

Research report: National Survey indicates a substantial increase in Coalition voters' willingness to pay for climate policy

Mark Morrison is Professor and Associate-Dean (Research) in the Faculty of Business, Justice and Behavioural Sciences at Charles Sturt University

Roderick Duncan is Senior Lecturer in the School of Accounting and Finance in the Faculty of Business, Justice and Behavioural Sciences at Charles Sturt University

Summary

While the electorate in 2011 was relatively divided about whether to support climate policy, it is apparent that in 2016 there is growing support for climate action among conservative voters, and a convergence of beliefs about the importance of climate policy across political orientations.

The much greater willingness of younger Coalition voters to pay suggests that there will be increasing pressure for genuine and substantial climate action by their elected representative over time.

Background

In July and August of 2011 we conducted a national survey of 1,927 Australians, and sought to identify Willingness to Pay (WTP) for the then Labor government's proposed Carbon Tax and the Coalition's alternative policy of Direct Action.

We used a well known technique from economics research, a contingent valuation payment card, which is regarded as a conservative approach for estimating willingness to pay (Welsh and Poe 1998). A short cheap talk script (Cummings and Taylor 1999) was also used to reduce the likelihood of overstatement of willingness to pay.

The survey used a national online panel provided by the Online Research Unit. Some previous findings from this study are reported [here](#).

In early 2016 the survey was repeated using the same panel and sampling approach, but this time it sampled 2,278 Australians. Once again respondents were asked to indicate their willingness to pay for a Carbon Tax and Direct Action, but this time they were also asked to indicate their willingness to pay for an Emissions Trading Scheme.

The willingness to pay questions in the two surveys were identical apart from changes in the amount of emissions reductions sought by the policies. In the 2011 survey the goal was to reduce carbon emissions by 5% in 2020 and 80% in 2050. In the 2016 survey the goal was to reduce emissions (compared to 2005) by 13% by 2020 and by 26-28% by 2030.

The survey found that average willingness to pay for a Carbon Tax and/or Direct Action did not change substantially between 2011 and 2016 (Table 1). Also, there was not a lot of difference in overall willingness to pay for the different policies – it seems that households were mostly wanting to see *something* happen, but do not mind as much *how* it happens.

Closer analysis did suggest that in 2011 Labor and Green voters were willing to pay more for a Carbon Tax, while Coalition voters were willing to pay more for Direct Action. However, in 2011, the willingness to pay of Coalition voters was much less than the willingness to pay of either Green or Labor voters.

Intriguingly, this changed in 2016. While willingness to pay for climate policy has remained relatively constant for Greens and declined somewhat for Labor voters, it has increased markedly among those who vote for the Coalition. Willingness to pay of Coalition voters is now much closer to that of Labor voters.

Willingness to pay of Liberal voters increased by 48% for Direct Action, and 61% for a Carbon Tax. While from a smaller sample, willingness to pay of National voters increased by 61% for Direct Action, and 110% for a Carbon Tax.

The percentage of Coalition voters *not* willing to pay anything for Direct Action remained stable at about 36% between 2011 and 2016. However, the percentage of Coalition voters willing to pay a positive amount for a Carbon Tax increased marginally from 52% to 56%.

Table 1: Annual Willingness to Pay for Direct Action, a Carbon Tax and an Emissions Trading Scheme in 2011 and 2016 (per household)

	2011	2016	% Change
Direct Action			
Labor	\$331.36	\$300.59	(-9.3%)
Liberals	\$170.15	\$251.79	48.0%
Nationals	\$187.27	\$312.66	67.0%
Greens	\$469.15	\$484.23	3.2%
No Interest in politics	\$171.75	\$186.24	8.4%
Entire Sample	\$258.17	\$274.12	6.1%
Carbon Tax			
Labor	\$369.08	\$282.47	(-23.5%)
Liberals	\$131.07	\$210.96	61.0%
Nationals	\$120.00	\$252.53	110.4%
Greens	\$542.29	\$520.05	(-4.1%)
No Interest in politics	\$145.71	\$158.60	8.8%
Entire Sample	\$255.34	\$250.05	(-0.02%)
Emissions Trading Scheme (ETS)			
Labor	--	\$279.28	--
Liberals	--	\$236.04	--
Nationals	--	\$272.15	--
Greens	--	\$495.27	--
No Interest in politics	--	\$170.88	--
Entire Sample	--	\$257.02	--

This additional willingness to pay for climate change action parallels similar changes in the beliefs of Coalition voters towards climate change and their issue involvement. Table 2 shows an 11% increase in the proportion of voters who thought climate change was happening.

Those who believe that climate change is happening are growing in their level of certainty. There is a similar increase in the belief that climate change is human induced, while a slightly larger 20% increase in the belief that there is scientific consensus about climate change.

Table 2: Change in Climate Change Beliefs Among Coalition Voters between 2011 and 2016

	2011	2016
Climate Change is happening	53.8%	63.3%
Extremely or very sure climate change is happening#	51.1%	60.6%
Belief climate change is mostly caused by human activities	32.8%	44.7%
Most scientists think climate change is happening	25.8%	45.9%

Of those who think climate change is happening

Regarding involvement or engagement with the climate change issue, there was also evidence of an increase in the proportion of coalition voters who were concerned about climate change and believe that *they have experienced it* (Table 3).

Table 3: Change in Climate Change Involvement Among Coalition Voters between 2011 and 2016

	2011	2016
Somewhat or very worried about climate change	34.9%	53.1%
Very or extremely important to you personally	14.4%	22.7%
Strongly or somewhat agree have experienced climate change	23.9%	39.8%

The survey also sought to identify locations where coalition preferences are changing, and among which groups of people. For both Direct Action and the Carbon Tax, the largest increases were among those located in Capital Cities (Table 4).

For education, the largest proportionate increases were for those who had a TAFE level qualification or a university degree.

With respect to age, the largest increase in willingness to pay for both policies is among those who are 18-40 years of age, with a 150% increase in willingness to pay for Direct Action, and a 120% increase in willingness to pay for a Carbon Tax.

This suggests a significant policy challenge in coming years, if these rates of increase among younger voters are sustained.

Table 4: Change in Willingness to Pay for Direct Action and the Carbon Across Locations, Age Groups and Education Groups for Coalition Voters between 2011 and 2016

	2011	2016	% Increase
Location			
<i>Direct Action</i>			
Capital City	\$187.54	\$302.05	61.1%
Regional Town	\$139.50	\$195.03	39.8%
Rural Town	\$162.71	\$175.00	7.6%
<i>Carbon Tax</i>			
Capital City	\$148.48	\$250.45	68.7%
Regional Town	\$139.50	\$164.62	18%
Rural Town	\$162.71	\$138.28	(-15.0%)
Age Groups			
<i>Direct Action</i>			
18-40 years	\$170.25	\$411.17	141.5%
41-60 years	\$191.28	\$223.20	16.7%
60 years or older	\$152.20	\$173.39	13.9%
<i>Carbon Tax</i>			
18-40 years	\$145.09	\$318.02	119.2%
41-60 years	\$141.51	\$198.60	40.3%
60 years or older	\$105.85	\$151.61	43.2%
Education Groups			
<i>Direct Action</i>			
Year 12 or less	\$132.04	\$153.17	16.7%
TAFE/Technical	\$121.25	\$221.97	83.1%
University degree	\$222.97	\$387.50	73.8%
<i>Carbon Tax</i>			
Year 12 or less	\$107.78	\$137.57	27.6%
TAFE/Technical	\$112.50	\$187.86	67.0%
University degree	\$152.48	\$273.70	78.3%

References

Cummings, R. G. and Taylor, L. O. (1999). Unbiased Value Estimates for Environmental Goods: a Cheap Talk Design for the Contingent Valuation Method. *American Economic Review*, 89(3): 649–665.

Welsh, M. P. and Poe, G. L. (1998). Elicitation Effects in Contingent Valuation: Comparisons to Multiple Bounded Discrete Choice Approach. *Journal of Environmental Economics and Management*, 36(2): 170–185.

Previous studies:

1. Morrison, M., Duncan, R. and Parton, K. (2015). Religion Does Matter for Climate Change Attitudes and Behaviours. *PLOS ONE*. 10(8): e0134868. doi:10.1371/journal.pone.0134868.
2. Sherley, C., Morrison, M., Duncan, R. And Parton, K. (2014). Using Segmentation and Prototyping in Engaging Politically-Salient Climate Change Household Segments. *Journal of Public Sector and Not For Profit Marketing*. 26(3): 258-280.
3. Morrison, M.D., Parton, K.A. and Duncan, R. (2013). Targeting segments in the Australian community to increase support for climate change policy. *Australasian Marketing Journal*. 21(4): 212-217.
4. Morrison, M., Duncan, R., Sherley, C. And Parton, P. (2013). A Comparison between Attitudes to Climate Change in Australian and the United States. *Australasian Journal of Environmental Management*, 20(2): 87-100.