

Continuity Forum News

For Members of Continuity Forum Pty Ltd

Edition 21: May 2011

Major flood crisis causes severe damage and business interruptions in Queensland

By Agnes Manlutac, Member Services Officer/Editor, Continuity Forum News..

Earlier this year the nation paused while the state of Queensland faced its worst flood crisis in over 30 years. After weeks of continuous rain, thousands of properties in the south-east region of Queensland were washed away leaving many with little chance to escape.

Almost two years since the Black Saturday bushfires which killed 200 Victorians, Australia was again facing a devastating natural disaster. More than 3,500 businesses, 30,000 homes and 50 Brisbane suburbs were impacted by the strong waters that submerged half of the state. It is estimated the total flood damage will cost Australia billions of dollars.

By Wednesday 12 January 2011 the worst affected areas included Ipswich, the Lockyer Valley and Toowoomba. Flash flooding and an 8 metre inland tsunami caused major damage in these areas, eventually flooding the Brisbane CBD. The city went into shutdown on Tuesday 11 January, ordering workers to evacuate and to prepare their families for the worst. Many businesses faced significant disruptions to their critical functions during the floods. Although water did not directly impact every office block in the city, the shutdown of electricity in the CBD posed a problem for many businesses.

According to the Financial Review, CEOs were challenged directly by the floods with tasks including reduced employee numbers, power outages, relocation of staff interstate and the activation of disaster recovery centres.

Flight Centre was among those that

faced this challenge, having had two of its head offices located in the centre of the city. As Flight Centre's retail outlets located around Australia depended on Brisbane for the back-office functions of its network, staff were either moved to a disaster recovery centre outside the city or flown to Sydney to keep business up and running.

Airline company Virgin Blue conducted immediate action by transferring its crisis management team interstate after their offices were caught under water. Virgin Blue chief John Borghetti commented, "We're operating from a split location...part of the contingency planning is such that we break the company into two – there are people who manage the business of the day and people who manage the crisis."

The chief of engineering company Ausenco says their employees benefited from keeping access to their former office outside of Brisbane. Staff were able to use the office shortly after the floods occurred, which was of great benefit to the company.

A major investigation is now underway including a report on the Wivenhoe and Somerset dams, built to prevent disasters of this scale. Of the damages, the state's infrastructure will take years to be repaired including roads, sewage systems and parks, with 70,000km to 90,000km of council roads damaged. According to Local Government Association of Queensland (LGAQ) chief executive Greg Hallam, restoration will be a massive job, and although improvements for the future can be made,



it would be difficult to withstand another disaster of similar scale.

"This is a very significant event," said Queensland Premier Anna Bligh. "The last three weeks have been truly shocking for all Queenslanders and now is the time to forensically examine the devastating chain of events and the aftermath."

Much support has been given from neighbouring states and countries. Many will never forget this catastrophic event. Recovery for many will take years, and for some the toll on families through the death of loved ones will never be repaired.

Continuity Forum will shortly be running Member Meetings with its members to discuss the impact of the floods on businesses. Speakers and dates are being finalised and will be announced in due course for this quarter.



Continuity Forum News is a quarterly newsletter for the member organisations of Continuity Forum Pty Ltd.

Continuity Forum Pty Ltd is an active network of organisations that share an interest in seeing that their business continuity and disaster recovery plans are resilient and continually reviewed.

Suggestions for contributions and advertising enquiries:
support@continuity.net.au.

Subscriptions and general enquiries:
manager@continuity.net.au.

Membership and events enquiries:
info@continuity.net.au

Continuity Forum Pty Ltd

Manager

Linda Nguyen

Member Services Officer

Agnes Manlutac (Editor)

Operations Support Officer

Laila Kabani

Administration Officer

Kristine Nunez

Finance Manager

Grace Yi

New Zealand Representative

David Thompson (Continuity Services Pty Ltd) Email: nzrep@continuity.net.au

New Zealand Committee:

David Thompson (Chair), Brian Potter (Telecom New Zealand), David Dunsheath (Business Continuanace Planning Ltd), Cari Ramsay (Reserve Bank of New Zealand), Dean McCarthy (BCM International Limited)

Continuity Forum Pty Ltd

ABN: 66 110 423 268

PO Box 810, ARTARMON

NSW 1570 Australia

Ph: +61 (0) 2 9415 4180

Fax: +61 (0) 2 9411 8585

www.continuity.net.au

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Dear Members,

Welcome to this first edition of CF News for 2011.

As we ventured into the New Year, our thoughts were with those affected by the devastating global disasters. It has been a challenging time for many nations, including Australia and New Zealand, where many are still recovering from the recent floods and earthquakes that have destroyed thousands of homes and businesses. We continue to wish everyone a speedy recovery, including those affected in Japan (see page 4).

Entering into 2011, we also welcome those new member organisations who have recently joined us: *Department of Planning and Community, Freehills, Mackillop Family Services, Queensland University of Technology, SPARQ Solutions, Tourism Australia* and the *Victorian Auditor-General's Office*. A complete list of Members can be found on our website at www.continuity.net.au.

Coming up this quarter is the Australasian Business Continuity Summit in Sydney. The Summit will be a jointly run conference by Continuity Forum and the Business Continuity Institute. As the principal annual business continuity conference of the year, the Summit will include two conference days during Wednesday 8th and Thursday 9th June, followed by training workshops on Friday 10th June. Further details are on page 11 of this newsletter.

We hope you enjoy this edition, which features articles on important events from 2010, including an article about the Christchurch earthquakes, advancements within the university sector, and a report of Continuity Forum's Government Conference in Canberra. If you are interested in contributing to our next edition in July, please let us know.

Best wishes,

Linda Nguyen
Manager
Continuity Forum Pty Ltd
manager@continuity.net.au

Agnes Manlutac
Member Services Officer/Editor
Continuity Forum Pty Ltd
support@continuity.net.au

Upcoming events in April-June 2011

- **Australasian Business Continuity Summit, Sydney, 8-9 June 2011**
- **Organisational Resilience Workshop, 10 June 2011, Sydney (post Summit full day workshop - 9.00am to 5.00pm)**
- **Managing the Media in a Crisis, 10 June 2011, Sydney (post Summit half day workshop - 9.00am to 12.30pm)**

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Three key reasons for doing business continuity management

Last month Continuity Forum co-hosted **Business Continuity Awareness Week**, the global educational event designed to help people understand more about business continuity management, its applications and benefits.

For the past four years Continuity Forum has proudly taken part in Business Continuity Awareness Week (BCAW). Many discussions and experts have led professionals into better understanding how business continuity can be used to manage their business.

As done in previous years, Continuity Forum jointly coordinated BCAW with the Australasian Chapter of the Business Continuity Institute. Our major sponsors were KPMG and Ernst & Young, who supported the week by providing excellent venues, expert knowledge and networking drinks at the events.

Networking events held in Australia and New Zealand

During 21–24 March Continuity Forum invited over 500 organisations nationwide to a series of networking functions across Australia and New Zealand. More than 300 guests attended the meetings across Sydney, Melbourne, Brisbane, Canberra, Auckland and Wellington.

“It was important for Continuity Forum to take part in BCAW this year,” said Continuity Forum Manager, Linda Nguyen.

“We have over 180 member organisations across Australia and New Zealand who, since the beginning of this year, have dealt with major disasters in their own cities. Networking functions during BCAW meant that professionals from both the private and public sector had the opportunity to meet together and discuss the important lessons learnt from these incidents.”

Comments from BCAW:

“Good interaction between public and private sector to improve the operation of business post disaster”

“Excellent sharing opportunity”

“Worthwhile and meaningful”

“A useful afternoon of networking and learning”

“Excellent seminar – hearing from other’s experience”

“Informative and beneficial”

“Excellent and well worthwhile”

“Topical and relevant presentations”

“Interesting and challenging topics”

“Fabulous presenters”

“A great range of speakers”

“I found the event very informative and a good opportunity for personal reflection”

“An overall informative meeting”

Message for the year

The focus for this year was three key reasons for doing Business Continuity Management, that are relevant for senior and executive management. These include:

Protecting value and reputation in a crisis

Delivering operational resilience

Providing transparent corporate governance and risk oversight

We wish to thank all the speakers who shared insightful and thought-provoking presentations throughout the week:

Siebert Neethling, Bendelta - “Controlled and uncontrolled variables: organisational culture, politics and personality”

David Harris, Department of Primary Industries – “Protecting value and reputation in a crisis”

Tim Cousins, Tim Cousins & Associates – “Fundamentals of organisational resilience”

Phil Carter, ANZ – “Learnings from the Christchurch earthquakes”

Alex Serrano, Ernst & Young – “Governance and BCM”

Senior Sergeant Gareth Bosley, Queensland Police Service – “The new disaster management environment in QLD”

Dr Richard Agnew, Business Assurance Australia - “Convergence of disciplines – risk management, business continuity and resilience”

Jennifer Teece, Cheryl-anne Moy and Sheryl Lewin, Human Services Portfolio – “BCM panel discussion with Ernst & Young”

Ian Clark, NZ BCI Representative – “Promoting integration between business continuity and risk management”

To access the presentations from the above speakers, please visit our website www.continuity.net.au (some presentations may not be available for release).



New Zealand Committee Corner: News From the NZ Advisory Committee



The last sixteen months have been momentous for New Zealand and especially for its Business Continuity industry.

Firstly we have seen the launch of the new combined Australian & New Zealand Standard AS/NZS5050 Business continuity – Managing disruption-related risk. This Standard is very likely to change the way business continuity is perceived and implemented in many organisations. In New Zealand already we are seeing a number of the larger organisations adopting 5050 to partner their Risk Management systems especially if these are aligned to the Risk Management Standard ISO31000.

Then three major events occurred. The first Canterbury earthquake in September 2010, then the mine collapse at the Pike River Coal Mine in November and finally the second Canterbury earthquake in February 2011 (see page 6-7). Following each of those events the reality of New Zealand’s hazardscape drastically changed. On behalf of all Continuity Forum members we extend to all of the people and organisations involved in these events our heart-felt thoughts and prayers for a speedy recovery.

These events have been, for New Zealanders, a very timely reminder that we live in a country that has a fascinating and challenging hazardscape that requires all organisations and their staff always to be prepared.

In a recent United Nations article, Margareta Wahlström, head of UNISDR and Secretary-General Ban Ki-moon’s Special Representative for Disaster Risk Reduction, states:

“2010 was one of the deadliest years for natural disasters in the past

two decades and unless better preparations are put in place now, many more disasters can be expected in years to come.”

The report goes on to inform that 373 natural disasters claimed the lives of more than 296,800 people last year, affecting nearly 208 million and costing nearly \$110 billion.

Given these figures and recent events we must all ask ourselves - are we doing everything we can to promote Business Continuity preparedness messages?

For 2011 I believe we must make four things a priority within our Business Continuity Programmes.

Firstly increase the number of awareness activities. Secondly renew the organisation’s BIA/RA. Then organisations should review their continuity plans and arrangements. Finally organisations must exercise their Business Continuity Plans as a priority.

The New Zealand Advisory Committee has also seen some changes this year. We farewellled Brigitte Theuma, who has taken a leading Risk & BCM role in Australia, and Cari Ramsay who left us in March this year to join Brigitte in Australia. Joining the Committee was Dean McCarthy.

We thank Brigitte and Cari for all their efforts and support over the years.

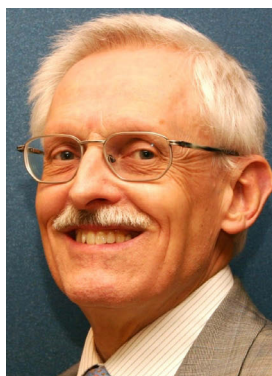
Continuity Forum NZ has started 2011 with two very good events. In the lead



David Thompson (Chair)



Cari Ramsay (Member)



David Dunsheath (Member)



Brian Potter (Member)

up to Business Continuity Awareness Week (BCAW) Continuity Forum presented on the opportunity BCAW gives to organisations to run an effective business continuity management awareness campaign at their workplace.

During BCAW Continuity Forum members, Business Continuity Institute and NZ Government Business members were joined by guests from other organisations to discuss the reasons why organisations should take business continuity management seriously. Ian Clark, the Business Continuity Institute’s NZ Country Representative delivered an engaging talk about “Promoting Integration between Business Continuity & Risk Management”.

Japan’s worst earthquake and nuclear emergency crisis

On 11 March 2011 Japan was hit with its worst earthquake in history, causing widespread damage across dozens of communities in the northern part of the country. The powerful 8.9 magnitude earthquake also caused a 10m tsunami, with waters completely wiping out homes and buildings, along with cars and ships.

The quake was so powerful that tsunami warnings were extended across the Pacific and reached as far as the US and South America. The waves that hit these areas did not cause major damage.

Since the quake, over 27,000 people in Japan have been reported dead or missing, leaving hundreds of thousands more without food or shelter. A Japanese nuclear plant in Fukushima was also disrupted, causing a nuclear emergency and an immediate evacuation for residents within the region.

Authorities are still trying to contain the radioactive material being released into the atmosphere and seawaters. Aftershocks have also continued to affect the area.

Meetings this quarter in NZ:

- BC @ Lunch Meeting on 25 May
- Member Meeting on 22 June

Future meeting dates in 2011:

- 24 Aug Lunch Meeting
- 21 Sept Member Meeting
- 16 Nov Lunch Meeting
- 14 Dec Christmas Drinks Meeting

For more information please contact NZ Advisory Committee Chair, David Thompson on +64 27 489 8849 or email Agnes Manlutac at support@continuity.net.au.

Member Profile: J.P.Morgan

J.P. Morgan is a leader in financial services, offering solutions to clients in more than 100 countries with one of the most comprehensive global product platforms available. We have been helping our clients to do business and manage their wealth for more than 200 years. Our business has been built upon our core principle of putting our clients' interests first.

Our 130-year history in Australia is the heritage of four merged firms – Ord Minnett, Chase Manhattan Bank, J.P. Morgan and Bank One. The firm's more than 1,300 Australasian employees are located in the financial centres of Sydney, Melbourne and Wellington and provide products and services to corporations, financial institutions and government clients.

Resiliency Risk at J.P. Morgan is part of an integrated risk approach working closely with risk partners in Operational & Credit Risk, IT Risk, Corporate Security, Internal Audit and Compliance. The firm continually assesses the effectiveness of its resiliency and business continuity plans, as well as those of its third party service providers against a wide range of threat scenarios and industry best practices.

The local representatives in Australia are Joanna Budge for Treasury & Securities Services business and Richard Harwood for the Investment Bank.

Some of the key features of the J.P. Morgan Resiliency Risk Program are:

- Firm-wide governance and oversight provided through a centralised corporate group partnering with specialist teams in each line of business, who are responsible for the development and execution of their own program. The firm's Board of Directors review the status of the overall resiliency program on an annual basis.
- Strong business executive focus through weekly incident

reviews, monthly reviews of resiliency metrics and semi-annual resiliency assessment of each line of business.

- Global risk assessment, monitoring and crisis management escalation process are delivered through partnership between the Business Resiliency group and Corporate Security. J.P. Morgan undertakes robust, regular testing of escalation and command centre protocols and conducts post event reviews to continuously improve its event management procedures and resiliency capabilities.
- Resiliency Plans are owned and developed by business managers to protect the firm's staff and assets as well as client interests. These plans are aligned with industry best practices and address the business, operations and technology components of a business process, including those critical processes and functions provided by third parties.
- The firm has a comprehensive global testing program for all critical locations and processes applying a risk-based approach aimed at validating the effectiveness of resiliency planning. Testing results are communicated to the firm's senior management for all business and technology functions in all critical locations. Resiliency Risk forms an integral part of the risk management culture in the Firm and is constantly evolving to meet the challenges of client and market developments. ■



JP Morgan's Resiliency Risk representatives in Australia: Richard Harwood (left) and Joanna Budge (right)

Call for contributions

CF News, Edition 22, July 2011



Continuity Forum delivers informative newsletters every quarter to its members. Preparations are now underway for our July edition. Contributions are welcome and open for review for the following sections:

- Member Profile
- Case studies
- Press releases*
- Member services/advice

A theme is designed for each edition. Contributions should ideally relate to the theme unless otherwise specified. For information on next edition's upcoming theme, please contact Editor Agnes Manlutac at support@continuity.net.au. Deadline for submission: 10 June 2011

**Inclusion of a press release is subject to approval according to nature of the business and timing of the release.*

Welcome to our new members in October 2010 – March 2011

- **Department of Planning and Community**
- **Freehills**
- **Mackillop Family Services**
- **Queensland University of Technology**
- **SPARQ Solutions**
- **Tourism Australia**
- **Victorian Auditor-General's Office**

Lessons learnt from the 2010 and 2011 Christchurch earthquakes

Dean McCarthy and Phil Cooper of BCM International have been working with Christchurch clients prior to the first event and have been involved on an on-going basis since then. They will share some observations arising from their continued work with clients and others affected.

September 2010 Earthquake

At 4.35am Saturday 4th September 2010, New Zealand's second largest city, Christchurch, suffered a magnitude 7.1 earthquake at the relatively shallow depth of 8km and centred 30km west of the city. The effects have been well recorded in the media with visual images shown regularly around the world particularly in the first few days after the event. There was considerable damage covering the city and surrounding areas. The areas most affected were older buildings in the central city and housing areas both old and new that suffered from major ground movement and liquefaction. However, large areas of the city were not affected and this included a lot of the newer business and industrial locations. Current damage cost estimates are NZD 3.5 billion. As of the 26th December, over 4000 aftershocks of magnitude 2 or more have occurred some of which caused further damage.

Human factor

A major factor in the event has been the effect on people. On Saturday morning the reaction of most was focussed on their personal circumstances. Large areas of the city were without power and water and initially communications suffered accordingly. In our meetings with people in their businesses, the first topic of conversation was how it had affected them personally. Nearly everyone wanted to share their experiences with us and tell their story, so we had to make allowance for this extra time in our meetings. A common theme was the lack of “survival kits” at home. With no power, no landlines, batteries ran out on mobiles and torches were hard to find. It was surprising however how quickly people turned their attention to finding out what had happened to their business colleagues and when they could return to work.

Human Resources (HR)

A big positive in this first event was the



Christchurch, New Zealand - 13 January, 2011: Buildings demolished in Manchester Street. istockphoto.com.

lack of deaths or serious injury. However the continued aftershocks have had a significant effect on the mental health of some people and most businesses have had to deal with these issues. They identified the need for a psychological first aider to assist staff with stress, leave requests and health problems. A number of businesses struggled with balancing the need to keep business functions going while being sympathetic to these problems.

Who had plans?

“It wasn't supposed to happen here” was a common comment. Most businesses had no specific continuity or recovery plans, some had limited plans and a few did have plans. As is always the case those affected got together and reacted to the situation commencing continuity and recovery actions with varying degrees of success. What we did discover was that many of those who had plans did not use them because they were just an out of date pile of paper and never properly tested.

Of those who did not have plans, most will get there any way but are likely to experience more inconvenience, more delays in re-establishing business functions and increased costs. Some had plans that they had rehearsed, and while not perfect, they enabled them to be proactive, get results faster and at less cost, minimising downtime and, most of all, understand the key areas to focus on to achieve the best outcome in the circumstances they faced.

Communications

The networks in general recovered very well on both occasions so, once people got access to phone chargers for their mobiles and power for their normal phones, they could communicate. However, the most significant problem was the time taken up just trying to contact each other. One client with a formal call tree found that they could only contact 80% of their 100 staff over the following two days to let them know the business would be open on the following Monday. We did not find any business that really had a fully effective communication plan. It is a subject that is often talked about with very few addressing the real issues and putting together a workable plan, and testing it.

Health & safety

Large areas of the inner city in particular were closed off very quickly by the authorities while they assessed the damage. Many business premises were then given “no go” stickers until they were inspected and cleared and this took days in some cases. Despite the warnings, we had a number of examples of people accessing potentially unstable buildings with obvious damage without any thought of basic safety precautions. Simple things were ignored, such as letting someone know what they were doing and when, not using a safety helmet, not checking the state of power where there were loose wires hanging from the

ceiling and being conscious of the risk of further damage from aftershocks.

After the second event authorities were very quick to cordon off the affected areas and no one got access to them. This has caused considerable problems for some businesses where key items such as laptops, servers, backups, business documents, personal effects and many items critical to business operations have not been available.

Knowledge of premises

For many there was a lack of understanding of their building services. This included not knowing fully how their security system worked and what happened to the system if there was a loss of power. Consequently some who thought they could get into their premises couldn't and others who thought their building was locked down were shocked to find it in fact wasn't.

Tenants did not know how to contact a landlord and vice versa. Some thought there was a generator on site so power would be available for lighting and lifts. There wasn't and they did not have a key to the stairs. There was a lack of a plan to ensure premises were kept secure when operating under changed security arrangements with many assuming their normal security contract would cover the situation.

Technology

Many businesses today are completely reliant upon technology to run their day to day operations. Many such businesses had access to their premises denied by the authorities until cleared. Some of the examples given about accessing premises related to IT Managers attempting to find out about the state of their technology. Many businesses discovered that their assumptions about what they could do in these circumstances were not correct.

The most common of these was the "work from home" assumption. Unless this situation is properly planned and tested with the correct associated technology then, as many found, the limitations of the average home office will not cope with the demands of a business. This is different from the personal issues of working at home with a partner - also working from home - and includes having children home because the day care centre or school was closed.

February 2011 Earthquake: Death and serious injury

At 12.51 pm on 22 February 2011 a magnitude 6.3 aftershock hit the Christchurch CBD, some residential areas and the port of Lyttleton. The event has been well publicised both nationally and internationally with a number of the deaths involving visitors to the city. While the damage suffered in the initial event of 2010 was seen as major, it pales into insignificance when compared with this latest event where damage is estimated to be around NZD 15-20 billion.

However even greater has been the "human factor". Over 200 people were killed and 4000 injured, with some of those likely to suffer for many years to come. Many families have lost access to their homes or have been forced to live in adverse circumstances. No power, no water, no toilet facilities and the likelihood their homes may be condemned. The impact of another major earthquake has affected the mental health of many adults and children. A significant number of these have left Christchurch with some indicating they would not be returning.

This "human factor" has had a significant effect on business continuity, in most cases significantly increasing the time taken to recommence business operations. While those issues are being addressed many businesses have either had no access to their premises or when they have, they have discovered that their premises may take many months to repair. Consequently while parts of the business have been focused on re-establishing core operations in temporary premises other staff have been tasked with finding and setting up alternate premises for longer term use.



BCMI team: Dean McCarthy (left), Phil Cooper (middle) and Stuart Graham (right)

Conclusion

Business continuity planning can be a very positive part of normal business processes but it must be kept simple and practical.

Use the lessons learnt from Christchurch and from specific business disruptions you may have experienced to build effective contingency plans:

- Put the time and effort into understanding the impact of such a significant disruption on your business functions and processes
- Prepare simple contingency plans that identify the actions and resources needed to maintain continuity and involve the most suitable people to handle the situation
- Take the opportunity to incorporate rehearsals of contingency plans into business training programmes.

Remember business continuity is not solely about IT DR or volumes of paper. It is about people, communications and regular rehearsals of simple contingency plans. ■



The **Australasian Business Continuity Summit** will include speakers who will address the impact of the Christchurch earthquakes and highlight the lessons learnt:

- Dr John Vargo, Senior Researcher and Co-leader Resilient Organisations Research Programme - Department of Accounting and Information Systems at the University of Canterbury will be speaking on the topic of '**4 September 2010 Canterbury 7.1 magnitude quake: A case study on impacts and resilience responses to this major seismic event**'
- Glen Redstall Portfolio Manager - Business Continuity Emergency Management at the Inland Revenue Department New Zealand will be delivering a presentation on the topic of '**A Case Study: The Inland Revenue Department's response to the Canterbury earthquakes.**'

Please have a look at the brochure for more information.

Conference report: Continuity in Government, November 2010

By Shane Barker, Business Continuity Specialist and Conference Chair



Shane Barker, Conference Chair

I was especially honoured to chair the Continuity in Government Conference in Canberra and am pleased to report that it was a successful event. With a diverse and extremely knowledgeable collection of speakers, with interesting and relevant topics, the event provided business continuity practitioners of all levels, with information and experience that enabled them to add to the rapidly growing body of knowledge that epitomises business continuity during recent years.

The location for this conference was especially significant and valuable, with regard to the considerable potential benefits, and further reinforcement of business continuity as a discipline, rapidly gaining traction and momentum in the business world.

Without detracting from the importance of businesses located in other areas of Australia, Canberra, in many ways, is the epicenter and hub of several interrelated and interdependent government business enterprises across the country. These government departments are the drivers for the independent and supportive activities

of other linked organisations that are crucially dependent and reliant upon the initiating processes and systems precipitated in Canberra.

Keynote presentation by Professor Beverley Raphael

The conference opened with a keynote presentation from Professor Beverley Raphael (mental health and disaster expert and Professor of Psychological Medicine) who provided an extremely thought provoking presentation that focused on psychosocial challenges faced by individuals, organisations and Government when confronted by traumatic events. In particular the critical need for psychological preparedness, pre-planning and ensuring systems, organisations and people were very much considered in the planning process. This included not only developing robust defences and contingency plans to ensure organisations were more resilient and adaptive but leaders were aware of the emotional challenges that may confront them. This was a particularly valid presentation considering the multitude of emotional and

psychological/physiological traumas that may afflict employees during a significant emergency incident.

“Finding BCM Resilience” by Sarah Kawe, Department of Finance and Deregulation

Sarah Kawe from the Department of Finance and Deregulation followed with another interesting presentation that provided attendees with some very valuable information and strategies for embedding business continuity into the business culture of the organisation. Sarah discussed the many hurdles faced by practitioners commencing their BC journey and advised as to how they may implement and employ strategies to overcome these and gain traction and momentum for their business operations. Sarah deconstructed elements of an organisations culture and highlighted



Canberra, location for the 2010 Government conference

areas, which may be targeted utilising strategies, and tactics to build resilience. Some ideas included improving communication flows, integrating and including business continuity in the organisations mission statement, and recognising the value of BC to strategically position the organisation in the business environment.

“Business Continuity in Action” by Sally Thomas, Australian Trade Commission

Sally Thomas from the Australian Trade Commission facilitated an insightful and informative discussion highlighting the significant difficulties confronting their organisation with regard to the multiple and geographically dispersed network of over 100 offices across the globe. Sally provided the audience with an overview of the challenges confronting organisations with such a diverse and globally dispersed area of operations and illustrated this with two case studies from Jakarta and Santiago. This presentation was valuable for BC practitioners with experience across all levels and provided a fresh insight into challenges confronting organisations in this field of operations.

“Building BCM as an Enterprise Capability” by John Dardo, Australian Taxation Office

John Dardo, Assistant Commissioner of the Australian Taxation Office, conducted the final presentation of the day. The presentation covered a practical guide to building BCM as an enterprise capability. John succinctly highlighted the absolute importance of enlisting the support, commitment and endorsement of senior management to the cause. John spoke of implementing and employing strategies designed to ensure these senior executives actually became ‘owners’ and ‘champions’ of the BC process rather than passive supporters. John illustrated the importance of corporate governance and assurance frameworks being built around BCM to ensure its long-term efficacy and robustness.

John led the audience through the phases he had initiated with regard to the design, implementation, measurement and performance aspects of BC and linked it to the universally known PDCA cycle (Plan Do Check Act cycle). John made a very salient point that BCM would not prosper and evolve



Delegates at the conference during the Mini-workshop session

into a long-term and accepted business strategy unless all phases were allocated equal importance and were logically and seamlessly integrated into the entire framework of BC. An example of buy-in and ownership strategies for senior management was the leverage to be gained through an organisation having a mature, well-rehearsed, measureable and fully integrated BCM system supporting the organisation’s entire long-range business plan.

Mini Workshop by Shane Barker

Shane Barker, an experienced Business Continuity Specialist and Crisis Management expert conducted a mini workshop to conclude the day. The workshop was designed to discuss the pitfalls practitioners may encounter when implementing BC and how to ensure BC was holistic in nature rather than piecemeal. This discussion included:

- The importance of exercising BC Plans
- How and when to fully or partially invoke your BC Plan
- The signs that indicate a need to de-escalate
- The process of selecting the most appropriate, qualified and suitable members for your Crisis Management or Leadership Team
- What qualities, experience, character traits and other identifiers

should you be looking for when considering members of your teams

- How to conduct a meaningful, non-threatening and value adding lessons learned process designed to ensure continuous improvement for your BCM system

Continuity Forum will hold another Government Conference later this year. For more information please contact Linda Nguyen at manager@continuity.net.au.

Testimonials from 2010 past delegates:

“Well organised, diverse and valuable”

“Very worthwhile & relevant - great diversity of subject matter”

“Was a fantastic presentation of subject matter”

“Interesting & useful presentations about real challenges and interactive session”

“Another fine addition to this series of conferences”

“Very worthwhile - good to get new ideas and reinforce existing processes”

Is there a “New Normal” for the university sector?

By Harry Rosenthal, General Manager, Risk Management, Regis and Partners, Managers of Unimutual

A year end tradition for many organisations is to reflect on the closing year, wondering if they’ve either weathered the recent storm or seen glimpses of the “New Normal”. The close of 2010 has prompted many to reflect as it was a year of significant catastrophic events across the planet, witnessing some of the largest property and business interruption losses seen in years. For example, the insurance sector is expected to have lost an estimated \$USD36 billion (Swiss Re) in insured claims for the year and it is believed the total economic cost of this year’s losses will exceed \$USD 222 billion. Many of the large loss events, such as the Haiti earthquake and floods in China were uninsured. In addition to property losses, more than 260,000 people died from natural disaster events in 2010, compared to only 15,000 in 2009. This is the highest number of human fatalities recorded in natural events since 1976. An axiom of the risk management use when forecasting risks and opportunities is that the past is often the best indicator of the future. Across many business sectors risk professionals are reflecting on whether it was a Black Swan year, an anomaly, or are we seeing the shape of things to come? Was 2010 a new normal?

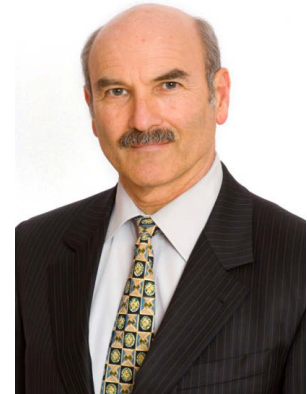
The university sector, like others conducts forecasting from many perspectives. University scientists study increases in natural disasters looking for indications that we may be witnessing the applied face of the theoretical problem of global warming. For example within the past 18 months (prior to the 2011 floods and cyclones) Australia experienced three loss events exceeding one billion dollars in damage from bushfire and hail storms. In our entire history there were only two prior billion dollar loss events. As these losses were caused by natural events, researchers ponder, “Is this how climate change manifests or has this been one of those once-in-a-hundred-years-type-of-event

where losses are statistically expected to be higher?”

In addition to university scientific interest, there is a practical reason for such reflection. The higher education sector is a very old and established business, existing in some form for several thousand years. While they are facing significant challenges altering the methods by which teaching, learning, research and community engagement are conducted, significant losses driven by natural and man-made causes, are impacting many aspects of university operation. Mirroring the global experience this was a record year for property loss in the sector. Storm damage losses, including hail storms in Melbourne and Perth, caused serious damage affecting university operations, as did widespread flooding on the eastern coasts. Add to this the recent earthquakes in Christchurch, which has experienced over thousands of aftershocks, and it could be understood why parents in foreign nationals may regard Australia and the region as a dangerous place for their children to study.

Their perception is very important as higher education is the nation’s third largest export industry, expected to grow to \$22.4 billion in 2011. For the past decade, we have been viewed by much of the world as an affordable, stable and safe environment where their children can come for a world class higher education experience. This view of Australia may be under scrutiny in ways which threaten that perception.

Financing property losses is another challenge of the sector. The majority of Australian universities cooperate not only in teaching and research but also through risk financing, through participation in a not-for-profit mutual called Unimutual. Established 21 years ago, Unimutual consists of 24 Australian universities and another 18 higher education related entities joining together to finance property



and liability losses. 2009 was the most challenging year for the sector, where hail storms, flooding and storm damage have surpassed structural fires as the leading cause of loss impacting the approximately \$42 billion of property protected by the Mutual.

With so much at stake, business continuity planning has increased in importance across the higher education sector, regardless of whether 2010 was a Black Swan or the New Normal year. Unimutual has formed Business Continuity Planning special interest groups (SIGs) in most capital cities, where BCP and DRP staff from metropolitan universities meet regularly to explore ways of sharing knowledge, expertise and experience to increase the resilience of individual members and the sector as a whole.

Each BCP SIG explored critical events including lose of a library due to flooding, data centres fires and storm damage, with the objective of learning lessons from losses and improving institutional response. In addition the SIGs meet to explore sharing of training exercises, desktop testing programs and establishing contacts which will assist members suffering significant losses to rapidly seek support from other members in the sector.

Whether 2010 was a Black Swan or the new normal, the higher education sector is working together to ensure the critical role of teaching and research continues regardless of sector losses. They are working in a mutual and cooperative framework which will serve them well into the future. ■

Australasian Business Continuity Summit 2011

Sofitel Sydney Wentworth Hotel, 8 – 10 June 2011



The Australasian Business Continuity Summit 2011 is the principal annual business continuity conference in Australia and New Zealand. The Summit combines two conference days, Wednesday 8th and Thursday 9th June, followed by Workshops on Friday 10th June. The Summit is organised jointly by the Business Continuity Institute Australasian Chapter and Continuity Forum.

Summit Highlights:

- The Summit is the only business continuity conference in Australia with a program developed by subject matter experts.
- The Summit program combines diverse presenters and topical subjects to address contemporary issues of concern to practitioners of business continuity and related disciplines.
- Presentations from over 20 expert speakers from diverse public and private sector organisations including Suncorp, Qantas, the ABC, Australian and New Zealand Federal Government agencies and the Universities of Canterbury and New South Wales.
- Hear multiple case studies presentations covering recent incidents such as the Queensland Floods and the Christchurch earthquakes, the Qantas A380 event and the BP Gulf Oil spill.
- Participate in interactive Mini-workshops focused on Running a Scenario Exercise or Effective Business Impact Analysis.
- Attend detailed Workshops covering Organisational Resilience (full day) or Managing the Media in a Crisis (half day).

The Summit is planned by subject matter experts to combine diverse presenters and topical subjects into a program that addresses contemporary issues for practitioner of business continuity and



related disciplines. Key themes to be covered at the 2011 Summit include:

- Case studies of organisations disrupted by recent natural disasters in Christchurch and Queensland.
- How Qantas responded to a serious incident affecting its A380 fleet.
- Seeing an incident through the eyes of the media to help your organisation protect its reputation.
- Updates on Organisational Resilience from academics and practitioners.
- Experiences on the practical application of business continuity software applications by end users.
- Implementing business continuity practices in organisations during a time of significant change.
- How emerging technologies are affecting business continuity.
- Practical workshops demonstrating how to conduct effective Scenario Exercises or Business Impact Analysis.

The Australasian Business Continuity Summit provides the best opportunity in the region for learning and networking with experts and practitioners in business continuity, crisis management, resilience, crisis communications, emergency

response, IT disaster management, risk management and the organisations which supply and service these disciplines.

Who should attend?

Executives, Managers and other professionals with responsibility for

- Business Continuity Management
- Crisis or Incident Management
- Organisation Resilience
- Risk and Compliance Management
- Security and Emergency Management
- Communication and reputation management
- Business analysis and planning
- IT Service Continuity Management
- Operational Audit

Please visit our website www.continuity.net.au to download the event brochure. **Early bird discounts are available until Friday 6th May 2011.** Continuity Forum and BCI Members will also receive reduced rates.

For more information please contact Linda Nguyen at manager@continuity.net.au or phone our Sydney office on +61 2 9415 4180. ■

ICT service continuity - planning primer

Depending on a business's reliance on information technology, IT disaster recovery can play a critical role in recovery operations and continuation of critical business operations.

It is difficult to find a business today that does not have a significant reliance on the Information and Communications Technology (ICT) that it uses to support its core business. In fact, many businesses would struggle to exist if their key systems were made unavailable for an extended period of time.

With increasingly scrutinized and compressed IT budgets, IT stakeholders need to leverage traditional business continuity planning processes, such as the Business Impact Assessment (BIA), to identify the business requirements for IT recovery and service continuity which can be used to inform IT spend and effort in the areas of IT redundancy, back-up and DR processes. Identifying these requirements and indeed separating what is critical and what is not critical can be a difficult undertaking, especially where organisations have complex ICT environments and where some technology services may be outsourced.

Building upon the identification of critical business processes it is necessary to identify the critical systems that support the business, assess the threats to the availability of these systems and identify the key recovery and availability business requirements (or expectations) associated with these systems. Identifying the systems and understanding their criticality assists with ensuring that:

- Systems are recovered on a priority and cohesive basis to support business processes
- Systems dependencies, such as people, networks, and ICT locations are also available within a similar timeframe
- Manual workarounds can be used where systems are unavailable
- Systems and data redundancy exists to support ICT service continuity where appropriate

Identifying data availability and recovery requirements is also a key part of this process. This includes data stored within application systems as well as data repositories, such as file servers.

The BIA is the ideal process to identify

and assess ICT service continuity requirements and the threats to these because with the right tools (e.g. questionnaires) and methodologies the BIA can deliver the following key metrics for systems recovery and ICT service continuity requirements:

Maximum Tolerable Outage (MTO)

MTO specifies the maximum period of time that a system can remain unavailable before the event causes significant impact to the operations (and sometimes survival of the business). This can also be expressed as the, Maximum Tolerable Period of Disruption (MTPD) or the Recovery Time Objective (RTO) depending on the organisation's use of BCM terminology

Recovery Point Objective (RPO)

RPO specified for a given system environment or data repository for the data loss that is acceptable once the service has been restored. This determines what the business can cope with in relation to data restoration, for example, to the start of the business day when the service was lost or, does the data have to be restored exactly to the 'point of failure' (i.e. back to the precise time at which the service failed). Typically the closer to the point of failure that the data needs to be restored to, the more expensive the solution.

The BIA should also seek to identify possible manual workarounds - often manual workarounds are critical to business continuity as they allow business operations to continue when a key system dependency is unavailable. Well defined and effective manual workarounds can increase the recovery time objective of ICT systems significantly (and usually lower the cost of implementation), however their effectiveness can diminish significantly over time.

From here, a gap analysis can be undertaken on the existing ICT environment to determine the capability of the organisation to meet these business objectives for recovery. Where gaps exist, in either process or technology, the business will need to determine their tolerance to risk and consequently make the necessary investments to align the



ICT environment with the business risk profile. Outsourcing scenarios can increase the complexity of understanding the capability to recovery systems and data since much of the capability is not immediately visible. In this case assurance from providers and well defined Service Legal Agreements (SLAs) and contracts will need to be relied upon. Outsourcing can also change the scope of impact of various potential events.

Further ICT investment to build an ICT service continuity capability to meet business objectives may include replicated and redundant systems, enhanced back-up technologies and processes, additional personnel, development of plans and procedures, strengthened SLA's and additional sites for hosting systems.

As organisations struggle to manage ICT costs, determining real ICT service availability requirements through a defined process as part of the BIA should be a fundamental BCM planning activity. Furthermore, the ability to engage the business and bring them on the journey from determining ICT requirements through to capability development has significant benefits for IT groups in achieving a robust business case for building an ICT service continuity capability.

*Business Aspect assists Government and commercial sector clients in business continuity management activities that includes complex disaster recovery planning and capability development. **Brendon Taylor** is Partner, Risk and Continuity.*