

## The Proposed Works

### Purpose

- 2.1 The purpose of the proposed work is to provide a resilient and secure secondary site that will enable the RBA to sustain all critical business and ITC functions if access to the Head Office (HO) should be lost due to malfunction or disruption of essential infrastructure.<sup>1</sup>
- 2.2 To fulfil this objective, the business resumption site (BRS) must:
- fully replicate HO data centre capabilities;
  - match the functionality of the HO Reserve Bank Information and Transfer System (RITS) and dealing room;<sup>2</sup>
  - meet accommodation requirements for up to three months;
  - accommodate sufficient full-time staff to ensure the immediate continuation of essential functions in the event of emergency;<sup>3</sup> and
  - be sufficiently removed from the Sydney CBD to be insulated from any infrastructure failure or disaster affecting that area, but not so far away as to create staff relocation problems.<sup>4</sup>

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1 Appendix C, Submission No. 1, paragraph 20

2 *ibid*, paragraph 21

3 *ibid*, paragraph 22

4 *ibid*, paragraph 23

## Need

- 2.3 The proposed work is required to enable the RBA to continue functions critical to the maintenance of Australia's financial systems in the event of emergency. Such essential functions include:
- ITC systems and staff essential to Australia's real-time high-value interbank settlement system;
  - government banking operations, such as pension payments, etc; and
  - market operations, such as domestic liquidity management, foreign exchange operations and management of international reserves.<sup>5</sup>
- 2.4 The failure of the RBA's critical operating systems would be unacceptable. In addition, the Attorney-General's Infrastructure Directorate, has classified the RITS, Note Issue and Note Production services as "Major" elements of Australia's National Critical Infrastructure. This categorisation is second only to the highest "Vital" designation. Another review prepared by the Attorney-General's Business Banking and Financial Sector Infrastructure Assurance Advisory Group lists the RITS as "a critical element of operations in the financial sector".<sup>6</sup>
- 2.5 The construction of a purpose-built BRS is further necessitated by the inability of the RBA's current properties to fulfil adequately disaster recovery (DR) functions.<sup>7</sup> It is believed that the current proposal will improve the bank's business continuity arrangements by:
- ensuring that essential staff are available when required;
  - reducing costs and providing increased control of DR arrangements;
  - locating the DR site at a safer distance from HO and the CBD, but not removing it so far as to be inaccessible to staff;
  - consolidating all ITC systems at a single location.<sup>8</sup>

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5 Appendix C, Submission No. 1, paragraph 8

6 *ibid*, paragraph 14

7 *ibid*, paragraphs 15 - 19 and 24 - 25

8 *ibid*, paragraph 28

## Scope

- 2.6 It is proposed that the new BRS facility will be a two-storey building of approximately 4,850 square metres, incorporating:
- office accommodation for 55 permanent staff;
  - emergency work stations for 165 staff;
  - enclosed offices, meeting rooms and ancillary spaces;
  - a 240 square metre data centre and 20-seat dealing room at the core of the ground floor;
  - intensive and resilient data communications;
  - 65 permanent and 100 additional car-parking spaces;
  - robust security measures;
  - landscaping;<sup>9</sup>
  - electrical, mechanical, hydraulic and fire services;<sup>10</sup> and
  - fit-out of interior office areas.<sup>11</sup>
- 2.7 While the current staff requirement at the BRS is 220 staff, the new building will be designed to accommodate 250 staff, to allow for reasonable growth. The facility will be divided into separate permanent and emergency occupation areas, with the latter area remaining in a 'lights out' state unless required.<sup>12</sup>

## Suitability

- 2.8 In planning the business resumption site, the RBA considered a range of options against business, risk and financial criteria. Options considered included:
- two tenure options – freehold or leasehold; and
  - two facility options – collocation of all BRS functions or separation of the data centre and work areas.

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9 Appendix C, Submission No. 1, paragraphs 35 - 42

10 *ibid* paragraphs 75 - 88

11 *ibid*, paragraphs 69 - 74

12 *ibid*, paragraphs 37 - 38

The option selected was a purpose-built BRS housing all functions, which would be owned and operated by the RBA. This option was selected as it

“...most assured availability of systems with least cost”.<sup>13</sup>

## **Project Delivery**

- 2.9 It is proposed that the BRS project will be delivered via a fixed lump-sum contract following a competitive tender process. The RBA believes this methodology to be “optimal for the delivery of the quality required for a highly technical and specialised facility”. It is anticipated that, pending parliamentary approval, the facility will be operational in mid-2007.<sup>14</sup>

## **Cost**

- 2.10 The estimated outturn cost of the proposed business resumption facility is \$38 million. This figure includes:
- loose furniture;
  - fittings;
  - office equipment;
  - landscaping;
  - professional fees;
  - contingencies;
  - escalation; and
  - GST payable.<sup>15</sup>

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13 Appendix C, Submission No. 1, paragraphs 31 - 33

14 *ibid*, paragraphs 113 - 114

15 *ibid*, paragraph 109