



Australian Paint Manufacturers' Federation Inc.

2017
Annual Report



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**Sometimes your relationships need a boost to be more successful
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BASF covers the full spectrum of your formulation needs, partnering with many of Australia's well known household and industrial brands. We are the largest supplier of dispersions, resins, light stabilisers and formulation additives to the Australian paint industry. We are backed by a strong local technical team, global investment in research and development and an extensive product portfolio.

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We create chemistry

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Australian Paint Manufacturers' Federation Inc.

2017 Annual Report

The Australian Paint Manufacturers' Federation Inc.

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The Australian Paint Manufacturers' Federation Inc.

2017 Annual Report

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Notice of Annual General Meeting

Notice is hereby given that the 60th Annual General Meeting of the Australian Paint Manufacturers' Federation Inc. will be held on Wednesday 22 November 2017, commencing at 1.45 pm, at the Stamford Plaza Sydney Airport Hotel.

Richard Phillips

Secretary

1 October 2017

Agenda

- 1 Apologies
- 2 Minutes of the Annual General Meeting of 17 November 2016
- 3 Annual Report for 2016/2017
- 4 Annual Accounts for 2016/2017
- 5 Election of 9 members of Council in accordance with Clause 18 of the Constitution
- 6 Appointment of Auditor
- 7 Any Other Business

Proxies

A member is entitled to appoint another member as proxy by notice given to the Secretary no later than 24 hours before the time of the meeting.



Less is more with coating material innovations from Dow



Less sag, more flow

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Pre-Composite Polymer

About the APMF

The Australian Paint Manufacturers' Federation Incorporated (APMF) was established in 1947. Today, its purpose is to represent and advance the interests of its members to ensure the sustainability of the Australian paint and surface coatings industry. The industry produces some \$2.7 billion worth of surface coating products, and directly employs some 7500 persons. The APMF represents 40 companies, and our members account for more than 90 percent of all paint manufactured in Australia. It is a not-for-profit industry association.

The APMF is governed by a National Council of up to 12 elected and appointed members from the surface coatings industry. The APMF is managed by a Chief Executive Officer and a small staff, and it provides a range of services across health, safety, environment, packaging, distribution, storage, logistics and technical areas. The APMF is the chief industry advocate for the state and federal governments, and various statutory authorities.

The APMF also fulfils a vital function in advising members of changes to relevant legislation and regulations, and in representing members' concerns to the relevant regulatory authorities. Relevant statistical reports and analysis are also regularly circulated to the members.

To guide the development of industry responses to these important issues, the APMF is assisted by various committees, including the Health, Safety, Environment and Logistics Committee; the Technical Committee; and Working Groups for special issues and projects, such as the Anti-Fouling Paint Working Group.

The APMF is also a member of the International Paint and Printing Ink Council, and is a founding member of the Asian Paint Industry Council. It holds 1 of 4 industry seats on a strategic Consultative Committee, which provides advice on the operations of the National Industrial Chemicals Notification and Assessment Scheme. It also has representatives on numerous Standards Australia committees and industry-related boards.

The Coating Resins Company



With manufacturing, R&D and technical facilities located on four continents, allnex offers a reliable, global supply of resins and additives combined with local, responsive customer support.

Members of the Council

Tim Welsh	PPG Industries	Chairman
Richard Meagher	Valspar Corporation	Deputy Chairman
Patrick Jones	Dulux Australia	Immediate Past President
Darin Kirkwood	Akzo Nobel	
Zel Medak	Allnex Australia	
Steven Brett	Axalta Coating Systems	
John Dry	Chromaflo Technologies Australia	
Michael Paag	Concept Paints	
Rebecca Lee	Covestro	
Frederick Vale	DIC Australia	
John Blight	Dow Coating Materials	
Rodney Walton	Haymes Paint	
Martin Rakuscek	Jotun Australia	
Lee Pomfret	Resene Paints	

Members of Executive Committee

Patrick Jones	Dulux Australia
Rodney Walton	Haymes Paint
Tim Welsh	PPG Industries
Richard Meagher	Valspar Corporation

YOU CAN'T
DRIVE 3,000 KM
WITHOUT A DROP OF FUEL.
WHY NOT?



#PushingBoundaries #SolarChallenge

Covestro proudly supported Team Sonnenwagen Aachen, an enthusiastic group of students, from RWTH Aachen University in Germany, who developed a solar-powered electric car. The solar-powered car took part in one of the toughest solar car races in the world, the Bridgestone World Solar Challenge, driving from Darwin to Adelaide in Australia in October 2017. We used this opportunity to road test our sustainable coating solution, a bio-based hardener for automotive coatings, collaborating with PPG to produce the durable polyurethane coating that protected the car during its 3,000 km journey. Find out more about our technologies that push the boundaries of possibility. For a more sustainable, brighter world. [covestro.com](https://www.covestro.com)



APMF Member Companies

Full Members

Acryloc Building Products
Akzo Nobel Car Refinishes Australia Pty Ltd
Akzo Nobel Pty Ltd
Astec Paints Australasia Pty Ltd
Axalta Coating Systems (Australia) Pty Ltd
Bondall Marketing Pty Ltd
Brinlay Paints Pty Ltd
Cameleon Coatings
Colormaker Industries Pty Ltd
Concept Paints
Dulux Australia
Haymes Paint
Hempel (Australia) Pty Ltd
ITW Polymers & Fluids
Jotun Australia Pty Ltd
Lacnam Paints Australia
Masterbrand Paints
Mirotone Pty Ltd
PPG Industries Australia Pty Ltd
Resene Paints (Australia) Ltd
Robertson's Paints

Signet Pty Ltd
Valspar Automotive Australia Pty Ltd
Valspar Paint (Australia) Pty Ltd
Viponds Paints Pty Ltd

Associate Members

Allnex Australia Pty Ltd
BASF Australia Ltd
Chemical Safety International
Chromaflor Technologies Australia Pty Ltd
Clariant (Australia) Pty Ltd
Covestro Pty Ltd
Dow Coating Materials
James Hardie Australia Pty Ltd
Lanxess Pty Ltd
NCI Holdings Pty Ltd
Thor Specialties Pty Ltd
Rust-Oleum Corporation
Swisloyd Pty Ltd
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- Safety First, we don't just say it, we live it: Delivering reliability, integrity and safety in the value chain is the mission of our highly skilled and committed professionals.
- We are committed to your success: We work with you to develop customized solutions to meet your needs. Our partnership with our global supplier network allows us to solve complex problems by providing creative, state-of-the-art solutions gained through extensive industry experience.
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- We connect chemistry on all levels by offering global connections and local service.

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Chairman's Report

This year, the Australian Paint Manufacturers' Federation Incorporated (APMF) will celebrate its 70th anniversary.

Our industry has always taken a proactive approach towards dealing with the many challenges and impacts our products have on the health and safety of our customers and the environment.

From the 1960s onwards, our members assiduously pursued the development of water-based paints with their reduced volatile organic compounds (VOCs) and lower-level environmental impacts, compared to the solvent-based paints that had traditionally been used both commercially and domestically.

A world-first and extremely significant achievement for our industry was the removal of lead from paint formulations in Australia in the 1970s. Because of this accomplishment, the APMF was recognised in 2016 as an Industry Partner in the United Nations Environment Programme's Global Alliance to Eliminate Lead Paint initiative.

Another recent industry-led national initiative was the development of the Paintback program. This program is a cost-effective solution for allowing household and trade painters to dispose of unwanted paint and packaging at designated collection points, thus diverting it from landfill. This program is also a world first, and demonstrates how industry and government can work together to achieve the best and most efficient outcomes. In its first 12 months, Paintback collected more than 3.7 million kilograms of leftover paint and packaging. In the years leading up to 2021, it aims to build that total to 45 million kilograms. Paintback will also fund research to find better uses for surplus paint.

At present, we are concerned with the recent increase in energy pricing that will directly impact our ability to

compete with imported products, and we have now written to every Federal Member of Parliament and the Senate to encourage all political parties to work together to address the issue of energy security and affordability.

Moving forward, our industry would greatly benefit from the proposed reforms to the National Industrial Chemicals Notification and Assessment Scheme (NICNAS) that are now before the Senate.

Our industry continues to be committed to developing new products and technologies to reduce the environmental impact of the production and use of their products, in paints and printing inks alike. There are now many examples of innovations designed to minimise energy consumption, VOC emissions, water consumption and transport within the surface coatings industry. Other sustainability examples include an increasing use of renewable materials, advanced recycling and waste-recovery techniques, and the supply of products in returnable packaging.

Today, the APMF represents 40 companies in an industry that produces some \$2.7 billion worth of surface coating products and directly employs more than 7500 people. Our members account for more than 95 percent of all surface coatings produced in Australia, and during the course of our history, we have achieved some notable outcomes.

Finally, I would like to acknowledge all of our member companies, which provide the volunteers to our various committees and working groups that work on behalf of the industry to secure our common interests. I also wish to recognise the contributions of our APMF staff members led by Richard Phillips, and ably assisted by Kaye Bhudhra and Krys Kowalski.

Tim Welsh
Chairman

QUALITY INVESTS.



A great leap in color, a small footprint in nature.

We invest in our customers' success. At our new production site in China, the **Ningbo Process®** is being used for the first time. Based on patented technology, it allows a new generation of high-quality red iron oxide pigments to be manufactured. In line with the implementation of progressive environmental regulations in China, the Ningbo Process® exceeds even the most demanding of standards. Thus, LANXESS quality ensures an impressive measure of supply security and lays the foundation for our customers' sustainable success. [bayferrox.com](https://www.bayferrox.com)



QUALITY WORKS.

LANXESS
Energizing Chemistry

Chief Executive Officer's Report

The APMF has had another busy year in 2016/17. First and foremost, the Federation's 5-Year Strategic Plan was implemented, and solid progress has already been made against the key objectives laid out in the Plan.

The new APMF planning process also involves the development of a Council-approved Annual Work Plan, to ensure that the objectives contained in the 5-Year Strategic Plan will be achieved across the 4 pillars of advocacy, communication, sustainability and governance. Examples of current advocacy activities can be found in the attached reports.

Communication involves both our external activities, and the circulars and reports that are routinely sent out to all members on an ever-increasing range of topics relevant to our industry. The APMF launched a new website in early 2017, and our online traffic statistics indicate a 400 percent increase.

Over the past 2 years, the APMF also refreshed and updated more than 70 policy documents and information sheets, which are available on the public area of the website or the members' area. The APMF also updated all of its industry sales surveys, and successfully launched a new industrial/automotive quarterly survey in September 2016.

The very core of our industry revolves around sustainability. The use of surface coatings to protect the

items that they are applied to increases their durability and potentially contributes to their longevity, helping to save on natural resources. Few industries can so clearly define their roles in sustainability.

The question of what to do with unwanted architectural and decorative paints resulted in the Australian paint industry chalking up a world-first solution for helping to keep leftover paint out of landfill. The launch of Paintback in 2016 was made possible by the industry recognising an opportunity to do something proactive, and working together to take responsibility for an industry problem, rather than relying on government regulation to fix it.

The Strategic Plan also required the APMF to modernise its governance arrangements to increase transparency and accountability. In February 2017, the APMF adopted a new Constitution to reflect current best practices and elected a smaller Council or Board, with new provisions regarding the appointment of Council members, which will increase the range of expertise, skills and experience.

None of this would be possible without the substantial contributions and support provided by the individual APMF members, and a dedicated and experienced staff comprising Kaye Bhudhra and Krys Kowalski.

Richard Phillips
Chief Executive Officer



**Colourful
Past.**



**Brighter
Future.**

**Lifting the lid on unwanted
paint and packaging through
responsible disposal and
innovative reuse.**

AUSTRALIA'S WORLD LEADING INDUSTRY-LED SCHEME FOR END-OF-LIFE PAINT AND PACKAGING

What a start it's been for **Paintback!** We have seen the incorporation, launch and roll-out of Australia's first national scheme to allow households and trade painters to responsibly dispose of their unwanted paint and packaging.

Having launched *Paintback* in May 2016, we are pleased to report that in this short time we have established 71 collection sites spanning every state and territory of Australia, and located within 20km of 61% of the Australian population.

This is a great result so far, with the number of collection sites and the amount of unwanted paint and packaging we divert from landfill continuing to rapidly grow. Our achievements to date are a testament to the collaboration between paint manufacturers, hardware and specialist retailers, government, industry representatives and our partners across the supply chain.

It's a great demonstration of the good that can come about when an industry and its stakeholders share the vision and commitment to do the right thing to benefit the community and the environment. *Paintback* would like to acknowledge the significant efforts of the management team, who have worked tirelessly, and done an outstanding job to take *Paintback* from an idea into a successful reality.

Paintback would also like to recognise the efforts and energy devoted by the Australian Paint Manufacturers' Federation over many years, which inspired and laid the foundation for the scheme we have today.

We have robust plans in place to expand the reach and coverage of our collection network geographically and to service a much greater proportion of the Australian population in the next stage of *Paintback's* development. We look forward to a busy and productive year ahead.

Providing service to approximately
14.8 million Australians



11 collection sites

3 pop-up collections

R & D program to find new uses for waste paint

Figures as at September 2017

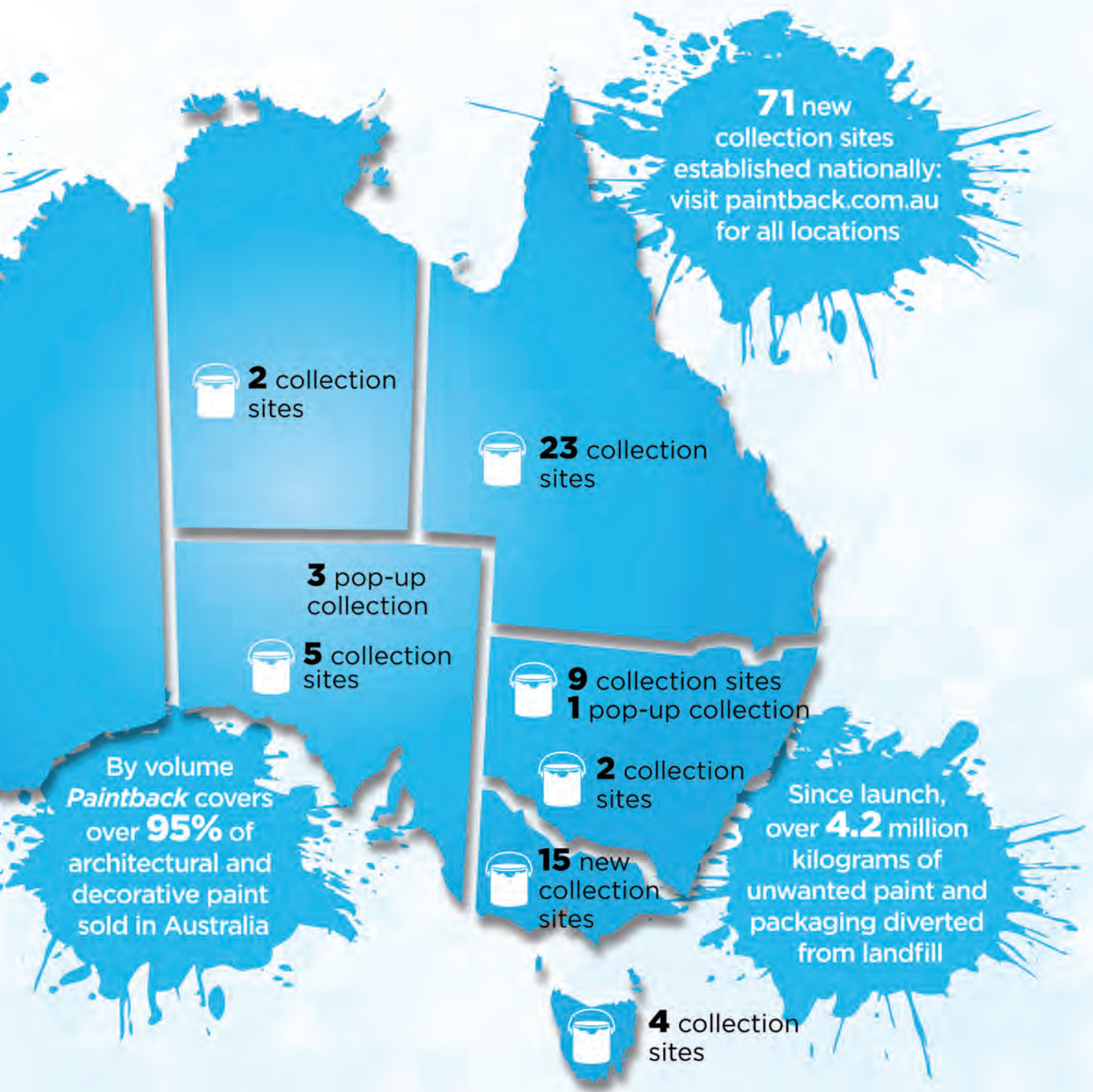
COLLECTION RESULTS

Since commencing operations in May 2016, *Paintback* has established 71 permanent collection sites, with representation in every state and territory. We have held five mobile collection events.

Thus far we have collected over 4 million kilograms of unwanted paint and packaging across Australia. By 2021, it is *Paintback's* goal to collect and treat 45 million kilograms. That is enough to fill 187,000 wheelie bins.



Pictured : Launching the Paintback truck and stillage.



Pictured: Customers drop off unwanted paint at a Paintback site

COLLABORATION

Paintback has been - and still is - a team effort. We acknowledge the great support we've had from federal, state and local government, the Australian Paint Manufacturers' Federation, the Master Painters Association, hardware stores, specialty paint retailers, and individual backers along the way. Without the collective efforts of many people, *Paintback* would still be just an idea. We look forward to continuing and strengthening our stakeholder collaborations in the years ahead.

NOW YOU CAN!

To meet our collection targets, we need to make sure people know about **Paintback** and are motivated to use it.

So we're investing in communication and education to drive awareness and change behaviour. Our goal is to make it normal for people to want to take their paint back, rather than stockpile it or throw it away into the environment.

Our national launch secured widespread coverage across TV, radio and print media with the message: "Now you can!" We followed that up with training and educational materials to professional painters, hardware and specialist paint retailers.

The roll-out of each new collection site is supported with local advertising and media. Once the network reaches a critical mass, we'll expand our marketing to target broader audiences in major cities and regional areas, as we did across Melbourne in June 2017.

Our outreach also extends to innovative partnerships. For example, we are proud to work with Outlook Environmental (OE), a social enterprise that provides jobs for people with disabilities and those from a disadvantaged background. OE which operates the Hampton Park Resource Recovery Centre in conjunction with its contract partner Suez,



Pictured : Craig Hovey who enjoys working with Paintback at Outlook Environmental.

means they can fully include people with disability into the life of the community. It's a win for both organisations.

"We were proud to be included as an initial collection point when *Paintback* commenced. Since then we have seen a significant increase in waste paint being dropped off at our facility for treatment and recycling", said Outlook Environmental CEO Sam Sondhi.

LOOKING AHEAD

***Paintback* has ambitious targets. By 2021 we aim to divert over 45 million kilograms of unwanted paint and packaging from Australian landfills.**

In the next two to three years we will continue to establish permanent collection sites across Australia, providing service to within 20km of 85% of the population and 40km in regional areas. We'll run mobile collection events in areas that don't have the infrastructure to support a permanent site.

But our aspirations don't stop there: we want to find better ways to make use of the paint we collect.

We're investing in research to identify technologies that will better capture valuable resources from unwanted paint, reduce its environmental impact or turn it into something new and useful.

Our research efforts will be spearheaded by the recently appointed independent director on *Paintback's* Board, Professor Murray Scott, supported by Professor David Solomon AC, Dr Leonie Walsh and Ray Rose, who make up our advisory research committee.

***Paintback* is proud to acknowledge our founding members, whose eligible products' end-of-life are managed through *Paintback*.**



CONTACT US

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ABN: 55 610 171 312



Celebrating 70 Years – Looking Back At Our History

Paint manufacturing commenced in Australia in the 1850s. The earliest records of paint-based industry associations, going back to 1925, exist in the Minute Books of the Paint and Varnish Manufacturers' Section of the Chamber of Manufacturers of New South Wales. The Section had clearly been in existence for some years, and there is evidence that, since the beginning of the 1900s, the Chamber of Manufacturers in Victoria, Queensland and other states had similar sections. The minutes of 21 May 1925 tell us that the Section was reorganised to consist of 3 subcommittees. The No. 1 and 2 Committees were to form part of the paint and paint oils section, and the No. 3 Committee was to operate with the varnish and enamels section.

- The No. 1 Committee was to focus on paint oils, thinners, pigment strainers, inert fillers, mixed paints and paint removers.
- The No. 2 Committee was responsible for standard methods of testing, nomenclature and the precautions to be taken in the manufacture and use of paints.
- The No. 3 Committee was to concentrate on varnish oils, thinners, gums, resins, and varnish removers, and their labelling and standard methods of testing.

In a ballot, the following were elected as members of the respective Committees:

- No. 1 Committee – Messrs H J Barncastle, H G Taubman
- No. 2 Committee – Messrs R F Boan, J Bishop
- No. 3 Committee – Messrs F S Hatrick, H J Sullivan.

In May 1933, the Section appears to have been reconstituted as an Association in its own right. At that meeting, it was resolved that members should be asked to contribute 'one guinea per head per year to meet

incidental expenses and that only those who contribute the guinea may be recognised as members of the association'. It was further resolved that an account be opened in the name of the 'Paint, Varnish and Lacquer Manufacturers' Association of NSW at the Bank of NSW', and the signatories be any two of: the Chairman (Mr Barncastle), the Secretary (Mr F L Edwards) and Mr C P Taubman (Sterling Varnish Limited and Taubmans Ltd).

It is interesting to note that some of the names we find in the minutes of those early meetings, such as Taubmans, are still with us today as paint brands.

In 1947, the Australian Paint Manufacturers' Federation Incorporated (APMF) was formed, and its first executive director was appointed in 1957.

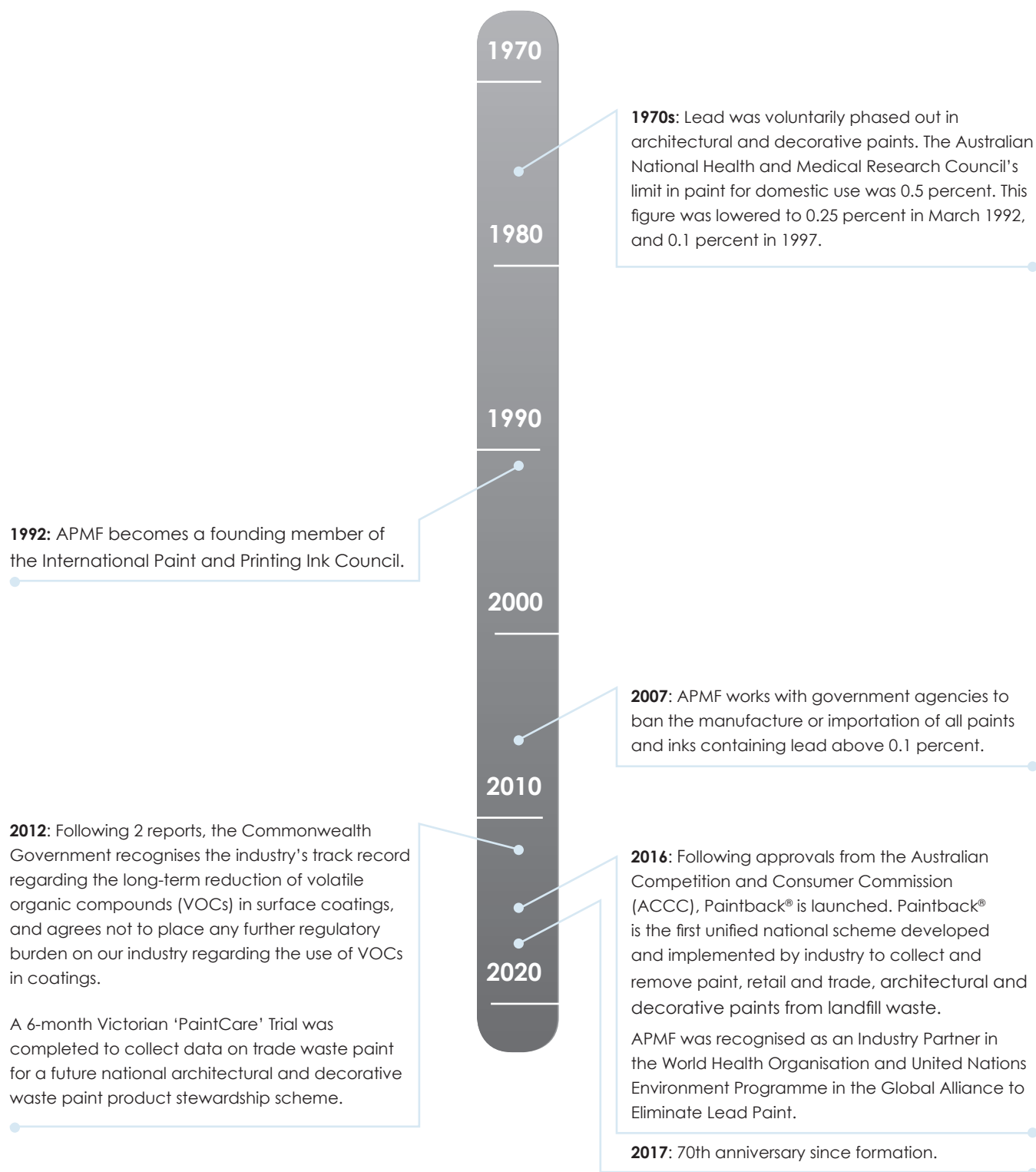
Since 1957, there have been 4 executive directors/CEOs of the APMF:

1957–1962:	Mr Stan Heron – Executive Director
1962–1985:	Mr Kevin Duffy – Executive Director
1985–2009:	Mr Michael Hambrook – Executive Director
2009–current:	Mr Richard Phillips – Executive Director/CEO.

Some 30 years later, in December 1985, a decision made for economic and rationalisation purposes saw the last vestiges of the federal structure disappear. The sections, which still existed in Victoria, Queensland, South Australia and Western Australia, were closed down, and since then the APMF has only had offices in New South Wales.

Today, the APMF fulfils vital roles from advising members of changes to applicable legislation and regulations, to representing members' interests to the relevant regulatory authorities. Industry-based statistical reports and analyses are also regularly circulated to the members.

APMF Milestones



**CONCEPT
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Driven by Innovation

**Innovative Coating Solutions
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Exported to the world**

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Health, Safety, Environment and Logistics

Committee Chairperson: Leanne Taylor

The key terms of reference for this Committee are to 'reduce workplace injuries and the industry's impact on the environment'. As the following tables indicate, our industry continues to improve its overall safety levels as measured by work days lost and incidents involving one or more lost days. Based on data from Safe Work Australia, and information on claims history obtained from icare New South Wales, our industry has injury rates at the lower end of the scale compared with other similar industry groups.

The Committee also keeps watch on proposed legislation in the areas of environmental control and consumer protection. It promotes the adoption of appropriate practices and safe use of the industry's products, and monitors the activities of working groups dealing with specific areas of interest.

With the successful launch and first year of operations for Paintback, the Waste Paint Working Group was disbanded in mid 2016.

The Committee also:

- contributed to the International Paint and Printing Ink Council (IPPIC) White Paper on Biocides
- provided our industry's viewpoints to the Commonwealth Department of the Environment and Energy's public consultations for a new national framework for the Environmental Risk Management of Industrial Chemicals
- met with icare (the new New South Wales workers' compensation agency) to identify areas where industry and government can work towards reducing workplace injuries and the associated costs to members
- monitored the titanium dioxide European Chemicals Agency (ECHA) classification issue and provided regular updates to members
- updated all Health and Safety fact and information sheets and made them available on the APMF website
- provided input to the Australian Pesticides and Veterinary Medicines Authority for a new Industry Standard for anti-fouling paints
- supported SafeWork NSW in its development of a new Hazardous Chemicals and Exposure baseline.



INFRARED REFLECTIVE PIGMENTS

Incidents involving one or more lost days Lost Time
Injury Frequency Rates¹ Results

Industry	LTIFR	Source
Transport	10.1	Safe Work Australia
Manufacturing Polymer Products	8.9	Safe Work Australia
Manufacturing Basic Chemical & Chemical Products	5.6	Safe Work Australia
Manufacturing Printing Products	4.4	Safe Work Australia
Manufacturing Paint Products	4.4	APMF 2016 Safety Survey

Lost Time Injury Frequency Rates¹ – Number of Incidents involving One or More Lost Days per Million Hours Worked



How Cool Are You?

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**MORE
EXPERTISE**



**BETTER
PERFORMANCE**



**BEST
VALUE**



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melbourne@shepherdcolor.com



Contract Manufacturing your products to your specifications and requirements

Contract manufacturing to customer requirements is a significant part of our business at Cameleon, and we work closely with all customers to ensure that we manufacture products in accordance with their intellectual property and other quality specifications. We package and label all products according to customer guidelines and can provide a range of solutions in relation to raw materials, packaging, labelling and logistics.

As we work closely with our customers, we have in many instances advised them of additional product range opportunities and developed product extensions that have proved highly successful to their business operations.

(08) 9302 2577
email@cameleon.com.au
www.cameleon.com.au

26 Paramount Drive
Wangara WA 6065

Health, Safety, Environment and Logistics Circulars

The APMF prepared the following HSEL Circulars during the period to assist members with their compliance obligations. The circulars are listed below.

Number	Title	Date
33.16	Australian Standards – Revision of AS 1940-2004	July 2016
34.16	UN Sub-Committee of Experts on Globally Harmonised System (GHS)	July 2016
36.16	Hazardous Chemical Information System	July 2016
37.16	Proposed NTC Changes to Australian Dangerous Goods Code	July 2016
38.16	Important Notice – European Chemicals Agency (ECHA) Potential Classification of TiO ₂	July 2016
39.16	Surface Coatings Association Australia (SCAA) Conference 2016 Update	July 2016
40.16	Proposed Changes to GHS	July 2016
42.16	Publication of the Amended Model Work Health and Safety Laws	August 2016
43.16	Microbeads in Products and the Environment	August 2016
45.16	Bisphenol A (BPA)	August 2016
46.16	Product Stewardship Update	August 2016
47.16	GHS in Victoria	September 2016
49.16	SWA Announces Evaluation of 644 Workplace Exposure Standards	September 2016
50.16	Consultation on Proposal for NZ EPA Notice for Classification and Update on Labelling, Safety Data Sheets and Packaging Proposals	September 2016
51.16	National Industrial Chemicals Notification and Assessment Scheme (NICNAS) Reform	October 2016
53.16	New Guide: Managing Risks of Carcinogenic Chemicals	October 2016
54.16	NZ Hazardous Substances Changes	November 2016
55.16	Publication of the Draft National Standard for Environmental Risk Management of Industrial Chemicals	November 2016
56.16	GHS Revision 7	November 2016
57.16	Labelling Requirements for Hazardous Chemicals in the Supply Chain	December 2016
58.16	Australian Dangerous Goods Code Edition 7.5 Released	December 2016
1.17	GHS and AgVet Products (includes Anti-Fouling Paints)	January 2017
2.17	Combined Procedure – 2nd Public Comment and Committee Ballot for AS 1940	January 2017
3.17	GHS and AgVet Products (includes Anti-Fouling Paints)	January 2017
5.17	Draft National Standard for Environmental Risk Management of Industrial Chemicals	January 2017
12.17	Hazardous Chemicals and Materials Exposure – Baseline	April 2017
13.17	VIC: OHS Regulations Reform 2017	April 2017
14.17	NZ EPA: Hazardous Waste Storage and Processing	April 2017
15.17	Changes to South Australian Controlled Substances Legislation	April 2017
16.17	BPA 2017 US Worker Study	April 2017
18.17	Paintback – First 12 Months	May 2017
19.17	Attachment – 170426 UN51 TDG summaries	May 2017
19.17	UN DG Sub-Committee Request for Comment	May 2017
21.17	VIC OHS Regulations 2017	May 2017
23.17	VIC OHS Regulations 2017	May 2017
25.17	Titanium Dioxide	May 2017
26.17	National Trade Measurement Regulations	May 2017
27.17	Bisphenol A	May 2017
28.17	Respirable Crystalline Silica	May 2017
30.17	Styrene	June 2017
31.17	SDS-ES Guide	June 2017
32.17	Lead Safe Partnership	June 2017
33.17	New Poisons Standard 2017	June 2017
35.17	TiO ₂	June 2017
36.17	Cost Recovery Model – AICIS	June 2017
38.17	TiO ₂ Classification Activities	June 2017

Meeting Dates:

- Melbourne – 17 August 2017
- Sydney – 18 February 2018

Surface Coatings Industry's Global Discussions in Victoria, Canada



Delegates to the Victoria Meeting

In March 2017, the Asian Paint Industry Council (APIC) and the International Paint and Printing Ink Council (IPPIC) held global talks in Victoria, British Columbia, Canada, to discuss a wide range of issues confronting the global surface coatings industry.

In total, 13 associations attended:

ABRAFATI	Brazil
ACA	United States
ANAFAPYT	Mexico
APMF	Australia
BCF	United Kingdom
BOSAD	Turkey

CEPE	Europe
CNCIA	China
CPCA	Canada
IPPIC	Global
JPMA	Japan
NZPMA	New Zealand
VdL	Germany

- Globally Harmonised System (GHS) – overseeing national implementation efforts and developing consensus on positions that help with uniform labelling
- Transport of Dangerous Goods (TDG) – engaging on international shipping requirements and ensuring proper packaging
- The UN Lead Paint Alliance (LPA).

IPPIC has an established policy statement supporting restrictions on the use of lead in paint in order to address public health and environmental impacts (especially to children). It serves on the LPA's Technical Advisory Committee, along with environmental and health ministers, in order to seek uniform approaches that address end-user requirements. IPPIC and many of its member associations, including the APMF, have now been recognised as industry partners in the UN Environment Programme's Global Alliance to Eliminate Lead Paint.

Sustainable development is another topical area of involvement for IPPIC, where it is focusing on providing guidance on programs to address the 3 pillars of sustainability: environmental, economic and social. IPPIC seeks to support consistent approaches

IPPIC Issues

United Nations (UN) management issues that IPPIC is involved with include:

- International Agency for Research on Cancer (IARC) – informative studies on occupational cancer for both paint manufacturing workers and the painting trades

by national and regional associations implementing a sustainability program. A summary of the key issues discussed at the 2017 meeting follows.

Titanium Dioxide

The titanium dioxide (TiO₂) issue took centre stage. IPPIC affirmed global interest in the proposed TiO₂ hazard classification under European Chemicals Agency (ECHA), as it has the potential to result in unwarranted impacts on voluntary standards and other consumer chemical management programs. A final decision on the hazard classification for TiO₂ is expected towards the end of 2017. Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) regulations allow for a 1–4-year implementation period.

Microplastic Pollution

The issue of microplastics pollution and plastics in the oceans is a rapidly developing issue for the United Nations and governments across the globe.

While the current focuses in the European Union, United States, Canada and Australia seek restrictions on the use of plastic microbeads in products (particularly personal care products), some concerns have been raised with respect to microplastic particles that are generated by various surface coatings preparation and the weather of painted surfaces. Recognition of this issue is likely to advance, and a focused subcommittee of the Industry Stewardship Committee has been formed to address this issue and to establish a clear path forward for all IPPIC members.

Product Stewardship Schemes

Various IPPIC members are either implementing schemes to collect waste architectural and decorative (A&D) paints (United States, Canada, Australia and New Zealand) or have expressed interest in setting up their own schemes (China and United Kingdom). Compared with existing schemes, the Paintback scheme can claim to be the only national voluntary industry-lead scheme globally.

Lead Paint

The Secretariat report presented an update on IPPIC activities on the UN initiative before the UN Lead Paint Alliance (LPA) Advisory Group, and the ongoing efforts in support of the LPA in Latin America, including the recent IPPIC/ABRAFATI-sponsored workshops in Colombia.

The UN Environment Programme (UNEP) and the World Health Organization (WHO) Secretariat for the LPA confirmed IPPIC members BCF, VdL, ABRAFATI and APMF as new partners to the LPA. CPCA, ACA, JPMA and BOSAD are still awaiting confirmation as partners.

Mica – Addressing Child Labour

Although largely unknown to consumers, mica is one of the most widely used minerals globally, highly valued for its ability to reflect and refract light and found in a multitude of different products and industries. Roughly 25 percent of the world's mica is mined in the impoverished Indian states of Jharkhand and Bihar, with an estimated 20,000 children engaged in illegal child labour in mines.

Mica is a tough, flexible and transparent mineral that can be ground to less than a micron sieve mesh. It is an anti-friction, anti-fouling, anti-settling, anti-corrosive and anti-tarnish agent. Mica acts as a reinforcing pigment to reduce cracking, peeling and checking in the dry film, and prevents shrinkage and shearing of the paint. Mica particles brighten the tone of the coloured pigments and, at the same time, transmit and reflect light, resulting in proven decorative effects and design. It increases the gloss of paint more effectively than spherical or irregularly shaped filler particles of the same size. Mica also optimises the effect of other pigments by ensuring that the pigment particles are evenly spaced in the dried paint film.

Large automotive coatings companies, like PPG and Axalta, and other large companies in the cosmetics sector, have joined a global initiative to purge child labour from the mica industry as it relates to their supply chains. The global coatings industry, represented by IPPIC, has also agreed to become a member of the Responsible Mica Initiative (RMI) before September 2017 to support anticipated efforts by RMI action groups and non-government organisations on developing specifications, a legal framework and increased advocacy with respect to the use of child labour in the harvesting of mica. In addition, IPPIC members agreed to promote RMI and its goals to relevant member companies, and develop, when necessary, additional supportive statements to assist in this effort.

Companies are strongly encouraged to review their supply chains to address any issues involving child exploitation.

Technical

Committee Chairperson: Rod Vockler

The Committee has three primary functions:

- to maintain an overview of, and to participate in, the establishment of the legislation, standards, codes of practice and other regulations that have an impact on the manufacture and use of paints and inks
- to develop policies and strategies to advance the interests of local coatings manufacturers in the manufacturing and consumer areas
- to act as a focal point for the industry in addressing technical issues that may surface from time to time, either of a general or of a specific nature, which impact on the formulation of paints and inks, their manufacture and use.

The Committee addressed several issues, including:

National Industrial Chemicals Notification and Assessment Scheme (NICNAS)

The planned reforms will:

- make regulatory effort more proportionate to risk
- promote safer innovation by encouraging the introduction of lower-risk chemicals
- continue to protect the Australian people (both workers and the public) and the environment from any harmful effects of industrial chemicals.

It is estimated that the net gain to Australian industry from the reforms will exceed \$20 million per annum, and the surface coatings industry expects to be a key beneficiary of these funds.

The APMF's responded to a total of 5 Consultation Papers (CP) and attended public forums held for each Public Consultation. A number of Bills, including the primary Industrial Chemicals Bill 2017, have now been tabled in Parliament. The APMF is in the process of considering CP5, which focuses on the delegated legislation and technical matters.

In line with APMF's input into CPs 1–4, a number of key definitions, including 'stable polymer', have been revised in order to be harmonised with the definitions used in the United States and Canada.

The target implementation date for the commencement of the reforms is 1 July 2018.

Australian Wall and Ceiling Industry

The APMF met with the Association of Wall and Ceiling Industries (AWCI) and updated the joint APMF/AWCI guideline on 'Finishing and Decoration of Plasterboard'. The Master Painters Association was also involved in the project, and has endorsed the new guideline.

Sustainability

Current APMF support to modernise relevant Australian Standards includes the following standards:

- AS/NZS 4361.1 – Guide to the management of paints containing lead and other hazardous metallic pigments (such as chromium and cadmium). Now available as draft Standard (2017).
- AS/NZS 2311: 2009 – Guide to the painting of buildings. New Standard published in March 2017. The new Standard incorporates all of the APMF recommendations.
- AS/NZS 4020: 2005 – Testing of products for use in contact with drinking water. Expected publication date 1 February 2018.
- AS 1940: 2004 – The storage and handling of flammable and combustible liquids. Draft Standard comments closed in April 2016. Likely publication date later in 2017.

Australian Paint Approval Scheme

The APMF position is that Australian Paint Approvals Scheme (APAS) fulfils an important role as a pre-assessment products tool for government agencies; however, aspects of the APAS operations need attention if it is to remain relevant and useful in the medium to long term.

The CSIRO has now agreed to work with the APMF to ensure a sustainable future for APAS, and it has now obtained additional funding from government to fund a consultant to carry out the review. The APMF has also established an APAS working group to provide industry input into the review.

Australian Packaging Covenant

Committee representatives met with the Australian Packaging Covenant (APC) to discuss its future directions and to seek recognition of packaging now being recovered by the Paintback scheme.

Zero/nil VOC Paint Claims

The Committee initiated action to contact 8 companies making zero/nil VOC claims. Four companies responded positively to the APMF letter, and future action is being taken to deal with the remaining companies.

Publications and Information Sheets

The Technical Committee has finished updating all the APMF Technical Information Sheets. Work is also currently progressing on the update to the APMF Poisons Labelling Guide for paint labelled in the domestic/retail environment, with an expected publication date of late 2017.

Technical Circulars

The APMF has promulgated a number of Technical Circulars during the year, to assist members compliance requirements as listed below.

Number	Title	Date
33.16	Australian Standards – Revision of AS 1940-2004	July 2016
34.16	UN Sub-Committee of Experts on GHS	July 2016
35.16	APVMA – Anti-Fouling Paints	July 2016
37.16	Proposed NTC Changes to Australian Dangerous Goods Code	July 2016
39.16	Surface Coatings Association Australia (SCAA) Conference 2016 Update	July 2016
41.16	APVMA – Consents to Use Confidential Commercial Information (CCI) and Updated Advice for Applications Involving Reference Products	July 2016
43.16	Microbeads in Products and the Environment	August 2016
45.16	Bisphenol A (BPA)	August 2016
46.16	Product Stewardship Update	August 2016
48.16	Proposed Amendments to the Poison Standard	September 2016
51.16	National Industrial Chemicals Notification and Assessment Scheme (NICNAS) Reform	October -2016
52.16	APAS Specification AP-S2911	October -2016
57.16	Labelling Requirements for Hazardous Chemicals in the Supply Chain	December 2016
4.17	NICNAS – Compliance Monitoring Activity	January 2017
6.17	Nominations for NICNAS Reforms AdHoc Working Group on Risk-Based Categorisation and Assessment	March 2017
7.17	NICNAS IMAP Tranche 20	March 2017
9.17	Australian Inventory of Chemical Substances - Trade Name Annex	March 2017
10.17	Biocides	March 2017
11.17	NATSPEC Workstation – 0345 Steel – Protective Paint Coatings	March 2017
17.17	AICS - Violet 23 Relisting	April 2017
20.17	Titanium Dioxide	May 2017
22.17	NATSPEC TECHnotes Review	May 2017
24.17	Public Submissions – Poisons Standard	May 2017
25.17	Titanium Dioxide	May 2017
26.17	National Trade Measurement Regulations	May 2017
29.17	NICNAS Reform	June 2017
34.17	NICNAS CP5	June 2017
35.17	TiO2	June 2017
36.17	Cost Recovery Model – AICIS	June 2017
37.17	NICNAS Reform	June 2017
38.17	TiO2 – Classification Activities	June 2017
40.17	CSIRO Future Building Forum	June 2017

Meeting Dates:

Melbourne	–	17 August 2017
Sydney	–	18 February 2018

Snapshots of the Coatings Industry in Australia

Architectural and Decorative (A&D), including wood-care products:

- Declined around 1 percent consecutively in 2012 and 2013
- Increased 4.5 percent in 2014 and 7.8 percent in 2015
- Increased 4.6 percent in 2016
- Increased 0.44 percent in 2017.

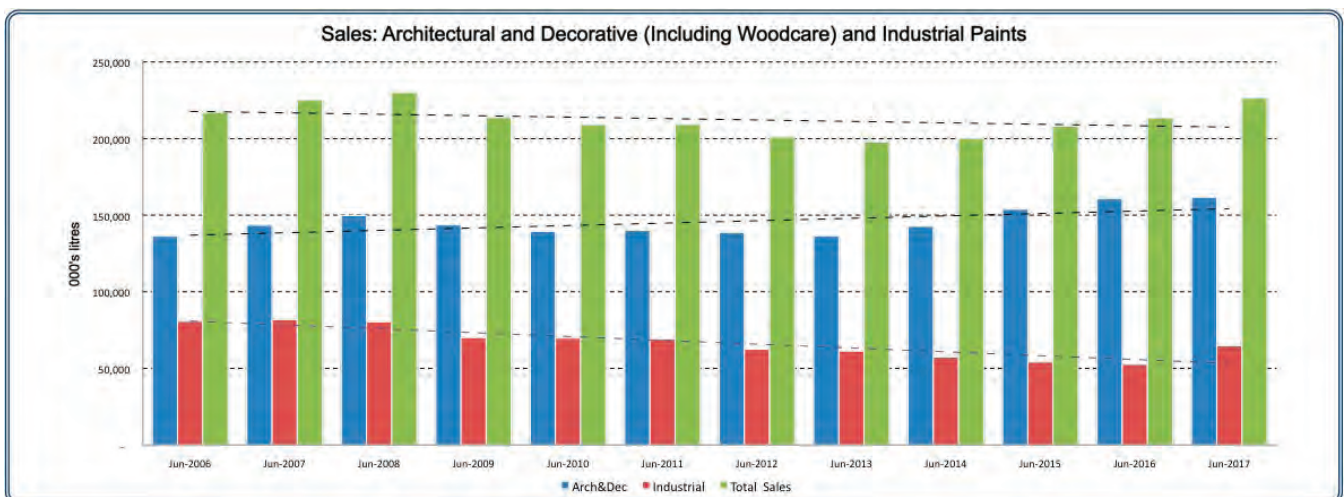
Industry Aggregates – A&D plus Industrial:

- Increased 1.2 percent in 2014 and 4 percent in 2015
- Increased 2.5 percent in 2016
- Increased 6.0 percent in 2017.

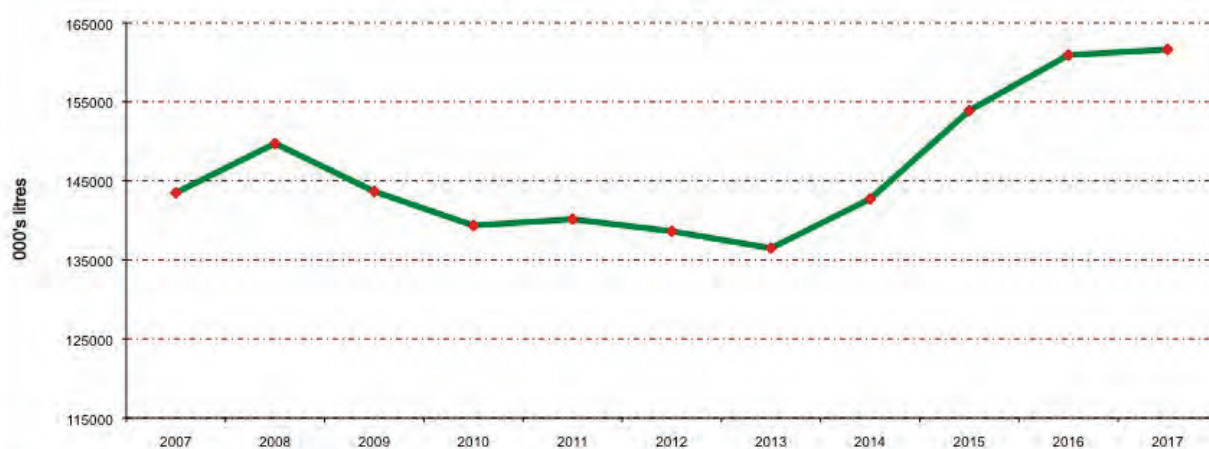
Industrial Sales:

- Declined around 6 percent in 2014 and 5 percent in 2015
- Declined 2.9 percent in 2016
- Increased 23 percent in 2017¹.

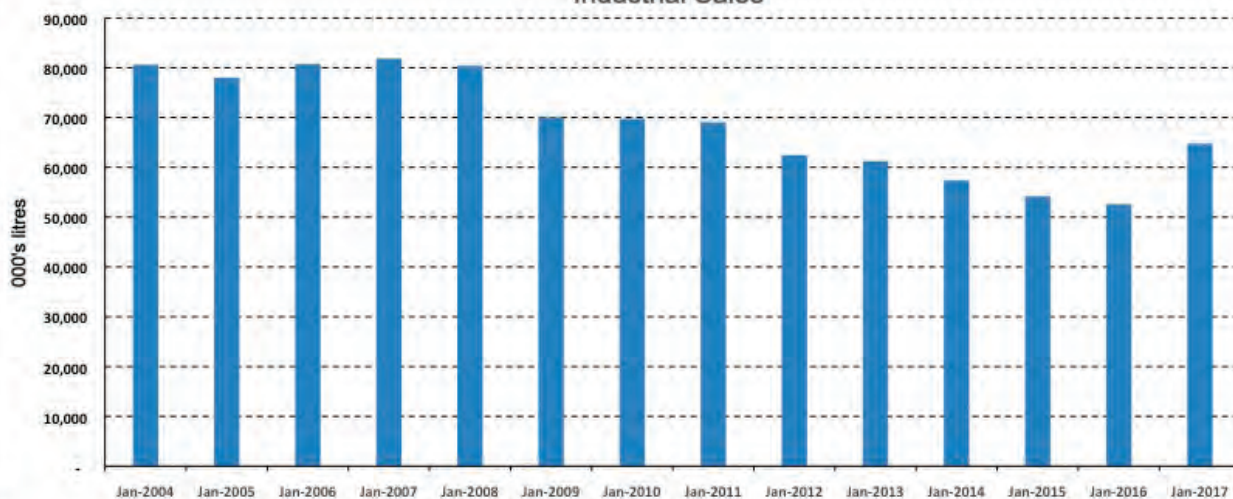
Note 1: Increase mainly attributed to 3 additional participants in the Industrial Sales surveys. In 2017, the industrial sales survey also includes automotive/refinish sales.



Architectural and Decorative (Incl. Woodcare)



Industrial Sales

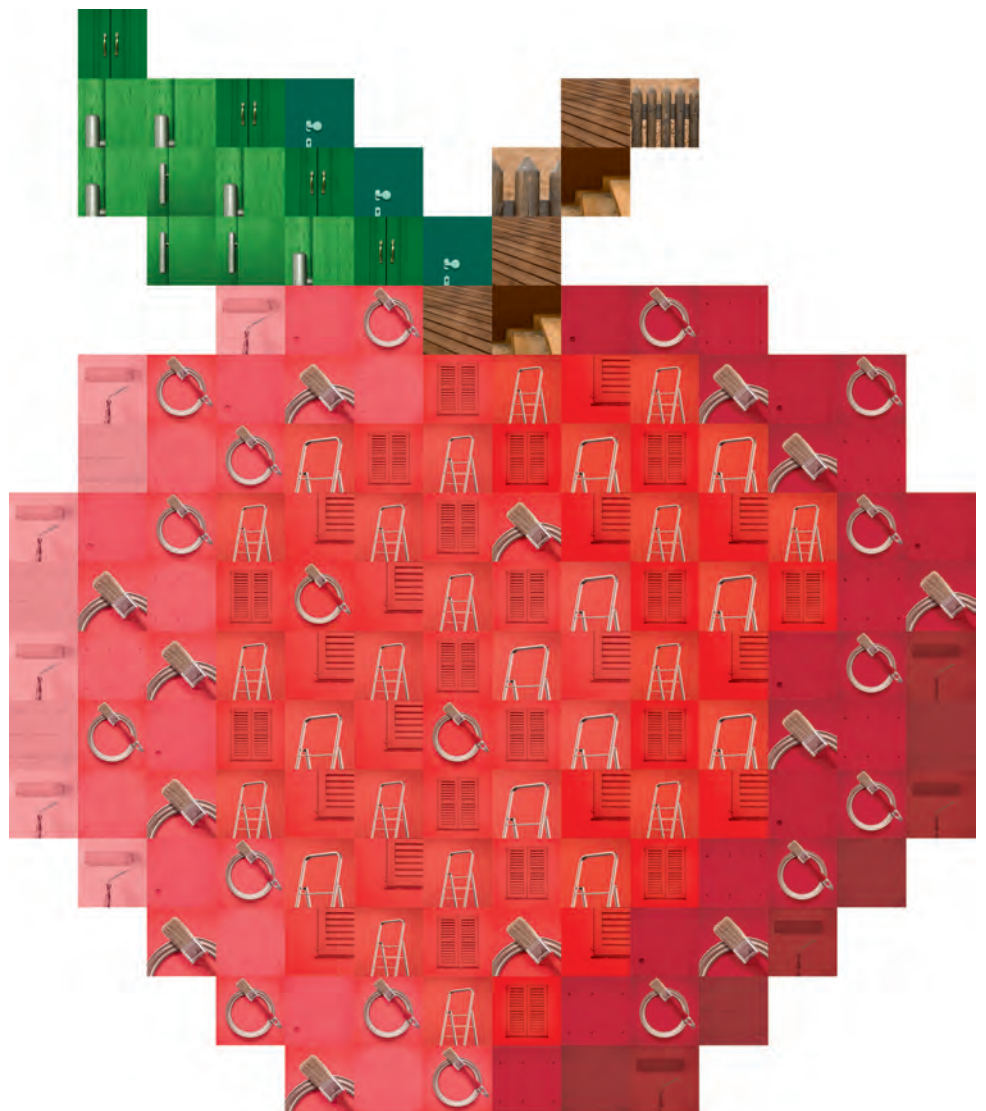


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