

Joe Dimasi

Two months after Joe Dimasi was appointed as an ACCC petrol commissioner, his colleagues jokingly suggested he'd better think about retiring – and quickly.



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As the price of unleaded petrol fell below \$1 a litre, after reaching highs of more than \$1.60 a litre only months before, they joked he'd better quit while he was ahead.

But the long-serving ACCC economist isn't giving in to the temptation to claim credit for the price drop. He's also not planning on going anywhere soon, saying there's much work to be done in order to ensure Australians are getting the best possible prices for fuel.

'The changing price at the pump is what gets most of the attention, but the issue is not the short-term impact we can have on price. The issue is how can we, the ACCC, have a long-term impact on the competitiveness of the industry.'

Before his appointment as a commissioner, Mr Dimasi was responsible for building the ACCC's regulatory affairs division. As the relatively young organisation established a solid reputation for enforcement, Mr Dimasi was developing what has now become internationally recognised expertise in the wide range of regulatory areas the ACCC now deals with.

While he will sit alongside other commissioners deciding on all issues that come before the commission, his special area of responsibility in petrol will be a major focus.

He says the rapid drop of petrol prices around Christmas was due to the downturn in the economic outlook internationally. Stocks of fuel had built up amid expectation of strong economic activity. As economic conditions deteriorated, retailers began clearing out these stockpiles, with refined petrol at times selling for less than the price of unprocessed oil.

Mr Dimasi says creating the conditions for maximum competition at the wholesale level will be key in ensuring Australians get the best possible prices in the longer term.

'It's a dynamic industry that has some fairly high barriers to entry. We've got to watch those barriers, things like access to terminals is important, access to retailers is important.

'What happens in the refineries in the Asian region is also critical for us. As we see new big refiners come online, we know Australia is an attractive market for them, and we need to ensure they aren't discouraged. That's where our focus has got to be, on the big structural issues.'

He also thinks it is about time that major oil companies started communicating more effectively with their customers.

'In the past there was a lot of concentrated decision-making with little explanation – people didn't really understand what influenced prices. Even now, we are seeing oil companies not really engaging adequately in the public debate.

'We have these very unusual patterns where we have these price cycles that don't occur elsewhere in the market and they happen with very little explanation. A lot of the explanation comes from us, other commentators, and the result is we do have this fairly unusual industry that is extremely volatile and confusing for people to work out. That leads to a lot of suspicion.'

With further upheaval predicted at both the retail and wholesale level, the only thing certain for the fuel industry in the coming years is change. In the background, Joe Dimasi and the rest of the ACCC will be working hard to ensure that change leaves everyday motorists the clear winners.