



Grattan Institute tells Australians to cop skyrocketing gas prices for sake of ideological purity

Reserve Our Gas urges lawmakers to follow every other nation's example instead

The [Reserve Our Gas](#) coalition has slammed [the latest Grattan Institute report](#), which calls for Australians to cop the myriad negative impacts of skyrocketing gas prices for the sake of ideological purity.

The new report acknowledges that gas prices are rising rapidly and set to skyrocket further, but nevertheless recommends that the Australian Government take no action. *"When households see a big increase in their gas bills, there is likely to be an even greater consumer backlash against both state and federal governments,"* the report finds. However, *"governments should not intervene in the operation of the market in absence of market failure."*

Australian Workers' Union National Secretary and Reserve Our Gas spokesperson Scott McDine said the Grattan Institute authors had their heads in the clouds and were ignoring the real world.

"How's this for market failure: Australia is extracting more gas than ever, yet domestic prices are skyrocketing. How is that fair to Australian consumers and local industry?" Mr McDine said.

"Here's a tip for the Grattan Institute: free market rules are only worth playing by if others are playing by them too. But there is no such thing as a free global market when it comes to gas. Because every gas-exporting nation, aside from Australia, has some form of gas reservation or national interest test, the global gas price is distorted and pushed extremely high. Why should Australia be voluntarily subjecting itself to this distorted global price?"

"The idea that gas reservation or a national interest test would spook investment is demonstrably false. The same multinational gas companies who are extracting our gas are doing business all over the world. They've just somehow convinced Australia to give them a special deal. Western Australia introduced a gas reservation policy in 2006, and since then \$88 billion in investment has been pumped into their gas production sector.

"If Australia fails to bring in a gas reservation scheme or national interest test we will remain the only gas-exporting nation on earth allowing our gas to be extracted and sold back to us at the high global price. I don't think Australian consumers will be too happy to sit back and let their gas bills triple for the sake of deluded ideological purity.

"Australia can have a thriving gas export industry without smashing household budgets and putting 235,000 jobs at risk. The global precedent is strong. But we need to take action.

"It may make sense to academics in think tanks to urge Australians to whip themselves in the name of ideological purity. But they are failing to consider the real world situation and they are failing to be pragmatic. Our politicians should be more worried about the effect on Australian jobs and Australian households than they are about adhering to abstract rules purely for the sake of it."

MEDIA RELEASE

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