



OOFERS

AUSTRALIA INC.

NEWSLETTER

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*FROM OUR OOFERS FAMILY
TO YOURS
WE WISH YOU A
HAPPY FESTIVE SEASON
AND A
BETTER AND HAPPY NEW
YEAR*





**WHAT A YEAR IT HAS BEEN!
FIRES FLOODS AND THE PANDEMIC
HOWEVER THE OOFERS COMMUNITY IS STILL HERE
AND GETTING READY FOR AN ACTIVE & SUPPORTIVE
2021.**

While we have not been able to undertake a number of new initiatives to support our OOFER Community, and conduct our quarterly OOFER Board Meetings, providing the Pandemic allows us, we plan to dive into them in 2021 with great enthusiasm.

Principal among these activities will be our long planned stella event, - our **GRAND REUNION** to be held in Brisbane on the 21st & 22nd of May 2021.

While we are still subject to a number of Pandemic restrictions, January will be a crunch time for us to distribute the Reunion Invitations.

The Brisbane Reunion will also introduce our new Executive Team and Board with elections to be held by post and announced at the Reunion.

The Reunion program will include:

21/5: am – Annual Meeting and Declaration of Elections

Noon – Luncheon and Reunion activities

Presenttion of OOFERS Awards,

22/5: Secret fellowship activity - including lunch

Another great event is assured – make sure you note the dates now in your diary.



AROUND THE TRAPS WITH OUR CHANGING OIL INDUSTRY

A brief overview of some of the important issues influencing the lives of OOFERS and Australian Petroleum Marketers.

The changes facing Australian Petroleum Marketers are so significant they will undoubtedly be causing serious reflection on what the future holds.

Is it time to sell, consolidate or expand, are questions no doubt at the forefront of all Australian Petroleum Marketers.



**RECORD MARGINS
CONTINUE TO PROTECT
AUSSIE PETROLEUM MARKETERS
AS THE INDUSTRY CHANGES**

As our Australian Oil companies battle with the world-wide Covid Pandemic, the petroleum industry is undergoing significant change, probably opportunistically in Australia, because of Covid.

The collapse and then the recovery of the world oil prices has caused major oil the loss of billions of dollars, has forced them to shed assets and to once more give greater investment focus to renewable energy.

While the loss of business to Australian marketers has varied during the Pandemic, volume loss of around 40% was quite common, but with the support of Government subsidies and the application of record fuel margins most have managed to survive quite well

While there is an over-supply in world oil markets, pricing is climbing to pre-Pandemic levels, which will give relief to the world oil majors, but they are still expected to continue to shed unprofitable and marginal assets.

Australia is of course not immune from this activity with BP closing Australia's largest Perth refinery and ExxonMobil unlikely now to be able to sell its Melbourne refinery, which it has been trying to do for years, and is expected now to, as others have done, turn it into an import facility.



CALTEX AUS/AMPOL ARE ONCE MORE CAUGHT IN A QUAGMIRE

Ampol is once more facing difficult times ahead as European Garages (EG) take them to court over alleged disclosure failures related to the brand name change from Caltex to Ampol.

EG apparently feel they are disadvantaged by the brand change – Caltex(owned by the US major -Chevron) being an international brand, whereas Ampol is uniquely Australian.

Interestingly, EG also lodged an unsuccessful bid for the purchase of Caltex Aus, but were at that time competing with a more successful bid by the Canadian Company - Alimentation Couche-Tard, with negotiations being suspended and offers withdrawn because of the crash in world oil prices caused by the Covid Pandemic.

EG are seeking damages and or a voiding of the Ampol supply agreement, which apparently represents around 3.4 billion litres of petrol and diesel.

The cancellation of the EG contract would be a major blow for Ampol as it will also represent a major loss of 'brand image' on all of the Woolworth's sites.

Should the EG move be successful, this will represent a serious financial blow for Ampol.

Industry observers have once more been intrigued with Caltex Aus since it became wholly Australian owned, on how they have managed their business. Caltex Aus, one of Australia's largest oil companies, if not the largest, has not been supported on its Board by any one with strong oil industry management experience. Indeed, the recently retired CEO was not from an oil industry background and was replaced by its recently appointed Finance Director, who is also not from an oil industry background. While a recent appointment of an oil industry executive to its Board was welcomed, his expertise was in refinery management and not a generalist.

Perhaps the Chairman and his Board will one day give an explanation as to the reasoning behind Australia's largest oil company not having strong oil industry management experience within its ranks.



GOVERNMENT OFFERS VIVA GEELONG REFINERY \$30M SUPPORT PACKAGE.

The Australian Government has offered VIVA a \$30m support package to keep its refinery open. However, at time of going to press, this offer has, sensibly it seems, not been accepted by Viva.

The support to Viva and others, was to be recouped from a 1cpl levy on fuels.

Our government still seems to have not grasped the realities facing Australian Oil Refineries. Unless indigenous crude oil is being refined, it is simply uneconomic to attempt to compete with the large more modern Asian Oil Refineries.

It is cheaper to import refined product than refining it locally.

Blatantly obvious therefore, is that without an indigenous crude source, Australia will still need to import crude oil, without there being an economic or profit advantage to refine it.

It should be remembered that Shell, the original builders and operators of the Geelong Refinery, were about to close the facility and turn it into an import terminal, when Viva threw them a life line.

While the loss of jobs is regretted, there seems little point, as with other Australian refineries, in prolonging the inevitable, in trying to prop-up unviable Australian refineries.



BP KWINANA REFINERY ALREADY CLOSED.

BP took decisive action in closing its Perth Kwinana refinery earlier this year, following the world oil price collapse and is in the process of converting it to an import terminal. The BP refinery was the largest in Australia and faced the same viability problems as other Australian refineries.



The Ampol Brisbane refinery closed temporarily in August of this year, but is unlikely to re-open and likely be converted to an import terminal,



ExxonMobil Altona/Melbourne Refinery, as a result of the earlier world oil price collapse, have pressed the government for support. Their position is different to the other Australian refineries in that they are refining Bass Strait Crude.

However, Mobil have been trying for a number of years, to sell their refinery, and their allied Bass Strait facilities, which are considered marginally profitable. Should ExxonMobil close their refinery and abandon the Bass Strait field, Australia will ultimately no longer have an operational oil refinery.



STRANGE BEDFELLOWS

In a surprising move, Ampol have announced they have done a deal with ExxonMobil to be their supplier of lubricants.

Surprising only that it seems to clearly define the severance from Chevron. One would suspect that following the separation from Chevron Mobil is probably going to be, or is already, a major fuel supplier to Ampol.



CHEVRON'S PURCHASE OF PUMA, DOES IT SIGNAL THEIR RETURN TO FULL SCALE DOWNSTREAM MARKETING IN AUSTRALIA

Chevron's purchase of the financially strapped Puma network seems to indicate a broader scale re-entry to the Australian petroleum markets, no doubt prompted by Ampol's move to other supply and branding arrangements.

Intriguingly, Chevron may well choose to re-brand its Puma sites with the **Caltex** banner, a brand that has significant 'brand recognition' in Australia.

Chevron, under its international brand name Caltex, have a long history in Australia, under its banner Caltex, and until its sale to Australian shareholders was always one of Australia's largest petroleum companies, it was one of the 'big four' fully integrated majors – Shell, Mobil, BP and Caltex

For independent petroleum marketers, this move should provide another alternative supply source and or, the opportunity to expand or sell.



GOVERNMENT RESPONSE TO AUSTRALIA'S FUEL PROTECTION LEVELS IS ILLOGICAL

The Prime Minister's announcement that the government plans to spend \$211 million to build 780 million litres of new storage and to spend millions in support of local refineries, makes no sense at all, is a gross waste of public money and is a clear indication the Energy Minister has not got his mind around the problem.

Australia does not need new general use petroleum storage, unless the allocated funds are specifically for Defence or Jet Fuel requirements.

There is sufficient storage for petrols and diesel, strategically located around Australia sufficient to manage supply within the guidelines assessed by the International Energy Agency (IEA).

The issue being ignored by Government is how the existing storage is managed and monitored.

A 'concept' proposal was presented to the Energy Minister by the highly experienced consulting group – HEH Australian Petroleum Consultancy Co, on how existing storages may increase fuel security to beyond IEA requirements through mandated managed 'ullage' requirements, was ignored by the Minister. As a consequence, millions of Taxpayer dollars are now going to be unnecessarily expended.

Subsidising Australia's oil refineries is another wasted expense.

Unless Australia's oil refineries, which are old and outdated, are refining indigenous crude, the expenditure of millions of taxpayer funds on enterprises that will never be viable, does not make sense.

The reality is that it is cheaper to import refined product than importing and refining crude.

We suggest that the government has been overly influenced by the highly effective oil industry lobby group.

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
October 2020	25 days	21 days	62days
June 2020	26 days	20 days	53days
Variance to last yr.:	+ 0.8%	+ 11%%	

Information provided by the Australian Government Department of Resources and Energy

PETROLEUM PRODUCTS % SALES MOVEMENTS

Fiscal year –

2019v2020

Auto Gas	-14.40%
ULP	-8.70%
PULP	-8.60%
Proprietary Brands	-5.60%
Ethanol Blends	-11.70%
Total Petrol	-8.50%
Auto Diesel	+ 1.00%

VALE : LAURIE HICKS

It is with sadness that we report the death of Laurie Hicks of Corowa NSW aged 75 years, on the 21st of September 2020.

Laurie is survived by his wife Nola and 7 children.

Laurie commenced his career as a Mobil Distributor in Yarrawonga working for Bill Luck, he later, in 1975, taking over the distributorship which covered the areas of Berrigan, Tocumwal and Jerilderie trading under the banner of Hicks Petroleum.

Laurie was part of a group of larrikans who were fondly called the Irish Mafia, which included such luminaries of the time as – John Daley, Kevin Houlihan, Colin Campbell, and Gavin O’Dwyer. (all now deceased)

VALE: ANTHONY MALE:

It is with sadness we report the death of Anthony Male, aged 59 years, of Echunga South Australia in a road accident on the 15th of October 2020.

Anthony was a highly respected Adelaide Hills Distributor for more than thirty years and it was while delivering fuel he tragically was killed.

He is survived by wife Gaylene of thirty years and children Trent, Rochelle, Jarryn, Preya, Kirralee, and Danica.

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!



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

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 2021 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.

‘Twas the night before Christmas... And I still hadn’t bought any presents.

Happens every year, yet every year next year arrives, and nothing changes. Well, this year I spent so much time wondering what family and friends would like as gifts that I have resorted to the significantly cheaper fallback position of giving excuses instead. Too easy.

Or so I thought.

There’s the new-world mantra “didn’t get you anything because I am saving the planet and buying garbage on Christmas eve is clearly unsustainable in modern times”.

This year we can double the excuse with, “Sorry, couldn’t find anything NOT made in China”.

Then there’s all those charity things that help real people in real trouble throughout the world that we are happy to ignore for the rest of the year, but who wants guilt on Christmas Day, let alone be accused of tokenism? You’re excused.

Experiences as gifts are always popular. Skydiving, ballooning, aerobatic flight in Captain Biggles' Sopwith Camel. But surely there are much more dignified (and cheaper) ways to kill your relatives. Good excuse.

How about something closer to home like "Hey, why not come around to my house with a broom, a mop and a bucket and experience what it feels like to be a cleaner in a roadhouse?"

However even excuses are fraught, so perhaps we could buy something that actually saves the planet. No shortage of options there.

Lessons for your family members from Queensland who don't know how to use roundabouts or stick to the left on motorways? They'll be so well received.

What about mufflers for the 99.7 per cent of Harley Davidson buyers who left them at the showroom door? Mate, you're 55 years old with a helmet-sized beer gut, having a loud motorcycle will not convince younger women that's a fair trade off. The world will be a better place.

Nah, it's all too hard, and with only hours remaining, there's only one universally acceptable Christmas present, wine. Even for those who don't drink, it's the regiftable gift from heaven.

Mind you the bottle can be a minefield, so allow at least two minutes per recipient. Here's some suggestions and remember, with wine, expensive is always better in the eyes of the recipient :

Salena Estate Riverland BFR Touriga Lagrein Cabernet, 2016, \$99. Not sure what BFR is, maybe best from Riverland, but a quirky, colourful, deserving mix of interesting and fragrant grapes and cultures. Good gift gear. 9.5/10.

Hanging Rock Macedon Cuvee Ten Late Disgorged (Extended Yeast Lees Ageing Pinot Noir Chardonnay), Sparkling Wine, NV \$115. Some things clearly improve with age. 50% from the 1998 vintage with bits from even earlier years, amazingly complex and characterful stuff that won't be everyone's cup of tea. Fine, more for the rest of us. 9.5/10.

Terre á Terre Wrattonbully Crayères Vineyard Reserve (Cabernet Sauvignon Shiraz Cabernet Franc), 2016, \$90. Darned French punctuation marks when you find one on your keyboard it's invariably the wrong one. Luckily, that's the last thing you will consider once you open this. Absolutely lovely stuff. 9.6/10.

Chandon (Methode Traditionnelle) Late Disgorged 2008, \$115. If you think 12 years is too old for your bubbles this may change your mind. Still as fresh and bright as the day it was disgorged, so we gorged ourselves. (There's a rosé too). 9.7/10.

d'Arenberg McLaren Vale 'The Dead Arm' Shiraz 2017, \$75. This used to be the flag flyer for the big little 'd', and many will say still is. Happy to try new contenders and debate the issue if I must. 9.5/10.

De Bortoli Noble One (Botrytis) Semillon 2016, \$. Comes as a ready-made gift pack complete with glasses and little stainless steel 'ice balls' that don't really work, but gee they look cool, and anyway it's the thought, and the wine, that counts. 9.6/10.

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

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.

**CALENDAR OF FORTHCOMING
OOFER EVENTS
PLEASE MARK YOUR DIARIES NOW**

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

**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.

Mobil: The following well known to Distributors Mobil executives have retired:- Ian Clark; Campbell Mercer; Ken Chandler.

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:

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**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

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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