



Policy Name			
COVID-19 Financial Hardship Policy			
Policy Number		Department	
FIN027		Finance	

1. Policy Objective

The purpose of this policy is to enable stakeholders experiencing financial hardship due to COVID-19 to make application to the Mt Hotham Alpine Resort Management Board ('the RMB') for assistance relating to any monies owed to the RMB. This policy is an extension of the RMB's existing Revenue Collections Policy and existing internal debt management procedures.

The key objectives of this policy are to;

- Provide a mechanism that enables stakeholders to feel comfortable in approaching the RMB on outstanding monies;
- Encourage a consistent and proactive approach in assisting stakeholders who may be experiencing difficulty in paying monies owed to the RMB;
- Reduce default of lease legal proceedings; and
- Maximise:
 - o Consistent and transparent decision making; and
 - o Compliance with legislation and good governance practices.

The RMB's policy intends to respectfully and compassionately support resort stakeholders once they have been identified as being in financial hardship through the implementation of a Hardship Program. This Hardship Program will:

- Treat lessees with sensitivity and empathy
- Negotiate payment arrangements that are fair, flexible and affordable
- Review agreements regularly
- Maintain strong relationships with community stakeholders

2. What is Financial Hardship?

The RMB defines financial hardship as stakeholders experiencing financial difficulty related to the COVID-19 operating environment that is associated with but not limited to: potential business closure; disconnection of essential services; inability to pay employees; imminent legal action pending from non-payment of debts; court orders; settlements; and the cancellation of bookings as a result of uncertainty of commercial activity within the industry.

3. Financial Hardship Program

3.1 Who can apply for the Hardship Program?

Lessees who are expecting to experience or currently experiencing difficulty in meeting their financial obligations to the RMB may apply for the Hardship Program under this policy. All applications will be treated confidentially and in accordance with *Privacy Act 1988 (Cth)*.

3.2 Hardship Assistance Plans

The RMB is committed to working together with lessees to establish payment plans that are flexible, affordable and sustainable. The RMB can provide hardship assistance in the following forms and a combination of these can be provided (for further guidance see Appendix A):

- Flexible Payment Arrangements
- Instalment Plan (including deferral periods if required)
- Writing off, waiving or reducing interest rates

The type of Hardship Assistance Plans offered will take into consideration the overall revenue requirements of the RMB with regards to the provision of services under the Act.

3.3 Delegation

Each financial hardship application and Assistance Plan will be assessed according to the amount of debt outstanding, as per below.

- All outstanding debt will be reviewed by a Financial Hardship Panel that includes the CEO, Senior Manager of Corporate Services (SMCS) and Team Leader Corporate Services (TLCS).
- The Panel will make a recommendation to the Board regarding its assessment of the application, including associated Hardship Assistance Plan terms.
- The Board is delegated with the responsibility of approving or disapproving subsequent entry into the Financial Hardship Program under the Assistance Plan terms agreed to with the Panel.
- Any Board member with a conflict of interest associated with the assessment will be excluded from the decision-making process.

This COVID-19 specific process takes precedence over the RMB's standard Instrument of Delegations.

3.4 Non-compliance with Agreements

Entering into a Hardship Assistance Plan regarding site rent and / or service charges does mean that the lessee will be in default of their lease. However, the RMB will not engage in default of lease proceedings during the length of the Hardship Assistance Plan if a lessee is fully compliant with the plan. Lessees who do not adhere to agreed Hardship Assistance Plan arrangements will trigger the RMB to exercise their rights under the default of lease clause. Termination and defaults of lease are detailed in each lease agreement.

3.5 Exiting Hardship Plans

The Hardship Assistance Plan can be exited upon payment of the outstanding amount related to the assistance. The lessee will be returned to the invoicing conditions as per the Revenue Collections Policy.

Lessees who fail to adhere to their payment plan agreement will be removed from the Hardship Program and may be dealt with under clause 3.4.

All outstanding debts with the RMB must be paid and the Hardship Assistance Plan exited prior to any changes of Head Lease ownership.

4. Program Procedure

4.1 Hardship Program Application

The RMB encourages lessees who are struggling financially to contact the Finance Department either personally or through a third party, such as a financial counsellor or a welfare agency.

An application form (Appendix B) will need to be completed by the lessee. If the RMB feels it necessary, Lessees may be asked for supporting documentation in relation to their hardship application such as:

- Reasons why they are unable to pay their RMB charges;
- Copy of recent bank account statements for all accounts;
- Details of income, expenditure and ongoing financial commitments; and/or
- Confirmation of financial hardship from a recognised financial counsellor or planner.

The Lessee must provide evidence that they have applied for relevant State and Federal COVID-19 related financial assistance programs and that they still require RMB-specific assistance.

4.2 Assessing Capacity to Pay

The RMB's objective is to establish reasonable and manageable payment arrangements. Each application will be assessed on an individual basis, and with the assistance of the supporting information provided. During this assessment the RMB will also consider any existing arrears owing and the lessee's expected fees and charges over the coming 12 months.

The RMB will take into consideration a financial counsellor's statements about a lessee's capacity to pay.

The RMB will review complete applications as soon as practicable and advise lessees if their application has been successful. If a lessee is unsuccessful, the RMB will provide the reasons as to why the application was rejected.

4.3 Monitoring and Reviewing Hardship Assistance Plans

If informed by the lessee or financial counsellor that a lessee's circumstances have changed, the Financial Hardship Panel will review the Hardship Assistance Plan.

For Hardship Assistance Plans with outstanding debt above \$20k and over six months in length, the RMB may require the lessee to provide supporting documentation after six months to assist in reviewing the Hardship Assistance Plan.

5. Relevant Policies and Documents

- Revenue Collections Policy
- Debt Management procedures
- *Alpine Resorts Management Act 1998*
- Instrument of Delegations
- *Privacy Act 1988 (Cth)*

6. Policy Review	
Date created	23/04/2020
Frequency of Review	Annual
Last Review	23/04/2021
Next Review	1/04/2022
Review Responsibility	Corporate Services Director for CEO
Approval Responsibility	Board

Appendix A: Hardship Assistance guidance

- **Flexible Payment Arrangements**
Flexible payment arrangements are short-term extensions (up to 12 months) when a lessee advises they cannot pay their current account on time. These arrangements are intended for lessees experiencing short-term financial difficulty as a result of a, short-term change in income and/or expenditure.
- **Instalment Plan**
An Instalment Plan is a structured payment plan designed to help a lessee pay their usual RMB charges and any accumulated arrears. Instalment plans typically apply for 12-24 months, with the total instalment period reflective of the value of the debt and the individual lessee's circumstances. Instalment plans are intended for lessees experiencing short- or long-term financial difficulty as a result of a change in income and/or expenditure, and may include a period of payment deferral.
- **Writing off, waiving or reducing interest rates**
Interest charges incurred up to the date of commencement of the Hardship Assistance Plan may be written off at the discretion of the RMB. The RMB may waive or reduce penalty interest rates to those outstanding amounts included in the Hardship Assistance Plan. These arrangements are intended for lessees experiencing sustained long-term financial difficulty.

Appendix B: Application for assistance

Property Information

PROPERTY	
PROPERTY ADDRESS	

Property Contact

NAME	
ROLE OF CONTACT (eg, secretary, president, business owner)	
PHONE NUMBER	
EMAIL	
BEST FORM OF CONTACT	Phone / Email
BEST TIME TO CALL	

Debt to be Considered (insert more lines if required)

Invoice Number	Description	Amount Due	Due Date
	TOTAL DEBT TO BE CONSIDERED		

Please provide information below if this relates to future levied amounts

(please include details of the future levies)

Provide a description as to why debts have/will remain unpaid

(please put as much detail as possible)

Detail the Hardship Assistance Plan you would like to commence.

Please provide information of timeframes, instalment amounts (if applicable), ect.

Financial Information- include supporting documentation (only complete if debt is above \$20k)

Have you already been approved for the Australian Government's Job Keeper program?

- No – please provide financial information in the below table.
- Yes - your hardship status has been validated, so further financial information is not required.
Please note, evidence of inclusion in the Job Keeper program must be provided to the RMB.

As at

Net income	
Gross Expenses	
Difference	
Assets	
Liabilities	
Cash Reserves	