



OOFERS

AUSTRALIA INC.

NEWSLETTER

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OOFERS BRISBANE 2021 GRAND REUNION POSTPONED.

Sadly, the OOFERS Board of Directors has reluctantly been obliged to postpone our Brisbane Grand Reunion scheduled for May this year. The uncertainties still surrounding possible Border closures and other Covid Pandemic restriction issues make it too risky for us to proceed.

As a result, our OOFERS Feature Reunion event will hopefully be able to be held later in the year.

We are hopeful that Covid conditions will have improved enough to enable us to proceed with the reunion in Brisbane on August 20th 21st this year.

So, pencil the dates in so you do not miss another great OOFERS event. Booking arrangements, invitations and program will be forwarded in June. In the meantime, the OOFERS Annual General Meeting and election of Office Bearers will be held by post with registered OOFERS in May 2021.

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!



FUEL DAYS COVER. POSITION STILL CRITICAL

Our Precarious 'Days Cover' For Refined Fuels

Whilst the government has seemingly started to move in establishing an on-shore Strategic Reserve, we are yet to see any effective plans that will protect our economy.

The move to increase storage in Darwin is a sensible one and should have been done years ago. Increases in a Strategic Reserve in the Northern Territory is essential for defence purposes. We have for years had a Defence Force that is one of the most respected in the world, however, should we have needed to mobilise it to protect Australia, we would run out of fuel within less than 14 days.

Strangely, the Government has asked the oil industry to provide Strategic Storage facility options which they, the Government, would subsidise.

We again reiterate that Australia does not require increased storage, it needs to mandate the effective use of existing storages by simply filling them. The “Ullage” proposal has been in the Government’s hands for months.

The subsidies being offered major oil could be used to simply mandate the utilisation of Ullage and its management. Such a move could provide Australia with an immediate Strategic Reserve without having to build new storage.

Such a concept is not new and is used in other parts of the world. However, it would not be favoured by major oil as they would be required to manage the process under a mandated, government supervised program.

Is it too much to hope that it will suddenly dawn on our Energy Minister and the Australian Government that an effective, viable, low cost Strategic Fuels Reserve proposal is staring them in the face and has been thus for years.

Kevin Hughes Managing Director HEH Australian Petroleum Consultancy.

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.

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
December 2020	27 days	20 days	60 days
Variance to last yr.:	+ 13%	+ 6.5%%	+ 9.1%

Information provided by the Australian Government Department of Resources and Energy



HOW DID YOU FARE DURING THE PANDEMIC RESTRICTIONS IN 2020?

The undermentioned figures will enable petroleum marketers to compare their volume results with their own volume sales performance.

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PETROLEUM PRODUCTS % SALES

MOVEMENTS - AUSTRALIA

Calendar Year 2019

v 2020

Auto Gas	-11.70%
ULP	-13.80%
PULP	-12.80%
Proprietary Brands	-2.10%
Ethanol Blends	-21.90%
Total Petrol	-12.80%
Auto Diesel	-0.80%

Information provided by the Australian Government Department of Resources and Energy



ACC PLANNING A CRACKDOWN ON PETROL PRICE MARGINS

In a recent announcement the ACCC has advised it will be calling out excessive margins being applied by a number of retailers.

Certainly margins have climbed to record levels and while such margin escalation has been led by the majors and in particular, Viva/Coles, they have enabled the retail sector to survive during the Covid restrictions.

However, the age old question arises for the ACCC.

At what level should margins be pegged, if they are to be pegged at all?

The ACCC needs to realise, and we believe they do, that the days of single digit margins are gone. Also gone, or they should be, of exploitive retail franchise packages that squeezed the life out of hundreds of major oil franchisees.

Perhaps the new norm for retail margins should be in the realm of 20 to 25cpl plus, but don't hold your breath in waiting for the ACCC to state what is a reasonable retail margin.



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.



CHEVRON CONFIRM THEIR INTENTION TO CONTINUE WITH THE CALTEX BRAND

Chevron recently confirmed its intention, following its purchase of the Puma network, to continue with the Caltex brand in Australia. It will apparently progressively convert from Puma branding to Caltex over the next three years.

The original U.S. Chevron owned Caltex was at one time the largest oil company in Australia, operating two major refineries, an extensive retail and distributor network until

it sold 50% of its Australian enterprise to Australian shareholders and then finally selling out completely, with supply and branding arrangements to the new Australian Stock Exchange public ownership company.

Caltex, now called Ampol, apparently did not part on good terms from Chevron when it changed its name, which places itself under a considerable market threat as Chevron 's Caltex seeks to once more increase its brand throughout Australia.



AMPOL BATTLING SOME SERIOUS ISSUES

Ampol continue to battle some serious issues within its refinery operation and its general marketing efforts.

Its Brisbane Lytton Refinery accumulated losses of \$141 million and is currently undertaking a review as to its future. That review is expected to be concluded by June of this year. However, the refinery was always going to be a problem for the company since it purchased it from Chevron. In fact many industry observers of the time, including this writer, speculated they would and should, quickly shut it down. But they did not and are now facing the consequences of the refinery still being too old and technologically constrained, with it having to compete with the mega refineries of Asia, where it is for Australia, cheaper to import refined product than refine it locally.

While the Covid Pandemic has been blamed for some performance shortfalls, the simple reality is that it is not viable.

Ampol has been losing market share for quite some time now. It has come under threat of losing its EG/Woolworths supply and now faces serious threat from its previous namesake and supplier.

We have always been intrigued and commented previously, that the company, right from its beginnings under Australian Public Company ownership and called Caltex, never moved to have an experienced oil company executive on its Board. This was in spite of the fact it was, at that time, the largest oil company in Australia, operating two refineries. Even until recently, they had not moved to appoint experienced oil industry people, (other than a refinery specialist) to their Board. Indeed, their new CEO, who was their Finance Director, did not come from the oil industry. Thus making the strategy of the Board hard to understand.



VIVA'S GEELONG REFINERY MAY GET A REPRIEVE OF SORTS?

Viva's plan, yet to receive formal approval, to build a floating Liquid Gas facility is creating considerable excitement within the Geelong community, should it become a reality. It will provide jobs and a much needed economic boost to the community. The refinery however, has long been a problem for Viva, in that like other Australian refineries it is too small and technologically limited to be able to viably compete with the megas Asian refineries.

While the government has provided subsidy support during the Pandemic, as it has Ampol, one has to wonder at the wisdom of supporting a refinery if it is refining only imported crude when it is cheaper to import refined product.

It should be remembered that Shell were about to close their Geelong Refinery when they could not believe their good fortune when they found a buyer in Viva.

We wish Viva well in their new prospective floating Gas facility.



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.

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 2020 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.

rape Expectations by Max Crus (Column No.1423)

Popping PPE on the PM.

“Good morning Prime Minister, shall we go through today’s diary?”
 “First up, a doorstep at Castle Hill to watch medicos getting vaccinated.”
 “Can’t we just issue a press release?”
 “Yes, Prime Minister, but there’s PPE involved. A mask and maybe a lab coat”.
 “Excellent. Lock it in. Next?”
 “Then it’s a doorstep in Portland, Victoria, to give Australia’s biggest energy user, the aluminium smelter, \$80m to keep using more energy”.
 “That’s a long way and involves energy. Will they ask about renewables?”
 “Yes, Prime Minister, but there’ll be hard-hats, hi-viz and media.”
 “Excellent. Tick. Lock it in.”
 “Next, back to Croydon, NSW, to spruik how good Jobkeeper was for used car dealers and announce we’re freezing wages for apprentices.”
 “Where’s the mileage in that?”
 “None, but it involves one of our few female members, plus she’s a doctor.”
 “Fancy face-mask and lab coat?”
 “Sorry, no Prime Minister, but we could go into a workshop and don goggles and gloves?”
 “Book it.”
 “Next is a doorstep at Sydney Airport to announce support for rich people wanting to visit marginal seats in Queensland.”
 “Can I sit in the Captain’s seat? How good is that?”
 “I’ll check Prime Minister.”
 “Then we’ve got a doorstep at a bakery in Adelaide.”
 “That’s a long way to go for a pie. Do I need a hairnet and white coat?”
 “Yes, Prime Minister. Then it’s a doorstep at Symonston, ACT, Pymont, NSW, Tomago in the Hunter, then Parkville, Vic. All involve PPE.”
 “Lock ‘em in.”
 “Then there’s the March 4 Justice rally at Parliament House in response to your poor record surrounding women. They’re expecting 3,000 people.”
 “I haven’t got time for such insurrection, specially not if that lying cow and that meth-head c*** are going to be there. People get shot for that sort of thing in other countries. They don’t know how good they’ve got it”.
 “PPE?”
 “Yes, Prime Minister, you might need a bullet-proof vest. There’s a luncheon with the Winemakers Federation if you’d prefer”.
 “That sounds more like it. Ooh, hang on, will they talk about climate change?”
 “Yes, Prime Minister.”

Lemon Villa Orange Riesling 2019, \$? The 90s wasn't a special decade, except maybe for riesling, and this is how good riesling smelled and tasted in the 90s, which makes it a classic in today's hyperbolic vernacular. Except gorgeous, fresh, bright, light, quintessential riesling isn't even hyperbole. Lunch can't last long enough. 9.5/10.

Lemon Villa Orange Cabernet Sauvignon 2018, \$? Orange is the new...red? Never did get around to watching that series but this wine would have gone well with it if I did. You need a decent stream of red when you're streaming. 9.2/10.

Quarisa Wines Caravan "Miss me when I'm gone" Petite Sirah 2018, \$19. Not sure I that's a Holden towing the 'van on the label, but it's very 1950s and fits the bill . 9.2/10.

Quarisa Wines 'Q' Malbec, 2018, \$22. Incredibly sexy packaging that would make a fantastic Mother's Day gift, even if she doesn't drink, which would be even better. Goes well with James Bond. 9.3/10.

Crittenden Estate Mornington Peninsula 'The Zumma' Chardonnay 2014, \$57. Fantastic stuff found lurking in the cellar (current vintage is probably 2018) and everything you want in a chardonnay which if you were rich you would drink every day. Show some restraint. 9.5/10.

Crittenden Estate Mornington Peninsula 'Macvin' Savagnin, 2018, \$90. Rare as women in the Liberal Party, this is amazingly characterful (like many women I know) and you could happily take it to any rally. 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.)**

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

10TH GRAND REUNION BRISBANE 21ST/22NDAUGUST 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.

AACS has a new CEO.

Theo Foukkare brings a wealth of experience to his new role. He had 17 years with Pacific Optics and is currently Chair at the Distributors. Theo is a Commerce Graduate of the University of Wollongong.

Small Business & Family Enterprise Ombudsman

The Hon Bruce Bilson has been appointed to replace retiring Kate Carnell AO. Bruce was instrumental in establishing the Small Business Ombudsman role during his tenure as Minister for Small Business with the Government.

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
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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