



REMOVAL OF LOAN FEE FOR OS-HELP LOANS

The Rudd Government will remove the loan fee for new OS-HELP loans from 1 January 2010. OS-HELP loans assist eligible undergraduate Commonwealth supported students to undertake part of the study towards their Australian higher education qualification overseas. Funding of \$17 million has been allocated to this initiative.

The 20 per cent loan fee on OS-HELP loans has been a disincentive for students to apply for loans and has limited the effectiveness of the program. Removing the loan fee will improve Australia's relatively low rate of outward student movement and improve the productivity benefits to Australia of students undertaking overseas study.

An overseas study experience can provide Australian students with valuable language skills and cultural understandings and help them develop personal networks that will benefit them as members of the global workforce.

What will this measure deliver?

Students who take out an OS-HELP loan from 1 January 2010 will not incur a loan fee. A student who takes out the maximum loan of \$5523 will save around \$1,100.

Next steps

The *Higher Education Support Act 2003* will be amended to remove the loan fee from 1 January 2010.