

Sada Reddy: Opening of the business resumption site as part of the overall risk management strategy

Opening speech by Mr Sada Reddy, Governor of the Reserve Bank of Fiji, at the commissioning of the Business Resumption Site, Suva, 26 August 2010.

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Distinguished guests, ladies and gentlemen, and fellow colleagues of the Reserve Bank of Fiji.

Let me warmly welcome you to the opening of the Bank's Business Resumption Site. This is indeed a significant milestone in the on-going development of our institution.

This building is set to play a critical role in the Reserve Bank's overall risk management strategies. It will ensure our ability to sustain critical business and IT functions, should access to our building in downtown Suva be lost due to any form of disaster or disruption of essential infrastructure.

In view of the rise in the frequency and magnitude of disasters, both natural and man-made, occurring worldwide, robust business continuity plans are not only invaluable but increasingly essential.

Let me touch briefly on the reasons why we saw it fit to invest resources in the construction and outfitting of such a building.

One of our key roles is to ensure the stability and soundness of the financial system. Like any other organisation, the Reserve Bank, in performing its roles, faces a number of risks. These include operational, strategic, and reputational risks.

Like most responsible organisations, we currently have in place, business continuity plans, to address any likely risks. We need to ensure critical operations can continue unabated under worst case scenarios. Any failure on our part could seriously jeopardise the functioning of the whole financial system.

Since 2004, the Reserve Bank of Fiji has invested a lot of time and resources in establishing a risk management structure, in identifying critical processes and documenting contingency plans. We clearly understand that a central bank has a unique position within a country and consequences of business continuity failure are unacceptable.

The completion of this site, therefore, brings us further relief and confidence in our efforts to ensure business continuity will be maintained at a high level of resilience.

We commenced planning the construction of this site in October 2006, following approval of the Reserve Bank of Fiji Board. The land was purchased back in March 1999 from the Fiji Red Cross Society.

In 2007, a visit was made to the Reserve Bank of Australia's Business Resumption Site, to gather vital information on their experiences in this area. At this point, I would like to acknowledge with sincere gratitude the RBA's assistance with regard to our own project.

Ladies and gentlemen, it has taken us nearly 4 years from the Board approval in 2006 to what you see before you here today. This has been a long time coming, but it has been well worth the wait.

Please allow me to further highlight the benefits of having our own Business Resumption Site, or BRS, as it is often commonly referred to.

In simple terms, the BRS provides the Reserve Bank with the capability to restore and continue all our essential operations should the Reserve Bank of Fiji building in central Suva be rendered inaccessible for one reason or another.

The benefits of such capability are quite clear.

Firstly, given the critical nature of central bank's operations it is not appropriate to rely solely on the facilities at our primary site in Suva. There is a need to avoid concentration of risk. The Bank will manage its business risks effectively by establishing a back-up site away from the primary location with diversity of supply of power and other utilities.

Secondly, continuity of our operations is central to the protection against Systemic risk in the financial system. This is where failure of one institution to meet its required obligations when due, could bring down other similar institutions, thereby threatening the whole system.

The central bank's role is to ensure stability of the financial system at all times, hence we certainly cannot be the institution which fails!

Thirdly, one of the key requirements for FIJICLEAR, our real time gross settlements system, is to have a parallel back-up of the system away from our primary site in Suva. The BRS will now be a fully fledged alternative site and will ensure continuity of all settlements between our banks.

Let me touch briefly on the building design and specifications.

The criteria for settling on this site were based round the premise that it should serve the current and future needs of the Bank in the area of risk management. I am proud to say we have delivered what we set out to accomplish.

In today's environment we are all heavily dependent on IT and communication systems. This building houses a highly secure data centre specified to international standards and with adequate room for expansion. It is capable of fully restoring all the Reserve Bank's IT services within a very short timeframe.

Adequate space has also been provided to enable critical operations to be run efficiently and effectively. This includes a work area for up to 10 staff, a meeting room, an office and accommodation for a few staff with all the usual amenities.

Ladies and gentlemen, within this new building we have also provided for the Reserve Bank of Fiji's first fully fledged archives. We are grateful to the National Archives for their assistance in making this a reality and we look forward to continued cooperation and assistance in maintaining sound record management practices and the managing of our documents for national posterity.

Our first fully fledged archives will meet our needs well into the future.

This site is linked by fibre leased line to our primary site at the Reserve Bank Building in Suva, allowing for a fast and reliable flow of data. There are added features to this link to enhance security of data.

In addition to the usual utilities, we have stored water and there are two generators that will back up any loss of power to the building. The building is also well secured with the use of CCTV cameras which are linked to the main control room located at the Reserve Bank Building.

In terms of building design standards, the building is designed to withstand most severe cyclones and earthquakes. The design incorporates an appropriate level of augmentation of normal loading levels allowed by the respective design codes and fully complies with the provisions of the National Building Code of Fiji. It is also in line with recognized overseas standards.

I am proud to say, in summary, that the building has been designed to provide maximum resilience to disasters and has been equipped with very high level security controls.

Finally, ladies and gentlemen, I would like to acknowledge and thank the numerous persons who have contributed to the successful completion of this project. These include:-

- The Reserve Bank of Fiji Board, for their foresight and continued support;
- Our in-house Project Team;
- Larsen, Holtom, Maybin, in particular Colin Radford, the Project Architect and Manager;
- Engineered Designs Limited, the structural engineers;
- Irwin Alsop, the building services engineers;
- Raghwan Construction, the main contractor; and
- to all sub-contractors,

I extend the sincere gratitude of the Bank and thank you for your efforts.

With these words I am proud to declare the Reserve Bank of Fiji Business Resumption Site operational!

Thank you.