



Australian Government

Department of the Prime Minister and Cabinet

BEHAVIOURAL ECONOMICS TEAM OF THE AUSTRALIAN GOVERNMENT

BETA

**Making choices:
Using what we already know to achieve better outcomes**

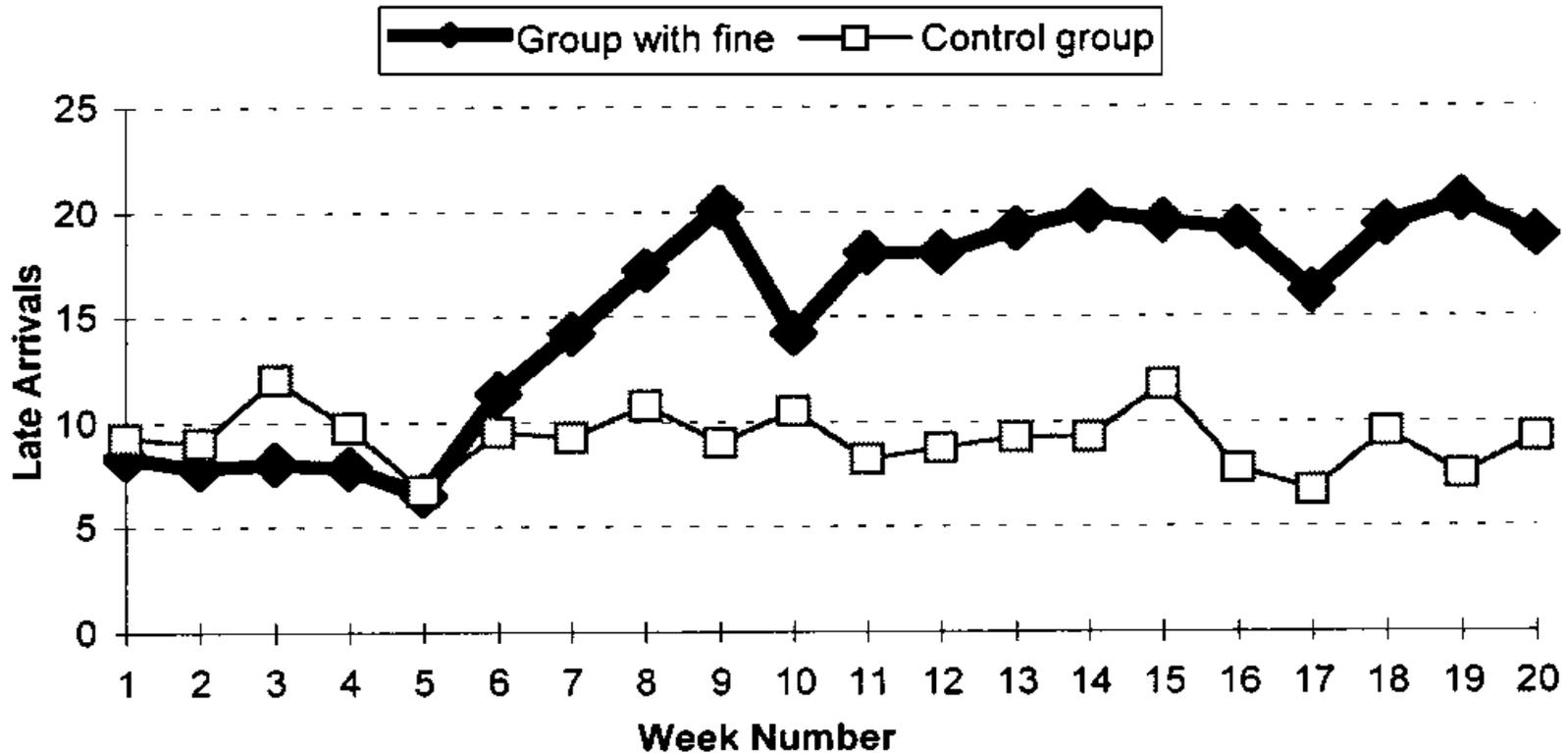
Allyson Essex
Principal Adviser, BETA





Israeli daycare centres had a problem with parents arriving late to collect their children, forcing teachers to stay after closing time.

They introduced a monetary fine for late-coming parents...



In daycare centres where the fine was introduced, parents immediately started showing up late; lateness levelled out at twice the pre-fine level.

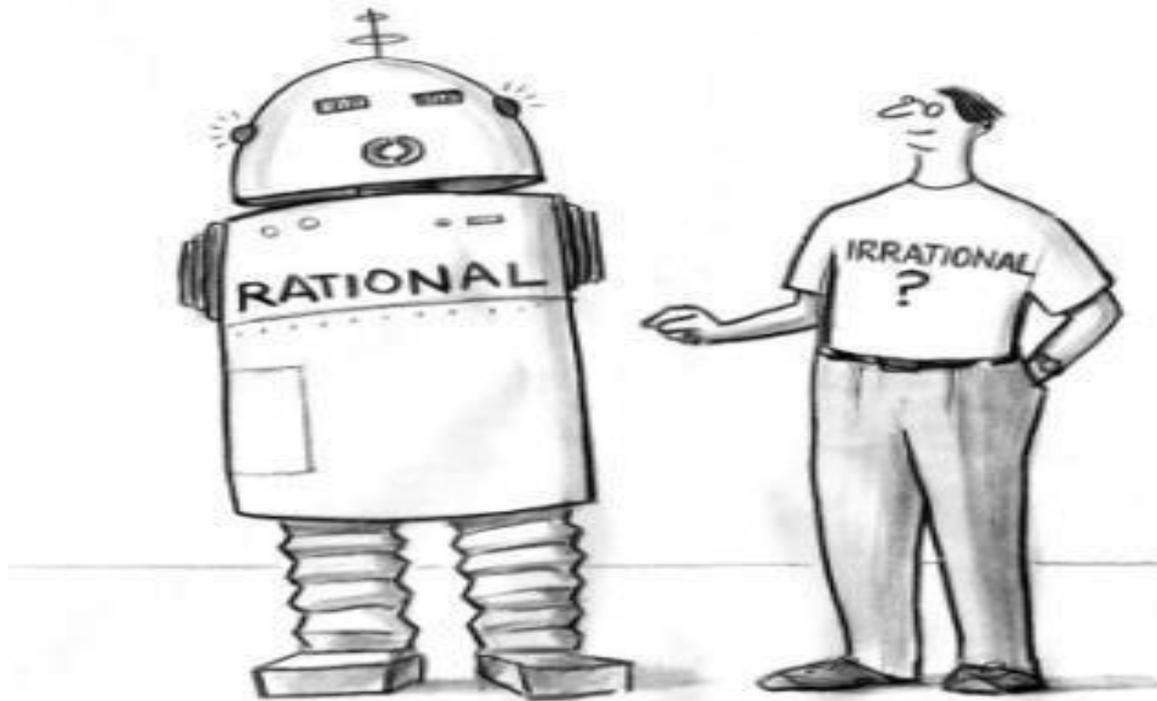
Introducing a fine caused twice as many parents to show up late!

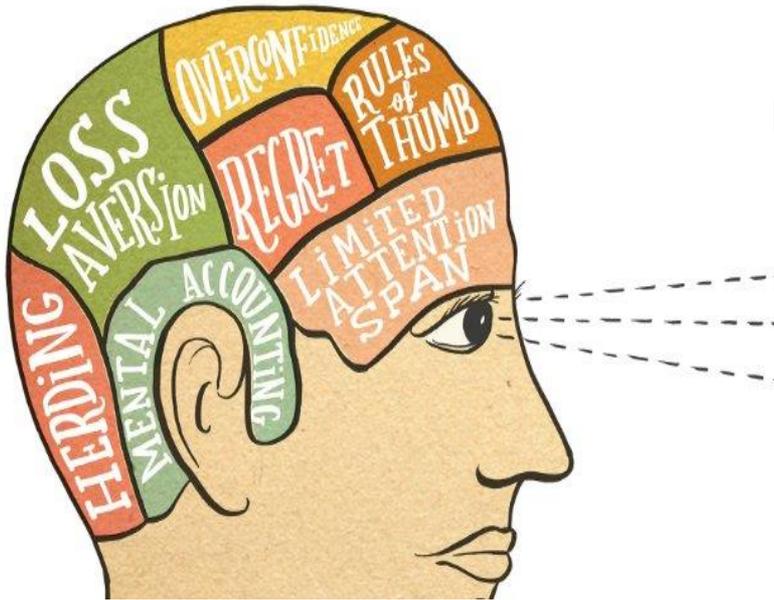






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People do not:

- have access to **perfect information**
- possess unlimited **cognitive abilities**
- demonstrate complete **self-control**
- **ignore fairness** or the **welfare of others**

Choice aversion

we procrastinate and stick with the status quo

Salience

we pay attention to what is novel and relevant to us

Loss aversion

we dislike losses more than we like gains

Social Norms

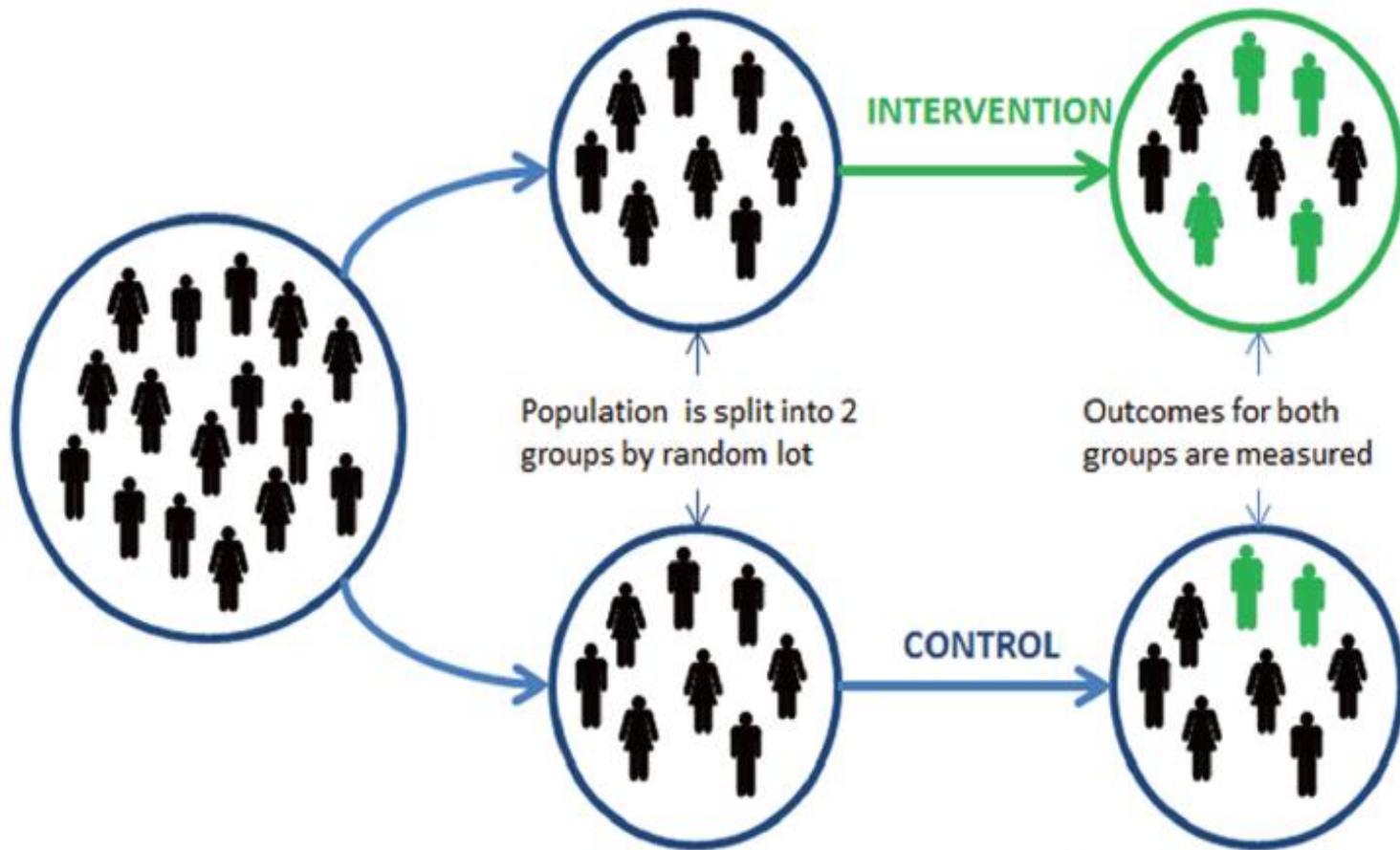
we are influenced by the (perceived) behaviours of others

Present Bias

we value the present over the future

Over-confidence

we overestimate the likelihood of the good



Early evidence of impact

- Messages that told people the most people in their community pay their taxes on time increased payment rates by 15% (UK)
- Electricity bills comparing usage to “your most efficient neighbours” reduced consumption by 2-4% (US)
- Messages that encouraged organ donation by an appeal to reciprocity led to 100,000 extra donors per year (UK)
- Planning prompts increased immunizations by 12% (US)
- Personal commitment techniques helped get injured employees back to work 27% faster than usual (NSW)

BETA is the Australian Government's first central unit dedicated to the application of behavioural economics to policy, programme, and administrative design.

Our mission is to build behavioural economics capability across the APS and drive its use in policy design and delivery, using randomised controlled trials to test what works.

To do this we:

- build APS capability through training and tools
- apply behavioural economics expertise to policies and programmes
- establish links between the APS and academia
- are working on more than 20 behavioural economics projects.



Professor Michael Hiscox
BETA Director

Clarence Dillon Professor
at Harvard University and
member of Harvard BIG.

BETA partner agencies

Department of Education and Training	Department of the Prime Minister and Cabinet	Department of the Environment and Energy
Department of Industry	Department of Health	Office of the Fair Work Ombudsman
Department of Foreign Affairs and Trade	Treasury	National Disability Insurance Agency
Department of Communications	Department of Human Services	Australian Taxation Office
Department of Social Services	Department of Employment	Australian Public Service Commission

And our latest partners....Department of Infrastructure and Regional Development and Department of Agriculture and Water Resources.

Any questions?

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