

JUNE 2010

# TALK

## CEO Corner

### What's on the SETA landscape?

**AT the time of writing, we are on the eve of the Public Hearings on the proposal of the Minister of Higher Education & Training to reconfigure various SETAs and, if unamended, will see the broader industry affected in two ways.**

Firstly, Printing & Packaging will be assigned to a brand-new SETA – the Manufacturing SETA – along with a variety of other industries, with most of which we have nothing in common. Furthermore, if this happens, we will find ourselves with a brand-new administration entailing new systems, new individuals and unknown levels of service. For many years, we have complained of the poor, shoddy and unprofessional service that the industry has been receiving; and the general unhappiness of both employers and labour is well known.

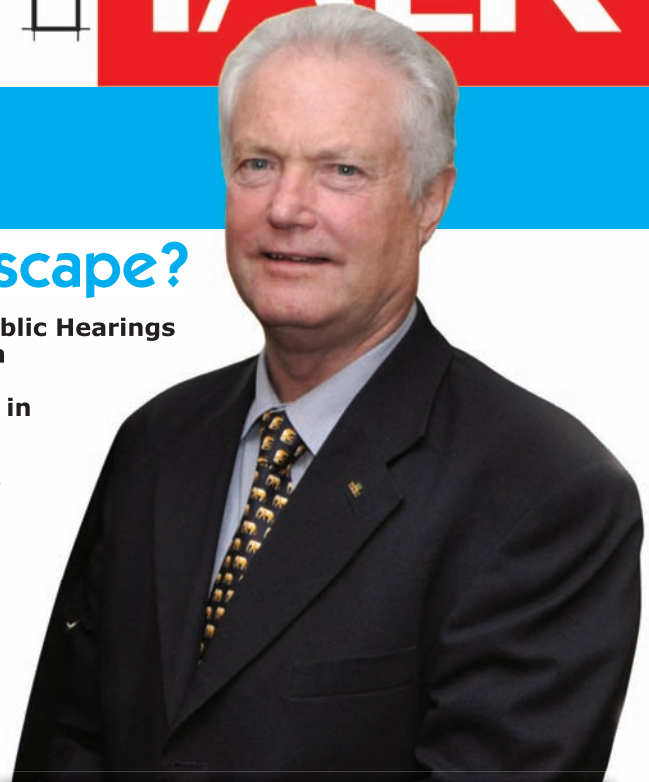
However, is this a case of 'Better the devil you know'? Will the new administration be better or worse than the poor service we've grown accustomed to? In either event, how will this affect training in the industry?

It may not be widely known, but the new PIFSA Training Council is working on an exciting proposal for training. If successfully extended to its logical end, both below and above the level of apprenticeship training, this model could revolutionise training, and the way in which the public views the industry. It would be a great pity if the allocation of Printing & Packaging to a new and untried SETA were to slow the momentum developing in this regard or, even worse, jeopardise the delivery of the intended training model.

Secondly, the proposal by the Department will see Print Media being split away from Printing & Packaging. This is unthinkable, as the different sectors are not different industries and use common technology and interchangeable skills. This has the potential for causing huge difficulties. For instance, in which SETA will Electronic Origination and/or Rotary Offset Machine Minding apprentices be trained? Will they be trained by both SETAs and will each SETA expect different standards?

These are vexing difficulties and both employer organisations and labour representatives have made submissions to the various authorities, warning of the consequences for training should this difficulty not be corrected.

It's sincerely hoped that those bureaucrats tasked with making the final decision fully appreciate the difficulties they are about to impose on employers and trainees and the consequences for skills development in South Africa.



Patrick Lacy, CEO

### Duty on self-copy paper reduced to zero

**On May 28, 2010, duty on self-copy paper was reduced to free. Unfortunately the reduction is not retrospective (Government Gazette 33211 Notice R438).**

The application by the Printing Industries Federation of South Africa to have the duty on self-copy paper reduced from 3,8% to

free was published on December 18, 2009, in Government Gazette 32805, Notice 1630.

The reduction was based on details supplied by PIFSA and supported by Mondi Limited, which was the only local manufacturer until it ceased production in 2007. The reduction should provide some relief to forms printers.



## Let's talk VAT



### International VAT claims

**With the World Cup upon us, here's some information around international VAT claims.**

- VAT is levied in the EU on supplies of goods and services
- VAT is 'value-added' at each transaction stage
- VAT differs between EU member states and varies from 5% to 25%
- The tax is added to the total invoice and paid over to the government
- It has different names in different countries,

eg ITA, GST, MWST, TVA and MOMS. Companies trading internationally may reclaim international VAT. A few examples of relevant expenses are:

- Exhibition and conference fees
- Business entertaining
- Accommodation costs
- Telecommunications
- Promotional materials
- Transport costs
- Printing materials
- Restaurant meals

A EU report finds that 80% of companies don't reclaim the VAT expenses they're entitled to! There are many reasons for this, but those wishing to get back what's rightfully theirs should take the trouble-free route and outsource the claim to a specialist company.

**[In the next issue: Imported services]**

## Consumer Protection Act 68/2008

**October 2010 will see most sections of the Consumer Protection Act coming into full force. Are businesses in the printing sector ready?**

Every transaction occurring in the RSA will fall under the Act unless exempt.

Where a juristic person is a consumer and his annual turnover or asset value is greater than the monetary threshold to be determined by the Minister, the transaction is exempt.

This determination in terms of Section 6 of the Act has not yet been made but is expected to be in the region of R1-million. The Minister may make other exemptions.

However, even if the transaction is exempt, the supplier of goods or services is still subject to Sections 60 and 61 of the Act that cover safety monitoring and recall and liability for damage caused by goods.

The Act amends, repeals and makes transitional arrangements to a number of other Acts.

- Merchandise Marks Act 17/1941 – Sections 2 to 13 and 16 to 17.
- Business Names Act 27/1960 – Repealed

- Price Control Act 25/1964 – Repealed
- Sales and Service Matters Act 25/1964 – Repealed
- Trade Practices Act 76/1976 – Repealed
- Consumer Affairs (Unfair Business Practices) Act 71/1988 – Repealed

### Do you know?

Businesses including printers may no longer use their trading names. Catalogues, trade circulars, business letters, invoices, statements must change to reflect business ownership.

Administrative fines are based on a percentage of annual turnover.

Current agreements with customers may be deemed unlawful.

Companies are responsible for pointing out any hazards relating to their products.

Packaging and labelling must not be misleading.

In August, PIFSA intends holding workshops in Johannesburg, Durban and Cape Town. Members interested in attending should contact their local PIFSA Chambers.

## Widows and Orphans

**Have you ever come across a really badly laid out document with a header at the bottom of the page and a part of the last line of a paragraph on the next page? Do you understand the terms 'widows' and 'orphans', as used in typography and layout?**

In James Felici's article 'Solve typographic widows and orphans' published by CreativePro.com, a widow is a short last line of a paragraph, creating a visual impression of a blank line between paragraphs. Even more out of place is a hyphenated widow, which is just a portion of one word on the last line of the paragraph.

An orphan on the other hand is a short portion of a paragraph badly positioned in the column. A one-line orphan is considered to be bad typography.

James Felici gives some handy tips on how to correct such errors – manually – as many word processing programs don't handle these situations well.

The article by James Felici can be viewed on the CreativePro.com website.

<http://www.creativepro.com/article/how-solve-typographic-widows-and-orphans>.

## KZN Chamber News

### KZN Chamber elects new executives

**THE KZN Chamber has elected Bob Reynolds, divisional MD of Lithotech Manufacturing (Pinetown) as the new chairman of its executive committee, and extends sincere thanks to outgoing chairman, Kevin Boyle, for his contribution during his term of office.**

New office bearers are now Bob Reynolds, chairman (Lithotech), Craig Hardman, first vice chairman (Mailbox Print Shop), and Bruce Pender-Smith, second vice chairman (DBC Plastics).

Other executive committee members are Russell Cumming (The Natal Witness), Martin Conway (Shave & Gibson), Aaron Ganesh (Nampak Cartons & Labels), Devan Gounder (Fishwicks Printers), Yogan Govender (Silveray Stationery), Paul Knock (Knox Printing), Barry Lynch (Independent Newspapers), Pops Ramdhani (Pops Print), Yvette Roberts (ProPrint), Tim Stewart (ITB Manufacturing) and Peter Tubb (UVP Pro Bind).



## Apprentice selection testing

**PIFSA's KZN Chamber now offers a comprehensive Technical Test Battery for use by employers as one of their selection tools when recruiting apprentices.**

Seen above are applicants undergoing a battery of psychometric tests in an ideal test environment at the KZN Chamber's offices.

### PIFSA's address and telephone numbers:

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