Closing Carbon Tax compensation for new welfare recipients

2016 Budget

Carbon Tax compensation for welfare recipients was introduced as part of the Household Assistance Package from 2012. As the Carbon Tax no longer exists, this compensation is no longer needed.

Key facts

- This measure will save tax payers $1.3 billion over the next five years.
- Over 6.5 million current recipients will continue to receive the Carbon Tax compensation while they remain qualified for a payment.
- The annual Carbon Tax compensation amounts are as follows:
  - For pensioners between $10.60 and $14.10 per fortnight;
  - For allowees between $7.90 and $14.10 per fortnight;
  - For youth and student payment recipients between $0.50 and $12.00 per fortnight;
  - For Commonwealth Seniors Health Card recipients between $10.60 and $14.10 per fortnight;
  - For Department of Veterans’ Affairs clients between $0.90 and $21.50 per fortnight; and
  - Family Tax Benefit Part A amounts between $1.40 and $4.49 per fortnight per child, and Family Tax Benefit Part B amounts between $1.97 and $2.81 per fortnight per family.

What was announced in the 2016 Budget?

From 20 September 2016, Carbon Tax compensation will no longer be available for new recipients of income support, family payments, veterans’ payments or the Commonwealth Seniors Health Card.

Carbon Tax compensation was introduced as part of the Household Assistance Package. As the Carbon Tax no longer exists, Carbon Tax compensation is unnecessary for new recipients.

This measure will be grandfathered. Only new entrants to the welfare system will be affected. If you are receiving the Carbon Tax compensation now, you will continue to receive it as long as you remain inside the welfare system.
More information

For more information about this measure and other Department of Social Services’ Budget measures, visit the Department of Social Services website (www.dss.gov.au).

For information about the 2016 Budget, visit the Australian Government budget website (www.budget.gov.au).