



A BIRD FLU PANDEMIC - IS BUSINESS PREPARED?

In June 2006, the Australian Government published a booklet designed to help businesses prepare contingency plans to deal with a potential bird flu pandemic. The effect of a pandemic on staff, customers and the business itself could be significant. The better prepared a business is, the easier it may be to minimise the impact of an outbreak if it occurs.

Since avian influenza (more commonly known as bird flu) first appeared in 2003, health authorities and governments around the world have been aware of the possibility of mutations that create a human-to-human strain, with potentially devastating effect.

In June 2006, the Australian Government published a guide *Being Prepared for a Human Influenza Epidemic – A Business Continuity Guide for Australian Businesses*.

The Guide is designed to educate business about: what bird flu is; how a bird flu pandemic may affect a business; how its impact may be minimised; how to help prevent staff from getting sick; and how to appropriately manage customers and other stakeholders.

The following article is a summary of the key messages from the document. A full copy of the Guide and other information to help businesses prepare for a possible future bird flu pandemic is available on the internet at: www.industry.gov.au/pandemicbusinesscontinuity.

WHAT IS BIRD FLU AND HOW SERIOUS COULD AN INFECTION BE?

Avian or bird flu is a type of influenza that is transmitted between birds and has also been found to also infect humans.

While at this stage, there is no evidence of efficient human to human transmission, the high fatality rate amongst those humans infected so far, has raised serious concerns amongst health professionals about the future effect of mass infections, especially from a mutated form of the virus.

The 1918 Spanish influenza which was estimated to have killed between 20 and 40 million people, largely between the ages of 18 and 35 years.

A vaccine that would provide immunity against the current bird flu virus has not yet been developed and there would likely be a delay between the development and efficient distribution of such a vaccine in the future. The common seasonal flu vaccine is not expected to be able to provide immunity and currently available antiviral medications would need to be administered either before or shortly after a person has been infected, to have any effect.

HOW COULD BIRD FLU AFFECT A BUSINESS?

Given the potentially large infection rate caused by a bird flu pandemic, its impact on individual businesses could be profound.

The reach of an infection may be localised, it could be state or nationwide, or it could occur in many nations either concurrently or on a rolling basis.

A pandemic is not likely to be a short and sharp event and the recovery phase would probably be a long one.

Staff Absences

Staff absence in a pandemic could be expected for many reasons including:

- illness;
- the need to care for family members or children whose schools may have been closed; or
- a preference to stay at home.

It has been estimated by the Government that up to 50 per cent of staff could be absent from businesses in the event of a pandemic.

Financial Implications

A global pandemic could have a significant impact on the economy and on business. The Australian Treasury has estimated that Australian GDP could be cut by over five per cent as a result of absenteeism and reduced consumer spending and confidence.

Sales revenue could be affected for a number of reasons including:

- the need to close premises due to staff absence;
- a lack of willingness by customers to risk face to face contact;
- reduced employment and confidence affecting the general level of spending; and
- financial problems with suppliers and credit institutions.

There may be problems accessing credit, it is likely that the stock market may not react positively to an outbreak and standard insurance policies may not generally cover financial loss associated with a pandemic (though insurance products that cover some contingencies are available)

Other Effects on Business

A pandemic may have other effects on business including:

- the disruption of supplies;
- a considerable reduction in demand;
- the disruption of fuel and other energy sources: and
- restriction on people movement.

HOW COULD THE BUSINESS IMPACT OF BIRD FLU BE MINIMISED?

A suggested plan for how to deal with a bird flu pandemic could take the following suggestions into account:

Identify Your Business' Core People and Skills

Key issues to consider include:

- What are the essential parts of the business?
- Who are the core people needed to keep the business running, what skills do they require and are there

sufficient back-ups in the event of high absences?

- Is it possible to run key parts of the business remotely?
- Who will develop and manage the pandemic contingency plan? and
- Is there a plan in place to deal with the absence of key infrastructure such as the loss of computer networks?

A business should ensure that key staff know their responsibilities in the event of a pandemic and have a working plan worked out that minimises the risk of infection.

Establish a Pandemic Planning Team

It is a good idea to identify a couple of people in your organisation who would be responsible for workplace planning and health and safety in the event of a pandemic.

Key tasks would include keeping staff and customers abreast of ongoing developments and the impact on the business, ensuring that there is a staff member responsible for monitoring health issues and contracting the services of a professional medical adviser.

Plan for Staff Absences

Irrespective of the work a business does, staffing levels and the number of critical staff, it is highly likely that there would be a significant staff absence - whether because of illness, quarantine requirements, a desire to work from home or business difficulties.

These absences could be at the primary workplace or at other locations either in Australia or throughout the world. Businesses with outlets, suppliers, customers or staff in other countries should keep in mind that these countries may not enjoy the same level of preparedness or organisation that one may expect here.

Consider the Effects of Supply Shortages

Supply shortages may occur for a number of reasons including increased demand for certain products such as cleaning and health supplies, transport disruptions and staff absence either at the supplier or transportation level.

Establish and Maintain Communication

Businesses will need to plan for the maintenance of communications both within the business and with government, suppliers and customers.

It will be important to stay on top of any updated health information both in Australia and overseas, as well as other issues that will affect your business.

Consider Human Resource Issues

Depending on the nature and size of the business as well as the extent of the pandemic, you will need to identify triggers that decide when you may need to temporarily close your business either for commercial reasons or because keeping it open may pose a risk to employees, customers or others.

Employers would be required to take all practicable steps to protect employees and customers, with the normal occupational health and safety laws continuing to apply.

Employers would be expected to talk to staff about the impact of a pandemic, health and safety issues, the ongoing pandemic management plan, ways to keep in touch and the monitoring of the health of absent staff.

Test Your Plan and Know When to Activate It

Once a pandemic plan has been developed, it would be advisable to test it, to see how it may work in a real life situation.

CONCLUSION

While contingency planning by its nature involves putting arrangements in place for something that may never happen, the potentially devastating impact of a serious bird flu pandemic means that businesses should take the time to think about how they would cope in the event of an outbreak.

The better a prepared a business is for a worst case scenario, the easier it may be to minimise the impact of these events if they occur and bounce back during the recovery period.

Governments, businesses, health workers and the community in general would all need to work closely together should a pandemic occur.

Spending some time thinking about structural business issues now could pay a significant long term dividend if a bird flu or similar event occurs in the future.