

Financial Hardship

ARV Corporate Policy

1. Statement

Alpine Resorts Victoria (ARV) recognises financial hardship can arise, and has established this policy to enable debtors who suffer, or would suffer financial hardship if they were to pay the debt, to seek assistance from ARV. The policy empowers ARV to recover outstanding debt wherever possible, in a manner that does not create or exacerbate a debtor's financial hardship.

2. Scope

This policy applies to all Board members, employees and debtors of ARV.

3. Requirements

The key objectives of this policy are to;

- Provide a mechanism that enables debtors to feel comfortable in proactively approaching ARV regarding outstanding monies;
- Encourage a consistent approach in assisting debtors who may be experiencing difficulty in paying monies owed to ARV;
- Reduce default of lease legal proceedings;
- Maximise consistent and transparent decision making; and
- Enhance compliance with legislation and good governance practices.

The policy intends to support debtors respectfully and compassionately once they have identified as experiencing financial hardship through the implementation of a Hardship Assistance Plan.

A Hardship Assistance Plan will:

- Treat debtors with sensitivity and empathy
- Negotiate payment arrangements that are fair, flexible and affordable
- Review agreements regularly
- Maintain strong relationships with community stakeholders
- Enable ARV to recoup its debt in a reasonable way.

3.1. What is Financial Hardship?

Financial hardship occurs where an individual or entity is experiencing, or would reasonably be expected to experience, significant financial difficulty such that meeting financial obligations to the organisation would compromise their ability to meet essential living, operational, or statutory commitments.

Financial hardship may arise from circumstances including, but not limited to, reduced income, unexpected expenses, business disruption, loss of employment or revenue, inability to meet essential operating costs (such as

wages or essential services), imminent legal or enforcement action due to non-payment of debts, or other events beyond the reasonable control of the affected party.

Each case of financial hardship is assessed on its individual circumstances, having regard to fairness, proportionality, and the prudent use of public resources.

3.2. Financial Hardship Program

3.2.1. Who can apply for hardship assistance?

Debtors who are expecting to experience or currently experiencing difficulty in meeting their financial obligations to ARV may apply for a Hardship Assistance Plan. All applications will be treated confidentially and in accordance with the *Privacy Act 1988*.

3.2.2. Hardship Assistance Plans

ARV is committed to working together with lessees to establish payment plans that are flexible, affordable and sustainable. The type of Hardship Assistance Plans offered will take into consideration the overall revenue requirements of ARV with regards to the provision of services under the Act.

There are various forms of assistance that can be provided under a Hardship Assistance Plan.

Flexible Payment Arrangements

Flexible payment arrangements are short-term extensions (up to 6 months) when a debtor advises they cannot pay their current account on time.

These arrangements are intended for debtors 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 debtor pay their ordinary charges and any accumulated arrears. Instalment plans typically apply for 6-24 months, with the total instalment period reflective of the value of the debt and the individual debtor's circumstances.

Instalment plans are intended for debtors 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 ARV.

ARV may waive or reduce penalty interest rates to those outstanding amounts included in the Hardship Assistance Plan.

These arrangements are intended for debtors experiencing sustained long-term financial difficulty.

3.2.3. Delegation

Each financial hardship application will be assessed as follows:

- Flexible payment arrangements can be approved by the CFO
- All other hardship applications will be reviewed by a Financial Hardship Panel that includes the CEO, GM and CFO.
- 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 denying financial hardship applications, and the associated Hardship Assistance Plans recommended by the Panel.
- Any Board member with a conflict of interest associated with the assessment will be excluded from the decision-making process.

3.2.4. Non-compliance with agreements - lessees

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, ARV will not engage in default of lease proceedings during the length of the Hardship Assistance Plan if a lessee is fully compliant with the terms and conditions of the Plan. Lessees who do not adhere to agreed Hardship Assistance Plan arrangements will trigger ARV to exercise its rights under the default of lease clause.

Termination and defaults of lease are detailed in each lease agreement.

3.2.5. Exiting Hardship Plans

The Hardship Assistance Plan can be exited upon payment of the outstanding amount related to the Plan.

Debtors who fail to adhere to the terms and conditions of their Hardship Assistance Plan will be removed from the Hardship Program and may be dealt with under clause 3.2.4.

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

3.3. Procedure

3.3.1. Application

To apply for financial hardship, debtors should contact the ARV accounts department via email to accounts@alpineresorts.vic.gov.au and request an application form.

The application form must be completed in full and submitted to accounts@alpineresorts.vic.gov.au, or via whatever method determined on the form if different.

If deemed necessary, applicants may be asked to provide further supporting documentation or evidence in relation to their hardship application such as:

- Copy of recent bank account statements for all accounts
- Details of income, expenditure and ongoing financial commitments
- Confirmation of financial hardship from a recognised financial counsellor or financial planner.

3.3.2. Assessing Capacity to Pay

ARV will review complete applications as soon as practicable and advise debtors if their application has been successful.

With the objective to establish reasonable and manageable payment arrangements, each application will be assessed on an individual basis, and with reference to the supporting information provided. ARV will use this information to assess the debtor's capacity to meet plan payments, including consideration of any existing arrears owing and fees and charges anticipated to be incurred by the debtor in the coming 12 months. Statements from financial advisors/counsellors will also be considered where provided.

If an application is unsuccessful, ARV will provide the reasons as to why the application was denied.

3.3.3. Monitoring and Reviewing Hardship Assistance Plans

Debtors under an existing Hardship Assistance Plan must notify ARV if their financial circumstances change, at which time Financial Hardship Panel will review the Hardship Assistance Plan to ensure it is still appropriate and achievable.

For Hardship Assistance Plans with outstanding debt over \$20k and beyond six months in length, ARV requires the debtor to provide supporting documentation after six months to assist in reviewing the Hardship Assistance Plan.

4. Responsibilities

Position	Responsibility
ARV Accounts / Finance team	Receive hardship enquiries and applications; ensure application forms and supporting documents are complete; maintain confidential records; coordinate initial assessment and liaise with applicants on required information.
Financial Hardship Panel (CEO, GM and CFO)	Review hardship applications and supporting evidence; assess capacity to pay and proposed assistance options; develop and document recommended Hardship Assistance Plan terms; make recommendations to the Board for decision.
ARV Board	Approve or deny hardship applications and associated Hardship Assistance Plans (as recommended by the Panel); ensure conflicts of interest are declared and managed; provide governance oversight of hardship decisions and alignment with delegations and good governance.
Chief Financial Officer (CFO)	Oversee administration of the hardship process and internal controls; ensure compliance with this policy and relevant delegations; report (as required) to the CEO/GM/Board on hardship activity, risks and financial impacts.
Chief Executive Officer (CEO) / General Manager (GM)	Provide leadership and ensure consistent application of the policy; participate in Panel deliberations; ensure decisions balance debt recovery with fairness and prudent use of public resources; escalate material issues and ensure appropriate stakeholder management.
Property & Planning team	Facilitate communication with head lessees in relation to outstanding debt, hardship applications and Hardship Assistance Plans.

5. Legislation

- Alpine Resorts (Management) Act 1997
- Financial Management Act 1994
- Privacy Act 1988

6. Related documents

- Debt Recovery Policy
- Delegations and Common Seal Policy
- Lease Agreements

7. Definitions

For the purposes of this policy, the following definitions apply:

Term	Definition
ARV	Alpine Resorts Victoria.
Debtor	An individual or entity that owes money to ARV (including, where applicable, a lessee) .
Financial hardship	Circumstances where an individual or entity is experiencing, or would reasonably be expected to experience, significant financial difficulty such that paying amounts owed to ARV would compromise their ability to meet essential living, operational, or statutory commitments.
Financial Hardship Panel	The internal panel comprising the CEO, GM and CFO that reviews financial hardship applications and makes recommendations to the Board regarding whether to approve hardship assistance and on what terms.
Flexible payment arrangement	A short-term extension (generally up to 6 months) provided when a debtor cannot pay their current account on time due to temporary financial difficulty.
Hardship application	A request made by a debtor (using the ARV application form and supporting evidence) seeking assistance under this policy due to financial hardship.
Hardship Assistance Plan	An agreed arrangement between ARV and a debtor that sets out the form of hardship assistance and the terms and conditions for repaying amounts owed (for example, flexible payment arrangements, an instalment plan, and/or waiving or reducing interest).
Instalment Plan	A structured payment plan designed to help a debtor pay ordinary charges and any accumulated arrears over an agreed period (typically 6–24 months), which may include a period of payment deferral where appropriate.
Interest relief	Hardship assistance that involves writing off interest incurred up to the commencement of a Hardship Assistance Plan and/or waiving or reducing penalty interest rates on amounts included in the Plan, as approved by ARV.

8. Approval and implementation

Policy Custodian	Policy contact details	Approval Date	Approver
Chief Financial Officer	policyregister@alpineresorts.vic.gov.au	May 2024	FRAC

9. Version Control

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