

The risk perception paradox

Roger Jones
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How are the benefits of a carbon price being communicated?

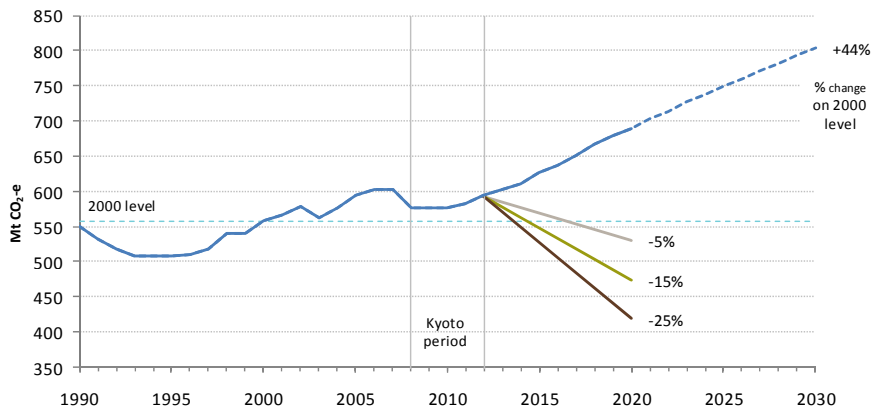
- The benefits are general, global, fairly vague and perceived as a long time off
- The public are being sold a tax – this works against basic human psychology
- Most people grew up in a world that had a future without climate change – this is their psychological “internalised” baseline

The benefits of avoided damages

- The baseline or reference contains significant climate damages
- A carbon price buys benefits in terms of avoided damages
- 74% of Australians think climate change a moderate to significant risk, but they tend not to rate it as a short-term risk (Reiser et al., 2011)
- The benefits are not being communicated to people in a meaningful way

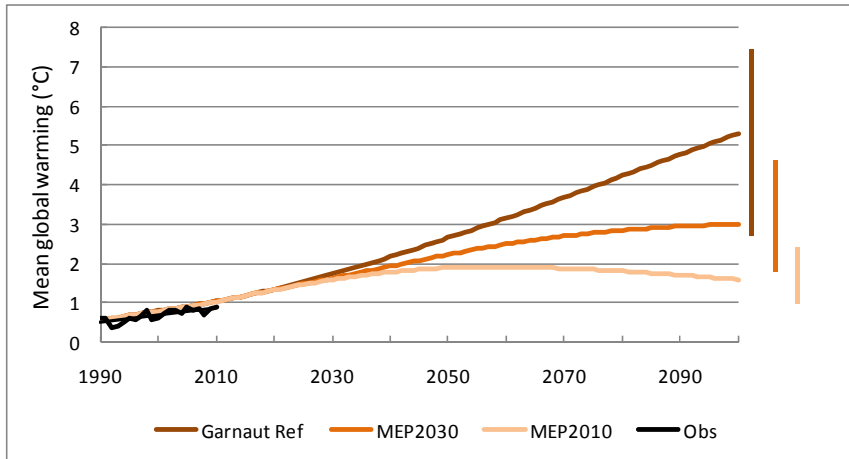
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Australian policy to 2020



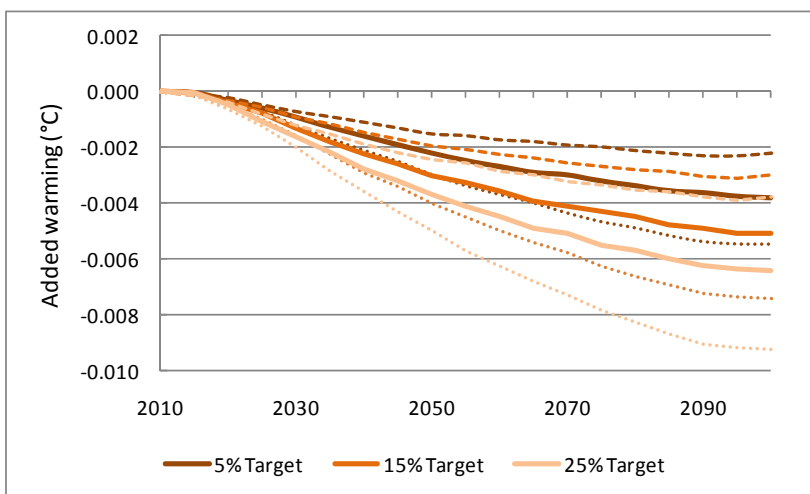
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Baseline warming



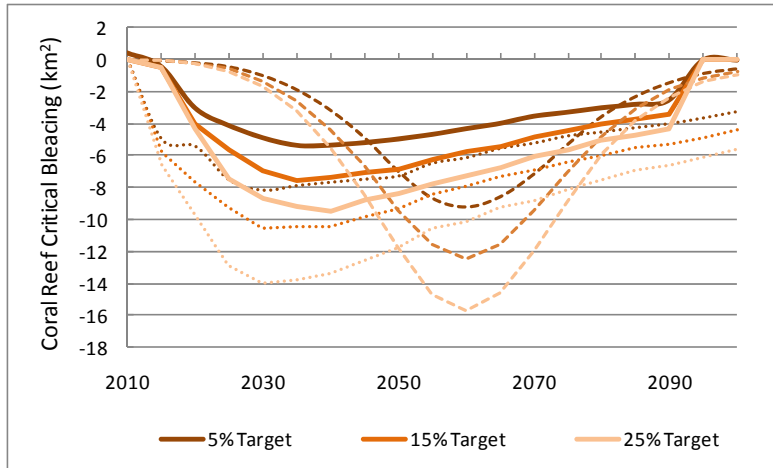
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Avoided warming benefit from Australia's 2020 climate policy



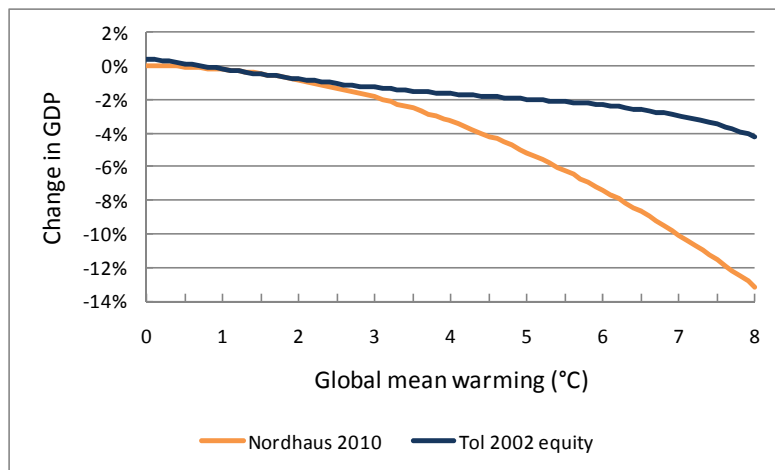
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Area retrieved from critical bleaching risk GBR (Global reefs x14)



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Two estimates of avoided economic damages per tonne CO₂



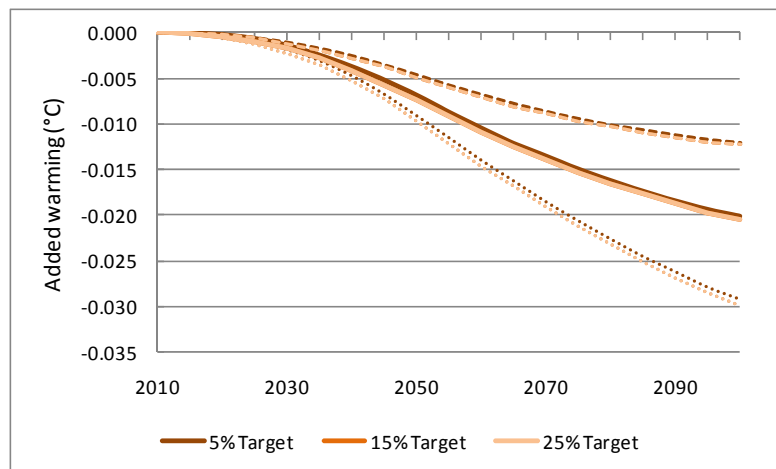
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Two estimates of avoided economic damages per tonne CO₂

Damage Curve	Discount rate	5% Target			15% Target			25% Target		
		1.5	3	6	1.5	3	6	1.5	3	6
Nordhaus	Gbook	136	329	671	133	327	665	133	325	660
	4%	66	157	313	65	156	310	65	155	308
	5%	39	89	176	38	89	175	38	88	174
Tol	Gbook	68	81	183	67	81	181	67	80	180
	4%	38	46	81	37	46	80	38	45	80
	5%	24	29	46	24	29	46	24	29	45

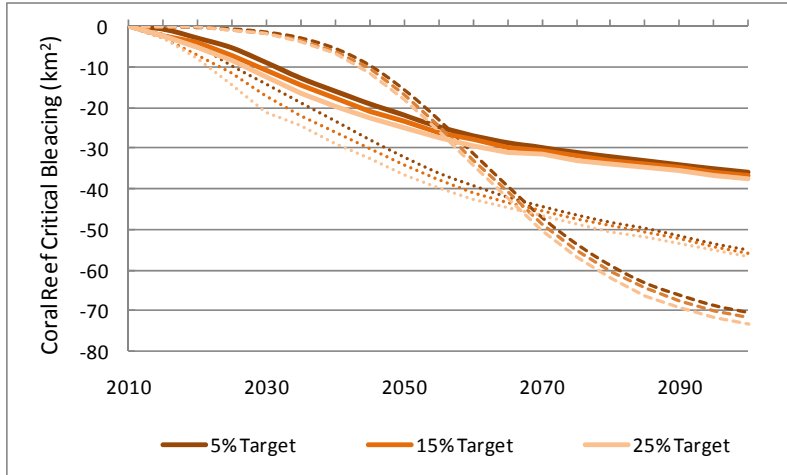
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Avoided warming due to Australia 2020 plus 2050 (-80% target) mitigation policy



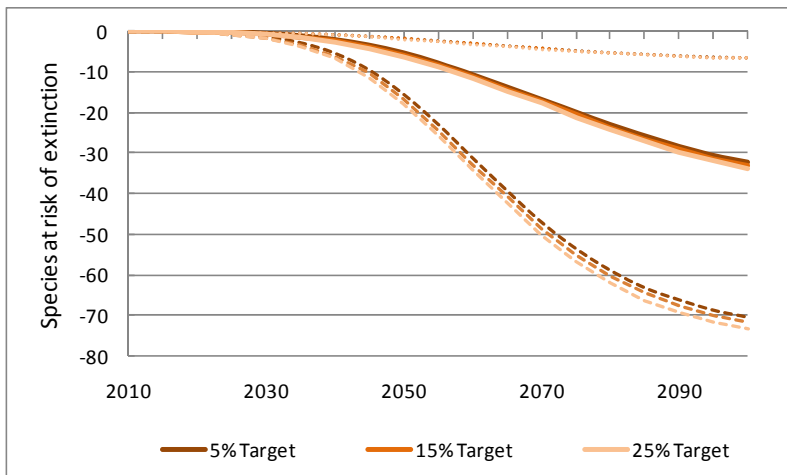
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Area retrieved from critical bleaching risk GBR (Global reefs x14)



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Australian vertebrate species no longer at risk of extinction (8000 total)



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Lastly...

Knowledge, belief and the selling of ignorance

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