RISKNZ

RISKPOST

Issue 17 - 1: April 2017

Risk Management
Protecting Value - Enabling Progress

Contents

A new role for RiskPost

As many will have noticed, the RiskNZ Board have recently introduced "Risk Fortnightly", with the aim of ensuring more dynamic and time-responsive communications with members. As a result, the role of Risk Post needs to change. With less need to deliver administrative type information, Risk Post will move more to a learned publication. So although short pieces will continue to be included, there will be more room for longer and deeper articles.

For those wanting to write thoughtful and insightful pieces – this is your chance.

As always, your editor is waiting to hear from any member with insights into risk management, whether that be their own or reflecting on what others have written or said.

Write to editor@risknz.org.nz, or call Geraint on 021884425

DISCLAIMER
RiskPost is the newsletter of RiskNZ Incorporated. RiskPost welcomes contributions from members of RiskNZ. Any such contributions do not necessarily represent the views of RiskNZ as a whole, although from time to time RiskPost will publish items setting out the views of RiskNZ on a particular topic.

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Risk Quote

The future ain't what it used to be.

Yogi Berra

Editorial – Geraint Bermingham

A new role for RiskNZ

Hi everyone,

With the change in the Board, time also for a new editor. I know I speak for all members in thanking Miles for his time as editor and in particular for introducing us all to a newer fresher style of RiskPost.

The plan is to continue the visual design but, as noted on the cover page, with the "Risk Fortnightly" that has the aim of ensuring more dynamic and time responsive communications with members. Given that with less need to deliver administrative type information, Risk Post will move more to a learned publication – delivered quarterly. So although short pieces will continue to be included, there will be more room for longer and deeper articles.

For those wanting to write thoughtful and insightful pieces – this is your chance.

This edition

We have a selection of articles this quarter including both intellectual and the more light hearted, reflections on a career in risk management, a book review, technical and a number of quotes to keep the mind thinking.

New regular features:

Risk Quote, The Interview, and Risk Tech Support – enjoy!

Exciting times for RiskNZ

As you will have seen, following long and developing consultation, including for the first time, use of an online blog to facilitate debate, the Board has proposed a RiskNZ Post Nominals framework, and again for the first time is using online voting to enable all members to have their say.

At the time of writing the vote has just opened so the result is not known. However, as with the change of name to RiskNZ just a few short years ago, this step is another indication that the RiskNZ Boards as progressively elected by the membership over the last 5 years or so have been focused on driving progressive development of RiskNZ

A Word from the Chair

I am very honoured and pleased to take up the role of Chair of RiskNZ. I would like to take this opportunity to thank the outgoing Board members, particularly Geraint Bermingham and Ross Wells the former Chair and Secretary for their efforts in support of RiskNZ over many years. I am pleased to see that both are keen to continue their active involvement with RiskNZ - Geraint as the new Editor of RiskPost and Ross as part of the 2017 Conference organising group.

It is the Conference that is due on 17 and 18 August 2017, which I would like to highlight first as the new Chair of RiskNZ. Providing a conference for over 200 RiskNZ members and other attendees is a challenge that Sally Pulley, ably supported by other Board members, is working tirelessly to deliver. There will be many new faces as speakers including some from overseas who have not previously presented in New Zealand. They will bring views that will challenge while the approaches they have taken to address issues faced will provide key learning opportunities.

The challenges faced by RiskNZ in making this Conference successful are:

- Reaching potential attendees.
- Attracting sponsors.
- Getting sufficient organisational support.

I would like to invite all members to come and join us at the Conference and would appreciate your help using you networks to give the Conference the widest possible exposure.

In addition, if you know of potential sponsors or have time to assist the Organising Committee, please click on this link and provide details and we will be in touch – email: adminofficer@risknz.org.nz

The new Board are currently reviewing the Key Tasks in the RiskNZ Business Plan and the highest priorities include the aforementioned Conference and improving the technology to support the lunchtime seminars. While the seminars remain popular, the technology platform is in need of review /update and we are looking for a member with Video Conferencing or Audio Visual skills who can suggest practical, cost-effective ways to improve the quality of the communication of these presentations. If you are able to assist or can provide support organising future speakers or assisting at regional venues, please get in touch using the email above.

Lastly, I would like to address the proposed initiative to provide professional recognition in the form of Post-Nominals (the right to put letters after your name). The consultation has been continuing for some time and now is the time to decide to act on this exciting proposal. It has become obvious during recent years that our current Constitution that was fit for purpose 17 years ago has been left behind by progress and is now holding us back. It is clear that it is in need of update to match modern governance and decision-making practices including online discussion forums and related voting for member approvals of motions etc.

Updating of the Constitution will commence later in the year, however, in the interim, its ambiguities and failings should not be allowed to block the progress of initiatives. The proposal under consideration rather than the Constitution is the immediate matter for debate – updating the Constitution will come next.

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The on-line vote is open as I write this - the outcome of the voting process will guide the Committee's decision on whether this is an initiative that should be pursued or whether it should be shelved for the foreseeable future.

In the event of an affirmative vote, the final decision on whether the scheme is ultimately enacted will be made at the forthcoming AGM.

I look forward to meeting you at the forthcoming AGM, the date for which will be announced shortly.

Nigel Toms

Chair of RiskNZ

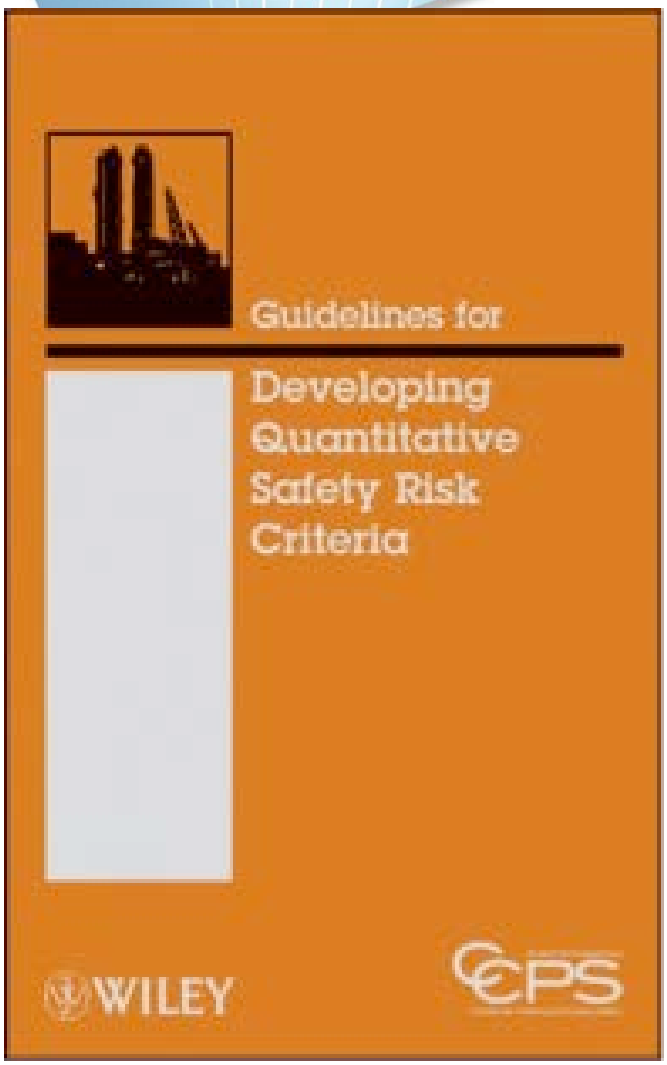
Book Review - Kevin Oldham

Acceptable Risks

Review by Kevin Oldham, Director, Navigatus.

Guidelines for Developing Quantitative Safety Risk Criteria. By Center for Chemical Process Safety, Wiley, New York; 2009; 211 pages.

A Risk Framework for Earthquake-prone Building Policy, By Tony Taig & GNS Science; 2012; 73 pages



You can't know where you're going, if you don't know where you've been.

Lyric from *Ain't Nothing Cooler than the Blues*, The Hitman Blues Band

With the advent of the Health and Safety at Work Act (HSWA), its timely to review what guidance is available on acceptable risks for fixed installations.

Notwithstanding its American provenance, the Center for Chemical Process Safety (CCPS) book is an excellent guide to how acceptable risk standards developed over time in Europe, principally in the UK and the Netherlands.

Most literature focuses on individual risk, addressing the question of what is the acceptable annual fatality risk to a person who is most exposed to the hazard? A broad consensus has emerged that an acceptable annual individual fatality risk for a member of the public from a new fixed facility is one in a million ($1x10^{-6,}$ often abbreviated to 10^{-6}). How did that consensus arise?

Dutch and UK Background

The CCPS guideline gives the background to how this originated in the Netherlands from the design criteria chosen for dykes to protect low lying areas of the country after the disastrous 1953 storms, which killed almost 2,000 people in the Delta area. It's useful to understand the rationale; that an existing risk should not increase the chance of fatality of a young person by 10% above the risk of dying of natural causes, and a new risk should not increase it by more than 1%. The 10^{-6} criterion was roughly equivalent to 1% of the annual risk of a member of the general public dying on Dutch roads at that time.

In the 1980's this evolved into the VROM land use planning rules, which set individual annual risk of 10^{-6} for new risks and 10^{-5} for existing risks. The VROM rules apply at a plant level for risks where the number of potential fatalities is greater than 10.

The book also provides an excellent synopsis on the evolution of the UK Health and Safety Executive (HSE) guidance on acceptable risk, building from Farmer's seminal work in 1967 on nuclear safety, through the HSE's *Tolerability of Risk*

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from Nuclear Power Stations (TOR) in 1988 and on to the more generalised HSE publication *Reducing Risks, Protecting People* (R2P2) in 2001. The HSE adopted the same 10^{-6} value of acceptable individual risk for members of the public potentially affected by industrial facilities, but as the lower bound, beyond which risks were regarded as broadly acceptable. In addition the HSE identified a higher level of individual annual fatality risk, 10^{-4} as being intolerable.

When considering the safety of workers, the HSE identified that individual fatality risks greater than 10^{-3} were intolerable. This was derived from considering historical risks in highly hazardous industries of the time such as mining, quarrying, demolition and deep-sea fishing diving. By modern standards the 10^{-3} level now appears to be somewhat lenient, even for individual fatality risks for workers in highly hazardous industries, but the practical effect of applying the *as low as reasonably practicable* (ALARP) principle is to drive risks to much lower levels.

At face value the UK and Dutch approaches look different as one is an upper bound and one is a lower bound, but in practice they arrive at similar outcomes. The reasons for this lie in the origins of the legal codes in Britain and Europe, and is covered well in a section of the book devoted specifically to this topic. The CCPS book cites papers such as (Ale 2005) extensively. These are commended to the readers who want to understand more about how the Dutch system evolved and is applied in practice.

Relevance

How relevant are the decisions of yesteryear in today's seemingly post-industrial world? It is instructive to compare the current New Zealand context with the circumstances in which the so-called 10^{-6} "Delta" norm was derived in the Netherlands.

The annual probability of a young person (5-15 years old) dying from natural causes in New Zealand over the period 1995-2011 was approximately 0.9×10^{-4} (Enright 2015). This is consistent with the Delta norm that led to adoption of the 10^{-6} standard.

The New Zealand road toll for the 6 years from 1 January 2010 to 31 December 2015 was 1,834 (NZTA 2016), being an average of 306 fatalities per year. This suggests an annual average fatality risk of around 0.7×10^{-4} for members of the public. Again this is reasonably consistent with Dutch experience at the time that the Delta norm was applied more broadly to land use activities in the Netherlands.

Earthquakes and other Natural Disasters

A Risk Framework for Earthquake-prone Building Policy by Tony Taig and GNS Science assesses risk in a purely New Zealand setting. Focussing on natural disasters, this work provides an excellent historical summary of all types of natural disasters from historical records, placing earthquake losses in context. Historically the annual average individual fatality risk from earthquakes in New Zealand has been approximately 2×10^{-6} over the period 1858-2011. For buildings of post 1980 design in sound condition the annual average individual fatality risk is typically expected to be in the vicinity of 1×10^{-6}.

The report then goes on to assess various policy options for earthquake prone buildings. While a framework for developing risk criteria is advanced, the work of setting the criteria for upgrading of buildings is left to others.

This is consistent with a New Zealand tradition of local authorities setting their own policy settings in relation to upgrading requirements, thus enabling them to reflect the values of their local communities. In this respect this report can be seen as informing the debate, while leaving the decisions to others.

Societal Risk

Events with large fatality counts can come to be seen not just as direct failings of the organisations involved, but as a failure of the overall regulatory system (Black 2014). New Zealand examples include the Cave Creek tragedy in 1995 (14

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fatalities) which led to law changes holding government departments accountable to the same standards expected of others. More recently the Pike River disaster (29 fatalities) has resulted in profound changes to the health and safety regulation in New Zealand. So do these policy responses demonstrate that societal risk aversion scales at a rate that is non-linear with fatality count?

Both works venture into this vexed question. Perhaps the last word should go to a recent HSE publication which concludes:

"As there is little by way of consistent, 'tidy', predictable evidence for scale aversion both in research and public reaction to major accidents, it is neither practical nor sensible to attempt to measure it in mathematical terms." (HSE 2009)

Application

One of the most important sections of the CCPS book poses two alternative versions of the familiar ALARP triangle. One version has three zones, with a lower threshold of risk beyond which any further reduction is regarded as unnecessary. The other has only two zones with ALARP applying at all risks, no matter how small the risk level, albeit at a diminishing level of ALARP effort for lower risks. CCPS advises the reader to choose between them.

A major service provided by CCPS is to highlight this issue. It would be interesting to see the CCPS discussion expanded to include further "third way" alternatives for the application of ALARP and its HSWA stablemate *so far as is reasonably practicable* (SFAIRP). One alternative is to reject the proposed two stage/three stage dichotomy through accepting that ALARP/SFAIRP applies at all times, however that the acceptable risk threshold is also important when deciding how much effort to put into further improvement. As R2P2 states, decisions on acceptable risk criteria must reflect the values of society at large. It would be a reasonable societal expectation that persons conducting a business or undertaking (PCBU) would spend a great deal of effort to improve safety if risks are high in relation to acceptable standards, whereas the level of effort would be less if the risk is closer to or better than an acceptable threshold.

Summary

In summary these are both important and useful works for any practitioner in quantitative risk assessment, alongside the familiar HSE guidance which is often referred to as a matter of course. Suggestions for further reading are provided below.

Further reading

Ale, B.J.M., 2005. Tolerable or Acceptable : A Comparison of Risk Regulation in the United Kingdom and in the Netherlands. *Risk Analysis*, 25(2), pp.231–241.

Black, J., 2014. Learning from Regulatory Disasters. *LSE Law, Society and Economy Working Papers*, 24.

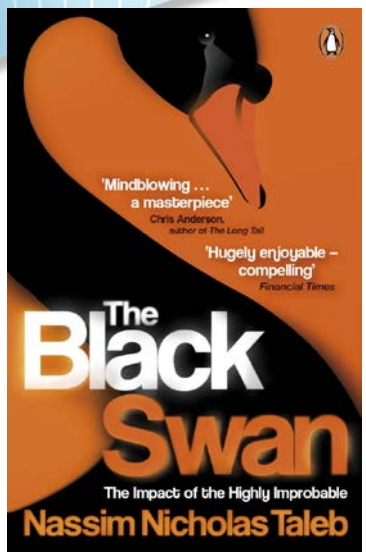
Enright, P., 2015. Is there a tolerable level of risk from natural hazards in New Zealand? *Georisk: Assessment and Management of Risk for Engineered Systems and Geohazards*, 9518(January), pp.1–8.

HSE, 2009. Evidence or Otherwise of Scale Aversion: Public Reactions to Major Disasters. , (June).

NZTA, 2016. http://www.transport.govt.nz/research/roadtoll/.

The Interview:

A trip to the home of the Black Swan!

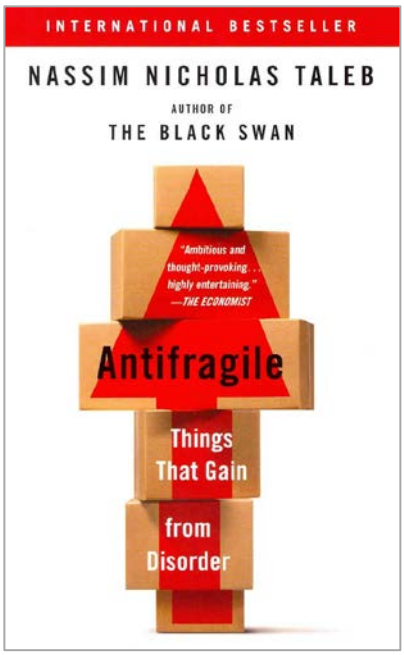


Q. This is an interview with Matt Bilderbeck of Navigatus. Matt has recently returned from a trip to North America where he attended training. Tell us about the courses you took.

A. The first course was at the Real World Risk Institute (RWRI) in New York. It was run by Nassim Taleb, author of Black Swan. The second course was at the New England Complex Systems Institute (NECSI).

Q. That's a long way to go to attend training, what was it that attracted you to these courses?

A. I've been a fan of Nassim Taleb for many years since discovering his books. And I've also been a complex systems enthusiast having read a lot of books on the subject. When Nassim announced he would be giving a course I was keen to get along as soon as possible. and given the generous support of Navigatus, the opportunity was too good to pass up.



Q. So you mentioned Nassim Taleb can you tell me a bit more about him?

A. He's a former full-time trader, a philosopher, mathematician and author. His most famous book is the Black Swan. It describes the rare, unpredictable events that dominate the world. After the book came out many people were saying *so there is a problem, now what can we do about it?* His latest book, Antifragile, is the answer to that question. It's effectively a blueprint for living in a world buffeted by Black Swans.

Q. Can you describe the scope of the two courses?

A. The RWRI course covered the applications and limits of statistics with a focus on decision-making under uncertainty. The NECSI course covered data analytics, complex system models and engineering network robustness.

The principles of these courses apply across many domains. We looked at applications in transport, technology, medicine, war, pandemics and finance. However, throughout each of these the focus was very much on extreme events and the system characteristics that can generate these sorts of events. The reason for focusing on the extremes is that they are often overlooked yet can have a greater impact than all the smaller events combined.

Q: People now quite frequently mention the term Black Swan, for example 'The Kaikoura earthquake was a Black Swan'. In your opinion does this suggest the concept of Black Swan is generally now well understood?

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A Black Swan is something that our past-experience can't point to. It's a regime shift which means our past statistics are no longer valid. Many of the events that are called Black Swans today are simply rare events that are consistent with what our past statistics indicate are possible. Living in New Zealand we should expect to be exposed to a range of natural hazards. That said, the Christchurch earthquakes certainly taught us we should not be overconfident about our understanding of how these events may play out.

Q. What were the key learnings for you?

A. I now look at risk differently, using categories like fragile, robust, and antifragile. I focus more on factors like unseen consequences, second-order effects, and local vs. systemic impacts. There were many key learnings for me, some more technical than others. To pick just a few:

"Framing is important" – how probabilities are presented affects how people interpret them. Calling something a one-in-fifty year event elicits a different response to saying there is a one-in-fifty chance of that event this year.

"X is not f(X)" – that is to say people tend to spend a lot of time studying some variable, say where the next earthquake will be, when we would be better served directing that effort to reducing our vulnerability to that variable.

"Overcentralisation is fragile" – there is a trend towards centralisation across many domains (e.g. financial, political and engineered systems) with efficiency often cited as the key benefit. But this efficiency comes at a cost of hidden fragility. Errors and events in one area can more easily propagate through the whole system causing widespread damage. I think it's important to build or maintain barriers, or "circuit breakers", to prevent this.

Ideally systems would have localised harm but non-localised benefits. Consider aviation, if an aircraft crashes it doesn't have negative flow on effects to all the other aircraft, yet the whole aviation system can learn from the accident investigation and improve. This has led to the very high safety levels of today. I think this is a good model to aspire to.

Q. How do you perceive the value of such knowledge can be applied in New Zealand context?

A. Many ways. For example how we structure our complex engineered systems so that they can evolve and incorporate new technologies safely and efficiently. As society and its systems become more complex, traditional engineering tools run into limitations. Top down design has given us so much, but increasingly we are seeing its limitations manifested through major cost blowouts and delays on projects where the complexity is too great for this approach.

Systems thinking can help us avoid risks with non-localised harm. Releasing genetically engineered organisms into the environment is one example of this sort of risk. It allows the creation of novel gene sequences which nature itself couldn't come up with in a billion years. We can't absolutely know how such gene sequences will behave, interact and **evolve** in a complex ecosystem. And because we live in a highly connected world, with disrupted barriers, harm could be irreversible and non-localised.

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Finally, as a society I think we need more focus on aligning incentives. We are beginning to see this in the safety realm with changes to director accountability following Pike River. In Antifragile, Nassim Taleb calls it 'Skin in the Game' (also the name of his next book). It means that those making decisions or taking risks must be exposed in some way to the consequences of their decisions. I think the lack of 'Skin in the Game' amongst top decision makers is the best explanatory factor for the political events we have been seeing recently around the world. Ordinary people are rebelling against those who have been making decisions for society, taking the benefits but not facing the consequences.

Q. And what are you now studying?

A. I'm working on improving my mathematical capability with the intention of being able to employ some more advanced techniques for modelling and analysing complex systems.

Close: Thank you Matt we look forward to learning more about that in due course.

New Members

RiskNZ welcomes the following new Members…

Individual Members:

- Carolyn Ramsay, Director, Business Continuity Solutions Limited
- Matt Bell, Manager Risk and Improvement, Far North District Council
- Salesh Narayan, Regional Internal Auditor, healthAlliance
- Bettina Reiter, Risk Advisor, Regional Facilities Auckland
- Darroch Todd, Risk Manager, Auckland Tourism, Events and Economic Development
- Sergio Vasquez, Senior Property, Liability & Financial Lines Underwriter, Dual New Zealand Limited

Membership of RiskNZ is open to any person of good character or an organisation engaged in or with an interest in the practice, study, teaching or application of risk management. RiskNZ is keen to attract a wide range of Individual and Corporate members representing all the different aspects of risk management knowledge and practice. This includes those with direct involvement in the field and those with a personal or community interest.

Apply online at http://www.risknz.org.nz/join-risknz/

Lessons from a lifetime of risk and its management – By Robin Gunston

When I was young, in what used to be the "United" Kingdom, its' then Prime Minister, a wise and considered politician, Harold Macmillan, said "To be alive at all involves some risk." How true that is!

I have come to that time of life when balancing one's earning and future life risks, management choices have had to be made. The conclusion of my analysis (and gut feel) is that in a formal sense I will say farewell to RiskNZ membership at this juncture, as I hang up the risk management metaphoric "boots" and transmogrify to life beyond employment and consulting to one of professional and voluntary directorships, grandparenting and community work. In doing so I would like to pass on a few Learning Lessons from my long and varied career.

My wife and I were back in the UK recently and decided that we should return to our "alma mater" – the University of Manchester Institute of Science and Technology (UMIST) to see how it is faring some 44 years on from graduation, she in Mathematics and myself in Chemical Engineering. Alas although mostly physically intact, it has been absorbed into the University of Manchester (1824) with no hint anywhere on its campus that it too had been a degree awarding institution with many fine graduates and staff. That is the risk of the march of time and so called "progress" wherein companies, businesses and organisations change, are absorbed or even disappear altogether. I'll call it my Learning Lesson Number One from this lifetime in and around risk management – do not get hung up on form and structure when practising our craft, history tells us they do not matter, that what remains can be aptly named the risk culture and that is pervasive and enduring.

Lesson Number Two came from spending some 30 years in various aspects of the oil, gas and petrochemical industry. During this span I have been involved in plant start-ups (high risk), plant design (high potential liabilities) risk assessment and incident investigation for insurance purposes (medium probability of getting the right answer), safety engineering, health and safety leadership and commercial management at our only oil refinery (which in Mr Muldoon's day meant a high risk of incurring his displeasure!) The lesson I have taken from these years is that there are multiple consequences to every major decision you make, most of which one cannot realistically assign any probability to. In other words, many of the risks are unforeseen and unforeseeable until one has built up experiences to validate them. I have been involved in the mathematical modelling and analysis of many major fires and explosions, some too close for comfort, and a number where lives were lost, so for some people the worst foreseeable risk, which may have been calculated as being low, became an actuality at that moment. It tends to make you think very hard at that time whether one's designs, assessments or management had truly mitigated such tragic consequences?

Post Corporate employment came in the form of almost 18 years based in Wellington where, as an individual consultant with a speciality in long term futures, strategic thinking and risk management, I sought to carve out a niche for myself, often in the Company of likeminded souls.

It is said that NZ is the easiest place in the world to start a Company, and so it has proven, although no-one tells you at the onset how difficult it is to wind one up to the satisfaction of the IRD! Thus it has led me to be on the Company Office's books for an IT services start up, a business development company, an aquaculture venture, an alternative energy experiment, a network services developer, and a health and safety advisory company! All of them gave me huge challenges where my ability to

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form a realistic opinion of their risks and it has to be emphasised- their opportunities, came naturally to me but was often very difficult to communicate to one's fellow Directors, who may have been very one-eyed about where the Company should be going. Most of them however proved to be avenues of creating excess expenditure over income, especially if one was to put a reasonable rate of dollar value against one's hours travailed. So Lesson Number 3, especially for all the young aspiring company owners is this – be honest about your reasons for going into self-employment and put realistic dollar and time numbers against the upsides and downsides of your investment of time and assets before being totally committed.

Alongside being involved with such Companies I continue to put time into the not for profit sector where the terminology of risk management, let alone any form of coherent practice to a standard, is not practised widely. I found a natural synergy between long term futures thinking and risk management which I have espoused at Society conferences both here and overseas, and have used the art of scenario thinking and planning on many occasions as a platform to discuss what risk means to groups of people. A major exercise I led was Future Path Canterbury with all the Canterbury Councils, some 7 years before the earthquakes (a form of which was the backbone of our Black scenario). It was the largest public consultation exercise ever done in the NZ futures field and in a small way I trust that, having got the risks of such natural disasters and their possible consequences into the wider public domain, may have helped public planning in those areas. Thus my ultimate Learning Lesson for my fellow risk practitioners in NZ is this- there is huge personal value if you put some of your hard gained skills and knowledge back into the not for profit sector, your reward may be unheralded and unsung but the very communication of risk may avert disaster, where controllable, or have helped fellow decision makers to seek alternative ways of expressing their concern for an aspect of society.

Thank you all for contributing to my lifetime's work- I wish you all fulfilment in your endeavours.

Robin Gunston B.Sc. Hons, ACII, CMC, CMInstD

A Recent Call Transcript from *Risk Tech Support*

Hello. Risk Tech Support here. This is Bertrand Rustle. How can I help you?

David Cameroon here. My referendum hasn't worked.

BR – Didn't you get a result?

DC - Yes, I did. But it's the wrong one. The people voted to leave because they didn't want change.

BR – You mean people voted to leave because they wanted the right to remain the same.

DC – That's right.

BR - So logically others voted to remain because they wanted the right to leave.

DC – You could put it that way.

BR - There you have it!

DC – Have what?

BR – It's clearly a problem definition issue.

DC – Look, I need risk management help, not a lesson in semantics. Aren't you in the wrong department? Is there anyone from risk tech who can provide practical assistance?

BR - I'm filling in due to heavy caller demand. I'll put you through to our fromagerie.

DC – Thanks.

BR – How does this work?..... (muffled) ….. (indistinct).

DC – I heard that.

BR – Sorry! These new systems are a bit tricky to master. Through now.

Hello. This is James. How may I help?

DC - My referendum hasn't worked. I thought that the risk was low, but it's resulted in catastrophe.

JR - Why did you hold a referendum that you could lose?

DC - I promised the referendum when I was in coalition, safe in the knowledge that our coalition partners would never agree to it. Then we unexpectedly won an outright majority in the last election, so I had to deliver the poll. I knew I could rely on heavyweight politicians of all types to support remain, but the opposition had a coup and have since been insipid supporters. I didn't think that all that would align.

JR - Sounds like a classic Swiss cheese problem to me.

DC - Eh?

JR - Yes all the holes in the slices of Swiss cheese have lined up and voila! The low probability catastrophic event has happened.

DC - But the Swiss are not in the EU.

JR - It's a mental model David. You need to read my book – "Avoiding disasters: Gruyere for every occasion".

DC - How would that help?

JR – It's easy. The more layers of Swiss cheese you have and the smaller the holes then the less egg will end up on your face.

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DC – Isn't that a bit simplistic?

JR – You're right. I'm working on a more sophisticated approach that might describe your situation better. I'm calling it the spaghetti bolognaise model.

DC - Can you transfer me to someone who can actually help with the catastrophe that's unfolding?

JR – You don't like my edible analogies? OK. I'll transfer you through to haberdashery. Ask for a bowtie.

Hello. This is the Haberdashery Department. How can we help you today?

DC. I was transferred to you by those clowns in tech support. My glorious referendum has turned into a disaster. They told me to ask for a bowtie.

HD – Hmmm. If the event has already happened, we'd recommend the one-sided variety, sir.

DC – Excuse me.

HD – That's right sir. You need a right-handed bow tie to manage the consequences.

DC – Now we might be getting somewhere. How do I get one of those?

HD- Well first you need to know your objectives.

DC – Oh that's easy – I wanted to unify the party over the Europe question.

HD – So you called a poll that has split the nation in a bid to unify the party?

DC – It seemed like the right thing to do. Like I told the tech guys, losing was meant to be a low probability outcome. I was sure I wouldn't have to keep my promise. Now the banks are moving to Paris and the country is threatening to split apart. What can I do?

HD – Hmmm. You'll need a series of bowties for this range of consequences. There's already been a run on our financial bowties.

DC – Do they come in tartan?

HD – We stock 31,000 ISO standard varieties sir. Users find our bowties handy for many occasions. Have you considered "Dress for Success" - our risk management training course - so you can learn how and when to deploy bowties?

DC – So long as its got nothing to do with suffragettes….

HD – There's an extra module on human factors that you might find useful too sir.

DC - Will that help me to understand why people sometimes act in unexpected ways? Like voting against their economic interests when they feel they've been left out by progress?

HD – Precisely sir. Instead of blaming individuals, we help people understand why catastrophic decisions can seem completely rational at the time.

DC – Are you suggesting my decision to …… (click), (click), (Click), (CLICK).

HD – Come again. You're breaking up sir!

(Automated voice – "Country code not found. Please call risk tech support if you require further assistance.").

(Steady tone)

ENDS

RiskNZ News and Information

The Management Board and officers of RiskNZ are:

Chair: Nigel Toms*
Executive Officer: Tim Jago
Administration Officer: Erin Killian

Secretary: Vacant position
Treasurer: Gary Taylor

Board Members:

Brian Potter
Jane Rollin*
Kristin Hoskin*
Miles Crawford
Nathanael Sterling
Sally Pulley
Stephen Hunt*

** denotes recently elected as of 1 March 2017*

RiskNZ's Website

RiskNZ's website is located at www.risknz.org.nz

As part of this year's business plan initiatives, our website is being constantly upgraded. Although we have made every endeavour to ensure all aspects of the website are functioning as they should, if you do notice any broken links or other gremlins, please notify the Administration Officer at adminofficer@risknz.org.nz

The website is your RiskNZ's shop window, and a major risk management information resource, so please take the opportunity to browse the new site. We welcome your feedback on it.

As a financial member of RiskNZ you are entitled to access the members-only section of the website. For this you need a user name and a password. If for any reason you do not have the password or have forgotten it, please contact the Administration Officer.

Social networking – Follow us on:

https://www.linkedin.com/company-beta/18004181/

https://www.facebook.com/RiskNZ-178021535579772/

https://twitter.com/risknz

Information for Contributors

The next editions will be published in July, October and January (on a quarterly basis). RiskNZ strongly encourages all members to contribute items for this newsletter on practices, developments or issues in your particular area of risk management. Contributions for the next issue should be sent to editor@risknz.org.nz and received by 30 June 2017. Members are welcome to submit material for the following sections: Activities, services and situations vacant

Articles are welcome at any time; please contact editor@risknz.org.nz if you wish to propose an article.

RiskPost provides a membership service for the display of notices and advertisements, if aligned with RiskNZ's objectives.

Notices may describe an activity or service, or advertise a risk management vacancy. Notices must not exceed 150 words of plain text, inclusive of all contact and reference details. Pricing and application form for both RiskPost and on-line advertising services, are available from the Administration Officer: adminofficer@risknz.org.nz

For further details on RiskNZ's submissions and advertising, please contact the Administration Officer: adminofficer@risknz.org.nz

RiskNZ
PO Box 5890
Wellington 6140

Links

This section in RiskPost provides our members with useful links to websites and LinkedIn discussion sites. These links hold a lot of information that our members should find useful to enhance their knowledge in Risk Management and related areas. We welcome comment from our members on the usefulness of these links and suggestions for others sites they found useful. Please send feedback or links to editor@risknz.org.nz

http://globalriskcommunity.com/

http://www.valuebasedmanagement.net/

http://www.knowledgeleader.com/

http://poole.ncsu.edu/erm/

Groups within LinkedIn

- ComplianceX - http://www.linkedin.com/groups?gid=865117
- Conference Board of Canada ERM - http://www.linkedin.com/groups?gid=2561072
- Enterprise Risk Management - http://www.linkedin.com/groups/Enterprise-Risk-Management-82279?trk=myg_ugrp_ovr
- Enterprise Risk Management Association http://www.linkedin.com/groups?gid=89308&trk=myg_ugrp_ovr
- Governance Risk & Compliance - http://www.linkedin.com/groups?gid=95089&trk=myg_ugrp_ovr
- ISO 31000 – Risk Management – http://www.iso.org/iso/home/standards/iso31000.htm