

### **Abstract WP 68**

This study investigated tax morale among a sample of 447 Australian graduates who completed the Graduates' Hopes, Visions and Actions Survey (Ahmed, 2000) shortly after receiving their higher education degrees. Using structural equation modeling (AMOS), pathways are mapped out showing linkages from (a) the values that individuals hold concerning the kind of society they want to live in, through (b) satisfaction with government policy requiring students to pay fees financed through a government loan (HECS or the Higher Education Contribution Scheme), to (c) HECS morale, that is, an internalised obligation to repay the loan, and finally to (d) tax morale, that is, an internalised obligation to pay income tax. Also affecting tax morale indirectly are the personal experiences of the new graduates. Those who were dissatisfied with their university course and those who were in the process of repaying their loan were more opposed to HECS and had lower levels of HECS morale, which in turn, adversely affected tax morale.