



OOFERS

AUSTRALIA INC.

NEWSLETTER

ISSUE NUMBER 13
Published 6th August 2020
FIRST PUBLISHED July 2017
Web: www.oofers.com.au



WHERE TO NOW?

**Our Australian community has certainly taken a hammering.
An enduring drought, followed by catastrophic bushfires, then the floods, and if that was not enough, we are hit with the economy destroying Global Covid 19 Pandemic.**

The Pandemic not only causing loss of life, particularly in the elderly, but as we have all experienced, massive disruption and losses within our businesses.

Our national economy has taken the largest hammering since the Great Depression, with our government being obliged to pump billions of dollars into national fiscal stimulus and support to keep our economy afloat.

Disappointingly, Victoria has suffered a major relapse in control of the pandemic and has been forced into a 4th series lockdown, which will not only seriously damage to economy for that State but for the whole of Australia.

All other States, while under better control, are in fact on a knife edge for entering the same catastrophic virus spread.

Current indications are it will take us years to recover and many businesses will fail.

Major oil is no exception, with ExxonMobil, Shell and BP, all flagging multi billion dollar losses.

Troubled times are ahead economically for those of us still running a business.

From our perspective, we believe our government has done a good job in combating the new and unknown consequences of a Pandemic, its approach seemingly being balanced and reasonable, with the result that our economy thus far sustaining, but with massive increasing deficits.

However, the Pandemic continues to rage on, particularly in our two highest population States - Victoria and NSW, unemployment continues to rise, with expectation being it could well end above 10-12%.

The worrying position with the Pandemic, it is not likely to come under more manageable global control until a vaccine has been developed and this could be up to two years away before it has a controlling influence within communities across the world.

Therefore, the prognosis being our economy is in for a much tougher time over the next twelve months, with small business being squeezed, many will struggle to survive and sadly some will not make it.

Now, all of this you have heard before, but how is it impacting the oil industry and our OOFER community?

WHERE TO NOW?



OOFERS

AUSTRALIA INC.

WHERE TO NOW FOR OUR OOFERS COMMUNITY?

Our OOFERS community will of course continue as long as its unique community continues to support it.

The OOFERS will continue to provide the opportunity for fellowship between its fraternity of current and retired wholesaler petroleum distributors, recognising industry

and community service given throughout our industry, offering as may be required, distress support and business guidance to members of it's fraternity. Also offering, as an independent source, information, commentary and guidance on important happenings throughout our industry.



Our major fraternal event is our Grand Reunion held every two years, the next having long been planned for Brisbane over May 21st 22nd 2021.

We are all hoping the Covid Pandemic will have eased sufficiently for us to safely travel to Brisbane for the reunion, with further detail being provided closer to year end.

We are currently considering having the event at the Brisbane Central CBD Sofitel Hotel



STAYING IN TOUCH

It is important during these troubled times for our OOFER community for us to stay in touch. Please let us know of major happenings: an OOFER in business difficulties, serious illness and accidents, major success stories, business developments within our communities and of course, sadly, if there is a death.

We need to hear from you!



Unsold Vehicles one of hundreds across the world

THE COLLAPSE OF THE WORLD OIL PRICE ON TOP OF THE COVID PANDEMIC HAS CAUSED MANY SCENES LIKE THIS ALL OVER THE WORLD

The collapse of the world oil price, almost in concert with, but totally unrelated to, the inception of the Global Covid 19 Pandemic, has created huge economic problems throughout the world.

Oil consumption has fallen, creating oversupply globally and pushed world oil companies into major loss mode.

The once largest and most profitable company in the world – ExxonMobil, sustained its first quarter operating loss in its history. Both BP and Shell have reported multi billion dollar losses and are shedding thousands of staff.

Interestingly, this current world oil scene has caused some of the major oil companies, - such as Shell and BP, to reactivate their interest and investment in renewables, which have until Covid, been languishing.

As the world's major oil cartels, including OPEC, struggle to protect their positions in an over-supplied, declining consumer demand market, industry profits, upstream and downstream, are looking down the barrel of massive losses.

Wholesalers and retailers have suffered significant losses to varying degrees across Australia. Our information from various sources across metro and regional areas has indicated those losses have varied from 30% to 40%, in both volumes, turnover and commensurate profits.

Aviation has declined by around 90%

Within some distributor retail networks it is the 'Job-Keeper Subsidy' that is keeping a number of outlets afloat. Sadly, when that subsidy ends, which inevitably it must, many will be forced to close.

Well managed wholesalers will have already battened down the hatches, tidied up their debtor ledgers, filled their storages while prices are low and identified already,

those of their sites that will not profitably survive and plan their closure, rather than waiting and being forced to.



THE FUTURE OF WHOLESALE & RETAIL BUSINESSES IN AUSTRALIA

Any petroleum business owner in today's market will no doubt be giving consideration to their sector's future viability.

Assessing how long will the Covid Pandemic prevail?

When the Covid Pandemic subsides, will my business be the same?

When the market returns to some sort of normalcy, will my business be worth more or less?

How many viable investment years are left within petroleum industry in Australia?

Should selling the business be a consideration at this time?

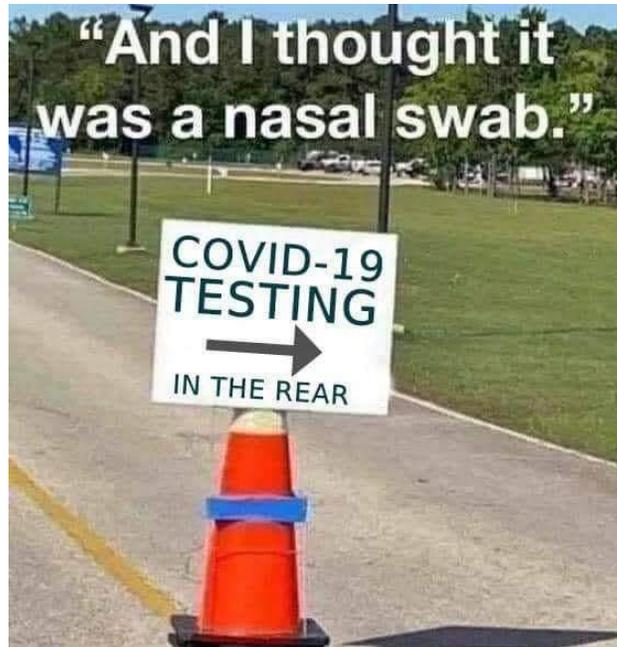
What is my business worth, how do I assess its current value?

How long will current petroleum marketing business models remain sustainable?

Assessing who the experienced industry professionals are to speak to, in addition to and outside of the essential accountants, to gain an independent and reliable overview on all these questions.

While non-operator (Lessor) investors are seeming, (pre-pandemic) willing to continue to find retail freehold site investment attractive, as the invasion of the electric motor vehicle market looms large.

As a consequence of all of these issues, it would seem that any high level capital investment in the retail sector beyond ten years has the prospect of being highly problematic. Certainly, there will still be a place for the retail petrol/electric convenience store network in twenty years, the business model will certainly change, with a much smaller number of players in the market place and in our view, a much narrower profit base.



Caltex (about to be called Ampol) are moving forward with their branding program, which will inevitably take a couple of years to complete. In the meantime their Board has appointed their Chief Financial Officer – Mathew Halliday as their new MD and CEO, replacing retired Julian Segal. It is important to note that the Board also appointed in July of this year, Garry Smith a former senior Shell Executive to their Board. His experience at long last, brings oil industry experience to the Ampol Board. However, Caltex/Ampol having recently lost out on the company’s sale to non-Australian corporate entities, due to the collapse of the world oil price, followed by the Covid Pandemic, must now be licking its wounds and wondering whether such an opportunity to sell may occur again any time soon. Another concern for Ampol will be what their one time owner/partner/supplier - – Ampol under their previous banner Caltex, were losing market share for some time and have closed their Brisbane refinery, saying this is a temporary move, but analysts predict it will not open again. This will have increased our dependency on imports and increasing our supply threat through not having an Emergency Strategic Reserve.



Chevron, after having all but left downstream marketing in Australia following the sale of its Caltex business here, has made a bold move back again with its recent purchase of the financially troubled Puma Australia. Their purchase of Puma reportedly cost \$425 million, which netted them around 360 mixed site outlets, including terminal facilities in Queensland.

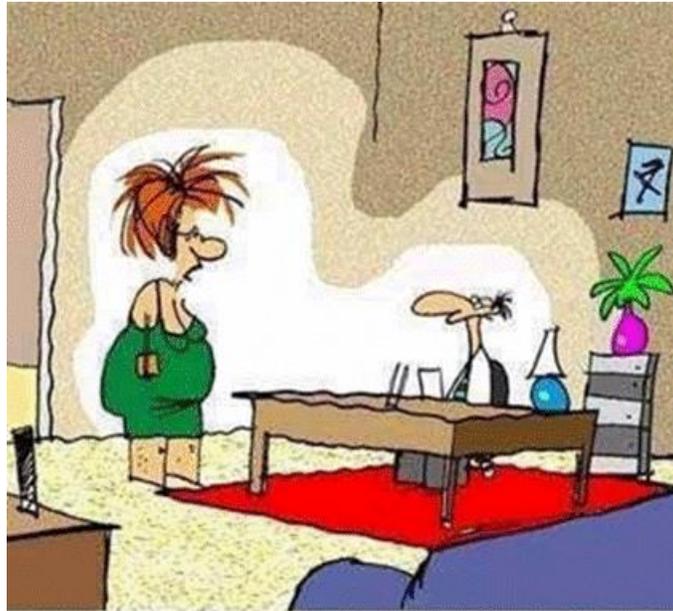


OOFERS AUSTRALIA AN ADVERTISING/SPONSOR OPPORTUNITY

Do you have goods and services to sell to the service station/ convenience and wholesale sectors of the oil industry. Why not consider our newsletter, which is distributed throughout the wholesale sector (which includes a large portion of retail) across Australia. Opportunities too, for promotional sponsorships. Why not contact us for a chat and Rate Card.

FROM THE OOFER'S BOARDROOM

Your OOFERS Board, due to Covid has not met since February 2020, however Teleconference hook-ups will be held as required



"All the other women in the office are suing you for sexual harassment. Since you haven't sexually harassed me, I'm suing you for discrimination."

OOFERS DISTRESS GUIDANCE ASSISTANCE

OOFER members will be aware that a Distress Guidance service was established at the OOFER AGM in 2018. Its purpose was to provide confidential assistance to any OOFER, or an OOFER Member's family, that may run into unexpected difficulties.

Our OOFER community has an extensive range of professional skills and business management experience within its membership that could be availed by any OOFER member and or their family.

Those distress positions could include, but not limited to:

- The sudden death or serious illness of the key stake holder in a petroleum business.
- Financial stress, needing revised strategies to survive.
- Difficulties in obtaining competitive pricing.
- Difficulties with contractual negotiations with your supplier.

- Difficulties in negotiations with government.
- Needing help and guidance with operational issues.
- Independent advice on whether to buy or sell and an indication as to market price.
- Difficulties with legal issues.
- Difficulty in constructing an effective Business Plan

All of these services are available to OOFER members and may be confidentially sourced by contacting the OOFER Chairman or any of its Directors.

This is a free service to OOFER members.

OOFERS AUSTRALIA ANNUAL SUBSCRIPTION HAVE YOU REGISTERED or PAID THE ANNUAL SUBSCRIPTION

A membership fee of \$100 per annum is applicable covering the period 1st July 2019 to 30th June 2020 and entitles all financial members being able to stand for any of the Board positions, vote at all Annual General Meetings and any other meetings called under the constitution.

Membership also ensures you receive the OOFERS newsletters, invitations to all OOFERS events and of course, the OOFER Grand Reunion held every two years.

A Membership Certificate is issued to all those who register.

Have you received your membership certificate?

Application for membership to become an OOFER will be, as it is now, open to all current and retired distributor/wholesalers, wives, family, distributor staff and those closely associated with the wholesale sector of the oil industry.

Retail network operators are also wholesalers and are warmly invited to join us.

MEMBERSHIP APPLICATION IS ATTACHED



WHEN IS A WINE COLUMN NOT A WINE COLUMN? THIS ONE IS!



Grape Expectations by Max Crus.

Max Crus is a professional commercial photographer and journalist and syndicates his weekly column to a large number of regional Australian newspapers and journals.

He is regularly engaged by wineries across Australia to undertake various wine related photographic and journalistic assignments.

Grape Expectations by Max Crus (Column No.1390)

Not happy, Karen.

Listen Karen, you think you're hard done by now, specially after enjoying the warm glow of most popular name on the planet (well, except in Europe, Africa, South America and Asia) for three years running back in the 60s, but just spare a thought for some other names who've been copping it for years, and furthermore, you've obviously brought it on your self-entitled self, so suck it up.

Not happy Jan? Yeah, see? How do the Jan's of the world feel about having their name associated with anger or displeasure?

Karen could have been Sharon, abbreviated to Shazza and Shaz since you were brought home from hospital to become the butt of blonde, hairdresser, and bogan jokes for your entire life, immortalised and immoralised on countless TV shows.

Even Kylie's have copped more than you have Karen. Up until now, your's was just a boring blanket Aussie name, almost but not quite encapsulating the sheila-dom of Australian culture, a gauntlet that was unknowingly and unwittingly pinched from Sheila by Kylie from which point onwards no child has been named thus.

A similar thing happened to Alec early in the 20th century. What parent wanted to subject their son to a life of ridicule by being branded smart when they weren't or a smart-arse when they were.

What good associations has there ever been for Trevor? Another name lampooned within an inch of its life for being not the full quid no matter how intelligent and copping a double whammy if they were also a smart Alec.

At least Nigel has some measure of respectability now that nerds have street cred, but how could any Nigel ever overcome the ignominy of being forever associated with leather elbow patches and, well, being generally dull as we know most Nigels can be. You should be grateful, Karen, that you weren't called Simon. A lifetime of simpleton jokes and corny references to 'Simon says' which no-one ever abided thus rendering the saying the opposite. Worst of all fancy having a name that the best the writers of Get Smart could come up with as a moniker was 'Simon The Likeable'.

Who wants to be liked, Karen?

No, Karen take a chill pill or a stiff drink, get off your popular pedestal and join the rest of us.

Here's a few suggestions.

Tim Adams Clare Valley 'Schaefer' Shiraz, 2014, \$40. Count yourself lucky, Karen, there's more ways to spell Schaefer than there are Schaefer's, though they do have a lovely wine named after them, haha. 9.4/10.

Tim Adams Clare Valley 'Ladera' Tempranillo 2016, \$40. Tempranillo is like a child with a quirky name, many avoid it without giving it a chance, much as we will Karens for a while. 9.1/10.

Crittenden Estate Mornington Peninsula Pinocchio Prosecco, NV, \$26. This is more your Karen sort of gear, but one that Michaels and Mary's and Julians and Juanitas might like too. 9/10.

Crittenden Estate Mornington Peninsula Geppetto Shiraz 2019, \$26. Everyone remembers Pinocchio but who remembers his creator? Delightfully spicy, sophisticated, characterful shiraz, completely unsuitable for Karens and Sharons. 9.4/10.

Cassegrain (Canberra District) Edition Noir Riesling 2019, \$30. Cassegrain have spread their wings and grape pickers and headed to the capital for the first time. Jolly. 9.3/10.

Cassegrain Edition Noir Pinot Vierge 2019, \$33. Very pinot gris, but something else too, pinot noir as it happens, an exotic and unique blend. Clever and lovely, like a Simon, but should be in a clear bottle so you can see it's actually a rosé... by any other name. 9.2/10.

HEY OOFERS!
HAVE YOU REGISTERED YET?
WE WOULD HATE YOU TO MISS OUT ON AN
OOFER EVENT, NEWSLETTER OR
COMMUNICATION.
(Registration form attached.)

**AUSTRALIAN PETROL SALES DROPPED
BY 50%, RECOVERED TO A 30% DROP
AND LIKELY NOW FALL BACK TO A
FURTHER 50% DECLINE**

The undermentioned table is attached to enable OOFERS to have a quick view of where the Australian fuels market is headed relative to volume sales. It will also enable OOFER wholesalers to compare their sales to the national trend and to see where they fit in percentage terms.

The Fiscal Year results will not be published until the end of August.

PETROLEUM PRODUCTS % SALES MOVEMENTS

Calendar year 2018 v 2019

	-
Auto Gas	11.1%
	-
ULP	3.80%
PULP	-2.1%
Proprietary Brands	-1.7%
Ethanol Blends	-2.4%
Total Petrol	-2.9%
Auto Diesel	+0.5%

FEDERAL GOVERNMENT APPROVES RETURN OF “BORROW & LOAN”

FOR THE MAJOR OIL COMPANIES

In a surprising move the ACCC has agreed to the oil industry lobby group – The Australian Institute of Petroleum (AIP) request to permit the temporary exchange of product with one another, to ease supply and economic concerns due to the oil price collapse and the influences that the Covid Pandemic is having on supply and demand and more importantly, their profitability

Some of the government commentary has even indicated that such a move will improve our emergency supply levels.

“Borrow & Loan” between major oil companies was banned by the government many years ago when they felt it could have caused price manipulation and more importantly, loss of excise income.

This latest move by the government is difficult to understand in a climate of over-supply in world oil markets and would seemingly have no effect on our emergency supply levels, but is a move to offer support for their lagging profits.

Disregarding the government’s move to assist the oil majors with their falling profits, such a move may even worsen our supply levels as the oil majors will be able to reduce stock holdings through strategic product spread, by the spreading of their ‘just in time’ stock levels.

While the government had been seemingly giving the threat of not having an Emergency Strategic Reserve higher priority, this latest move, under oil industry lobby, seems to have moved them away from the objective of assessing the best methodology of establishing a reserve.

The world oil price collapse and the influence of the Covid Epidemic on global economies is creating for Australia the possibility of being caught up in a world supply manipulation scenario.

Not seen as a good move by our government.

FUEL DAYS COVER. POSITION STILL CRITICAL

Our Precarious ‘Days Cover’ For Refined Fuels

The Federal Government is now including fuel storage external to the major oil company refineries and terminals. These figures now include distributor/wholesaler storage and large commercial entities.

In their efforts to avoid having to establish a Strategic Fuels Reserve our government is trying to convince the IEA that ships carrying fuel to Australia are our Reserve.

Should we have issues including adverse weather, (cyclones/ tsunamis impeding our shipping lanes) strikes, both here and in our supply pipelines, together with the ever increasing threat of terrorism within our supply sources, or even refinery break down both here and within our external supply sources, we will very quickly be forced into rationing.

Our defence people are continuing to make noises expressing their concern at our current fuel stocks vulnerability.

To provide continual focus on what we see as an increasing threat to our Australian economy we will each month provide the latest data on ‘days consumption cover’ trends.

Our view, for the protection of the Australian economy, the target days cover should be a minimum of (30) days for diesel and petrol, whereas the International Energy Agency (IEA), as a condition of membership requires (90) days cover for all petroleum stocks (including crude oil) and we are not currently meeting even that benchmark.

We are the only OECD member country of the IEA that does not have a Petroleum Strategic Reserve.

As will be seen from the latest numbers our fuel security remains at a precarious level.

	Mogas	Distillate	IEA all Prods Cover
May 2020	26 days	18 days	53 days
January 2020	25 days	23 days	55days
Variance to last yr.:	- 6.7%	- 18.5%	- 12.7%

Information provided by the Australian Government Department of Resources and Energy

CALENDAR OF FORTHCOMING OOFER EVENTS PLEASE MARK YOUR DIARIES NOW

10TH GRAND REUNION BRISBANE FRIDAY 21ST & 22ND MAY 2021

The re-commencement of quarterly Board meetings will be re-considered on a monthly basis. Should pressing matters prevail during the Pandemic Skype meetings will be held.

NOMINATIONS BEING RECEIVED FOR THE OOFERS AUSTRALIA AWARD.

The Chairman is receiving nominations for the OOFER Australia Award (OAA) for presentation at the Grand Reunion to be held in Brisbane 2021.

If you are aware of someone who you feel deserves recognition for the award please read the guidelines for consideration for the award below and submit your nomination to the Chairman.

All nominations and their nominators are kept strictly confidential until the award is presented. However, the nominator's name is generally never revealed.



OOFER AUSTRALIA AWARD Qualification Criteria

The Award Recognises:

“ Exemplary and meritorious service to the community and wholesale sector of the petroleum industry in Australia.”

Eligibility:

To have been nominated by any person from within or without the oil industry. The Nominator's name shall remain confidential. Each nomination will be considered and awarded by the OOFER Australia Award Council via its Chairman. A candidate for the award may come from any section of the community including – Petroleum Distributors/Agents/Wholesalers/Resellers, major oil companies and people who have given significant service to the wholesale sector. As a guide only, the meritorious service by the nominee to the petroleum wholesale sector would generally have been provided over a minimum period of around twenty five years – plus. Each recipient must attend an OOFER Australia Reunion or other formal OOFER Australia function to receive their award, or in the case of illness or incapacitation, special presentation arrangements will be made. Each nominee or their nominator, will need to provide a brief – (one A-4 typed) of their history including community service and in particular, details and numbers of years of service to the wholesale sector and any service rendered to APADA or ACAPMA or other related industry body.

The Award:

The award is a necklet medallion and ribbon plus a Certificate for Meritorious Service to the Community and the Wholesale Sector of the Petroleum Industry. The recipient may wear the award at any OOFER Reunion Luncheon or function and any formal petroleum function including activities conducted by ACAPMA.

All nominations are to be forwarded to the OOFER Australia Chairman and will remain confidential. Once nominated, the Chairman will contact the candidate to advise them of their nomination/s, and if not already provided, request written detail of their service. Each nominee will be advised of the approval of their award which will remain confidential until the award's presentation at an OOFER Australia function – usually the OOFER Reunion Luncheon held every two years.

Further information may be obtained from the OOFERS Australia Chairman as detailed below.

PEOPLE PROFILES:

Please let us know of important people movements and appointments, not only within the OOFER community but throughout the Australian oil industry.

LETTERS TO THE EDITOR

PLEASE LET US HAVE YOUR LETTERS, PHOTOS, NOT ONLY ABOUT INDUSTRY ISSUES, BUT ABOUT WHAT IS HAPPENING IN YOUR BUSINESS, EXPANSIONS AND ACQUISITIONS, MAJOR STAFF CHANGES AND EVENTS, FAMILY MOMENTS, NEWS ABOUT PEOPLE, WOULD ALL BE WELCOMED FOR OUR OOFERS NEWSLETTER.

*We also recommend that you pass this newsletter to other prospective OOFERS or any other interested party.
There is no newsletter subscription fee.*

PLEASE NOTE: The opinion pieces expressed within this segment are not necessarily the views of OOFERS Australia or its Editor and all contributions must contain the name and address of the contributor.

This newsletter is published by OOFERS AUSTRALIA INC A 'NOT FOR PROFIT' PETROLEUM FELLOWSHIP GROUP OF CURRENT AND RETIRED PETROLEUM WHOLESALERS and THOSE CLOSELY ASSOCIATED WITH THE SECTOR AND IS EDITED BY Kevin Hughes, Chairman of OOFERS Australia, who may be contacted at:

P O BOX 4157 BAY VILLAGE NSW 2261

PHONE:- (02) 4389 7914:

ACN AO 1026271

Email:- kevinhughes@hehpetrolconsultancy.com.au

Web: www.oofers.com.au

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The OOFERS BOARD OF DIRECTORS:

Kevin Hughes: Chairman

0414 346 385; kevinhughes@hehpetrolconsultancy.com.au

Ben Guzzardi: Deputy Chairman

0419 505 600; ben@guzzardi7.com

Ross Lake: Treasurer

0418 502 551; Ross.lake@tascopeleum.com.au

Michael Houlihan; Secretary

0418 572 355; michael@jaycoaw.com.au

Roy Cottrell 0417 219 355; roy@risingphoenix.com.au

Allan McWhirter 08 9865 1221; allan.mcwhirter@gsfs.com.au

Dean Pradal 07 4035 5888; dean@dapinvestments.com.au

**If you have not yet completed your membership registration
OOFERS REGISTRATION FORM BELOW**



OOFERS

AUSTRALIA INC.

ACN AO1026271

A NOT FOR PROFIT PETROLEUM FELLOWSHIP GROUP
OF CURRENT AND RETIRED WHOLESALERS and THOSE CLOSELY ASSOCIATED
WITH THE SECTOR

P O BOX 4157 BAY VILLAGE NSW 2261

PHONE:- (02) 4389 7914:

Email:- kevinhughes@hehpetrolconsultancy.com.au

Web: www.oofers.com.au

MEMBERSHIP REGISTRATION.

Name: _____

Postal Address: _____

Email: _____

Phone:- _____ Fax:- _____

Location of Distributorship/s Operated:- (Current or Previous) or
Other Association with industry.

Major Suppliers:- _____

ANNUAL MEMBERSHIP FEE:

An annual Membership Fee of \$100 is due with this registration.

Registered OOFER Australia members are entitled to attend all
OOFER functions and vote at OOFER Annual General Meetings and
any other meetings called by the executive and or OOFER Board of
Directors.

OOFER Australia membership fees may be paid by direct bank credit
to:

OOFERS Australia Ltd

NAB Mildura: BSB: 083 764 A/c No: 87689 6868