation, where the risk, associated actions and/or strategies are linked.

16. Amendment and Approval

Given the ever changing environment in which the business operates the Risk and Compliance Manager will ensure that the framework and program continues to be appropriate and adequate for the business and the state controlling bodies.

The Risk and Compliance Manager is responsible in ensuring the application of the risk management procedures within the business and for the implementation of appropriate compliance management tools.

The Risk Management Policy, Plan and procedures will be reviewed in line with business changes and any material changes will be tabled at the relevant Committee and/or Board for approval.

17. Further Information

Contact Claire Lawrence, Risk and Compliance Manager

18. Policy Review

This policy will be reviewed annually and revised as needed.

Revision History

Version	Revision Date	Author(s)	Revision Notes

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