

# SA manufacturer launches new coated steel brand to compete with Colorbond monopoly

**An SA manufacturer, led by steel industry veteran John Easling, has launched a new brand and vision to shake up the country's coated steel industry.**

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| October 22, 2019 12:00am

A South Australian manufacturer has unveiled plans to shake up the country's coated steel industry and compete head on with industry giant BlueScope.

Since acquiring painted steel company ColorGuard in July, the Adelaide group of investors has revamped its product range and relaunched the operation under a new brand known as Nexteel.

Nexteel is led by industry veteran John Easling, who established steel roll forming company Revolution Roofing a decade ago.

Former Essendon Football Club president Ray Horsburgh, who ran Smorgon Steel for 15 years, is a shareholder and the company's inaugural chairman.

Mr Easling says the local market has been crying out for an alternative to Colorbond, BlueScope's lucrative coated steel brand that currently holds a virtual monopoly in the market.

"Our business is about providing a series of choices, better choices to architectural specifiers, home owners and building owners," he said.

"BlueScope's focus is on low-cost production runs, massive production runs, so its whole focus is on taking costs out of their factory - our focus is on providing attractive, very good performing new options for house owners and commercial property owners.

"Architects have always said they want more finishes, and BlueScope has narrowed its product range down over the years to achieve manufacturing economies of scale, so that was an opportunity for someone to do smaller runs, smaller volumes and unique finishes.

"For 53 years mums and dads have been having Colorbond turn up on their front lawn, and now they'll be getting Nexteel turn up on their front lawn."

Revolution Roofing, which currently sources its pre-painted steel from BlueScope, will initially become Nexteel's major customer.

However, Mr Easling has longer term plans to supply other roll formers and steel manufacturers across the country.

Nexteel has already invested around \$15 million to acquire and revamp ColorGuard's paint line in Newcastle, NSW.

Mr Easling says Nexteel's base grade polyester paint will compete directly with Colorbond, while it will also reintroduce into the Australian market premium "silicon modified polyester" and "PVDF" coating products.

"We've got three principal ranges of paints and Colorbond comes in just one," he said.

"PVDF is a much more expensive paint system and it's a very long-lasting, durable paint system.

"If you put a clear coat on top of that it can last well in excess of 50 years, and it's the only steel in the world with a warranty on gloss retention and colour retention.



“We’ve got Australia-first warranties in those areas simply because we’re using vastly superior paint resins and pigments - those were available in Australia once but they were taken off the market because they were less economic to run.”



Nexteel will compete directly with Colorbond's pre-painted steel, pictured.

Revolution Roofing employs 240 people across manufacturing facilities at Regency Park and in Perth, supplying processed steel roofing, fencing, cladding and other products into the residential and commercial markets.

However Mr Easling says the company has been hamstrung by its reliance on BlueScope as sole supplier into the Australian market.

He expressed his concern regarding an investigation by the ACCC into the nature and extent of BlueScope’s influence in the market.

“Practically we’re curtailed because BlueScope has the power to influence the market as a supplier - they could determine who gets good prices and who doesn’t and therefore who grows and who doesn’t,” he said.

“As BlueScope has its own business selling to all the roll formers and its own roll forming businesses, we plan to have a steel painting business that can sell to other roll formers.

“The market’s 550,000 tonnes and we estimate BlueScope’s got 475,000 to 500,000 of those tonnes and this line (Nexteel) has maybe a 60,000 tonne capacity.

“If the business is successful, we’ll be looking to build paint lines in other parts of Australia.”

Following meetings with global steel coating giants PPG and AzkoNobel earlier this year, Nexteel has also formed an alliance with a Californian company specialising in the manufacture of patterned steel products.

With aluminium composite cladding out of favour due to flammability, and the introduction of new regulations, patterned steel is in demand for use as commercial facades, Mr Easling says.

“They’re assisting us to produce some patterned steel here, and we’ll be distributing their big range in Australia but producing the main products here ourselves,” he said.

“It will create a new patterned steel industry here in Australia - we hope to be up and running within nine months.”

Mr Easling ran Fielders for 17 years before his [bitter departure from the company in 2009](#), which resulted in a lengthy court battle with then majority shareholder Hills Industries.

He sold his final stake in the company to Hills in 2010.