



# EWON's new funding model

Our new funding model reflects valuable feedback from our Members and stakeholders. It maintains the “user pays” principle to promote **equity, fairness, responsiveness and efficiency**.



We've **increased equity and transparency** by:

- Setting annual fixed fees that represent the proportionate use of EWON's services by each industry sector.
- Separating “Lights on” and “Ombudsman services” fees to transparently share with Members “ready to operate” costs.



We've **increased simplicity and predictability** by:

- Setting an annual, cost reflective fee schedule in May for recovery of actual operating costs.
- Billing variable fees based on actual closed complaints in arrears each quarter.
- Removing the annual reconciliation process.



We've **increased fairness and affordability** by:

- Introducing new customer bandwidths for smaller Authorised Members.
- Reducing fixed fee levels for Exempt Entities and Water Industry Competition Act (WICA) Members.

## Current model

### Total fees

Fixed fee (15% of annual budget)	Variable fee (85% of annual budget)
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### Fixed fee

#### Base fee

- Fee set in May and invoiced in June.
- Authorised Members: \$8,800.
- Exempt Entity/ WICA Members: scaled by customer numbers within bandwidths.

#### Customer number fee

- Fee set in May and invoiced in June.
- Authorised Members: scaled by customer numbers within bandwidths.
- Exempt Entity/ WICA Members: scaled by customer numbers within bandwidths.

### Variable fee

- Includes operating costs for all EWON services (complaints, policy, outreach, systemic issues and engagement).
- Fee per level estimated in May annually based on average time spent for each level in the previous year.
- Members are billed quarterly in advance based on projected complaint volume.
- Fees per level fluctuate during the year based on actual complaint volumes.
- Annual reconciliation of actual operating expenditure and resolved complaints, overall and by Member, as at 30 June.
- Credit notes and invoices issued to Members following tabling of the audited financial report at the Annual General Meeting.

## New model

### Total fees

Fixed fee (15% of annual budget)	Variable fee (85% of annual budget)
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### Fixed fee

**Lights on fee** (6% of total fees). Partially funds office lease, electricity, IT, cyber etc.

**Ombudsman services fee** (9% of total fees). Partially funds annual enabling costs for delivery of EWON's services – dispute resolution, policy, systemic issues, outreach and engagement etc.

- Fixed fee set in May and allocated by industry sector: energy retail 58%, energy network 30%, water 10%, exempt/WICA 2%.
- Fees apportioned for each Member scaled by customer numbers within bandwidths and invoiced in June.

### Variable fee

- Includes operating costs for all EWON services (complaints, policy, outreach, systemic issues, engagement).
- Cost reflective fee schedule established in May annually for recovery of total operating costs.
- Members billed quarterly utilising actual closed complaints as the method for “user pays” variable fee allocation.
- No annual reconciliation.
- Treatment of end of financial year surplus/ deficit determined by EWON Board annually to effectively manage EWON cash flow and sustainability.

**Joining fee** – No change from current state. New Members pay upon joining EWON. Authorised Members fee: \$5,500. Exempt Entity/ WICA Members: scaled by customer numbers within bandwidth range.