



MAY 2009

TALK

CEO Corner

Paarl Print tragedy

ON behalf of our industry, I would like to express our sincere condolences to the families, staff members and management of Paarl Print and the Paarl Media Group.

The fire that took nine lives affected families, a community, a company and an industry.

We are deeply saddened by this tragedy.

TT Blocks

PLANNING for the next round of TT Blocks is under way and members should reserve places for eligible employees (apprentices) as soon as possible.

Blocks will be run in Johannesburg, Cape Town and Durban – members should contact Chris Mason for Johannesburg bookings (011 6993000), Ken Leid for Cape Town bookings (021 5951367), and Geoff Warren for KZN Bookings (031 7058744).

PIFSA is committed to continuing to offer TT Blocks while a new training dispensation is developed.

Environmental levy on printers?

UNTIL now, the Packaging Council of South Africa (PACSA) has been a lone voice in engaging the Department of Environmental Affairs and Tourism (DEAT) over the impact of the new Waste Act which was assented to by the State President on March 6, 2009. Two important elements of this Act are the introduction of the concept of extended producer responsibility and the power vested in the Minister to order an Industry Waste Management Plan.

As PACSA points out, 'responsible elements of the packaging industry have for many years been driving voluntary industry initiatives to develop recycling in South Africa and in 2007 the recycling rate for all packaging and paper consumed in this country was 40,8%, which is reasonable considering that there is effectively no separation by households of post-consumer waste'.

However, according to PACSA, this is not considered to be enough by DEAT and we are advised that it's DEAT's intention to apply the concept of extended producer responsibility and make the broader packaging and paper industry take more action – including funding – to increase recycling rates dramatically.

This is not confined to the 'packaging industry' – the broader printing industry will be included in this plan.

Section 18 of the Waste Act provides:

- (f) that the producer of a product or class of products identified ... must carry out a life cycle assessment in relation to the product, in such manner or in accordance with such standards or procedures as may be prescribed; and
- (g) the requirements that must be complied with in respect of the design, composition or production of a product or packaging, including a requirement that
- (i) clean production measures be implemented

There's no doubt that broader environmental legislation is on its way for the printing industry, and PIFSA will be co-operating with PACSA and other role players to ensure that the impact is spread as broadly as possible so that impact on individual companies is minimised.

We are also working on developing Environmental Guidelines for our industry using appropriate practices from other countries. We believe it's preferable for an industry to be proactive in this regard, rather than have unrealistic standards imposed by the authorities.



Chris Sykes, CEO

Let's talk VAT

Fringe Benefits (2)

RATHER than wading through all the legal and accounting jargon that only a favoured few can understand, we'll get right down to listing fringe benefits that are generally subject to VAT:

1. Assets consisting of goods, commodity or property, but not money, received from the employer.
2. The right to use assets or services made available for employees' private use. This could either be free of charge or for a nominal value (normally below market value).
3. The release of an employee from an obligation to pay any amount he owes to the company.

After every list a question – why must we deduct VAT from these fringe benefits? Logic aside and theory applied, the output tax accounted for by the employer is intended to recover the portion of input tax previously claimed for the original acquisition of the goods or services. Since the employer is usually the registered VAT vendor, the employer is obligated to account for output tax on fringe benefits subject to VAT.

This subject can develop into a very long discussion and for that reason we suggest you forward questions to your accountant, tax practitioner or SARS call centre.

In the next issue we'll address fractional ownership.

(Extracts from the Practical VAT Handbook)

For Fringe Benefits (1), see the March 2009 issue of PrinTalk

Environmental issues revived

Erich Kühl reflects on sustainability.

FIFTEEN years ago the Industrial Environmental Forum of South Africa ran an Environmental Self-Assessment Programme developed by Deloitte & Touche.

The programme contained most of the essential components which are again, 15 years later, considered crucial to any sustainable environmental programme – for example integrated management, policies, systems and procedures, continual process of improvement, employee and customer education, prior assessments. Most of the buzzwords are again in use, but they're also being adopted and used as veiled threats by our customers, who imply that they will only purchase from companies who are compliant or 'environmentally sustainable'.

The word 'sustainability' has now become a synonym for environmental awareness or compliance. Collins English Dictionary defines sustainable as 'capable of being maintained at a steady level without exhausting natural resources or causing severe ecological damage'. The World Commission on the Environment defines it as 'development that meets the needs of the present without compromising the ability of future generations to meet their own needs'.

Environmental strategies and legislation in many other countries clearly state that compliance with Health & Safety regulations is critical to any environmental programme and is a prerequisite for 'Green' certification.

So what happened in the meantime?

Environmental sustainability had only been taken seriously by a handful of major companies. Past environmental legislation focused mainly on heavy metals, waste, water and emission control, without providing clear guidelines to industry. Suddenly the authorities have recognised that there is much more that can be done. Did they feel a little twinge of conscience when they compared our country to the First World countries they visited, or did they see an opportunity to make a real difference and prove to the world that we also care?

Regardless, the resulting consultation with industry bodies has led to the formulation and publication of the National Waste Act, which provides for extended producer responsibility and the establishment of an Industry Waste Management Plan. This plan will specify that industry must fund the increase in the recycling of all packaging materials including paper, board, glass, plastics, metals and post-consumer waste. For this purpose a levy will be instituted, which will be shared by all players: raw material suppliers, converters, brand owners, importers and retailers. Producers of specified packaging products must carry out a life cycle assessment and 'clean production measures' must be implemented in the design, composition manufacture of a product.

By implication, this Act will not only apply to manufacturers and converters of packaging products, but ALL printed products. The



levy, even if it's shared among all parties, will add costs to our products, while the implementation of the regulations and resulting waste recovery initiatives will increase production costs. It's imperative, therefore, to start implementing cost-saving measures as early as possible.

As mentioned in a previous article, PIFSA is assessing all available international initiatives and legislation; and is now negotiating with

PIA/GATF to consider a licence for a joint SGP accreditation initiative.

We intend adopting and adapting these SGP criteria and best practices guidelines to our requirements and also providing these to the Department of Environmental Affairs to guide their regulations, after further consultation with industry and our members.

For further information contact Erich Kühl ekuhl@pifsa.org.

Energy-efficient platemaking

US-based business consultancy J Zarwan Partners recently released a study 'Environmental impact of a printing plate' which can be accessed on the internet free of charge by printers wishing to save energy.

The study attempts to bring some clarity to the amount of energy, chemistry, water and waste required by different plate technologies and succeeds in doing this with comparative tables. While it's acknowledged that environmental considerations are only one of many factors in the choice of printing plates, the study states: 'Even if the result is not a change in plates used, an awareness of and improvement in processes and procedures is possible.' Its authors also concede that 'virtually all plates work well in the correct application and no single solution is appropriate for every printer'.

The three primary resources used in plate processing are chemistry, energy and water. In addition waste water, spent chemistry and containers need to be recycled. Some plates also require a silver recovery system.

Indirect resources include the manufacture

and delivery of plates and processors, all of which have a carbon footprint.

The major categories of plates analysed in this study are:

1. Conventional chemically processed
2. Reduced chemistry
3. Chemistry-free
4. Processless plates

It's interesting to note that processing the fourth category, by its nature, uses no chemistry, water or energy and leaves no waste to recycle, but it's not suitable for every application. Chemistry-free plates use very little chemistry (not zero), no water, produce very little waste, but use more energy.

The study, sponsored and supported by Fujifilm UK, Fujifilm Canada and the Eastman Kodak Company, can be downloaded at www.johnzarwan.com.

As the summary states 'while performance on press will remain a key factor in plate selection . . . the information presented here will enable printers to take into account the environmental impact of their decision'.

For more information contact Erich Kühl ekuhl@pifsa.org.

Beware – imprints are still legally required!

INCREASINGLY PIFSA members' customers protest against the use of imprints, claiming them to be 'free advertising'. PIFSA contacted the State Attorney for his interpretation of the Imprint Act 43/1993 and received some interesting advice.

A brief reminder – the Imprint Act requires that any printer of printed matter affixes a legible notice containing the words 'Printed by . . .', followed by his full and correct name and the full and correct address at which he conducts his business of printing or an abbreviation of his name as registered with PIFSA. The printer is also obliged to inform the Federation in writing of any changes to particulars furnished in a previous application.

The State Attorney states: 'The requirements of Section 2 of the Act are peremptory and will lead to the criminal prosecution of the printer who does not comply. If someone induces someone else to commit an offence (such as the omission of a printer's particulars from printed matter in contravention of Section

2 of the Act) such other person may also be prosecuted. Incitement to commit an offence is in itself also an offence.'

He proposes that printers refer to Section 2 of the Act in the display of their particulars to educate customers.

This legal requirement was not requested by PIFSA; the responsibility of administering the Act was given to PIFSA by the Department of Home Affairs in 1993. The registration fee is minimal and PIFSA has the additional responsibility of enforcing compliance, as we recently discovered. We understand that many advertising agencies and brokers do not want their customers to be able to identify the printers, but we cannot promote or condone non-compliance. Imprints can, however, be structured in such a way that the printer can only be identified by requesting an extract from the register held by PIFSA, at a nominal charge as prescribed in the Regulations to the Act.

For more information contact Maria Silveiro or Erich Kühl ekuhl@pifsa.org; T 011 6993000.

Frank Romano is latest Ipex 2010 'Champion in Print'

FRANK Romano, Emeritus Professor at the Rochester Institute of Technology (RIT) in the US and author of over 40 books about print and publishing, has become the third Ipex 2010 'Champion in Print'. The organisers of the upcoming international global graphic arts event, has awarded Professor Romano with this accolade for his contribution to education in the print industry.



Frank Romano's career in print and publishing has spanned 50 years. He has authored 46 books, including the Encyclopedia of Graphic Communications, the standard reference in the field, which he co-wrote with his son, Richard Romano. In addition to his roles as the current editor of EDSF Report and a columnist in WhatTheyThink.com, Frank Romano teaches at the RIT and other universities, and continues to write and deliver lectures about print technologies around the world.

Not only does Frank Romano write books about print; he also has a passion for rare books about the subject and owns a collection containing 2 000 volumes.

Says Ipex 2010 event director, Trevor Crawford: 'We are pleased to recognise Professor Romano as a "Champion in Print" with this award. Many people have nominated him and it is easy to see why. For decades, he has played an important role in advancing knowledge of print both within and outside of the industry through his books, publications and appearances in consumer media. What's more, his work in educating the next generation will help to retain and widen the skills pool so that the industry can continue to recruit bright talent.'

'I am delighted to receive this award,' adds Frank Romano. 'Print has survived many challenges in the past, and I believe that new technological developments will continue to offer many opportunities for printers to prosper in the future.'

'Events such as Ipex form an important part of print education because they provide an ideal place to exchange ideas and discuss how developments in our industry will affect communications with a whole host of people in the industry. I am certainly looking forward to doing this at Ipex 2010 and seeing which direction our industry will take in the next few years.'

The Ipex 2010 'Champions in Print' awards were launched in April 2008 to honour individuals who have influenced and shaped the printing industry across the world. Winners are announced every quarter in the run-up to Ipex 2010, which takes place from May 18 to 25, 2010, in Birmingham, UK.

Indigo founder, Benny Landa, and JK Rowling, author of the Harry Potter novels, won the two recent 'Champions in Print' awards.



Your PIFSA Regional Contact details:

BORDER CHAMBER

Sharonne Dewing

Tel: 043 7022123

Fax: 043 7435156

E-mail: sharonne@dispatch.co.za

CAPE CHAMBER

Ken Leid

Tel: 021 5951367

Fax: 021 5951376

E-mail: cape-chamber@pifsa.org

CENTRAL CHAMBER

Pat Lacy

Tel: 011 6993044

Fax: 011 6993042

E-mail: nickyc@pifsa.org

EAST CAPE CHAMBER

National Office

Tel: 011 6993000

Fax: 011 6993010

E-mail: lmoralee@pifsa.org

FREE STATE and NORTHERN CAPE CHAMBER

W Hauptfleisch

Tel: 058 4812105-7

Fax: 058 4814267

E-mail: admin@oranje.co.za

KWAZULU-NATAL CHAMBER

Geoff Warren

Tel: 031 7058744

Fax: 031 7054408

E-mail: kzn-chamber@pifsa.org

NORTHERN CHAMBER

Lana Human

Tel: 087 8053675

Fax: 012 6871317 or 086 6275175

E-mail: northern-chamber@pifsa.org

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