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What you must do now to prepare your company for the next pandemic

The world is long overdue a serious global influenza pandemic. Naturally occurring pandemics have occurred across the world on average every 10 to 30 years and three pandemics in the 20th century caused millions of deaths and significant social and financial disruption.

So while the severity of swine flu has yet to fully emerge, the disease has turned the spotlight on biological hazards in Australia and the fact that every year businesses are faced with risks and opportunities created by these biohazards. Whether a business weathers the storm of a pandemic, or can adapt to opportunities created by biohazards, will depend on the business' risk management systems and its plans for addressing community diseases.

Planning for a pandemic now will mean that a company is prepared for any eventual outbreak and is situated in a relatively advantageous position to manage the adverse effects.

In a legal sense, planning helps business comply with its obligations. In a financial sense, it allows directors and officers to ensure that the best interests of the company and shareholders are constantly being taken into account. And in people terms, it means that a company can confidently manage a critical situation and ensure longevity of business in the future.

The post-SARS environment demonstrated that most businesses had never considered the effect that wide-ranging community illness could have on its operations. SARS was estimated to have cost over \$40 billion in SE Asia. It decimated many industries and its effects wore on for years.

OHS duties to expatriate employees became a live issue and the quarantine and compulsory detainment of employees in different countries demonstrated the unique risks posed by biohazards. These duties were further complicated by the emergence of a new threat of 'bird flu' during the global recovery from SARS.

Federal Government's NAP

The federal government responded to the SARS and bird flu epidemics by developing a number of policies, governed by a National Action Plan for Human Influenza Pandemic (NAP).

The NAP is Federal public health policy in a strategic national legal framework. Broadly, it gives overall strategic management of the nation's response to a pandemic to the Federal Government while detailing the role of State, Territory and Local governments and their responsibilities and obligations to provide local co-operation and resources.

However, the main thrust of the NAP is 'business as usual' and minimal disruption to the economy. And it means business needs to be prepared by developing effective business continuity plans (BCP) or a pandemic plan.

The NAP and another Federal Government initiative, the Australian Health Management Plan for Pandemic Influenza (AHM), encourage businesses to develop or refine existing BCPs, taking into account the Australian Standards for Risk Management and particular risks of a pandemic. It encourages business to look at the issue in a broad commercial context, discussing ways to incorporate strategies for dealing with biohazards into existing systems.

As a 'whole of business' approach, any BCP should reflect the various stages of government intervention detailed in the NAP and AHM. The BCP should provide for the organisation's response to escalating stages of a pandemic and should also be forward looking by examining the ways the business can quickly rebound in the recovery after a pandemic.

To get the most out of a BCP, it must not just deal with one disease but provide for a systematic and uniform response to all infectious diseases, particularly those that can be contained and managed locally.

This approach provides a company with two benefits: preparedness for pandemics or large scale biohazards and the ability to implement smaller scale plans, where localised infections such as malaria, Ross River fever and severe seasonal influenza outbreaks can be contained.

Legionnaires' Disease

Legionnaires' Disease is an excellent example of how a general biohazard BCP can respond to a localised disease.

Legionnaires' can pose significant disruption to a specific business site or supplier and will always trigger local and state public health obligations. The nature of the disease means that it is unlikely to cause a local epidemic or global pandemic.

However, an outbreak may require the business to shut down, relocate its operations or source different product suppliers on a temporary basis. It will also require the monitoring of exposed employees' health and the provision of adequate support. Swift and careful public relations management and support of local employees and contractors affected by the disease are other typical requirements.

The disruption can in turn affect the business in the immediate to medium term by negatively impacting on operations, liquidity, services, suppliers, customers and contracts.

An appropriate BCP or pandemic plan will address these issues even though it may not trigger aspects such as the need to notify Federal bodies. Tailoring a BCP to all biohazards will ensure that the business is alert to the risks, is likely to have experienced its limited implementation for

illness such as seasonal influenza and has employees who are familiar with the need to ensure calm, clear and regular communication with stakeholders.

Essential planning elements

Senior executives will need to tailor their BCP to their individual businesses, taking into account external obligations, such as being classified as an essential service under the NAP. In all cases, the BCP should address the fundamentals that will ensure the business either continues during the pandemic or can 're-start' when the recovery stage is reached.

Organisations need to address the following five basic elements:

Identify core business activities

Having identified the organisation's core operations, management must decide whether they have the necessary people and skills to continue running the business and if different geographical locations can be centralised in the event that staff numbers vary at different sites.

Identify infrastructure and resources

What infrastructure and resources does the business need to continue to offer its core services at an acceptable level? Executives may also need to decide on the minimum level of service that the company can offer and stay in business. Employers may be faced with a situation where trading on is not economically feasible in the short term. But the company may be able to substantially increase market share and profitability in the long term, particularly where competitors are suspending operations or significantly downsizing them.

Develop mitigation strategies

Employers must examine how they can mitigate economic or business disruptions. A pandemic can cause absentee rates to rise to 50 per cent or higher. Even if their company's staffing levels remain relatively normal, a supplier's or distributor's may not. Other subjects to consider may be whether the company has fall-back strategies for conducting business, and events that make it impracticable to continue with current work practices in the short term. For example, low staffing levels may force a company to eliminate all cash handling and provide only electronic banking transactions.

Involve stakeholders in BCP

Implementation is key. Stakeholders should not just be aware of the BCP but understand why it is in operation, how they are critical to its implementation and know at what stage of the BCP the business is operating in.

Failing to notify suppliers that a company has pared back the business to core elements may result in overstocking products or increased liabilities under supply contracts.

Minimise workers' illnesses

A business' existing obligations under safety legislation will continue when a pandemic strikes. Executives need to eliminate or minimise the risk of harm to employees, contractors and

customers. Obligations can take the form of preventing employees interacting with the public or finding alternative ways to do business.

It may mean directing employees to work from home or removing situations that could lead to infection, for example by providing lunch to all workers, so they do not have to leave the building during work hours. Disclosing private information to public health authorities is another possible obligation.

Current action

Australia is heading into peak influenza season. Irrespective of any outbreak or worsening of the risk posed by swine flu, there are key steps that businesses need to take to ensure that they are not unduly affected by illness or a potential swine flu epidemic or pandemic.

Implement pandemic plans

WHO and the Federal Government have declared that pandemic plans or BCPs should already be in effect. Given that laboratory testing is the only way a definitive diagnosis of a pandemic can be made, the BCP should factor in the potential for implementing the plan during a seasonal influenza outbreak.

Practically, this may be as simple as discouraging sick people from coming to work, allowing workers to work from home where practicable, promoting good hygiene practices at work and at home and ensuring that people who are sick or test positive for a notifiable disease, are dealt with appropriately.

Involve OHS professionals

The SARS experience clearly demonstrated the critical role that OHS representatives and professionals played in containing the virus. OHS practitioners were responsible for identifying safe systems of work, modifying existing systems that were propagating the illness and ensuring that appropriate monitoring, training, information and supervision were provided to staff.

The key messages OHS staff need to communicate throughout the company are about personal hygiene and personal responsibility. Staff, contractors and customers should be reminded to regularly and properly wash their hands, to keep work areas clean, disinfect shared work items between use and not to attend work if they have flu-like symptoms. Any additional safety procedures must be enforced and all staff should be regularly reminded of their safety obligations.

Businesses may also consider providing personal protective equipment to staff, making sure that proper instruction and training are given to staff on why that equipment is being used and how it is used safely.

Monitor travelling employees

While businesses should monitor employees who travel to affected areas, there is no need to stop employees from travelling when a flu or other disease first breaks out. Compliance with international travel regulations should prevent the entry of obviously infected persons into the country and should deal with people if they become infected with a disease.

Prudent businesses should, however, examine the necessity for travel. Management must question whether travel poses real risks, bearing in mind that they may lose key people and skills to sickness or quarantine.

Where travel is essential, the company must ensure that employees are informed about the risks, are travelling to an area with adequate pandemic controls, have information on how to stay healthy, have adequate travel and health insurance and can continue to communicate with the company and their family, if they are quarantined in a building, area or country away from home.

In some cases employers will need to consider whether to allow an employee to immediately return to the workplace, after travelling to an infected area.

Changing disclosures and obligations

Company officers need to ensure that the business has appropriate cash reserves, access to lines of credit, or the ability to quickly liquidate assets if trading conditions deteriorate rapidly. Insurance arrangements may also need to be reviewed, as it is likely that any pandemic would normally be deemed a *force majeure* under standard insurance contracts.

Suspending operations, standing down staff or adjusting payment timings with creditors and debtors may become significant financial events if trading conditions deteriorate. BCPs should anticipate these actions and employers must be fully aware of how changes to market conditions or business operations affect any disclosure or officer obligations they have.

Rebuilding and recovery

Finally, BCPs should plan for rebuilding and recovering after a pandemic or epidemic has finished. Companies that can recover quickly may have a distinct competitive advantage and may also be best placed to ensure business returns to normal as quickly as possible.

Any rebuilding plans will depend on the duration, severity and outbreak waves of an epidemic. However basic matters such as core services, customers, supply and credit sources and liquidity will also be key economic factors. Succession planning is critical, given that many staff may not be able to return to work, either through carer responsibilities, impact of the illness or mortality.