

BOARD POLICY 1.06

Coronavirus Financial Hardship



Falls Creek Alpine Resort Management Board ('the board')

1. Purpose

The purpose of this policy is to enable stakeholders experiencing financial hardship due to Coronavirus to make application to the Falls Creek Alpine Resort Management Board ('the Board') for assistance relating to site rental and/or service charges levied on a property under the *Alpine Resorts (Management) Act 1997 ('the Act')*. This policy is an extension of the Board's existing debtors' policy and existing internal debt management procedures. This will have a specific hardship work practice that will be abolished when this policy is deemed to be abolished.

The key objectives of this policy are to;

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

The Board'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 Financial Hardship Program. This 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
- Not write-off debts however provide support in flexible payment arrangements or instalment plans

2. What is Financial Hardship?

The Board defines hardship as stakeholders experiencing financial difficulty 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. Who can apply for the Financial Hardship relief?

Lessees who are, or expect to, experience difficulties in meeting their financial obligations in relation to site rental, service charges for the 2019/2020 and 2020/2021 years, and/or business permits may apply for Financial Hardship relief under this policy. Any outstanding debt incurred before Coronavirus was declared a pandemic (16 March 2020) will be dealt with under the Debtors Policy. All applications will be treated confidentially and in accordance with *Privacy Act 1988 (Cth)*.

4. Financial Hardship Assistance Plans

The Board is committed to working together with lessees to establish payment plans that are flexible, affordable and sustainable. The Board 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

BOARD POLICY 1.06

Coronavirus Financial Hardship



The type of Hardship Assistance Plans offered will take into the demonstrated financial hardship of the individual applicant, and consideration of the overall revenue requirements of the board with regards to the provision to provide services under the Act.

5. 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, the Chief Financial Officer (CFO) and another member of the Finance team.
- 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 Coronavirus specific process supersedes the boards standard Instrument of Delegations.

6. Non-compliance with Agreements

Entering into a Financial Hardship Assistance Plan provides protection to the lessee from being in default of their lease. The Board will not engage in default of lease proceedings during the length of the Financial Hardship Assistance Plan provided the lessee is fully compliant with the plan. Lessees who do not adhere to agreed Financial Hardship Assistance Plan arrangements will result in the Board to exercising its rights under the default of lease clause. Termination and defaults of lease are detailed in each lease agreement.

7. Ending Financial Hardship Plans

The Financial Hardship Assistance Plan automatically ends upon payment of all outstanding amounts related to the plan. Lessee payments to the Board will then revert to standard 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 6 above.

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

8. Hardship Program Application

The Board 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. Lessees may be asked for supporting documentation in relation to their hardship application. This may include but is not limited to:

- Reasons why the lessee is unable to pay the outstanding amounts when they become due and payable;
- Copy of recent bank account statements for all accounts;
- Details of income and expenditure, including ongoing financial commitments; and/or
- Letter from a recognized financial counsellor or financial planner confirming financial hardship.

The Lessee must also provide evidence that they have applied for relevant State and Federal Coronavirus related financial assistance programs and been deemed ineligible, so require Board-specific financial hardship consideration.

BOARD POLICY 1.06

Coronavirus Financial Hardship

9. Assessing Capacity to Pay

The Board'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 Board will also consider any existing arrears owing and the lessee's expected fees and charges over the coming 12 months.

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

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

10. 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 Board may require the lessee to provide supporting documentation after six months to assist in reviewing the Hardship Assistance Plan.

11. Change of ownership, member base or equity holdings

Financial Hardship Assistance Plans will become void in the event of a change of ownership. If eligible, a new Financial Hardship Assistance Plan will need to be renegotiated with the new owners, member base or equity holdings arrangements.

12. Other references and related documents

- FA 2.18 Coronavirus Financial Hardship work practice
- Debtors Policy
- Accounts Receivable procedures
- *Alpine Resorts (Management) Act 1997*
- BP 1.04 – Delegations Register
- *Privacy Act 1998 (Cth)*

13. Review

Review of this policy is to be every 12 months until Coronavirus pandemic is over or the last payment plan expires. The Board is to determine when this is no longer applicable.

Authorisations and Document Parameters

Document Ref No & Title:	BP 1.06 Coronavirus Financial Hardship		
Document File Path:	T:\14. Policies & Work Practices\14.02 Board Policies\14.02.01 Approved\BP 1.06 Coronavirus Financial Hardship.docx		
Author:	CFO	Owner (Title):	CFO
Contributors:	CEO, Board, ARCC	Authorised By:	Board
First Adopted:	25 May 2020	Status: Draft/FINAL	FINAL
Last Amended:	Nov 2020	Next Review Date:	Nov 2021
Last Amendment approved by:	Board	To be approved by:	Board
Revision No:	1	Replaces:	-
Amendment summary:	<i>A review of the specific short-term policy. The pandemic continues, this policy remains relevant, extend for a review in November 2021.</i>		

BOARD POLICY 1.06

Coronavirus Financial Hardship



Appendix A: Hardship Assistance Guidance

- **Flexible Payment Arrangements**
Flexible payment arrangements are short-term extensions (up to 3 months) granted when a lessee advises they cannot pay their current account on time. These arrangements are usually offered to lessees experiencing short-term financial difficulty as a result of an unexpected, short-term change in income and/or expenditure.
- **Instalment Plan**
An Instalment Plan is a structured payment plan designed to encourage the lessee to budget for their usual costs and any accumulated arrears. Instalment plans typically apply up to 12-months, with the total instalment period reflective of the value of the debt and the individual lessee's circumstances. Instalment plans are usually offered to lessees experiencing short- or long-term financial difficulty as a result of an unexpected 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 Board. The Board may waive or reduce penalty interest rates to those outstanding amounts included in the Hardship Assistance Plan. These arrangements are usually offered to lessees experiencing sustained long-term financial difficulty.

Appendix B: Application for assistance

Property Information

PROPERTY	
PROPERTY ADDRESS	
PROPERTY CLASSIFICATION	Commercial / Non-Commercial

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
----------------	-------------	------------	----------

BOARD POLICY 1.06

Coronavirus Financial Hardship



	TOTAL DEBT TO BE CONSIDERED		

(please include details of the future levies)

Please provide information below if this relates to future levied amounts

Provide a description as to why debts have remained unpaid

(please put as much detail as possible)

Hardship Assistance to be considered (please tick):

- ☐ Flexible payment arrangement
- ☐ Instalment Plan
- ☐ Writing off, waiving or reducing interest rates

Noting that the writing off, waiving and reducing option in this policy is specific to interest charges that may apply to outstanding debts. The writing off, waiving and reducing of full invoices is not being considered at this time.

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?

BOARD POLICY 1.06

Coronavirus Financial Hardship



☐ 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 FCRM.

As at (please insert date)

Net income	
Gross Expenses	
Difference	
Assets	
Liabilities	
Cash Reserves	