



OOFERS

AUSTRALIA INC.

NEWSLETTER

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OOFERS AGM SETS DIRECTION FOR THE FUTURE

OOFERS Australia held their Annual General Meeting (AGM) in Sydney at the Four Seasons Hotel on the 25th of May 2018, where a strong membership roll up appointed their new Executive team and Directors for the forthcoming period. The opportunity was provided to plan the directions of the fellowship group for the next twelve months and beyond. Membership development, a review of the OOFERS Australia Award (OAA) scheme, together with a decision to update the OOFERS historic publication “Out of the Grip,” expansion of activities to enable OOFERS to commercially network with one another, the introduction of a unique benefit for OOFER members in the establishment of a ‘Distress Assistance’ benefit, and above all, confirmation of the Oofers National Reunion every two years, were all part of a busy business mix AGM discussions.

As is usual at OOFER functions, goodwill and fellowship were once again celebrated, when on this occasion, the opportunity was taken for a group Sydney Harbour Dinner Cruise to take in the first night of the Sydney Vivid Lights Festival.

Another very successful and enjoyable OOFER event, with everyone looking forward to an exciting and rewarding year and future ahead.

OOFER CHAIRMAN'S ANNUAL REPORT

Greetings Fellow OOFERS,

It is with great pleasure and quite some pride I present for the first time an Annual Report for our small fellowship group since its first informal meeting held in Melbourne Docklands in April of 2006, organised by Jim Lamb and the late John Daley. Since that landmark event reunions have been held at Jupiters, Surfers Paradise, Crown Casino Melbourne, Seppelts Winery in the Barossa Valley, Townsville Casino, the new Hilton Surfers Paradise in 2013, Sofitel Melbourne in 2015 and the Shangri La Cairns in 2017. Each event has seen our fellowship grow in strength, with the Cairns 2017 reunion recognising that we needed as a group, to formalise and create our own 'not for profit' corporate entity, appointing our own Board of Directors to ensure the longevity and continued development of our now corporate enterprise.

While our OOFER data base membership stands at (189) our registered membership is, as expected, only in its early stages of development at around (50). Whilst the registered membership is a little disappointing at this point in time, it is not surprising. Registrations only began in the latter part of 2017 and we anticipate stronger growth in the latter half of this year as our membership development program comes into effect. Our current membership data base numbers reflect the need for us to continue in a positive way our recruitment of past and present distributor/wholesalers.

The Surfers Paradise Reunion in 2013 saw the introduction of the OOFERS Australia Award (OAA) scheme, which recognises those who have provided exemplary and meritorious service to our industry sector and the community generally. There have been (33) recipients of the award, with those awardees making up the OOFERS Australia Council which, as a Peer group, reviews and approves each award nomination.

Significantly, at the Melbourne 2015 reunion, it was decided, to publish the history of APADA/ACAPMA before much of the historic information was lost. As a consequence, an OOFER Editorial Committee was formed, with that committee working tirelessly over the next two years to achieve the publication of the book "Out of the Grip."

This historic work was presented and enthusiastically received at the Cairns Reunion in 2017. The publication has been all but sold out, with the OOFER Board to consider at this AGM, whether to launch planning for an update and reprint.

Our sincere appreciation and recognition needs to be given to the Editorial Committee, who without their enthusiasm and dedication to pulling the project together, the historic work would never have been completed. Our deepest gratitude is extended to:

Margaret Taylor, Ross Lake, Ben Guzzardi, Kevin Hughes and our journalist editor John Kennedy. This group gave generously of their time, with quite some personal expense being involved and spent many hours over the two years researching, retrieving, and compiling the historic information for publication. A particular mention needs to be made for the efforts of Ross Lake, who not only gave considerable amounts of his time to the project, but also organised the consolidation of the material for presentation to the printers and personally carried the expense of the committee's visits to Mildura for editorial reviews.

At the Cairns reunion, an interim Board of Directors was established and I express my appreciation to those who stood up and were prepared to be more deeply involved. While there has not been a need for significant Board involvement in the past twelve months, it would seem, with issues up for determination at this AGM, to about to change and I look forward to working with the Board in developing our fellowship company to great success.

As announced at this 2018 Sydney AGM, the newly elected Board of Directors for 2018/19 are:

Kevin Hughes – Chairman, Ben Guzzardi – Deputy Chairman,

Ross Lake-Secretary/Treasurer, Roy Cottrell – Director,

Allan McWhirter- Director, Jeff Griffiths – Director. Dean Pradal – Director.

Retiring from the Board due to ill health – Don Kirk. Don’s place on the Board was taken by Jeff Griffiths.

On behalf of us all, I wish to pay tribute to Don Kirk who has been a loyal supporter over many years of both APADA and OOFERS Australia. He is a past National President of APADA and a recipient of the OOFERS Australia Award recognising his great contribution to our industry and the community for over 40 years. We wish him a speedy recovery from his illness.

In welcoming Jeff Griffiths to the Board I acknowledge his extensive contribution and support of the OOFERS and our industry. Jeff is a past National President of APADA/ACAPMA and has always been an enthusiastic supporter of the OOFERS, particularly during his term as ACAPMA National President. He is a recipient of the OOFERS Australia Award and brings a wealth of industry experience. We are delighted to have Jeff on our Board.

With the introduction of the OOFERS Australia Award and the publication of the history of APADA/ACAPMA and the ongoing enthusiasm for our OOFERS Australia Reunions every two years, has brought our group to an historic crossroads in the development of our OOFERS Australia company. The agenda items for the Sydney 2018 AGM reveal the opportunities that exist for OOFERS to expand its activities beyond simply being a fellowship group. It now has the ability of working with ACAPMA to provide background support activities in membership development, industry education, member crisis support, and international affiliation development.

In July of 2017 we commenced the publication of the OOFERS Australia Newsletter keeping OOFERS and our industry colleagues informed of our activities. We have had four publications since its inception. I would urge OOFERS to contribute items for publication, particularly in the area of personal information, business changes and any news items from within our industry sector. The newsletter too, is in its infancy and is expected to develop over time, attracting some advertising.

We have an exciting period ahead of us and I look forward to working with you all to enable our company to move forward in fellowship and success.

Finally, may I express my gratitude to you all for the honour and privilege to be your Chairman.

Kevin Hughes

Chairman

OOFERS Australia Inc

25th May 2018

You have to keep smiling: “A girl is said to be grown up when she starts wearing a bra. A boy is grown up when he starts removing it.

WHO ARE THE OOFERS?

WHAT DO THEY DO?

WHAT IS THEIR PURPOSE IN LIFE?

These questions have no doubt been asked of every OOFER and certainly asked by people within our industry and the community generally. These issues were part of the discussions at the Sydney AGM and the OOFER’s Board has moved to ensure everyone is aware of who we are and what we are about.

A Website is being constructed and will include a Mission Statement, general information on current activities and OOFER events. It will also include the current Board contact points, how to become an OOFER and detail on the OOFERS Australia Award (OAA). Our objective is to have the website in place prior to the end of July.

You have to keep smiling: Apologies to Confucius: “Passionate kiss, like spider web, leads to undoing of fly.”



PETROL PRICE MADNESS

As retail petrol prices inexorably race to the \$2 per litre horizon the supermarkets and major oil continue to delight in pushing the average retailer margins to dizzy heights.

The manipulative so called ‘price cycles’ are becoming more fractured with prices staying higher longer and way ahead of international crude price movements.

The attraction to the consumer of the 4cpl price discount was too good to resist and the supermarkets marketing programs were instantly successful. However, what was not envisaged, but should have been, was that such market dominance and power would eventually dominate the market and within that dominance, margins would be pushed higher.

In that 2003 era, reseller margins were around 5 – 7cents per litre and as their grip on the retail market increased and the introduction and manipulation of the ‘price cycles’ gathered strength, they moved margins upwards from 7 – 12 cents per litre and are now running at around 12 to 15 cents per litres, with the market trending to 15 to 20cents per litre and higher.

The independent marketers were of course pleased to go along for the ride, but generally adopting a less aggressive margin approach and as a consequence now find themselves cheaper and more attractive price wise for the consumer.

However, as we have asked before, what is a reasonable margin for resellers in today’s economy?

The ACCC have not said what they believe is reasonable, other than to say and provide evidence, that it is going up. It is worthy of note that on a petrol retail price of \$1.60 with a reseller margin of 20cpl, still only represents a margin of 12.5%.

In the meantime, the ACCC (our petrol toothless tiger) has done its research and come out with its in-depth price report, which is available on the net for all to read. It has to be said the ACCC does its research well and works closely with the independent price monitors and has come up with some interesting research results.

These are just some extracts from that report issued on the 13th of May 2018.

“New data out today reveals that prices for petrol vary significantly by retailer, with Coles Express the most expensive on average across the five main capital cities, and Woolworths and independents generally the cheapest, meaning consumers who switch brands can save significant dollars.”

“The ACCC’s in-depth petrol report details annual average retail petrol prices throughout 2017 and identifies the highest and lowest priced major retailers in Sydney, Melbourne, Brisbane, Adelaide and Perth. The difference in prices on average across retailers ranged from 9.5 cents per litre recorded in Sydney to 3.6 cents per litre in Melbourne in 2017. Independent chains were the lowest priced in each of the five major cities and Woolworths was generally below the market average price in most cities. Average prices at Coles Express were the highest in all five cities, and average prices at retail sites where BP and Caltex head office sets the retail price were generally above the market average price.”

The recent bid by BP to acquire Woolworths petrol retail sites, which has been blocked by the ACCC, is likely to be the forerunner of significant changes within the retail fuels sector. While BP

are trying to re-organise its network to be more acceptable to the ACCC, there are further possible changes in play.

Wesfarmers have flagged they are planning to hive off its Coles subsidiary and if and when that transaction takes place, it is highly likely the new owners of Coles will want to sell off its Coles-Express petrol arm, with Viva of course being the prime contender to purchase. We would be surprised if negotiations within this scenario have not been in play for some time.

Interesting times ahead! In the meantime, we expect that world oil prices will continue to trend upwards causing resellers and the wholesalers (distributors) having to absorb price shock through the need to provide additional capital to fund fuel stocks and debtors.

The consumer is now paying for regulatory decisions made around 2003 when the supermarkets were granted by the ACCC permission to enter the retail petrol markets.

AUSTRALIAN PETROLEUM MARKETER NEWS 1st June 2018

You have to keep smiling: "I didn't attend the funeral, but I sent a nice letter saying I approved of it." Mark Twain.

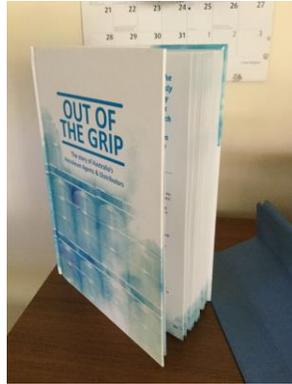


THE OOFERS INTRODUCE A UNIQUE MEMBER SERVICE.

At their recent AGM the OOFERS moved to introduce a unique member service. Recognising we are a business based fellowship group possessing many decades of oil industry business management experience and skills that could be put to use in a variety of ways.

In its consideration of how the OOFERS group may put these skills to work for the benefit of our membership one of the options available was approved for implementation – “Crisis Guidance Assistance” for members and their families.” The concept envisages that where an OOFER business may suffer a crisis such as a sudden death, serious illness, serious business difficulties, extreme financial hardship, may call on OOFERS for guidance and advice. This would be a confidential free service provided by the most experienced OOFER/s to provide the most beneficial, effective and independent guidance.

Any required assistance under this service may be requested of the Chairman or OOFER Director.



THE OOFERS AUSTRALIA PUBLICATION IS NOW SOLD OUT WITH THE FIRST EDITION ALREADY NOW A ‘COLLECTORS’ ITEM.

While ‘Out of the Grip’ has been sold out, the Sydney AGM has already placed in motion steps to publish a Second Edition and to commence work on a completely revised version. The new version to be less people focussed and featuring a greater concentration on the major changing events of our Australian oil industry since the end of the Second World War, the differing cultures and history of the major players, successes and failures, why some succeeded and why some simply exited Australia.

A new Editorial Committee has been formed with Ross Lake, Dean Pradal, Roy Cottrell, Ben Guzzardi and Kevin Hughes being tasked to undertake the construction of an Editorial Plan with the objective of launching its publication at the OOFERS Brisbane National Reunion in 2021.

The first task of the Editorial Committee will be to construct an editorial plan, defining all of the subject areas to be included. As with ‘Out of the Grip,’ a professional journalist will be engaged to write up the articles and general information provided and the finished work will be professionally edited.

So, the hunt is on for information, photos, anecdotes and all manner of memorabilia. Should you have any of these, or can simply relate an experience to our journalist, please give any member of the committee a call.

The first meeting of the Editorial Committee is planned for the 24th of August 2018, so if you have some of this historic stuff, or have some subject headings to be included, please get it to us prior to that date. Although, we will be providing reports on the progress of the book’s development, including continuing the search for historic data over the next two years.

You have to keep smiling: “He has all the virtues I dislike and none of the vices I admire.” Winston Churchill



MELBOURNE - THE HOME OF AFL

THE NEXT NATIONAL REUNION MELBOURNE 26th May 2019

Have you marked your diary yet?

Plans are coming together for the next National OOFERS Reunion to be held in Melbourne on Friday 26th of May. As usual, it will be an absolute Gala event with OOFERS and friends meeting for a grand luncheon where member 'roasting,' presentation of the coveted OOFERS Award, wonderful fellowship, networking opportunities and on the Saturday, a luncheon at a winery in the Yarra Valley.

Booking arrangements, with venue, accommodation and transport details coming to you towards the end of the year – mark your diary with - “event not to be missed.”



OOFERS AND THE FUEL ENERGY SECURITY CRISIS

The Sydney AGM saw the issue of Australia's Fuel Energy crisis openly discussed by OOFERS.

While not being considered as an urgent position by the government and the major oil companies, OOFERS are alarmed that their livelihoods may be seriously impacted with there being, as at the end of March 2018, only 22 days cover for petrol and 21 days cover for diesel across the whole of Australia.

The community too, is now awakening to the potential crisis with our fuel supplies, with the associations suddenly realising what a potential catastrophe we are faced with.

Importantly, it was realised that the slowness of government to react to their being insufficient emergency storage rested solidly with the major oil companies who have effectively lobbied the government to falsely convince it there is no risk.

OOFERS were urges take their own action to rectify by contacting their own local federal member of Parliament lobbying them to take action.



CALTEX ADOPTING A 'HEAD IN THE SAND' APPROACH TO FUEL SECURITY

In a surprising recent statement to the media, the Chairman of Caltex Mr Steven Gregg, is reported as rejecting the Federal Minister Josh Frydenberg statements warnings on fuel energy security. **Mr Gregg said “We’re not running out of fuel. We’ve got a more flexible supply arrangement than we have had for a number of years. It’s quite secure, rest assured the fuel supply is fine.”**

This almost extraordinary statement by the Caltex Chairman seems to reveal a complete lack of understanding or appreciation of petroleum supply logistics within the oil industry. Mr Gregg has obviously not considered Asian refinery breakdowns, the possibility of terrorist attacks within our supply line sources or tsunamis. Also too, such a statement goes against the recommendations of the International Energy Agency (IEA) with all its member countries to maintain a Security Fuel Energy Reserve of (90) days, the table below indicating Australia has only 55.8 days cover for all products. One has to wonder whether such a view by Caltex is the result of not having an oil industry experienced executive on their Board.

AUSTRALIAN PETROLEUM MARKETER NEWS (APMN) 1ST June 2018.



SOME STATE GOVERNMENTS HAVE STILL NOT GOT THE MESSAGE ON MANDATORY FUEL PRICING

Despite increasing evidence, some State governments have still not grasped the reality of mandated petrol pricing. This is even after a Victorian Government inquiry found mandating fuel price monitoring was not effective, did not advantage consumers and simply created an additional administrative burden for the small business sector. What appears to be ignored, is that while the fuel apps are a limited use tool, why do governments wish to also provide a service that others are supplying, without burdening small business with unhelpful administrative obligations. The motoring associations including the NRMA and the RACQ provide a fuel price app which is reliable and accurate. Although, what is becoming increasingly clear from accumulating evidence, that motorists using the app to find cheapest fuel represents less than 1% of those motorists who have an app.

Increasing evidence is proving what the oil industry has known for many years and that is there are 3 main reasons that prompt consumers as to where they buy fuel from: - Location, Location, Location. Most people buy from where it is most convenient, whether they have an app or not. In understanding this industry norm, one can only assume that the State Governments, still pursuing a failed petrol price model, are doing so as a voter ‘grandstanding’ issue. We are also intrigued as to why oil industry associations and others in the so called ‘information gathering’ discussion phase with the State Governments, did not press home the ineffectiveness of mandatory pricing policies.

NSW, Northern Territory, WA and Queensland governments – should let petrol price mandating go and stop trying to ‘hood wink’ your electorates, consumers are rapidly waking up to this sort of trickery.

AUSTRALIAN PETROLEUM MARKETER NEWS (APMN) 1ST June 2018

You have to keep smiling: “Man who fights with wife all day get no piece at night” (Apologies to Confucius)

OOFERS AUSTRALIA ANNUAL SUBSCRIPTION

It was resolved at the OOFERS Reunion in Cairns in 2017 that a membership fee of \$50 per annum be introduced, which would entitle all such financial members being able to vote at all Annual General Meetings and any other meetings called under the constitution.

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.

MEMBERSHIP REGISTRATION ATTACHED

NOMINATIONS BEING RECEIVED NOW FOR THE OOFERS AUSTRALIA AWARD.

The Chairman is now receiving nominations for the OOFER Australia Award (OAA) for presentation at the Reunion to be held in Melbourne in May of 2019.

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 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.

LETTERS TO THE EDITOR

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.

Editor's Note:

The undermentioned comments made in answer to an article in the Australian Petroleum Marketer News (APMN) 1/6/2018 and again published in this newsletter.

Subject: Re: Re Retail Fuel Pricing

Yes Kevin I think it's about time we stick it up the ACCC and we should get a few other guys such as Jim Lamb and Peter Anderson to ask them what they think of the situation the ACAMPA organisation should back us up they are playing politics and should come out with a definite strong statement about the commercial nonsense we put up with from the likes of motoring groups and the Polly's and Simms

**Regards Robert Riordan
Geelong.**

Subject: Re Retail Fuel Pricing

Kevin Just a comment from an independent retailer don't forget it was the ACCC who endeavoured to put some major Independent retailer out of business when the margins in the period they claim we colluded were getting into the negative and the supermarket tickets were out of control and during the last 20 years 10000 independent sites closed some smaller country towns do not have a petroleum outlet regardless of the commentators and The ACCC claiming gouging the margins now are where any commercial business should be entitled and the other matter is what about the wage cheating that the ACCC have not commented on this Franchise abuse is non competitive and firms who do pay the correct salary are commercially disadvantaged and it impacts on competition I could go on for pages in pointing out the nonsense that this industry goes through that's why the majors are back in control of the market the ACCC competition policy is by its very nature it creates monopolies and the weaker and less resourced players goes out of business look at the Banks that what you end up with corruption overcharging cheating lies and more lies don't wind me up please don't say the market is over priced

**Regards Robert Riordan (OAA)
Geelong**

**An Essay by Roy Cottrell. (OAA)
An OOFER Australia Director**

Are we OUT OF THE GRIP of the Oil Industry?

When we consider the Oil Industry, internationally we think of the original Seven Sisters and their French cousin, but more colonially SHELL, BP, MOBIL, ESSO, CALTEX, AMOCO, TOTAL, AMPOL, GOLDEN FLEECE, the last two being uniquely Australian.

For those of us who operated as Agents or Distributors (Wholesalers) in the seventies, these companies were the main source of our products, they were in many cases our friends as well as our enemy's, they were given status as modern, progressive and innovative companies but in many ways were lazy, slow and reluctant to adapt and as a result, with the exception of BP and Mobil disappeared from the Australian Landscape.

1981 saw the demise of Golden Fleece (H C Sleigh) purchased by Caltex

1982 saw Total sold to AMPOL

1984 saw AMOCO purchased by BP

1990 saw ESSO purchased by MOBIL

1995 saw the merger of AMPOL and Caltex and the ultimate demise of AMPOL

2010 saw the sale of MOBIL's Retail Network to SEVEN-11

2014 saw SHELL sold to the world's largest oil trader, whilst the brand remains

2015 CHEVRON sold its 50% share holding in CALTEX and withdrew from the Australian market and then there were two remaining Multinational Oil Majors BP as a fully vertically integrated marketer and MOBIL who had divested itself of its retail market.

The seventies saw tremendous upheaval in the International Oil Market, with significant price increases and supply problems and the baddy was promoted as OPEC, however this may not have been the true story.

The Seven Sisters with their French cousin, (which was formed at the end of the First World War to allow France to share in the spoils that conflict had provided) had always been very secretive in their dealings.

These companies held absolute control of the Oil Industry they were involved in every facet from discovery, recovery, transport, production, distribution and retail sale, they controlled the purchase and sale of crude oil with a virtual monopoly of every facet of the market.

They were ever keen to keep the prices low, so as not to kill off the market or allow for the introduction of alternatives or competitors, however this was not to continue.

During the seventies the Shah of Persia had a falling out with these majors and Britain and the US of A, applied sanctions to ensure that the Shah (IRAN) could not get its oil to market.

In the mid seventies a new player entered the market, he was Marc Rich the son of Jewish parents who had escaped Hitler's Germany and who had settled in the USA, he grew up to become a commodity trader and whilst not the first of his ilk to do so, became the instrument that turned off the Oil Majors absolute control of the Crude Oil Market.

At this time with the embargo in place, the Shah was not able to trade and Iranian oil was not making it into the market place, Israel was starved of liquid fuels and the target of its Arab neighbours who were the main source of the much needed crude oil.

Rich who was a citizen of the United States of America, was also a Swiss citizen and an Israeli, he put together a plan to satisfy both the needs of his mother nation Israel and the Shah of Persia, a joint venture was formed to build a pipeline across Israel from Eilat, on the Red Sea to Ashkelon on the Mediterranean coast.

This joint venture still operates today with Iran and Israel as very unlikely partners, the Shah (now Iran) regained access to the Mediterranean and the world market, and oil spilled from the pipeline to provide a secure supply of Oil to Israel, today the pipeline works in both directions, also allowing Russian crude to Asia without the need to circle Africa.

In setting up this deal Rich gained access to crude which had previously been the sole right of the Seven Sisters and the world changed, the price of Crude more than doubled from around \$3.00 to \$7.00 a barrel, as Rich had broken the majors control of the market other commodity traders also became involved and the price soared to \$27.00 and then almost \$40.00.

The story of Marc Rich is a good read and give a new insight into how the Seven Sisters lost control of a market which they once dominated through their vertically Integrated business model, ever secretive and sensitive, they did not want to advertise their own demise so put the blame for rising prices firmly on OPEC, the Trader's who are also extremely secretive also protected their interests by not telegraphing their involvement.

What now existed in the market was declining control by the Majors and the ever increasing involvement of these faceless commodity traders.

According to Bloomberg for every physical trade of crude and refined oil products on the futures market there is up to 27 paper trades, yes, the same barrel is sold by these greedy bastards up to 27 times to artificially inflate the price and generate huge paper profits.

These profits have been put to good use by these companies, with investments around the world in energy and minerals and these companies now control much of the world's wealth, and generate even more by multiple selling of the same commodity over and over.

Marc Rich eventually fell out with his partners in Marc Rich and Company, and on his leaving the company the name was changed to Glencore, which is now the world's largest commodity trader, and is actively involved in the Australian Mining and liquid fuels market.

Vitol, a Geneva based commodity trader is the largest oil trader in the world it acquired the SHELL Australia interests through a subsidiary VIVA ENERGY.

Trafigura the world's second largest oil commodity trader now operates in Australia as PUMA.

Indemitsu a major Japanese trading company trades through FREEDOM FUELS

Mitsubishi has interests in a major diesel terminal at Port Bonython SA

And Mitsui another Japanese trading house has arrangements with Park Fuels who have seaboard terminals in Port Kembla and Newcastle.

Whilst a number of other traders have interests or supply arrangements.

The Australian Liquid Fuels market is no longer controlled by the Seven Sisters it is in the hand of the Greediest bastards on Earth.

Of late much has been said about the trading activities of companies such as Apple, Microsoft and Google, whose use of offshore tax havens to shift their profits offshore and reduce their Australian taxation obligations that should more correctly be paid on the true profits obtained from the Australian market. However, the country has remained silent on the millions, indeed billions of Dollars in tax avoided by the Multinational Oil Majors who have now abandoned our Australian market to the faceless commodity sharks.

The Oil companies all purchased their crude and refined product for the Australian Market from the Middle East or other producers at long term fixed rates, but did so through a tax haven based subsidiary of the parent company, which then inflated the price to ensure that little if any profit was made in Australia and significantly reduced or avoided Australian Taxation.

It is generally believed that prior to CHREVRON'S withdrawal from CALTEX, Caltex purchased its requirements of crude and refined products through a CHREVRON subsidiary, if this continued it would have seen this now wholly Australian company's profits being transferred to an unassociated company. AMPOL, a company originally founded by a Kiwi by the name of William Walkley, who was greatly concerned about the Australian Oil profits being sent offshore by the then Australian marketers, has now been resurrected as AMPOL Singapore, which now acts as CALTEX's purchasing arm, could this be the means to continue to provide the movement of Australian profits offshore to another tax haven, with the inevitable inflated price for the Australian consumer.

The big players in the Australian Liquid Fuels Market are now the faceless commodity traders whose only interest is to control the market and inflate prices and grow their greedy profits by whatever means are available to them.

Our Politicians and Bureaucrats show little if any interest in changing or reducing these charges, after all the higher the price the greater the Goods and Service Tax that the Australian consumer is paying, whilst those who benefit pay little or nothing towards the nation they rape.

Retail pricing in most areas are now subjected to hugely inflated prices which are controlled not by the Service Station operators but by the majors such as BP, MOBIL (SEVEN-11), COLES, WOOLWORTHS, VITAL (SHELL), TRAFFIGERA (PUMA), most service stations are now consignment traders where the fuel belongs to the supplier who fixes the price to secure their profits and not that of the operator.

The seventies and eighties, a time of shortages, restrictions and huge price increases, were only saved from disaster by the vast number of Rail fed country depots and the independent Direct Purchase Distributors who operated them, and when needed redirecting these products to where they were needed most.

The TWU's then stated ambition to shut down the nation within three days was avoided but only just.

Those rail fed Inland Depots and Terminals no longer exist and fuel is now distributed direct from the Refinery or a Seaboard Import Terminal direct to the final consumer or retail outlet in B Double loads, the small consumer or industrialist can now go to a retail site which on the average holds three days supply.

The Australian Oil Industry has an obligation to carry 90 days supply of Refined and Crude Oil in accordance with the International Energy Agreement, to which Australia is a signatory, according to the Bureau of Resources and Energy at December 2017 we now carry

21 days supply of Automotive Gasoline

16 days supply of Diesel

and

19 days supply of Aviation Kerosene Jet Fuel

The Bureau advises that total products we have some 23 days overall supply.

The Industry (greedy commodity traders) say this is sufficient as they have orders, that hopefully, are on the way or soon will be, the late arrival of these currently creates hiccups, but none yet as bad as the seventies.

The RAAF has a strategic reserve, which believe it or not is held in Europe, in the event of a conflict with any one of our Northern Neighbours how long will our billion dollar fighters remain in the air.

Essential services as defined by our Government consist of

The Police

The Fire Brigade

The Ambulance Service

And Taxi Cabs these are probably needed for the Public Service

Transport of Food is not considered an essential service and it is considered that the transport companies providing this service should provide their own reserves, guess what, most don't, and many rely on the average three days supply held in Service Stations.

Combine this with the practice of just in time pursued by the major food retailers, nothing is held in reserve, the goods delivered today, go on the shelves tonight.

If the Oil Importers (greedy commodity traders) notify any one, or the Bureaucrat's become aware that there is a crisis, it won't be until at least half or more of this inadequate storage is depleted, and our current days cover will be non-existent.

When that nonessential food transport does not arrive at your supermarket tomorrow, there will be little on the shelves in two days time and nothing on the third day.

We may be out of the grip of the Oil Majors but the Australian Oil Industry is clearly in crisis and the Australian public firmly in the grip of the faceless greedy commodity traders.

Roy Cottrell

March 17, 2018.

YOUR CONTRIBUTIONS TO OUR NEWSLETTER

We would appreciate any contribution OOFERS or others, may make to future issues of this newsletter.

Letters, photos, information, OOFER member activities, people info' and oil industry bits and pieces.

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

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