

Conceptual Issues and the Australian Experience With Income Contingent Charges for Higher Education

[Get access >](#)

Bruce Chapman

The Economic Journal, Volume 107, Issue 442, May 1997, Pages 738–751,

<https://doi.org/10.1111/j.1468-0297.1997.tb00039.x>

Published: 30 January 2012

Extract

I. Introduction

Seven years ago the Australian government introduced its first substantial charge for university tuition since fees were abolished in 1974.¹ While university fees are commonplace elsewhere, the scheme has a feature which made it unique internationally at the time: payment of the student's obligation is income contingent. The Higher Education Contribution Scheme (HECS) was a defining and radical policy decision that has influenced permanently how higher education financing is thought about in Australia, and possibly in many other countries.

HECS was a response to a combination of forces, most of which are familiar elsewhere. First, the government was faced with the prospect of a burgeoning demand for higher education services financed almost solely from general taxation. A demographic bulge and rapidly increasing high school retention rates meant it was clear that pressures were emerging for a considerable expansion in the number of university places.

Second was the widely held view that having a higher education system financed almost completely from tax revenue was regressive in income distribution terms. In the view of some, this was the most regressive and hardest to justify of all public expenditure.

Issue Section: [Policy Forum: the Economics of Higher Education](#)

You do not currently have access to this article.

Sign in

 [Get help with access](#)

Royal Economic Society members

[Sign in through society site >](#)



**ROYAL
ECONOMIC
SOCIETY**

Personal account

- Sign in with email/username & password
- Get email alerts
- Save searches
- Purchase content
- Activate your purchase/trial code
- Add your ORCID iD

[Sign in >](#)

[Register](#)

Institutional access



[Sign in through your institution](#)



[Sign in through your institution](#)



[Sign in with a library card](#)

[Sign in with username/password](#)

[Recommend to your librarian](#)

Institutional account management

[Sign in as administrator](#)

Purchase

[Subscription prices and ordering for this journal](#)

[Purchasing options for books and journals across Oxford Academic](#)

Short-term Access

To purchase short-term access, please sign in to your personal account above.

Don't already have a personal account? [Register](#)

Conceptual Issues and the Australian Experience With Income Contingent Charges for Higher Education - 24 Hours access

EUR €53.00

GBP £44.00

USD \$58.00

Rental



This article is also available for rental through DeepDyve.