



**National Council of
Women of New Zealand**

Te Kaunihera
Wahine O Aotearoa

National Office
Level 4 Central House
26 Brandon Street
PO Box 25-498
Wellington 6146
(04) 473 7623
www.ncwnz.org.nz

1 October 2003

S03.79

Submission to Standards New Zealand on Risk Management

The National Council of Women of New Zealand (NCWNZ) is an umbrella organisation representing 42 nationally organised societies. It has 33 branches throughout the country attended by representatives of those societies and some 150 other societies. The Council's function is to serve women, the family and the community at local, national and international levels through research, study, discussion and action. NCWNZ has a longstanding history of encouraging the promotion of social and health issues, particularly as they affect women.

General Comment

NCWNZ's understanding is that Risk Management AS/NZS 4360 is not compulsory, but provides an appropriate mechanism for establishing a Risk Management Programme that encourages the development of co-operative, consultative working relationships, both inside and outside an organisation. Concern has been expressed that for small voluntary organisations to try and implement this standard is not appropriate. A less formal approach should still suffice.

It would be helpful if Standards Australia/ Standards New Zealand would apply a single standard when setting closing dates for comment. On the cover of this Draft it is, "31 October 2003" and on the comments page it is, "21 October 2003". On the website it is again "31 October 2003".

However, those members of NCWNZ who have studied this draft document commented that it was clear and easy to follow. The writers are to be commended for this. NCWNZ offer comment on the following sections of the draft.

Specific Comment

1.2.1 Note 2 Page 1

Consequence

As it stands this note may be difficult to understand and should include the examples as given in the original document, i.e. "*being a loss, injury, disadvantage or gain.*"

1.2.1 Note 4 Page 1

In several places the term "*objectives*" is used but not defined, e.g. 1.2.11.

1.2.4 Page 2

Event

Because more than one event may occur simultaneously the title should read as "*Event(s)*".

1.2.4 Note 1 Page 2

It is not clear what is meant by "certain or uncertain" events. Some clarification or explanation is required.





“Event Tree Analysis, Failure Mode and Effects Analysis (FMEA)” and “Fault Tree Analysis” as defined in AS/NZS 4360:1999 have been removed. While it might not be appropriate to include these under definitions NCWNZ hopes that they will be included, in expanded form, in the appendices as techniques that may be used when analysing risk.

People starting a risk management programme still need some guidelines as to methods available. It is noted that in 4.3.3 “Consequences and Likelihood”, page 13, Techniques used, (v) of the AS/NZS 4360:1999 included the “use of fault trees and event trees”. Surely, these are still valid techniques and should be included in this draft document.

- 1.2.13 Page 3 **Risk Assessment**
The definition in AS/NZS4360:1999 is more appropriate, i.e. “*identification*” is not included as part of assessment. A parallel to this occurs in the Health and Safety in Employment Act 1992, in which Section 7 requires that hazards be identified. Sections 8-10 then establish the assessments and strategies to manage the identified hazards. Standards complement Acts and Regulations and there should be consistency in definitions.
- 1.2.14 Page 3 **Risk Avoidance**
NCWNZ would prefer to change from “or *action with*” to “or *interact with*”.
- 1.2.15 Page 3 **Risk Control**
Risk control is not merely the provision of policy, standards and procedures. It must include “*implementation*”. Therefore “*provision*” should be replaced with “*provision and implementation*.”
- 1.2.18 Page 3 **Risk Financing**
The definition in AS/NZS4360:1999 is preferred as it is clearer. The definition in the draft is unclear and smacks of jargon.
- 1.2.24 Page 4 **Risk Retention and**
1.2.25 Page 4 **Risk Transfer**
In the rest of the document it is implied that risk equates to potential loss. In these two definitions it is not clear in what circumstances risk would lead to a gain. NCWNZ therefore believes that reference to “*benefit of gain*” should be removed.
- 2.3.3 Page 8 ‘*Risk appetite*’, as used in the second bullet point is not defined.

Section 3 Risk Management Process Overview

Treat risks, (f) page 12 It is our belief that, where “treatment *may not* be required” there should be some written indication that this is so and why it is so. Adequate records therefore must also show that the risks have been considered and accepted as being “*established as low and tolerable*”.

Figure 3.1 Page 12 The shaded area indicating risk assessment in the same figure in AS/NZS4360:1999 is more appropriate than in this draft. Not until a risk has been identified can it be assessed, see definition 1.2.13 comments, above. It is therefore, more appropriate that the shaded area, indicating risk assessment, include only “*Analyse the risks*” and “*Evaluate the risks*”.



Section 4 Risk Management Process

Figure 4.1 Page 14 See comments pertaining to Figure 3.1. The “*What can happen*” and “*When, where and how*” relate to the situation in which risks may occur and are not part of the assessment of the risks that exist, or may exist.

As this figure is laid out there is room for confusion. In the box marked “*Evaluate risks*” is another with “*Treat risks?*” If this wording stays then the last box should read as, *Risk Treatment* to be consistent with the definitions and therefore implementation plans must be included. As has been said before, completing the task to this point becomes a waste of time if plans are not implemented.

4.3 Page 16 4.3.1 to 4.3.4 tend to agree with NCWNZ’s statements, above.

NCWNZ thank you for this opportunity to make comment and we look forward to viewing the final Standard.

Beryl Anderson
National President

Catherine Gurnsey
Convenor, Health Standing Committee