The federal government has pledged to bring in legislation that would allow it to restrict gas exports and force Australian producers to reserve supplies for domestic consumers, amid continuing fears of an east coast supply crisis.

The move comes after the apparent failure of crisis talks earlier this month, aimed at easing the forecast price squeeze.

But experts are split on whether domestic gas reservations are a wise move. In a survey of 32 economists by Monash Business School and the Economic Society of Australia, 38% agreed with the following statement, whereas 47% disagreed.

In response to energy shortages around Australia, government policies requiring gas producers to reserve some production for domestic consumption are a good way to ensure that Australian consumers have access to sufficient gas supplies while still allowing for gas exports.

Weighting the scores by confidence pushed the balance even further towards a negative verdict, as shown below.

David Prentice, principal economic adviser at Infrastructure Victoria, who summarised the results, said the forthcoming gas supply problems had "raised a lot of concern" as Australia heads into winter.

Lucrative export contracts have sent huge amounts of Australian gas overseas, meaning it is now cheaper to buy Australian gas in Japan than in Australia.

Western Australia already has a domestic gas reservation policy aimed at holding local prices in check amid a boom in liquefied natural gas (LNG) exports. But Prentice said many of the economists arguing against a similar policy for the eastern states feared that it would distort the market, pushing gas prices artificially low.

"A common theme in many of the arguments of those that disagree with the policy is that the appropriate response to rising gas prices overseas is to let the domestic price rise and firms and households work out the best way to adjust to higher prices – that is, let the 'invisible hand' work," he said.

In contrast, several of those who favoured the policy argued that higher prices could pose a risk for many consumers, such as businesses that may struggle to compete internationally if their gas bills are too high.

Read the panel's full responses below.

The ESA Monash Forum is a joint initiative between Monash Business School and the Economic Society of Australia.

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Read more http://theconversation.com/economists-split-over-turnbulls-plan-to-reserve-gas-for-australian-customers-76790