
From: Steven Croft [REDACTED]
Sent: Wednesday, 9 September 2020 1:18 PM
To: Cramond, Tessa
Cc: Jones, Gavin
Subject: RE: ACCC Public Consultation - Application for Authorisation - Steeline Members [SEC=OFFICIAL]

Hi Tessa, thanks for your quick response.

Regarding Steeline from what I have seen and heard is that if you sign up to be a Steeline distributor you are only allowed to use Bluescope sourced steel in the rollforming equipment that is supplied by Steeline.

This seems a bit restrictive when Steeline appears to be an independent company yet seem to force their franchisees to use another company's (Bluescope) product exclusively.

With what has been in the press recently it seems Bluescope provides rebates and marketing incentives to customers who use their products exclusively, which although this may be allowed, there is no transparency on amounts and frequency, and who is getting the rebate, Steeline or the franchisee?

Effectively what they are saying unless you sign up with Steeline you won't get Bluescope material and marketing support.

This is fine in a normal market where there isn't a monopoly flat steel producer, but since Bluescope are always claiming that their only competition (overseas mills) is being dumped, and they ask the ADC to investigate, this limits supply options for downstream steel users in Australia.

Bluescope are the monopoly supplier of flat steel in Australia so they have a lot of power, and to this end the ACCC has instituted civil proceedings against Bluescope for alleged cartel behaviour.

Since they are a monopoly shouldn't Australian steel users be allowed to at least have another sourcing option so they can remain competitive against import competition to their own products?

Australian steel users don't have the luxury of asking the ADC to investigate any overseas competitors whenever they want.

I would recommend that you ask for clarity on why it's only Bluescope steel allowed and any rebates that Steeline receive.

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