# Closure of the Energy Supplement to new welfare recipients

## What changes are being made?

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

## Why are the changes being made?

The ES was introduced as part of the Household Assistance Package to compensate people for the introduction of the Carbon Tax. As the Carbon Tax no longer exists, the ES is unnecessary for new recipients.

## The Energy Supplement will be grandfathered

Only new entrants to the welfare system will be affected. If you are receiving the ES now, you will continue to receive it as long as you remain inside the welfare system.

## The National Disability Insurance Scheme (NDIS)

In the 2016/17 budget, the Government committed to ensure the ongoing funding of the NDIS. One of the key savings measures contributing to the future financial sustainability of the NDIS includes the closure of the ES to new welfare recipients. Around $1.3 billion will be committed to the Government’s recently announced NDIS Savings Fund Special Account from savings made over the next four years from the closure of the ES to new welfare recipients.