

apmf

Australian Paint Manufacturers' Federation Inc.

2023
Annual Report

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office@conceptpaints.com.au | www.conceptpaints.com.au

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Australian Paint
Manufacturers' Federation Inc.

2023 Annual Report

The Australian Paint Manufacturers' Federation Inc.
IN Y00595-39
ABN 66 944 215 048
C/- Chemistry Australia
PO Box 422
Flinders Lane Victoria 8009
Tel: 03 9611 5400 Fax: 03 9611 5499
Website: www.apmf.asn.au

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About the APMF

THE AUSTRALIAN PAINT Manufacturers' Federation Incorporated (APMF) was established in 1947. Today, its principal purpose is to improve the economic, societal and environmental contribution of Australian paints and coatings manufacturers on behalf of members, and for the benefit of the Australian community.

The Australian paints and coatings industry produces some \$2.7 billion of surface-coating products; directly employs about 6500 people; and supports Australia's 51,000 trade painters and many other jobs in retail, distribution, design, architecture, and infrastructure. The APMF represents 24 companies, and its members account for approximately 90 percent of all of the paints manufactured in Australia. The APMF is a not-for-profit industry association.

The APMF is governed by a Council, representing small and large manufacturers. The APMF provides a range of services in the health, safety, environment, packaging, distribution, storage, logistics and technical areas. The APMF is the chief industry advocate for the state and federal governments, as well as 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 applicable regulatory agencies. Relevant statistical reports and analyses are available and circulated to members.

To guide the development of the industry initiatives and responses to issues that might impact the industry and broader community, the APMF is assisted by various committees, including the Health, Safety, Environment, Logistics and Technical Committee and Working Groups, such as those working on projects like the review of agricultural and veterinary chemical regulation and the Australian Paint Approval Scheme (APAS).

The APMF is also a member of the World Coatings Council (WCC), and is a founding member of the Asia Paint Industry Council (APIC). The WCC was established in 1992 to allow the industry to discuss and analyse industry issues and their global implications, and coordinate the development of the industry's policy

responses to international bodies and governments. APIC concentrates on the exchange of information between local paint industries.

Finally, the APMF holds one of the four industry representative seats on the Strategic Consultative Committee established under the Australia Industrial Chemicals Introduction Scheme (AICIS), and sits on numerous Australian Standards Committees.

In 2019, the APMF entered into a strategic partnership with Chemistry Australia. Under that partnership, Chemistry Australia has assumed responsibility for the day-to-day administration of the APMF. The two associations work closely together on industry and regulatory policy matters. APMF members also have access to a broader range of services and expertise provided through Chemistry Australia.



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

Members of the Council

MEMBERS OF COUNCIL 30 JUNE 2023

NAME	POSITION	COMPANY
Rodney Walton	Chairman	Haymes Paints
Pat Jones	Member	DuluxGroup
Claire-Louise Walker	Member	PPG
Jamie O'Brien	Member	AkzoNobel
Michael Paag	Member	Concept Paints
Matthew Crossingham	Member	Hempel (Wattyl) Australia



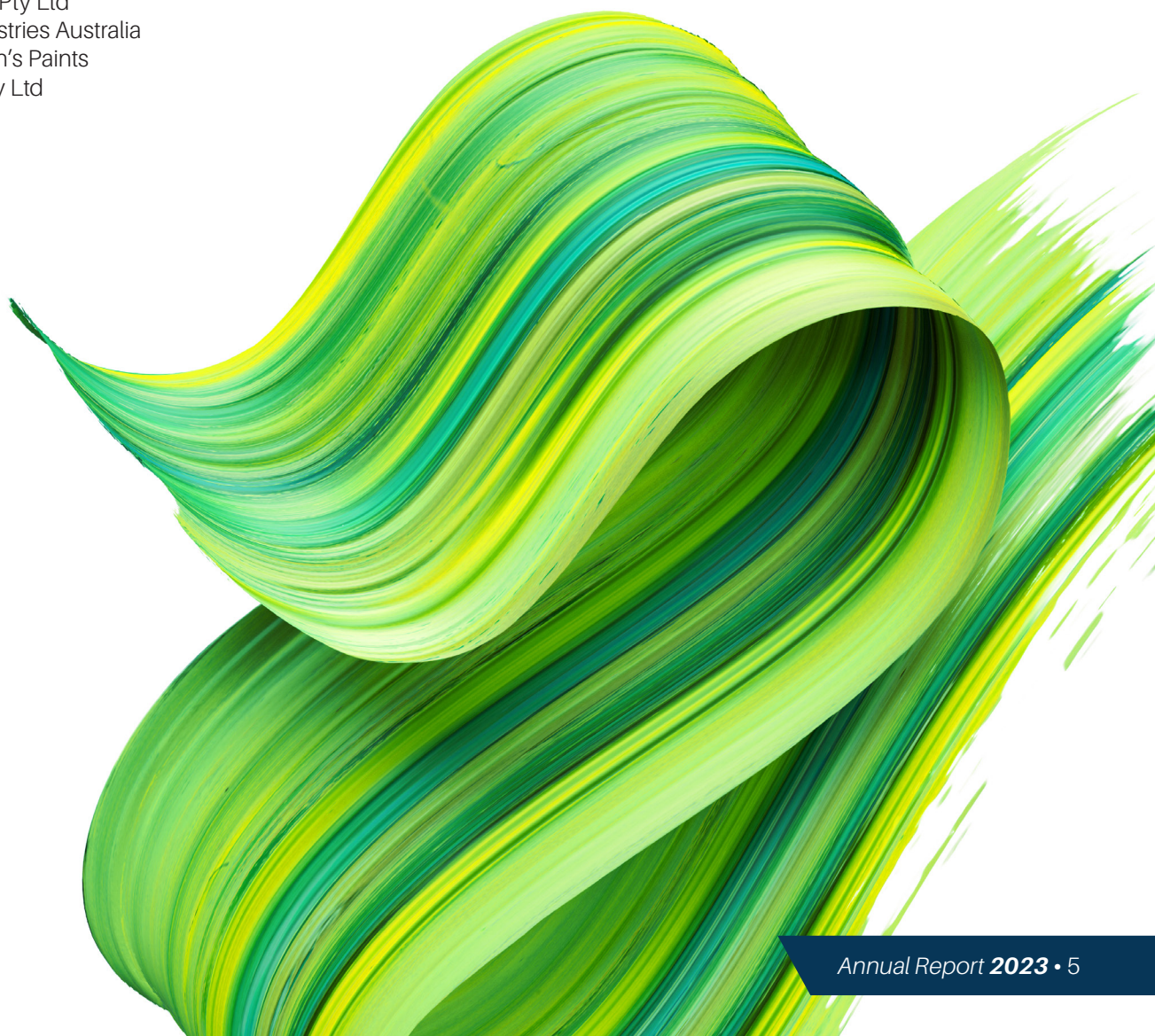
APMF Members 30 June 2023

Full Members

AkzoNobel Pty Ltd
Astec Paints Australasia Pty Ltd
Bondall Marketing Pty Ltd
Cameleon Coatings
Colormaker Industries Pty Ltd
Concept Paints
Dulux Australia
Haymes Paints
Hempel (Wattyl) Australia) Pty Ltd
Lacnam Paints Australia
Mirotone Pty Ltd
PPG Industries Australia
Roberston's Paints
Signet Pty Ltd

Associate Members

Axalta Coatings Systems Australia Pty Ltd
BASF Australia Ltd
Jotun Australia Pty Ltd
GBD International
Paintback® Ltd
Resene Paints (Australia) Ltd
Rust-Oleum Corporation
Sherwin-Williams Automotive Finishes Australia



Chairman's Report

I WAS HONOURED to be elected to my third term as the Chair of the APMF by the Council in November 2022, at the end of Pat Jones's 4-year term. On behalf of the Council and members, I wish to express our appreciation to Pat Jones, who stepped down as Chair. Under Pat's leadership, the APMF transitioned to its strategic partnership with Chemistry Australia, an initiative that has expanded the range of services and expertise available to members. Pat also led the APMF through COVID, a period that presented many challenges for paint manufacturers, our distribution partners and customers.

While life finally returned to normal for the 2022/23 financial year, the impacts of COVID were still being felt through the supply chain, with continuing disruptions to the availability of raw materials and inflationary pressures emerging across the economy.

On the regulatory front, in response to submissions by the APMF and other stakeholders about the potential impacts of the new record-keeping requirements restricting the availability of key raw materials and paints, the Australian Industrial Chemicals Introduction Scheme (AICIS) extended the transitional arrangements until 30 November 2023. AICIS continues to work with the industry to develop improved record-keeping requirements and other changes to improve paint manufacturer's access to low-hazard raw materials.

The APMF has also worked closely with the Therapeutic Goods Administration (TGA), the Australian Pesticide and Veterinary Medicines Authority (APVMA), and marine industry stakeholders to ensure the continuing availability of suitable and effective antifouling paints.

At its meeting in June 2023, the Council reviewed the APMF's 3-year strategic plan, setting the Federation's focus on strengthening the industry's position, with regard to:

- sustainability
- the circular economy
- regulatory pressures on key raw materials
- talent acquisition, careers and STEM.

Sustainability continues to be a significant focus for the industry across the globe. Paintback[®], the industry-led sustainability scheme established by the APMF in 2016, continues to grow, setting an example for the industry in other countries. With increasing global focus on resource efficiency, waste and the development of more circular economies, it is critical that the APMF continues to concentrate its efforts in this area.

Thank you for your continuing support of the APMF. With regulatory developments impacting Australia's industry and key economies globally, a strong, effective and united voice representing Australia's paint manufacturers is critical to ensure that governments and regulators are fully informed as they consider regulatory changes. Thank you also to Bernard Lee, APMF Executive Officer, for his continuing strong and important work on behalf of our members.

All the best to our members and supply partners for the coming year.

Rod Walton
Chairman

Executive Officer's Report

THIS REPORT DETAILS the APMF's main activities over the past 12 months to 30 June 2023.

With a new government elected in May 2022, the APMF's focus for 2022/23 has been establishing relationships with the new government and Commonwealth agencies to promote awareness of the paints and coatings industry, and our essential role in the economy.

On the regulatory front, the priorities have continued to be poison scheduling; the Australian Industrial Chemical Introduction Scheme (AICIS); the Industrial Chemicals Environmental Management Scheme (ICheMS); workplace health and safety, including the Globally Harmonized System of Classification and Labelling of Chemicals (GHS); dangerous goods transport and storage; and the review of workplace exposure limits by Safe Work Australia.

The APMF applied to amend the poison schedule to align Australia's approach to the low level of lead contamination in antifouling paints with the limits applied in Europe, the United States, and other major jurisdictions. The APMF has worked closely with other key industry stakeholders, including the Australian Shipbuilding & Repair Group, to highlight the potential impacts of the changes to lead contamination limits. This commenced on 1 October 2023.

The Health, Safety, Environment, Logistics and Technical (HSELT) Committee report includes a more in-depth discussion of all these issues.

The World Coatings Council's conference took place in Istanbul, Türkiye, in March 2023. The conference, the first since COVID, coincided with the 100th anniversary of the establishment of the Republic of Türkiye. The conference focused on the range of regulatory issues confronting the industry across the globe, including biocide use in water-based paints, microplastics, PFAS restrictions and product stewardship schemes. Highlighting the paints and coatings sector's contribution to sustainability, and the United Nations sustainability goals was a key theme of the conference.

During the conference, I made a presentation to the Turkish Paint Industry Association's (BOSAD) annual conference, explaining Australia's approach to industry chemicals regulation. Both Türkiye and the United

Kingdom are currently grappling with establishing REACH-type systems for industrial chemicals management – these are costly and difficult for smaller economies. Several Latin American representatives were keen to explore the AICIS framework as an alternative to REACH-type models.

Through our participation in World Coatings Council (WCC), the APMF gathers crucial insights based on the experience of other paints and coatings associations, and is able to leverage its work on behalf of the industry in global fora, including the United Nations and its agencies.

Thank you for your continued support of the Federation.

Bernard Lee
Executive Officer

Update: The APMF's application to amend the poison schedule was successful. In September 2023, the Poison Scheduling delegate decided to maintain the existing low-level lead contamination limits and established a timetable to re-evaluate the situation over the next 6 years.



Health, Safety, Environment, Logistics and Technical (HSELT) Committee Report

THE HEALTH, SAFETY, Environment, Logistics and Technical (HSELT) Committee have remained active during 2022/23.

The Committee's terms of reference focus on reducing workplace injuries and the industry's environmental impact. The Committee also maintains an overview of and participates in developing the legislation, standards, codes of practice and other regulations that impact the paints and coatings industry. It develops policies and strategies to advance the interests of paint makers for both industrial and consumer products, acting as a focal point for the sector in addressing technical issues that may arise from time to time, which may impact the formulation of paints, their manufacture and/or use.

During the 12 months ending 30 June 2023, the Committee considered, discussed and responded to:

- Safe Work Australia's review of Workplace Exposure Limits (WELs), including the proposal to list 33 substances as Non-Threshold Genotoxic Carcinogens (NTGC)
- crystalline silica exposure regulation
- an application to amend the Poison Schedule to increase the maximum level of lead contamination in antifouling paints to 600 parts per million to align it with the limits applied in other jurisdictions. The 90-parts-per-million-limit that commenced on 1 October 2023 would ban most cuprous oxide-based antifouling paints, and leave Australia's maritime industries without suitable antifouling technology
- Australian Industrial Chemical Introduction Scheme (AICIS) rule changes

- proposals to change International Maritime Dangerous Goods rules, which deem water-based paints to be dangerous goods for maritime transport purposes due to the presence of biocides in their formulation. These rules impact Trans-Tasman, intra-Pacific paint trade, and the domestic supply of water-based paints to and from Tasmania.

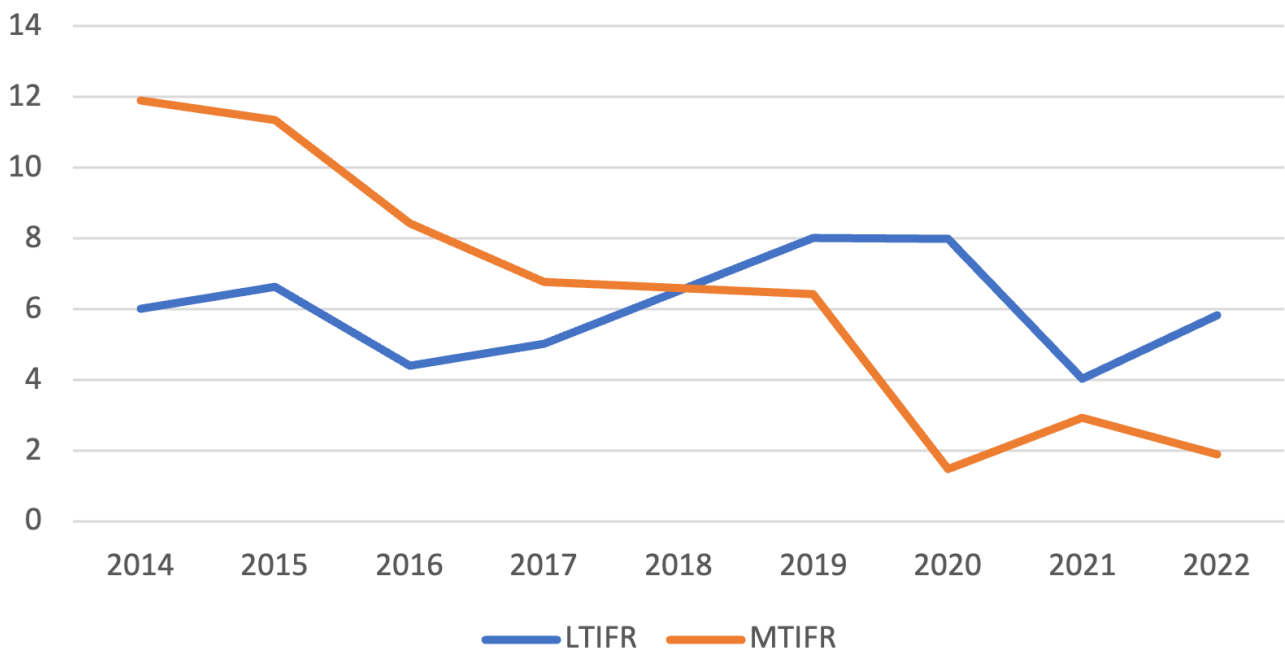
European Union proposals to restrict per and poly-fluorinated substances (PFAS) have attracted global attention. Noting claims that paints and coatings were a principal source of PFAS, the APMF's Council asked the Committee to examine the use of PFAS in Australian paints and coatings. The Committee concluded that PFAS substances were not prevalent in Australian-made paints

and coatings, with their use restricted to several specialty paint and coating products. The Committee noted that the assumption that PFAS is prevalent in Australian paints may result from the widespread use of solvent PCBTF in the United States to comply with Californian volatile organic compounds regulations. PCBTF falls within the Organisation for Economic Co-operation and Development's definition of PFAS. PCBTF is not widely used in Australian-manufactured paints; other solvents are preferred.

With increasing emphasis and interest in resource efficiency, waste reduction and establishing a more circular economy, the Committee considered government proposals to set recycled content requirements in packaging materials.

2023 - APMF Health and Safety Survey

*LTIFR is the lost time injury frequency rate per million hours worked
MTIFR is the medical treatment injury frequency rate per million hours worked*



Snapshots of the Coatings Industry in Australia

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

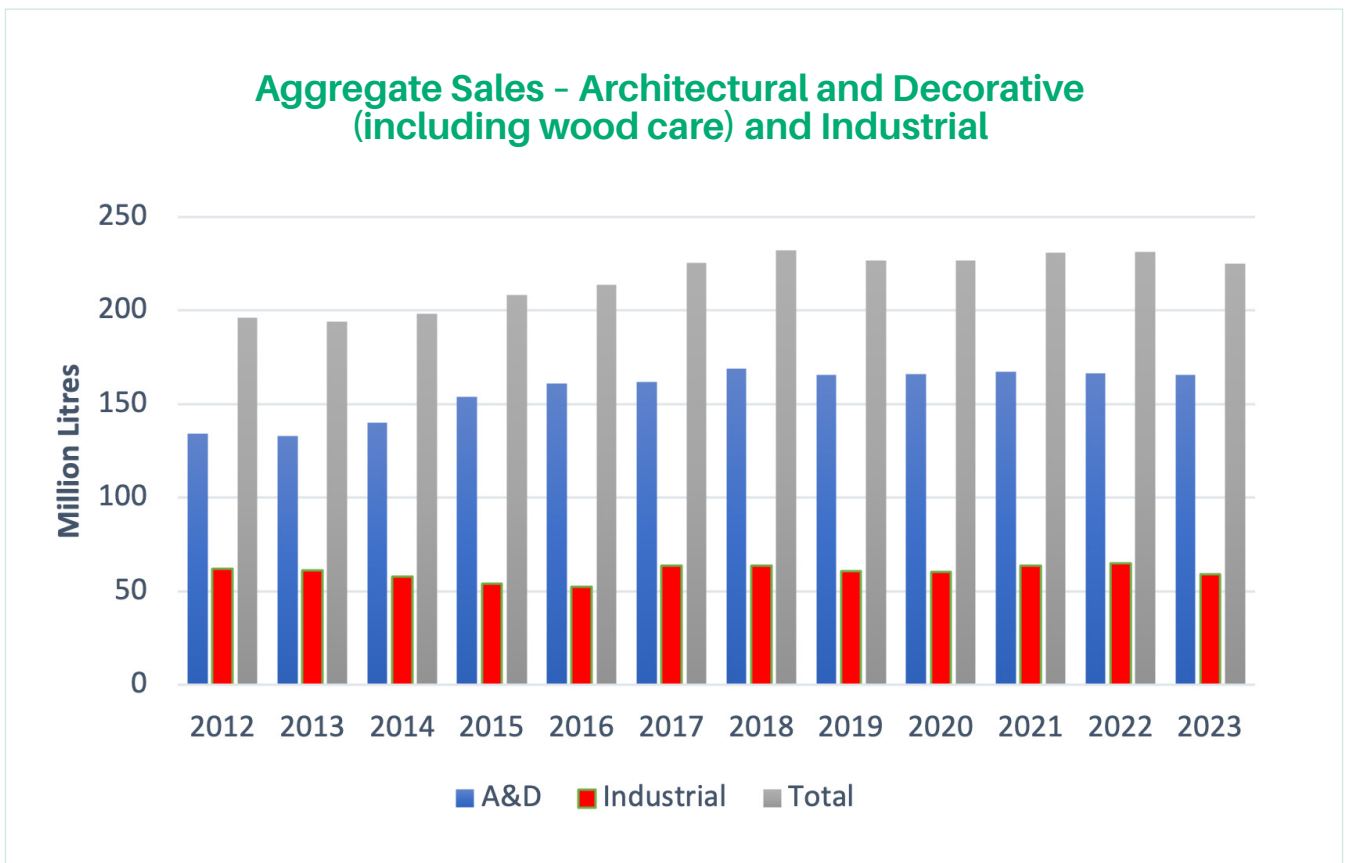
- increased 0.65 percent in 2021
- decreased 0.46 percent in 2022
- decreased 0.40 percent in 2023.

Industry Aggregates - A&D plus Industrial

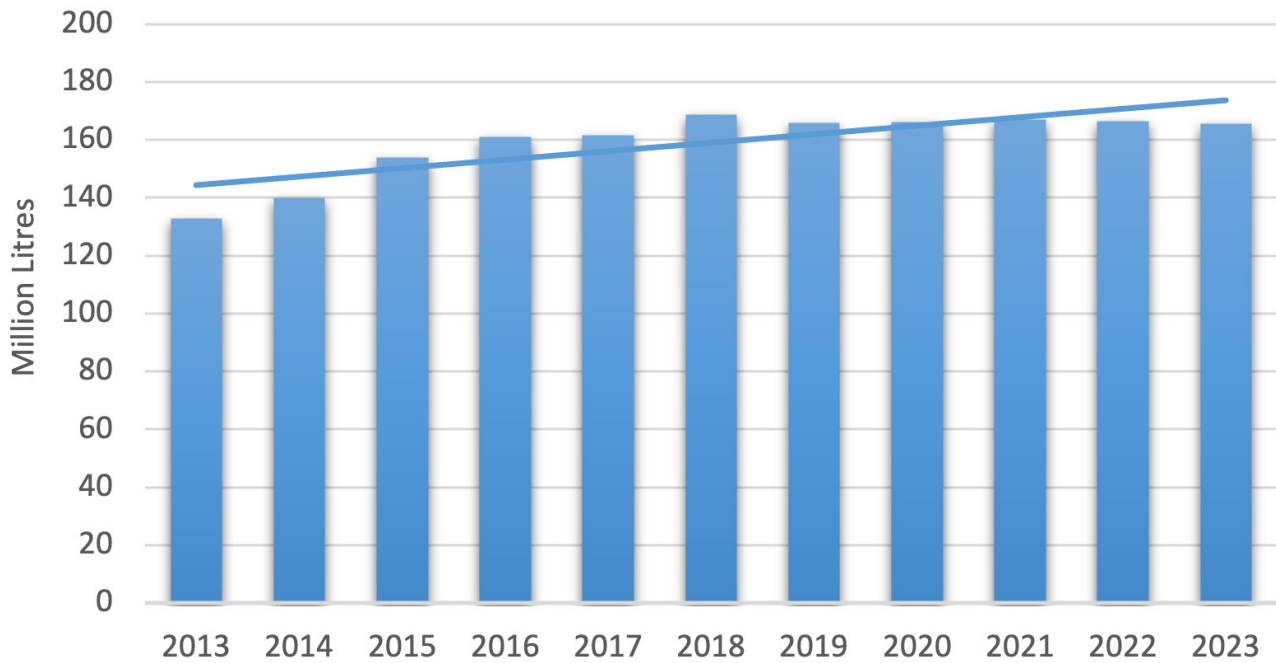
- increased 2 percent in 2021
- increased 0.17 percent in 2022
- decreased 2.76 percent in 2023.

Industrial Sales (including automotive)

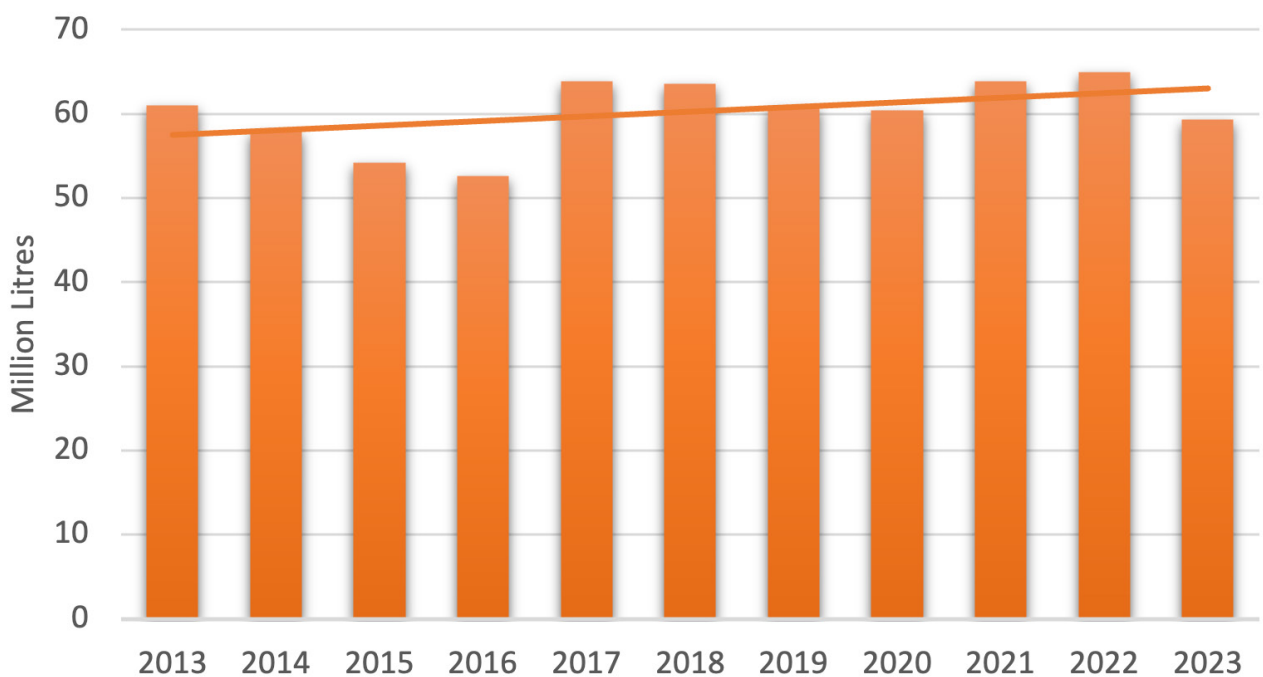
- increased 5.59 percent in 2021
- increased 1.8 percent in 2022
- decreased 8.8 per cent in 2023.



Architectural and Decorative (including wood care)



Industrial (including automotive refinish)



Strategic Plan 2020–2023

Our mission

To improve the economic, societal and environmental contribution of Australian paints and coatings manufacturers on behalf of members, and for the benefit of the Australian community.

Our primary functions

PROMOTE	the industry and the contribution it makes to Australia.
REPRESENT	members through a collective voice on matters of importance to the industry, members and Australians.
EDUCATE	members, consumers, governments, regulators and the community in general on all matters relevant to the sector.
INFLUENCE	decision-makers and influencers in supporting the pursuit of excellence in the ongoing advancement of the sector.

These primary functions will seek to maximise opportunities for and address challenges confronting Australia’s paints and coatings sector.

Our strategic priorities

OUR MEMBERS	<p>We will represent and service our members through:</p> <ul style="list-style-type: none"> • better understanding of individual and collective member needs • advocating on important issues • ongoing education and collaboration through collective local knowledge sharing • accessing and sharing global knowledge • providing sound governance and exemplary leadership.
OUR STAKEHOLDERS	<p>We will build and maintain effective relationships with:</p> <ul style="list-style-type: none"> • governments - federal and state • regulators - federal and state • non-government organisations across Australia • influencers across Australia • the education system - universities and students • media - traditional and contemporary.
OUR ALLIANCES	<p>We will generate mutual value through:</p> <ul style="list-style-type: none"> • leveraging our relationship with Chemistry Australia • cultivating more formal relationships with associated industry bodies.
OUR CONSUMERS	<p>We will preserve our social licence in order to support industry and member sustainability, and generate value and benefits for our communities.</p>

2020-2023 INITIATIVES

ONGOING	
Policy and regulation	<p>Key areas of focus include:</p> <ul style="list-style-type: none"> • Health, Safety, Environment, Logistics and Technical (HSELT) – continuing our work in the areas of health and safety, and the environment • waste management – exploring opportunities to address this key industry challenge • energy supply and cost – work with key stakeholders to mitigate the ever-increasing risk in this business input.
Alliances	To attract and retain the best professional staff, and establish and nurture relationships with key universities to promote opportunities for STEM students, and projects in the paint and coatings sector.
REPOSITIONING THE FEDERATION	
Industry profile	Undertake a specific project to determine, quantify and articulate the paints and coatings sector's contribution to the Australian economy.
Pathway to influence	Leverage our relationship with Chemistry Australia to identify, establish and nurture relationships and networks with ministers, senators, members, and regulators at federal and state government levels.
Communication	Develop and implement appropriate strategies to effectively communicate with members, consumers and key stakeholders on an ongoing basis.

