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Australian Paint Manufacturers' Federation Inc.



2024
Annual Report

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2024 Annual Report

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Notice of Annual General Meeting

NOTICE IS HEREBY given that the 67th Annual General Meeting of the Australian Paint Manufacturers' Federation Inc. will be held on Tuesday 26 November 2024, commencing at 4:00 pm at Paintback Limited, South West Suite, Level 3, 717 Bourke St, Docklands, Victoria 3008, and via Microsoft Teams.

Michael Paag
Public Officer
29 October 2024

Agenda

1. Apologies
2. Minutes of Annual General Meeting of 28 November 2023
3. Annual Report for 2023/24
4. Annual Accounts for 2023/24
5. Appointment of members of Council in accordance with Clause 18 of the Constitution
6. Election of up to two other Members in accordance with clause 19 of the Constitution
7. Appointment of auditor for 2024/25
8. Any other business.

Proxies

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

About the APMF

THE AUSTRALIAN PAINT Manufacturers' Federation Incorporated (APMF) was established in 1947. Some 77 years later, it continues to represent the industry's dedication to promoting paint and coatings manufacturers' economic, societal, and environmental contributions to Australia.

The Australian paints and coatings industry supplies the economy with approximately \$3 billion of surface coating products annually. It directly employs about 6500 people and supports Australia's 51,000 trade painters. Many other retail, distribution, design, architecture and infrastructure jobs also rely on the industry.

The APMF is a not-for-profit industry association that represents 23 companies that account for more than 90 percent of all paints manufactured in Australia.

The APMF is governed by a Council comprising representatives from small and large manufacturers. It provides its members with a variety of health, safety, environment, packaging, distribution, storage, logistics and technical services. The APMF is the chief industry advocate for the state and federal governments, and various statutory and regulatory authorities.

The Federation also fulfils a vital function in advising members of relevant legislation and changes in regulations. Crucially, the APMF makes an important contribution on behalf of members and the industry to the development of regulatory reforms to ensure the industry's views are fully understood.

Various committees, including the Health, Safety, Environment, Logistics, and Technical (HSELT) Committee and working groups, assist the APMF in guiding the development of industry initiatives and responses to issues that might impact the industry and the broader community.

The APMF is a member of the World Coatings Council (WCC) and a founding member of the Asia Paint Industry Council (APIC). The WCC, established in 1992, serves as a global platform for the industry to discuss and analyse industry issues and their global implications. It also coordinates the development of the industry's policy responses to international bodies and governments. APIC, on the other hand, focuses on facilitating the exchange

of information between Asian paint manufacturers and raw material suppliers. As a member of these councils, the APMF plays a crucial role in representing the Australian paint industry on the global stage.

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 APMF's day-to-day administration. 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.



Members of the Council

MEMBERS OF COUNCIL 30 JUNE 2024

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
Elle McDermott	Member	Dy-Mark

APMF Members 30 June 2024

Full Members

AkzoNobel Pty Ltd
Bondall Marketing Pty Ltd
Cameleon Coatings
Colormaker Industries Pty Ltd
Concept Paints
Dulux Australia
Dy-Mark (Aerotek)
Haymes Paints
Hempel (Wattyl) Australia) Pty Ltd

Jotun 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
GBD International
Paintback Ltd
Resene Paints (Australia) Ltd
Rust-Oleum Corporation
Sherwin-Williams Automotive Australia




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Chairman's Report

THE PAST YEAR has been another successful year for the Australian Paint Manufacturers' Federation (APMF). Our advocacy on behalf of members has delivered two critical outcomes, including changing the poison schedule requirements for antifouling paints, and the Australian Industrial Chemicals Introduction Scheme (AICIS) rule changes that reduce the regulatory burden on members and their suppliers. Multiple years of effort and advocacy have been required to deliver these positive outcomes.

The APMF's strategic priorities continue to be:

- sustainability and the circular economy
- monitoring and positively impacting national and international regulation on the Australian surface coatings industry
- advocacy to strategic stakeholders.

As an organisation representing Australian paint manufacturers, it is imperative that we have a strong voice at the table.

Poorly designed legislation and the imposition of requirements not supported by sound science can significantly undermine both Australian manufacturers'

competitiveness, and the achievement of the goals that legislation aims to deliver.

The APMF's Health, Safety, Environment, Logistics and Technical (HSELT) subcommittee remains very active in monitoring and addressing the range of regulatory issues impacting the industry, including national packaging legislation and proposed changes to workplace exposure limits for titanium dioxide.

As we head towards the next federal election, the APMF is working closely with our partner – Chemistry Australia – to develop our policy priorities. It will come as no surprise to members that our key priorities include:

1. the need for low-cost, reliable power
2. addressing Australia's declining productivity by:
 - reducing red tape, including regulatory duplication
 - investing in skills and education for our future workforce, particularly STEM.

On behalf of the APMF and members, I want to acknowledge Joe Rodgers-Falk's retirement after 44 years with Hempel (Wattyl) Australia. Joe has made an outstanding contribution to the Australian paint industry for over 4 decades, including several stints as the Chair of the APMF's Technical committees, and participation in establishing Paintback and many other initiatives. He will be missed. On behalf of the APMF, we sincerely thank Joe for his contribution and wish him I wish Joe a long, healthy, and rewarding retirement.

Thank you to both our full and associate members for your continuing support of the APMF. With regulatory developments impacting Australia's industry, a strong and effective voice representing Australia's paint manufacturers is critical to ensure that governments and regulators are fully informed as they consider regulatory changes.

I want to also thank Bernard Lee, our Executive Officer, for his continuing strong contribution on behalf of the members during the year.

I wish you all the best for the coming year.

Rod Walton
Chairman

Executive Officer's Report

THIS REPORT DETAILS the Federation's main activities over the past 12 months to 30 June 2024.

The Federation's application to amend the poison schedule was successful on the regulatory front. In September 2023, the poison scheduling delegate reversed their decision to reduce the existing low-level lead contamination limits for copper-based antifouling paints to 90 parts per million, well below the levels applying to antifouling in Europe, North America and the rest of Asia. The decision also established a timetable to re-evaluate the situation over the next 6 years.

Lead-based paints were phased out in Australia almost 50 years ago. However, many countries have yet to impose similar restrictions. The United Nations Environment Programme, with the support of the World Coatings Council and associations, including the APMF, has been promoting an initiative to eliminate lead-based paints by implementing a globally uniform limit of 90 parts per million of lead contamination in paints and coatings. Due to the high concentration of copper in antifouling, and the fact that copper (mainly recycled copper) is contaminated with lead, a 600-parts-per-million limit is applied to antifouling.

One unfortunate outcome of the move to the 90-parts-per-million limit is that it has caused some circles to be confused about the use of lead in paints in Australia. As noted above, lead has not been used in Australian paints for decades.

In early 2024, Australian Industrial Chemicals Introduction Scheme (AICIS) announced several critical changes to the schemes' rules. These changes were the culmination of almost 2 years of effort by the APMF on behalf of members. They included changes to the record-keeping requirements for listed introductions, which ensured that critical raw materials and products remained available to Australian consumers. The changes also established a new pathway for introducing specialty raw materials and paints when used in a controlled environment. This pathway is critical for special low-volume coatings in manufacturing, aerospace and defence applications.

Feedback from members indicates that these changes have been well received and alleviated many previous concerns.

The World Coatings Council (WCC) conference took place in Shanghai in March 2024. It focused on the industry's global regulatory issues, including biocide use in water-based paints, microplastics, per- and polyfluoroalkyl substances (PFAS) restriction, and product stewardship schemes.

The Federation's HSELT Committee has been focused on many of these issues and has done some work on the general misconception that paints are a significant source of PFAS contamination in Australia, and the microplastic issues. The HSELT Committee report includes a more in-depth discussion of all these issues.

In April, I met with Environmental Protection Authority New Zealand (EPA NZ) to discuss proposed changes to their product standards that would likely impact paints and coatings. EPA NZ is also implementing the 90-parts-per-million lead limit for paints and coatings. However, this change does not impact antifouling.

In the upcoming year, the Federation will focus on packaging reforms, product stewardship, and the proposed reduction in the workplace exposure limit for titanium dioxide.

Packaging reforms will involve mandatory recycling targets and additional product stewardship obligations. These reforms must be structured to ensure that they do not impose extra burdens and costs on Australian-based manufacturers, which are not applied equally to imported products. Over the longer term, an imbalance in regulatory burden will threaten the competitiveness of Australian manufacturers, and potentially undermine the achievement of recycling targets and the viability of product stewardship schemes.

The same is true for workplace exposure limits. Imposing a significant reduction in titanium dioxide limits, orders of magnitude below the levels recommended by AICIS, will add costs, threaten the viability of many small paint manufacturers, and deliver no tangible benefits to workers.

Thank you for your continued support of the Federation.

Bernard Lee
Executive Officer

Celebrating Joe Rodgers-Falk: the retirement of an industry icon and APMF stalwart

IN SEPTEMBER 2023, Joe Rodgers-Falk announced his retirement from Wattyl after 44.5 years. For over 4 decades, Joe has contributed to the work of the Australian Paint Manufacturers' Federation (APMF), including several terms as the Chair of the Federation's Health and Safety, Environment, and Technical (HSELT) committees.

In 1979, a young Joe Rodgers-Falk joined the laboratory team at Wattyl in Blacktown, New South Wales, as a lab assistant. Joe made an immediate impact, arriving in his Holden Torana.

Over his 44.5 years with Wattyl, Joe has been a valued mentor to many. His colleagues have described him as a walking paint encyclopedia who was always approachable, and willing to share his knowledge and expertise with others. There is perhaps no better example of this than Joe's participation in a vast range of Australian Standards Committees on behalf of the APMF and its members.

As we celebrate Joe's retirement and contribution to the Federation, we took the opportunity to ask Joe some questions about his time in the paints and coatings industry, and his retirement plans.

How did you get started in the industry?

In 1979, in my second year as a part-time student at NSW Institute of Technology, I applied for a job at Wattyl Paints in Blacktown as a Laboratory Assistant. I was interviewed by Barry Cook (Technical Manager) and John Rankin (Assistant Technical Manager). Fortunately, I was successful and started my career in

'all things paint'. For my 'efforts', I was remunerated at \$179 (before tax) for a 40-hour week.

What would you describe as a career highlight?

While managing the QC Laboratory in the 1990s, we converted the test records from handwritten cards to an access database. This allowed better use of records and reports. This also allowed us to make better decisions about batch adjustments, along with reporting to review trends and such.

How has the industry evolved during your time with APMF?

Well, we have consolidated both in membership and committees. I was the Wattyl representative on three APMF Committees: Technical, Logistics, and Health and Safety. Now it is one committee. I will say it is a reflection of the times and the time we have available.

What are you most proud of regarding your work with APMF?

Well, we always do 'good things' along the way, but two come to mind:

1. The 'Safety man' PPE stickers, which have been adopted and modified over the last 30 years or so.
2. Paintback: without the united front of the industry leaders, we could not have created the scheme we are working with.



JOE VOLUNTEERING AS A 'BOOK READER' AT THE LIBRARY

What would you like to see change/happen in the next 40 years?

I would like to think we are still making paint in Australia, for Australian conditions.

How important are industry associations in advancing opportunities for Australian businesses?

The APMF is our advocate or collective voice in the business world. It facilitates information sharing about changes or issues that affect all members. This is especially important with respect to decisions made by governments of the day.

Members can share thoughts and approaches to the matters in the regulatory space to ensure a uniform industry face.



JOE TURNING 50 YEARS OLD AT THE BLACKTOWN LABORATORY

What advice would you give to others looking to get involved in industry-led work?

There are things to learn in all our endeavours. Be involved; no matter what you are doing, business is about relationships.

What are your retirement plans?

The short list, in no particular order, is gardening, woodwork (getting better at it), golf (improving my tee shots), and household maintenance.

What are you looking forward to doing?

Travelling outside of Australia.

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

THE HEALTH, SAFETY, Environment, Logistics and Technical (HSELT) Committee remained active in 2023/24.

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 on 30 June 2024, the Committee considered, discussed and responded to:

- claims that paints and coatings are a significant source of per- and polyfluoroalkyl substances (PFAS) contamination in Australia
- microplastics
- Environmental Protection Authority New Zealand (EPA NZ) product group standard changes
- 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
- Australian Industrial Chemical Introduction Scheme (AICIS) rule changes
- proposals to change International Maritime Dangerous Goods rules, which deem water-based paints dangerous goods for maritime transport purposes due to the presence of biocides in their formulation. These rules impact the trans-Tasman and intra-Pacific paint trade, and the domestic supply of water-based paints to and from Tasmania.

European Union (EU) proposals to restrict PFAS have attracted global attention. Noting claims that paints and coatings were a principal source of PFAS, the Federation'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 commonplace in Australian paints may result from the widespread use of solvent perchlorobenzotrifluoride (PCBTF) in the United States to comply with Californian volatile organic compound (VOC) regulations. PCBTF falls within the Organisation for Economic Co-operation and Development (OECD) definition of 'PFAS'. PCBTF is not widely used in Australian-manufactured paints; other solvents are preferred.

The Committee prepared an information sheet explaining that PFAS use in Australian paints is rare, and that paints are not a significant source of PFAS contamination in Australia.

In December 2023, state and territory environment ministers agreed to make the Commonwealth responsible for national packaging regulation. The Department of Climate Change, Energy, the Environment and Water has taken the lead and is preparing to begin consultation on a suite of packaging and waste-related legislation, including establishing mandatory recycling targets, packaging content and design, and product stewardship initiatives.

The APMF established Paintback in 2016 to address many of these issues. Any packaging reforms should recognise and build upon Paintback, and not hinder its ability to effectively address the end-of-life recovery of unwanted waste paint and paint packaging.

The Committee is ready to provide the Federation's input into the consultations for the Commonwealth packaging reforms, expected to commence in October 2024.



Responding to increasing commentary on social media about paints and coatings being responsible for most microplastic pollution in the oceans, the Committee decided to focus on microplastics and develop an information sheet for publication on the Federation’s website.

Finally, Safe Work Australia is expected to move forward with the Regulatory Impact Assessment on the proposed reduction in the workplace exposure limit for titanium dioxide. The proposal plans to reduce the limit from 10 milligrams per cubic metre to 1 milligram per cubic metre.

The Committee questions the basis for the proposed change. The Commonwealth Department of Health’s recent review of titanium dioxide found that a limit of 10 milligrams per cubic metre was sufficient to protect workers.

Reducing it to 1 milligram per cubic metre will significantly increase the costs for paint manufacturers, as they currently manage titanium dioxide exposure

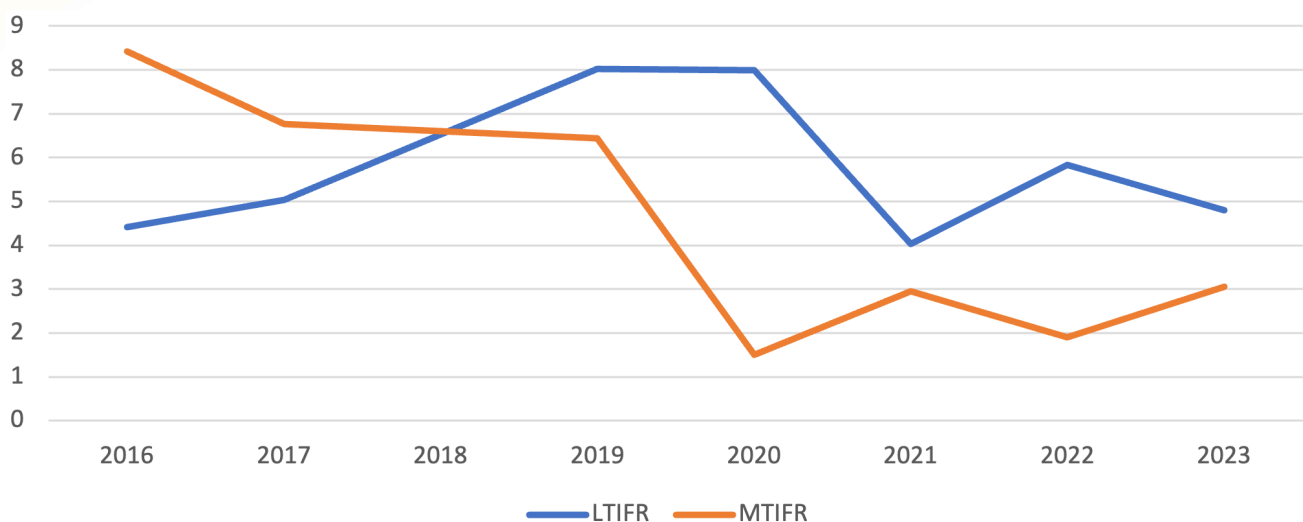
within the workplace exposure limit for inhalable dust, which is also 10 milligrams per cubic metre. If inhalable dust is below 10 milligrams per cubic metre, titanium dioxide is below 10 milligrams per cubic metre. A limit of 1 milligram per cubic metre for titanium dioxide will require manufacturers to isolate and test separately. This is expected to add about 20 percent to the cost of monitoring. The Committee has expressed concerns about the impact of other environmental factors, such as humidity, on monitoring and questions about the availability of qualified testing laboratories.

Finally, reducing to 1 milligram per cubic metre will likely require significant capital investment in new exhaust extraction equipment. In the current high-cost environment, this may threaten the ongoing viability of smaller paint manufacturers.

The Committee awaits the release of the Regulatory Impact Assessment by Safe Work Australia.

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

Industry Aggregates - A&D plus Industrial

- increased 2 percent in 2021
- increased 0.17 percent in 2022
- decreased 2.76 percent in 2023
- increased 2.7 percent in 2024.

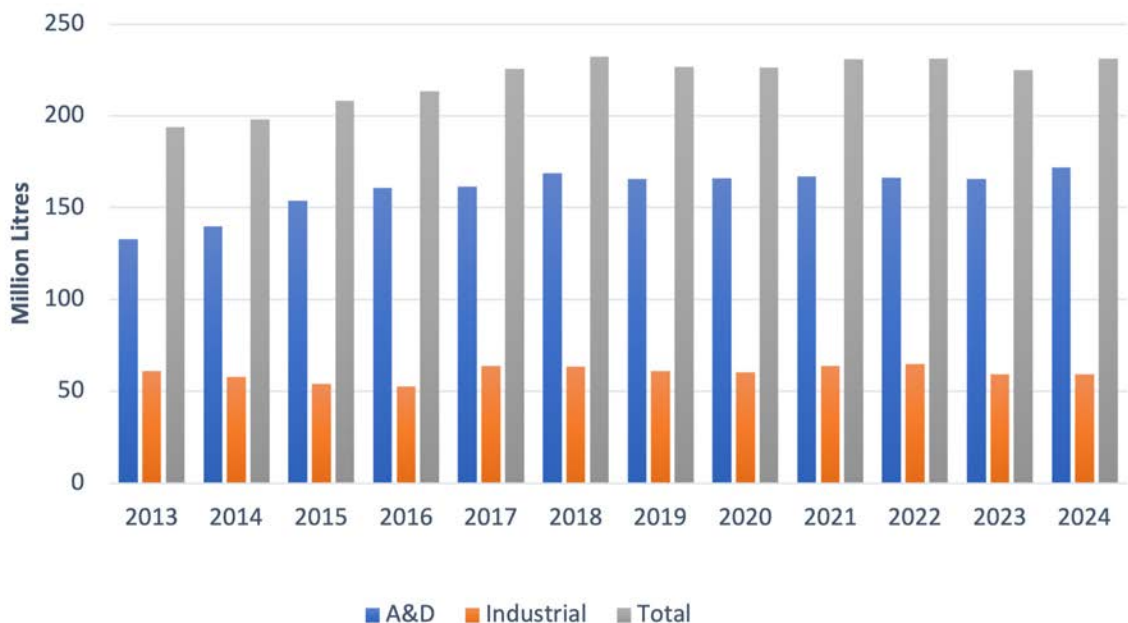
Industrial Sales (including automotive)

- increased 5.59 percent in 2021
- increased 1.8 percent in 2022
- decreased 8.8 percent in 2023
- increased 0.1 percent in 2024.

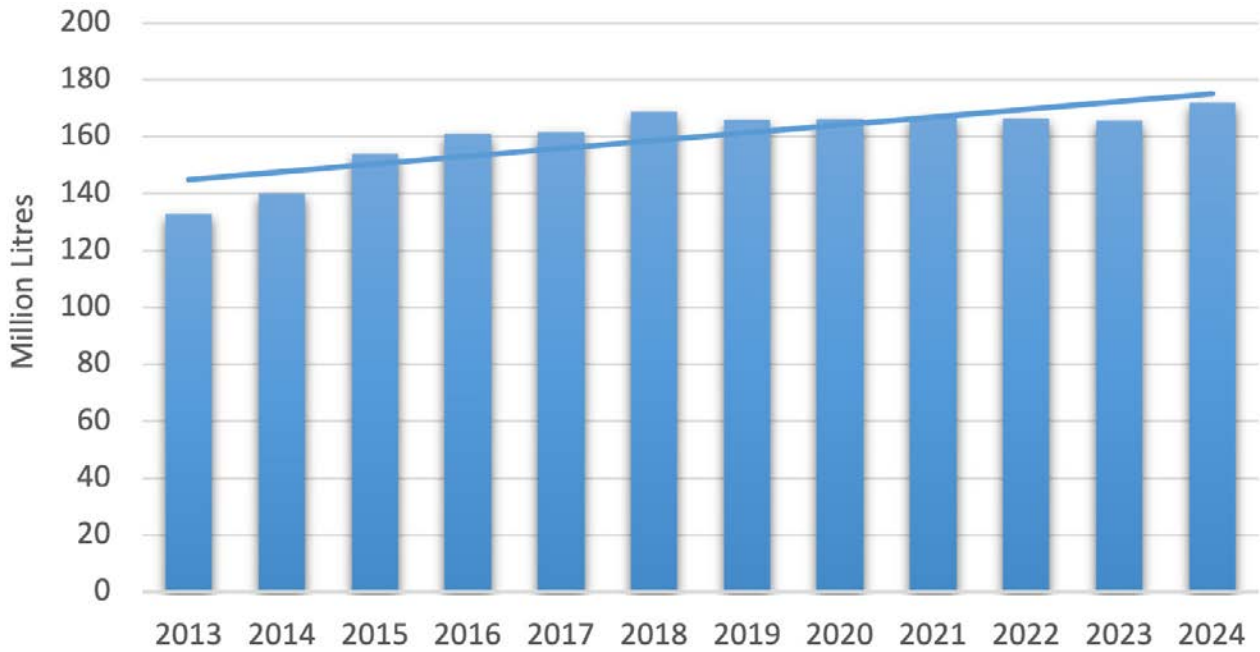
Architectural and Decorative (A&D), including wood care products

- increased 0.65 percent in 2021
- decreased 0.46 percent in 2022
- decreased 0.40 percent in 2023
- increased by 3.7 percent in 2024.

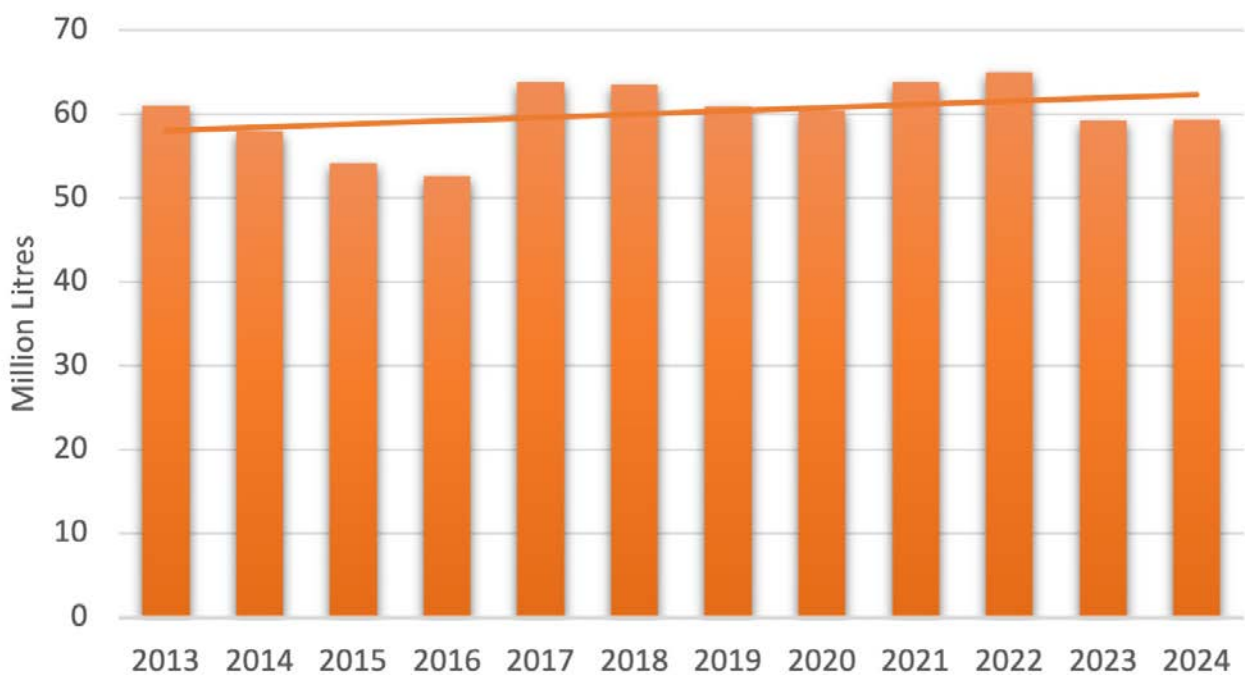
Aggregate Sales - Architectural and Decorative (including wood care) and Industrial



Architectural and Decorative (including wood care)



Industrial (including automotive refinish)





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