



Risk Management and ISO 31000 in New Zealand

Interview conducted for isotc262.org
with

Chris Peace, chairman of New Zealand's mirror committee to ISO/TC 262

Chris Peace was born and educated in the UK. He emigrated to New Zealand in 1980 starting to work in insurance industry as a loss control engineer and subsequently as a risk consultant. After some time as Risk Manager for the Natural Gas Corporation also managing the internal audit and insurance functions of the company he set up RiskManagement LTD working for a wide range of organizations on diverse aspects of risk and the management of risk. Between 2005 and 2012 he was a part time lecturer in Risk Management Studies at Massey University rewriting the course handbooks to align them with AS/NZS ISO 31000:2009 Risk Management – Principles and Guidelines. He is the chairman of New Zealand's mirror committee to TC 262.

isotc262.org: *Chris you are a member of New Zealand's mirror committee to TC 262. Can you briefly introduce NZSO, the New Zealand Standards Organisation, your national standardization organization in New Zealand, please?*

Chris: Under New Zealand's Standards and Accreditation Act 2015 (the Act), which came into effect on 1 March 2016, Standards New Zealand became a business unit within the Ministry of Business, Innovation and Employment. The Act also established the Standards Approval Board. The Standards Approval Board is an independent statutory board and is responsible for approving the membership of standards development committees and standards that are developed by these committees.

As the national standards body for New Zealand, Standards New Zealand (SNZ) has established techniques and processes built from requirements under the Act, the International Organization for Standardization (ISO), and International Electrotechnical Commission (IEC) Directive. SNZ project manages the development and publishing of standards, as well as provides access to New Zealand, joint Australia-New Zealand, and international standards.

isotc262.org: *Did you adopt ISO 31000 as a national standard in New Zealand or didn't you adopt it and what were the reasons for this decision*

Chris: The joint Australia/New Zealand standard AS/NZS4360 Risk Management had gone through three editions (1995, 1999 and 2004) when it was proposed as the basis for ISO31000. In parallel with our Australian colleagues on the joint standards committee we instructed Standards Australia and SNZ to make a direct text adoption of ISO31000 as soon as it was published.

isotc262.org: *What is risk management based on in New Zealand (e.g.: are there any laws, regulations, national standards or other rules?) and what is the impact of risk management in New Zealand?*

Chris: There has been a trend towards risk-based legislation but none cites ISO31000. Recent health and safety legislation is an example; it requires employers to manage risk "so far as is reasonably practicable" but gives no definition of risk or specific guidance on risk management.

isotc262.org: *Who are the key stakeholders of risk management in New Zealand?*

Chris: Recent research suggests that ISO31000 is quite widely used across all sectors except, probably, finance. The standard seems often to be adapted into the specific needs of organizations with individual managers or consultants providing guidance on its implementation.

isotc262.org: *What are the biggest obstacles for integrating risk management in all organizational activities – an essential principle of ISO 31000 – for managers in New Zealand?*

Chris: Experience suggests there may be strong emphasis on some management system standards (e.g., quality, food safety) preventing full risk management. And, until 2015, our safety legislation was based on hazard management requiring a culture shift to risk management in some organizations. A further issue is the scale of organizations in New Zealand: about 98% are small- or medium-sized businesses and lack resources to develop management systems.

isotc262.org: *How does your mirror committee involve itself in standard development at present and how do you see this developing in the future?*

Chris: We meet on an "as needed" basis and trying to influence key stakeholders through presentations at conferences, short articles, etc.

isotc262.org: *What are the key developments your mirror committee hopes to see in ISO 31000 and in risk management standard development in general at an international level over the next years?*



Chris: We would like to see the use of plain language and better explanation of "uncertainty" in ISO31000. I am also a member of the TC56 joint standards committee and would like to see greater integration of language and concepts between ISO31000, IEC/ISO31010 and the technique-specific IEC standards. We also need to get other international organizations involved in the risk management standards area. This would help create a powerful approach to the management of uncertainty by organizations.

isotc262.org: *ISO 31000 globally quickly became one of the bestselling and most well recognized standards in ISO. What do you think about the future of the standard – particularly in New Zealand – and how will it change to adapt to new challenges?*

Chris: Internationally, I think the standard is making some progress but greater emphasis on uncertainty is needed. Unfortunately, in New Zealand, the government requires that work to adopt international standards must be funded by user-organizations, sector organizations or regulators. As there is no single organization or sector in New Zealand that can be identified as a major user of ISO31000 any future version of the standard is unlikely to be adopted here. The same applies to most risk-related ISO and IEC standards.

isotc262.org: *What advice can you give to interested parties in New Zealand who want to offer their input to the work of ISO/TC 262 and [name of mirror committee] and who should they address?*

Chris: Come with an open mind about uncertainty as the key factor in risk and its management. Explore how uncertainty pervades your sector and use those learnings to help inform your input.

I am happy to be contacted at chris.peace@riskmgmt.co.nz.

isotc262.org: **Thank you very much!**

Chris: My pleasure.