

## **Costs & Financial Impacts of Equine Influenza in Unaffected Jurisdictions**

### **Racing Financial Impacts**

The Western Australian Harness Racing Industry has experienced some costs, including the initial week of the standstill movement ban when no racing was conducted within WA, for the period Saturday 25<sup>th</sup> August through to Thursday 30<sup>th</sup> August 2007.

It is estimated costs for Equine Influenza, for RWWA is \$500,000 - \$600,000, made up of:

- RWWA paying for the vaccine for the industry
- Additional costs informing the industry of the situation
- Fortunately RWWA will be able to recover approximately \$450,000 of this from the Western Australian State Government.

The other costs include the cost of employees' time. RWWA has employed an extra veterinarian to assist, and also had 3 employees working full time on Equine Influenza, since 25<sup>th</sup> August, plus other employees fulfilling part time roles on EI.

Wagering turnover for the WATAB has been down on comparative years. It is estimated that RWWA has lost between \$4 – 5 million on budgeted wagering margin.

From the Western Australian Trotting Association point of view, there has been no negative financial impact to the Club. The WATA did not lose a prime metropolitan meeting due to the timing of the standstill. A positive has been that local off-course turnover has increased due to a lack of competing product.

At no stage did RWWA reduce stake monies, and do not plan on reducing stake monies for the 2008/09 season. It is anticipated that Distribution to the racing industry in 08/09 will not be impacted as a result of this negative effect on wagering.

RWWA is still negotiating with its Insurers on business interruption cover but whatever the outcome it is reasonable to assume that there will be a future cost to the industry either in increased premiums or reduced coverage.

At this point this cost cannot be quantified.

## **Participant Impacts**

The chief impact for participants was that there was no racing for the standstill period.

No payments were made by RWWA to the Racing Industry during the standstill period.

Four harness meetings were lost during this period with an approximate total of \$190,000 not paid to participants in the form of Stake Money, Owner Incentive Payments and Drivers' Fees.

Additional races were conducted at meetings after the standstill period when nominations were sufficient.

Some races were run below normal minimum numbers to ensure supply of product for Wagering Operators and to take advantage of additional Sky Chanel slots.

## **Business Mitigation Action**

RWWA is fortunate to have established a sound Emergency Management Plan, System which has been in use since the 25<sup>th</sup> August 2007.

The Emergency Management Plan gave a broad overview of how an Emergency should be managed within RWWA and the Racing Industry. The Key component of the Emergency Management Plan was communications to the industry, and this ensured that RWWA was able to activate early dissemination of relevant information on EI to the Racing Industry.

Within 6 weeks, of the 25<sup>th</sup> August, RWWA had developed a Contingency Plan should EI emerge in WA. The contingency plan includes the following:

- 6 principles to manage the crisis:
  - Provide Leadership to Racing Industry
  - Partnership with Department of Agriculture & Food WA (DAFWA)
  - Comply with the requirements
  - Ensure Outbreak is contained
  - Ensure Racing Industry survives the crisis
  - Communicate with Racing Industry
- Operational Contingency Plan
- Funding Policy & Plan for Stakeholders
- Veterinarians Operational Plan

RWWA established the Western Australian Equine Influenza Industry Group - consisting of RWWA, DAFWA, Horse Council of WA, and Equestrian Federation of WA, to look at the EI issues affecting WA, and to understand the viewpoint of each equine group.

RWWA communicated within the industry including: mail outs, meetings, media releases, newspaper advertisements. With funding provided by the WA Government a TV, Radio and press advertising campaign to Stop EI was conducted.

RWWA also employed another Racing Industry Veterinarian to assist in the efforts.

RWWA is prepared should Equine Influenza emerge within WA, but obviously would prefer that there was never any need to implement any Contingency Plans.

## **RWWA AND EI FROM A BUSINESS PERSPECTIVE**

- The Racing Industry is susceptible to a disease which if it takes hold can decimate the industry for a considerable period of time
- It is important to build and maintain relationships with regulators (Dept of Agriculture and Food WA)
- The RWWA Emergency Planning gave a framework of how to manage the problem
- It is important to understand the view of the non-racing horse industry
- Communication with the industry is of the utmost importance, to ensure that accurate information is relayed in an expeditious manner to allay fears and circumvent unfounded rumours.

## **CONCLUSION**

RWWA has come through the EI outbreak virtually unscathed but is very mindful of the devastation experienced in other jurisdictions.

DAFWA tended to take a very conservative view on the protocols that have been implemented and reviewed since the outbreak commenced and this tended to polarise views on the issue.

At the end of the day WA, to this point, has remained EI free and any inconvenience suffered by Race Clubs and participants should be of minor consideration compared to the hardship suffered in NSW and QLD.

It is essential that we all learn from the experiences of the last six months and acknowledge that the harness racing industry acted promptly and in a professional and cohesive manner to ensure that the effects of EI were contained and minimised.

**Ross Cooper**  
**Director Racing and Wagering WA**