You are invited to the launch of a new book edited by Professor Bruce Chapman, Dr Tim Higgins and Nobel Laureate Professor Joseph Stiglitz. *Income Contingent Loans: Theory, practice and prospects* explores the role of government as a risk manager as well as concepts, practice and prospects of Income Contingent Loans (ICL) for public policy.

The book will be launched by Professor Ian Young AO, Vice-Chancellor, ANU. As part of the launch, Professor Joseph Stiglitz will give a keynote address on the significance and potential of governments using income contingent loans.

The Australian Higher Education Scheme (HECS) was the world’s first national income contingent loan collected through the tax system, and is a university funding mechanism which has since been adopted in around eight other countries. The basic theory of ICL is explored in the book, and many other potential applications are examined in detail, including for the financing of: paid parental leave; health services; aged care; legal aid; research and development investments; and compensation for brain drain. The considerable transactional efficiencies of ICL are explained, and close attention is paid to the circumstances in which both moral hazard and adverse selection undermine the prospects for successful adoption of ICL.


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