



THE RISE OF BIG GOVERNMENT CONSERVATISM

The centre-right's policy agenda killed hopes of smaller government, argues **Andrew Norton**

For advocates of limited government, the early Howard years gave grounds for optimism. In 1996, a rare wide-ranging critical review of government activities was commissioned, and spending was reduced in 1997–98. Yet the following financial year expenditure grew again, with barely a pause since. Tax revenue increased quickly too; enough to finance higher outlays and leave large budget surpluses. With so much money left over, the Commonwealth set up a 'Future Fund' to hoard its tax and asset sale revenue.

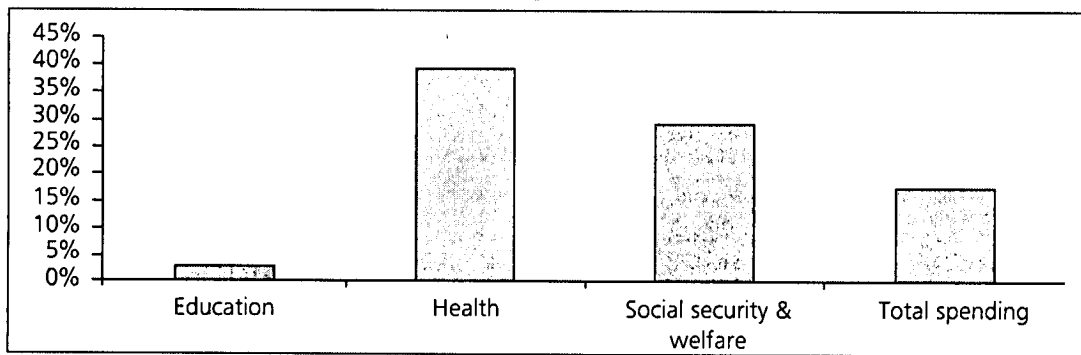
By mid-decade, the government's taxing and spending record had acquired vocal critics, to whom the Prime Minister's 2004 election campaign launch speech became a symbol of spendthrift government. According to *The Australian*, he made election promises at the rate of \$94 million a minute. In early 2005, discontented Liberal backbenchers formed a 'ginger group' campaigning for tax cuts. In the Commonwealth Budget that year, the government responded to their call, with changes to tax rates and thresholds. In April 2006, the Prime Minister conceded that 'consistent with responsible budget management, we must aim to do even better'.¹ The next month's Budget included new tax cuts.

These tax changes will slow the Commonwealth government's expansion, but not reverse the Howard government's big-spending record. The Budget papers still forecast real growth in tax revenue and spending. The Fraser government—often criticised for not advancing a small government agenda—was much more constrained. Unlike Fraser, Howard has enjoyed good economic times. In theory at least, reliance on government should have eased as unemployment dropped and real wages grew.

Admittedly, some of this expenditure escalation would have occurred under any democratic government. As will be discussed below, there are hard-to-resist demographic and political pressures. But these cannot fully account for the spending patterns apparent in the Budget papers. In them, we can find expensive programmes that lack strong actual or political imperatives. To explain these initiatives we need to look into the Prime Minister's ideological beliefs and those of the political party he leads. When we do, we can see signs of the 'big

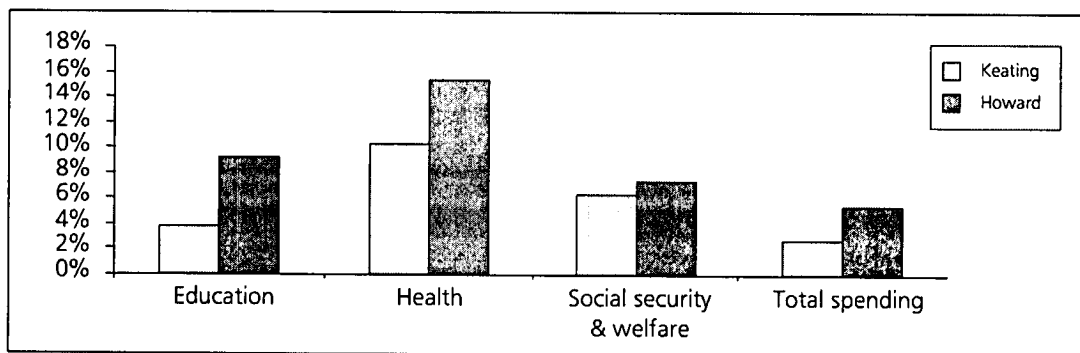
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Endnotes for this article can be found at
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Figure 1: Per capita spending increase, 1995-96 to 2004-05



Sources: Australian Bureau of Statistics, *Government Finance Statistics, Cat. 5512.0*; Australian Bureau of Statistics, *Australian Demographic Statistics, Cat. 3101.0*.

Figure 2: Real per capita spending increases, 1992-93 to 1995-96, 2001-02 to 2004-05



Sources: As for figure 1.

government conservatism' that has been the source of much controversy in the United States.

Spending trends

Most analysis of government spending and taxation calculates their share of GDP. Using this method, Des Moore has shown that while total Commonwealth government outlays during the Howard years declined as a percentage of GDP from 26.1% to 25.2%, this was due to reduced interest repayments. Most of the savings from lower interest costs were spent, and Government outlays excluding interest increased from 23.3% to 24.2% of GDP.² While useful in showing government's overall size relative to the economy, a GDP-based measure can conceal major government spending increases if GDP is itself growing strongly, as it has been for much of the Howard era. There is no intrinsic reason why some of the largest Commonwealth Budget items should grow in

parallel with the economy. Productivity-based economic growth does not increase the number of people needing medical attention, the number of children going to school, or the number of old-age pensioners. Government expenditure will decline as a percentage of GDP provided it grows less quickly than the economy, even while still increasing relative to past spending. On the other hand, population increases will, all other things being equal, drive up costs for the federal government as more people use its services.

To avoid these weaknesses of GDP-based measures, figure 1 shows overall real Commonwealth-government spending trends per person under the Howard government. Total spending increased by nearly 17.5% per person, with much larger increases in health and social security spending. The small real growth in per capita education spending over this period was due to reduced outlays on universities. By holding down expansion in student numbers,

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increasing HECS, and indexing university grants at less than inflation, higher education spending averaged over the population dropped 26%. By contrast, school funding increased by 38%.

For a government often criticised from the left for spending too little, these spending increases are very large. To put them in comparative context (and to avoid the issues associated with GST compensation in the social security column) figure 2 tracks spending increases in the Keating government's last three financial years and the three Howard government years ending 30 June 2005, the latest available statistics. As can be seen, even in the traditional areas of social democratic spending emphasis such as education, health and social security, the Howard government has increased real per capita expenditure at a higher rate than

average annual number of Medicare services per Australian resident from 10.4 to 11.6 over the last decade. The number of hospital separations (that is, a hospital stay or change in status such as from acute care to rehabilitation) per 1,000 persons increased from 279 in 1995 to 338 in 2004, though the average time in hospital decreased.⁵

The 2002 *Intergenerational Report* prepared by the Australian Treasury forecast considerable increases in spending on health, aged care, and old-age pensions, so these trends are likely to continue into the foreseeable future. Eventually, compulsory superannuation will counteract demographic pressures on the aged pension, but this is still well into the future, since most retirees started saving too late and accumulated too little. In the short to medium term, there is little that can be done to slow spending on the elderly, and the same broad changes would have occurred under any government.

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the Keating government did during its last three years.³ The Howard government's spending record is strikingly at odds with the way it started, and how many people still perceive it. In a survey conducted for the government's tenth anniversary in March 2006, 50% of respondents thought that Australia had become a 'meaner' society under Howard.⁴ In various surveys rating political parties on education, health and welfare the Coalition is behind Labor in every one.

Population ageing

One reason the Howard government increased expenditure so much is that long-term changes in Australian society add to demand for government services and benefits, even without any new spending initiatives. Measures of per capita spending do not take account of demographic changes such as ageing. Over the last decade, for instance, the number of people aged 65 or more increased by nearly a quarter, and most of them went onto the aged pension. The elderly make greater use of health services than younger people, helping to lift the

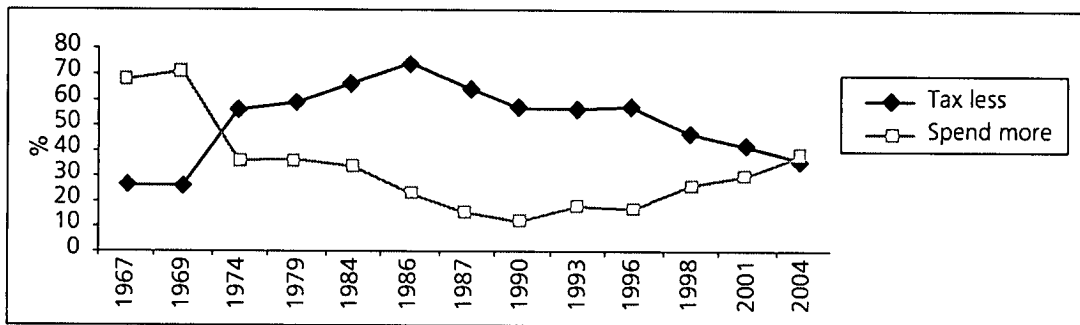
Public opinion

For nearly 40 years pollsters have asked Australians whether, if given the choice, they would prefer lower taxes or more spending on social services. As figure 3 shows, since the Howard government came to power in 1996 the answers have trended toward more spending. In 2004, for the first time since 1969, support for more social service spending exceeded support for reduced taxation. This opinion shift is evident in other long-term polling, such as the Roy Morgan Research survey of the most important issues the federal government should be doing something about. Starting in the mid-1990s, the economic problems that had long-dominated the survey began to decline, with health and education taking their place as the top issues the federal government should be doing something about. Figure 4 shows their steady rise in importance as the economy recovered from the early 1990s recession.

As I have argued in detail elsewhere, these pro-taxation trends appear linked to periods of rising affluence.⁶ While in more financially stringent times voters would like better education and health services, their personal financial situation takes priority. Consequently, they prefer tax cuts to more services. As financial pressures ease, people look to improve their standard of living, including improved health and education services. Some

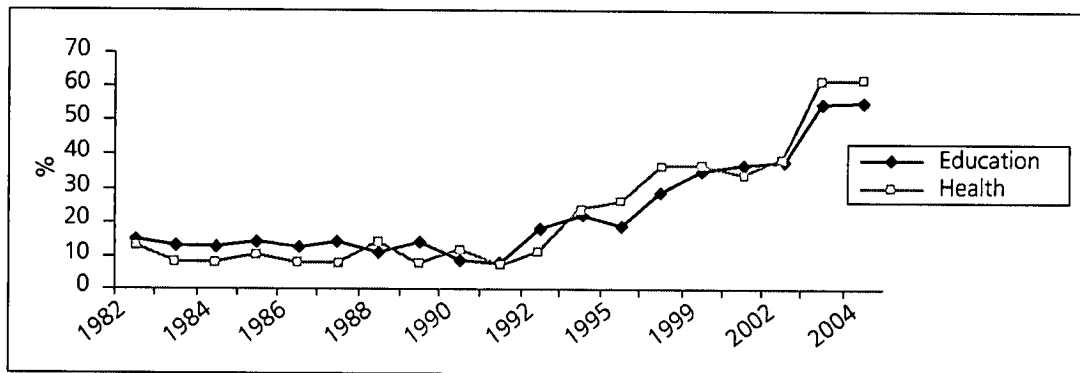
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Figure 3: Opinion on reducing taxes and increasing spending



Question: If the government had a choice between reducing taxes or spending more on social services, which do you think it should do? (Minor wording variations in some surveys, see reference in footnote 6 for details.)

Figure 4: Opinion on most important federal government issues



Question: Thinking about Australia as a whole. In your opinion, what are the three most important things the federal government should be doing something about?

Source: Roy Morgan Research

people switch to privately provided services, as can be seen in the larger though still minority market share of private health and education providers discussed below. Yet for most people going private remains a financial leap beyond their added income. To do so, they must forgo part of their government subsidy and pay a top-up fee for a better service. For these people, in theory at least, additional taxation revenue spent on public health and education will achieve quality improvement at a lower cost than purchasing private alternatives.

Though some pundits puzzle over the Coalition cutting tax rates in the face of this polling, in fact the government responded to both elements of public opinion. A long period of sustained economic growth produced so much

extra tax revenue—65% more per person since 1992–93—that the Commonwealth could afford to cut marginal tax rates *and* spend significant extra sums on welfare, health, education and a range of other services.

The politics of prosperity are awkward for advocates of small government. When extra spending requires higher taxes and larger deficits, there are reasons of fiscal prudence to resist spending demands. Paul Keating, whose governments always ran large budget deficits, had this excuse. When tax revenue is there, without increasing rates, it is much harder for governments to refuse spending requests. This can be seen by comparing polls about taxing and spending that mention a surplus with those that do not. The

questions leading to the figure 4 results imply that more spending on social services involves more taxation, producing a 38% positive response to the 'more spending' option. By contrast, before the 2006 Budget, a *Sydney Morning Herald*/ACNielsen poll asked a question specifying that there was a large surplus. Given a choice between using the surplus to reduce taxes and charges or increase spending on services and infrastructure, 68% preferred the latter. With money available, or forecast to be available, some people, probably including many of the 'don't know' responses to questions implying more tax, see spending on services as gain without pain.

Increasing choice

Large demographic shifts and electoral pressure affect all Australian governments. But only purely managerial governments are shaped entirely by outside forces. In the Howard government's case, the economy's strength gave it the opportunity to deal with the inevitable demands placed on it, and still cut taxes more significantly and earlier than it did. Until recently, it chose not to do so. To understand why not, we need to look within Liberal Party ideology, and the policy priorities of the Prime Minister himself.

A major theme of John Howard's Prime Ministership has been 'choice', a theme also found among advocates of small government. The two causes, however, do not always go together. Where mixed public and private provision exists already, expanding private provision can add to Commonwealth expenditure.

In health care, the Howard government promoted choice by encouraging people to insure themselves privately, most expensively through a 30% rebate on private health fund premiums. The proportion of people with private health insurance increased from 30.6% in 1999 (when the rebate started) to 42.9% in 2005. Rebate expenditure in 2004–05 was just under \$3 billion.⁷ If this money had not been spent, per capita spending on health in 2004–05 would have been 58% higher than when the Howard government took office, rather than 73% higher. The rebate removed some patients from public hospitals, and therefore reduced public hospital expenditure. However, as a large private health insurance market existed

before 1999, the rebate pays some policyholders to do what they were doing already. Further, private health insurance covers services, such as dental treatments, that are not otherwise federally funded, expanding the range of activities receiving Commonwealth subsidies.

In education, the Howard government promoted choice through private schools. It eased restrictions on new schools and reformed the funding system so that it was based on presumed parental rather than school resources. Since 1995, the non-government school market share has increased by 3.9 percentage points to 32.9%. In 2003–04 Commonwealth spending on non-government schools was \$4.4 billion, in 2005 constant dollar terms about \$1.5 billion a year more than when it came to office.⁸ While movement to private schools reduces costs for state government schools, it has contributed to rising real per capita education costs for the Howard government, up 9% in the three years to 30 June 2005. Though the initial Commonwealth decision to financially assist non-government schools was taken more than 40 years

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ago, private school subsidies are like the private health insurance rebate in paying some people to do what they would have done without financial incentives. Though it was trending down, the proportion of students in private schools was nearly a quarter even before state aid began.⁹

Though some voters support increased government subsidy of private health and education, neither find favour in overall public opinion. Two pre-election polls in 2001 and 2004 asked respondents which they thought more important, getting people to take out their own health insurance, or putting more money into public hospitals. In each case, public hospitals had more than two-thirds support. Though only about a quarter of people disagree with the proposition that private schools offer better education than government schools, about two-thirds of people believe that government schools don't receive their fair share of the education budget, and 40% believe that parents

who send their children to non-government schools should pay the cost themselves.¹⁰ Private health and education spending increases were matters of policy choice, not political necessity.

Conservative social policy

Prime Minister Howard has always said that the Liberal Party combines liberal and conservative elements, in his case supporting 'modern conservatism in social policy'. Modern conservatism, it seems, does not actively discourage or prevent departures from the norm in social and family relationships. So no-fault divorce stays, single parent benefits are retained, and the Prime Minister now proposes removing various forms of discrimination against gay couples, while not permitting gay marriage. Rather, modern conservatism uses the state's financial resources to 'support families in the choices they wish to make', to 'help families struggling with the challenges of modern life'.¹¹ Financial assistance to families makes modern conservatism more expensive than traditional conservatism.

Greater assistance to families has been a standard Liberal policy for many years, even when cutting spending was an explicit goal, such as the *Fightback!* package the party took to the 1993 election. The Howard government is marked less by an ideological shift within the Liberal Party on family support than the sheer scale of its spending. In 2004–05 Commonwealth assistance to families with children, primarily via Family Tax Benefits, cost almost \$25.5 billion. After adjustment for inflation, it increased by 18% in the three years ending 30 June 2005 (included in figure 2), with the Budget papers forecasting another \$3 billion a year on top of this in 2007–08. While population ageing gave the Coalition little capacity to avoid the 8% aged pension cost increase over this time, additional spending on families was a political choice. It was not a response to widespread financial necessity or pressure among households with children.

Though the Prime Minister correctly observes that children are costly, people caring for them typically earn more than households generally. In 1996–97, two-thirds of couples with children had incomes placing them in the top 40% of households when ranked by income. By contrast, only one-

third of lone adults aged 25–64 earned enough to be in this upper income group.¹² In 2003–04, market income (excluding government benefits) for the median couple with children was more than \$76,000, compared to \$45,000 for households generally.¹³ For most couples, children coincide with the financial capacity to raise them.

Consistent with this data on family income, there is no survey evidence that families with children typically feel more financial pressure than other households. A mid-1990s survey found that households with children under 17 were slightly more satisfied with their finances than the general population.¹⁴ Similarly, in 2003 nearly three-quarters of respondents with a household income equivalent to the median income of couples with children rated themselves as satisfied with their financial situation. More than two-thirds in the \$50,000–\$75,000 bracket were also satisfied.¹⁵ Yet all families with a stay-at-home parent are entitled to payments under Family Tax Benefit B, and families with at least one dependent child receive some Family Tax Benefit A up to earnings of about \$95,000 a year, with the highest payments going to households earning \$40,000 a year or less.¹⁶

As with the government's private health and education spending, it is difficult to find public opinion surveys that suggest a compelling electoral reason for pursuing these policies. In Roy Morgan Research's survey of the most important issues, directly family-related matters never appear as popular matters that the federal government should be doing something about (though health and education services benefit families). At most, by spreading the last decade's prosperity to some lower-income households, the spending might have contributed to the Coalition's huge lead, as recorded in Newspoll surveys, over Labor as the best party to handle the economy.

The Howard government's family benefits spending helps explain why per capita spending on welfare increased at a higher rate in the three years to 30 June 2005 than it did in the last three years of the Keating Labor government. As with its health, education and social security spending, however, Howard's government receives little public opinion recognition in return. In early 1996, Labor and Liberal were rated equally for handling family issues

Table 1: Net tax per income quartile, 1996–97 to 2003–04

	1996–97	1997–98	1998–99	1999–2000	2000–01	2001–02	2002–03	2003–04
Bottom 25%	3.4	3.4	3.4	3.2	3.1	3.2	3.2	3.2
Middle 50%	36	35.4	35.1	34.3	32.8	33.6	33.3	32.9
Top 25%	60.8	61.2	61.5	62.4	64.1	63.4	63.8	64.2

Source: Australian Tax Office, *Taxation Statistics*.
 Quartile calculations by Sinclair Davidson. Due to rounding, not all columns add to 100.

in Newspoll's survey. A decade on, Labor is seven percentage points in front.

Conservative social democracy

In common with other countries around the Western world, Australia is experiencing greater inequality in market income.¹⁷ Due to progressive taxation, this was good for Commonwealth tax revenues. In combination with 'bracket creep', it pushed more taxpayers into the higher tax brackets, raising more money than added income going to people on lower incomes, paying the 17% or 30% marginal tax rates used after the GST was introduced in 2000.¹⁸ As can be seen in table 1, the share of all taxes paid by the top 25% of taxpayers increased from 60.8% to 64.2% over the Howard years. Until the 2005 and 2006 Budgets, which changed the thresholds and marginal tax rates affecting higher income earners, the Howard government was content to collect and spend this money. It helps explain why the Howard government could, as was seen in figure 2, outdo the Keating government in spending increases. But it is a pattern of behaviour that is closer to what we would expect of a social democratic government than one often described on the left as 'neoliberal'.

Also consistent with outcomes we would associate with a social democratic government, overall income inequality, after adjusting for household size and taking into account taxes and government spending, has trended down since 2000–01.¹⁹ The increased tax take from the top 25% of income earners and welfare spending on lower-income families has prevented market income inequality converting into greater social inequalities.²⁰ The

Prime Minister cannot be dismissed as an accidental social democrat, lessening income inequality as the accidental by-product of policies with other aims. He regularly uses egalitarian language, such as in this passage from a speech in 2000:

Our social cohesion, flowing directly from a unique form of egalitarianism, is arguably the crowning achievement of the Australian experience over the past century. Yet this cohesion will be tested if wealth and opportunity can't be fairly and broadly distributed across society as in the past.²¹

The argument that the welfare state increases social cohesion is a standard one on the left.²² In his words and actions, Howard has behaved more like a social democrat than a 'neoliberal'.

Only by going below the aggregate spending statistics can we see the distinctively conservative characteristics of the Howard government's social

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democracy that distinguish his egalitarian sentiments from Labor's. Howard's welfare state doesn't just tackle low income, as a Labor social democratic government might. Rather, it targets favoured social institutions, especially households with children. As single people do not have high average incomes, this redistribution is regressive in a conventional social democratic sense. Already affluent families

receive added benefits denied to poorer singles. Family Tax Benefit B in particular is unlikely to have been implemented by Labor. It has no means test and is available only to single-income families. Indeed, feminists complain that it 'rewards most highly households that approximate most closely the traditional male breadwinner household'.²³

Howard also differs from left-wing social democrats in how he sees the individual in society. The left tends to see unemployed people and other welfare recipients as victims of social forces beyond their control, and therefore owed support by society. By contrast, Howard sees able-bodied welfare-recipients as owing something to society in exchange for income support. This is the basis of mutual obligation policies such as Work for the Dole, under which some job searchers do community work.

Though Howard's social democracy differs from a Labor social democracy in important ways, arguably he has done more than his Labor predecessors to entrench egalitarian income redistribution policies in Australia. Most research into welfare that directly targets the poor suggests that it is not very popular, and therefore hard to expand and easy to let slip as a policy priority.²⁴ When generous welfare payments reach deep into the middle class, covering families living in the marginal seats that decide federal elections, it would be a very brave government that cut them.

Big government conservatism

Though many commentators have remarked on the centre-right's failure to reduce government spending, most explanations focus on structural pressures such as increasing demand for government-provided human services and, as Des Moore puts it, 'the temptations for office holders to buy votes'.²⁵ Less emphasis has been put on how additional spending derives not just from these sources, but also from separate centre-right policy agendas. Policies implemented under the free-market rhetoric of choice, such as increased private school funding and the private health insurance rebate, and policies justified with conservative rhetoric on families and social cohesion such as Family Tax Benefits, have added many billions of dollars to Commonwealth government spending. There are parallels with

the 'big government conservatism' practised by the US Republican Party.²⁶

Within the broad church (as the Prime Minister likes to call it) of centre-right politics in Australia there are competing ideas about policy priorities. Though people identifying with the Coalition parties still prefer lower taxes to more social spending, the record shows that the smaller government movement of the 1980s and early 1990s did not win out. Perhaps its supporters did not realise that their most formidable opponents were conservatives, and not the Labor Party. The 'modern conservatism' of John Howard, by forgoing the now-controversial conservative social policy of earlier eras, uses costly spending programmes to support families and social cohesion. It is inconsistent with shrinking the size of government.

The eventual defeat of the current federal government, perhaps as soon as late 2007, will inevitably trigger a wide-ranging discussion on the centre-right of goals and strategies. A strong case can be made that the Coalition received little direct political credit for outspending Labor in education, health and welfare. The Australian Election Survey's question on which party's views are closest to the respondent's shows a narrowing of Labor's lead in health and education since 1998, but with the Coalition still in a worse relative position than it was in 1996. In Newspoll's regular polling of which party would best handle various issues, Labor had a larger lead in October 2006 on health and on welfare than it did when it last held office. An education question was not asked until 1999, but the Coalition consistently trails Labor.

The bigger, and more complicated, debate will be about whether the added spending for 'modern conservatism' can be justified even on its own terms. Were families with children actually strengthened as a result, or did they just become more affluent relative to singles and couples without children? What are the long-term implications of drawing families capable of self-reliance into the welfare net, where they can face high effective marginal tax rates and could, in future times, be subject to greater government direction as to how they manage their affairs? Modern conservatism may turn out to be not as family friendly as it seems.

Endnotes

- ¹ John Howard, 'Taxation: keeping faith with Australian families', address to the Menzies Research Centre, Parliament House, Canberra, 18 April 2006. <http://www.pm.gov.au/news/speeches/speech1885.html>
- ² Des Moore, 'When Will the Leviathan Fade Away?', *Policy* 22:3 (Spring 2006), p.11.
- ³ I have not been able to account for unavoidable increases in input costs that may affect health spending, such as higher pharmaceutical prices.
- ⁴ Saulwick Poll, reported in *The Age*, 21 February 2006.
- ⁵ Australian Bureau of Statistics, *Australian Social Trends 2006*, (Canberra: ABS, 2006), pp.61, 141.
- ⁶ Andrew Norton, 'Why politicians aren't rushing to increase taxes', in Peter R. Saunders (ed), *Taxploitation: The Case for Income Tax Reform*, (Sydney: CIS, 2006).
- ⁷ Australian Bureau of Statistics, *Australian Social Trends 2006*, (Canberra: ABS, 2006), p.61; Australian Institute of Health and Welfare, *Health Expenditure Australia, 2004-05*, (Canberra: AIHW, 2006), p.33.
- ⁸ Calculated from Productivity Commission, *Review of Government Service Provision 2006* (and earlier years), (Canberra: PC, 2006).
- ⁹ Simon Marginson, *Education and Public Policy in Australia*, (Melbourne: Cambridge University Press, 1993), p. 206.
- ¹⁰ Pre-election polls in 2001 and 2004 carried out by Irving Saulwick and Associates and originally published in *The Age*. The 2004 poll found that 40% of people thought parents sending their children to private schools should pay the cost (this as down from 51% in 2001). Polls on public school share of the budget are the 2003 & 2005 Australian Survey of Social Attitudes and the 2004 Australian Election Survey. Data from all the polls is available from the Australian Social Science Data Archive.
- ¹¹ John Howard quotations from 'Australian Families: Prosperity, Choice and Fairness', address to the Menzies Research Centre, Westin Hotel, Sydney, 3 May 2005.
- ¹² Australian Bureau of Statistics, *Income Distribution 1996-97*, Cat. 6253.0, (Canberra: ABS, 1998), Table 26, 2.
- ¹³ Data from the HILDA survey supplied by Andrew Leigh.
- ¹⁴ The National Social Science Survey 1995/96. Available from the Australian Social Science Data Archive.
- ¹⁵ Financial satisfaction data from Clive Hamilton and Claire Barbato, 'Why Australians Will Never Be Prosperous', Australia Institute Webpaper, July 2005.
- ¹⁶ See factsheets at www.familyassist.gov.au
- ¹⁷ See: AB Atkinson and Andrew Leigh, 'The Distribution of Top Incomes in Australia', Centre for Economic Policy Research, Discussion Paper No. 514, March 2006; Peter G. Saunders, 'Reviewing Recent Trends in Wage Income Inequality in Australia', in *Labour Market Deregulation: Rewriting the Rules: Essays in Honour of Keith Hancock*, (Sydney: Federation Press, 2005); Michael Keating, 'The Labour Market and Inequality', *Australian Economic Review* Vol. 36 No. 4 (2003). These three papers use different data sources but come to similar overall trend conclusions.
- ¹⁸ See Neil Warren, *Tax Facts, Fiction and Reform*, (Sydney: Australian Tax Research Foundation, 2004), p.109.
- ¹⁹ Australian Bureau of Statistics, *Household Income and Income Distribution, Australia, 2003-04*, (Canberra: ABS, 2005), Table 5.
- ²⁰ For the distributional effects across different household types and income levels see Ann Harding and Quoc Ngu Vu, 'Income Inequality and Tax-Transfer Policy: Trends and Questions', presentation to 'Making the Boom Pay' conference, 2 November 2006. Available from www.natsem.canberra.edu.au
- ²¹ John Howard, Address to the Melbourne Press Club, 22 November 2000. The link between egalitarianism and social cohesion also appears in the Prime Minister's Australia Day address, 25 January 2001. A discussion of the Prime Minister's views on social cohesion, egalitarianism and mateship can be found in James Curran, *The Power of Speech: Australian Prime Ministers Defining the National Image*, (Melbourne: Melbourne University Press, 2004), esp. pp. 244-46.
- ²² See Peter R. Saunders, *Australia's Welfare*

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Habit and How To Kick It, (Sydney: Duffy & Snellgrove, 2004), Ch. 6.

- ²³ Elizabeth Hill, 'Howard's "Choice": The ideology and politics of work and family policy 1996-2006', *The Australian Review of Public Affairs*, 23 February 2006. Though Family Tax Benefit B also assists single-parent families, not generally favoured by conservatives.
- ²⁴ A 1992 AGB-McNair survey found a preference for less spending on the unemployed, despite the high number of jobless in the recession: Glenn Withers, David Throsby and Kaye Johnston, *Public Expenditure in Australia*, (Canberra: Economic Planning Advisory Commission, 1994), pp.32-34. A 1999 survey found no majority support for more government spending on the unemployed, except for people over 50 who could not find work: Peter G. Saunders, *The Ends and Means of Welfare: Coping with Economic and Social Change in Australia*, (Melbourne: Cambridge University Press, 2002), p. 111. When an ACNielsen survey for the CIS told respondents extra money would be spent on 'on welfare and social services', only 12% were for higher taxes and spending and 36% were for lower taxes and spending: Peter R. Saunders, *A Self-Reliant Australia: Welfare Policy for the 21st Century*, (Sydney: CIS, 2003), p.34.
- ²⁵ See John Quiggin, 'Economic Liberalism: Fall, Revival and Resistance', in Peter G. Saunders and James Walter (eds), *Ideas and Influence: Social Science and Public Policy in Australia*, (Sydney: UNSW Press, 2005); Des Moore, 'When Will the Leviathan Fade Away?', *Policy* 22:3 (Spring 2006), p.16.
- ²⁶ Eg Gene Healy, 'The era of big government conservatism', <http://www.cato.org/dailys/02-01-04.html>