



# The Near-Miss Effect of Forest Fires

## Evidence from Australia

1.

### Socioeconomic costs associated to forest fires



- Natural resources

- Human life and wellbeing
- Air pollution
- Carbon emissions
- Wildlife & biodiversity



- Management, suppression & recovery



- Political climate & stability
- Infrastructure & property loss

2.

### Near-miss concept

An event where a negative outcome very nearly happened, and for which one would expect an update in information and risk perception.



3.

### Near-miss forest fire property

A property very nearly consumed by a forest fire and for which one would expect a negative impact on its value as a result of increased risk perception.



4.

### Do changes in forest-fire risk perception impact property prices?

To answer this question, we will undertake a hedonic-pricing model under a difference-in-difference approach, i.e. we will compare the before-and-after change in prices for properties subject to a near miss forest fire with price changes for properties not subject to a near miss.

5.

### Possible future research interests

- Preventive and emergency aid efficiency in risk reduction (i.e. controlled burning & evacuation management)
- Has the 2019/2020 bushfire crisis caused a structural break on risk perception parameters?

