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**Abstract**

Australia's Higher Education Contribution Scheme (HECS) is an income contingent loan scheme, in which university students pay back part of the costs of their tuition after their post-university income reaches a certain threshold, is an important policy innovation for the financing of higher education. However, its critics claim that HECS increases socioeconomic inequalities in higher education and the HECS debt reduces the ability of young people to make the transitions to adulthood. This paper investigates these claims. There is no evidence that socioeconomic inequalities in higher education in Australia increased after the implementation of HECS in 1989 or the 1997 reforms. The magnitude of the HECS debt was found to have a negative impact on the transition to parenthood, but had no negative impacts on other transitions to adulthood: leaving the parental home, marriage and home ownership. Its effects on parenthood were moderate compared to other influences, such as full-time work in the previous year, marriage and being in a de facto relationship. Furthermore, only a small proportion of young people who attended university have large enough HECS debts for it to affect

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their fertility decisions. (HRK / Abstract übernommen) Marks, Gary Neil, E-Mail:  
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