

For immediate release: Friday 20 November 2009

---

## UPDATED STANDARD ASSISTS BUSINESS LEADERS EFFECTIVELY MANAGE RISK

### Australia adopts new International Standard for risk management

Standards Australia has today released a new edition of the Risk Management Standard, following the release earlier this week of the first International Standard to assist executives in managing risk effectively.

*AS/NZS ISO 31000-2009 Risk Management – Principles and Guidelines* replaces *AS/NZS 4360-2004 Risk Management* as the leading resource available to Australian directors, top level executives and others responsible for managing an organisation's risks and achieving objectives.

*AS/NZS ISO 31000* is a direct adoption of the new International Standard, which is based significantly on the 2004 edition of the Australian/New Zealand Risk Management Standard.

Mr Colin Blair, Deputy CEO of Standards Australia said when it was first published in 1995, the Australian New Zealand Standard for Risk Management, *AS/NZS 4360*, was a world-first.

"Organisations from around the globe looked to the Standard for guidance on managing their risks," Mr Blair said.

"The new International Standard is based on *AS/NZS 4360-2004* and was shaped with input from experienced members of Standards Australia and Standards New Zealand's committee for Risk Management, OB-007, and experts from some 28 countries representing all continents. Australia has a lot to be proud of," said Mr Blair.

The new International Standard provides organisations with guiding principles, a generic framework and a process for managing risk. New to this edition is the inclusion of 11 risk management principles an organisation should comply with and a management framework for the effective implementation and integration of these principles into an organisation's management system. The new edition emphasises that risk is the effect of uncertainty on objectives, not just an event.

This new edition also includes an informative Annex that sets out the attributes of enhanced risk management for those organisations that have already been working on managing their risks and may wish to strive for a higher level of achievement.

Enabling effective risk management as outlined in *AS/NZS ISO 31000* will assist organisations:

- Increase the likelihood of achieving objectives
- Encourage proactive management
- Be aware of the need to identify and treat risk throughout the organisation
- Improve the identification of opportunities and threats

- Comply with relevant legal and regulatory requirements and international norms
- Improve financial reporting
- Improve governance
- Improve stakeholder confidence and trust
- Establish a reliable basis for decision making and planning
- Improve controls
- Effectively allocate and use resources for risk treatment
- Improve operational effectiveness and efficiency
- Enhance health and safety performance, as well as environmental protection
- Improve loss prevention and incident management
- Minimise losses
- Improve organisational learning
- Improve organisational resilience.

*AS/NZS ISO 31000-2009* supersedes *AS/NZS 4360-2004 Risk Management* and is now available from Standards Australia's distributor, SAI Global.

---

## Background

*AS/NZS 4360 Risk Management* was first published by Standards Australia in 1995. At that time it was the world's first Standard for risk management. When *AS/NZS 4360-1999* was revised in 2004 (as part of the routine five yearly revision), the Joint Australia/New Zealand Committee OB-007 decided that rather than undertake a similar revision in 2009, Standards Australia and Standards New Zealand would promote the development of an International Standard on risk management which would then be adopted locally.

In 2005, the International Organization for Standardization (ISO) established a working group to develop the first International risk management Standard using *AS/NZS 4360-2004* as the basis of the first draft. The Standards development process included extensive public consultation in Australia and New Zealand, resulting in the publication in mid-November of *ISO 31000-2009*.

---

Media enquiries: Luisa Bustos, Writer and Public Affairs Officer, Standards Australia  
(02) 9237 6184 | 0405 506 457 | [luisa.bustos@standards.org.au](mailto:luisa.bustos@standards.org.au)

General enquiries: Standards Australia Customer Information Service  
1800 035 822 | [mail@standards.org.au](mailto:mail@standards.org.au)

*Standards Australia is a not-for-profit organisation, recognised by the Government as Australia's peak Standards body. It coordinates standardisation activities, develops internationally aligned Australian Standards® that deliver Net Benefit to Australia, and facilitates the accreditation of other Standards Development Organisations. Through the Australian International Design Awards it promotes excellence in design and innovation. [www.standards.org.au](http://www.standards.org.au) [www.designawards.com.au](http://www.designawards.com.au) [www.australiandesign.org](http://www.australiandesign.org)*