

MARCH 2008

TALK



Chris Sykes
Chief Executive
Officer of PIFSA

CEO Corner

Industry statistical research

THE Federation has commissioned BMI to conduct credible and objective research into the state and size of our industry. The research will be a valuable source of market intelligence and will strengthen PIFSA's ability to represent the sector's interests with government and suppliers.

PIFSA appeals to members to co-operate with BMI by completing the questionnaire. All input will be completely confidential.

No MAPPP funding for apprentice training

AS a result of the financial state of the MAPPP SETA, the administrators have announced that no discretionary funds will be available in the sector in 2008/2009.

For the printing and packaging industry this means there will be no funding for apprenticeship training for the next year, and possibly for next two years.

If printing and packaging companies continue to contribute training levies to the MAPPP SETA they will only be able to claim mandatory grant refunds – the balance of their levies will fund the deficit in the SETA's accounts.

The MAPPP SETA will not survive in its current form if printing and packaging companies move to other SETAs.

The administrators of the MAPPP SETA have also published a new constitution that eliminates proportional representation for industries, does away with Chambers for industries, and increases the number of authority seats for the creative industries.

Without wishing to offend the administrators, these changes signify a simple message: 'We need the levies of the printing and packaging industries, but we don't really want them around.'

It's clearly time to move, and PIFSA will be issuing advice in this regard shortly.

Flexible packaging demarcation

THE flexible packaging industry has been a part of this industry since the days of the old National Industrial Council for the Printing Industry.

The technical skills of flexographic and gravure printing, lamination, bag and pouch making are all supplied by our industry.

In the last two years the Metal & Engineering Industries Bargaining Council has attempted to extend the definition of its scope to incorporate flexible packaging. As a result, the Independent Packaging Association of South Africa is approaching the CCMA for a determination, having successfully forced the Registrar of the Department of Labour to withdraw a unilateral change to the demarcation late last year.



Central Chamber News

AGM and dinner

THE CENTRAL CHAMBER'S 93rd Annual General Meeting and dinner is scheduled for Thursday April 17, 2008 – five weeks later than normal, owing to the crowding out of the regular date by the convergence of school holidays, the Easter weekend and Human Rights Day.

As usual, the Central Chamber's executive committee has authorised the holding of a cocktail party and dinner, following the short meeting.

ABSA Asset Finance is sponsoring the cocktail party, as well as beer, wine and soft drinks during the dinner, and Antalis is sponsoring the after-dinner speaker. This year, the executive committee has approved Victor Vermeulen, a highly recommended motivational speaker to address members.

Victor, a quadriplegic, is daily faced with a multitude of challenges that most of us will never encounter in a lifetime. His optimism and resourcefulness should be an inspiration to all – particularly at the current time when we appear to face a barrage of challenges on the economic and political front. All members are encouraged to attend this event, the seating for which is limited.



Antalis management development programme

THIS is the eighth year in which the Antalis management development programme will be organised.

A sub-committee comprising members of the Chamber's executive committee and the management of Antalis have spent many hours in consultation with the management of the University of Pretoria Business School, finely tuning an already successful formula for exposing junior and middle management staff, as well as owners of small printing businesses, to the simplified intricacies of modern management techniques.

Over the past eight years, more than 200 individuals have undergone this three-day training course and not one has expressed disappointment. So beneficial has the course proved to be that several past delegates have enrolled for a second time round – years later!

Furthermore, the oldest delegate on the course has been the managing director of a member firm, in his early seventies!

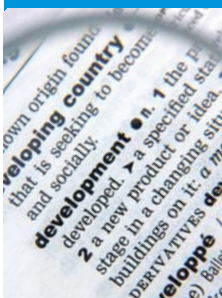
This is the ideal formula to apply to aspiring

Affirmative Action candidates for junior and middle management positions, who need to be 'fast tracked' up the management ladder and have huge potential, but may lack formal education qualifications.

In order to further improve the benefits, this course will be an 'Assessed' course from 2008, in terms of which the employer may claim the points for the full value of the training costs in the Skills Development element on BEE scorecards.

As the cherry on top, the course is subsidised by Antalis whose view on education and training is legend and who are eager to see an expanded group of customers, growing in an environment of diversity and responsible management.

This year's course runs from Thursday July 24 to Saturday July 26 at the Gordon Institute of Business Science campus in Illovo. Accommodation and transport will be available from the Cross Media Training Centre, at a reduced cost, for PIFSA members situated in centres other than Johannesburg.



KZN Chamber News

Apprentice training now on offer in KZN

THE first group of apprentices is now enrolled for the TT1 block being offered in KwaZulu-Natal, for the first time in many years.

A goal set by the KZN Chamber during 2006 was to get classes underway for apprentice training in KZN and this involved considerable collaboration between the management of the Cross Media Training Centre in Honeydew and the local Chamber. There were many stumbling blocks, such as sourcing lecturers, establishing a suitable venue and the elimination of administrative problems.

The end result, however, is that the Cross Media Training Centre has set up a satellite training centre at PIFSA's KZN offices in New Germany.

While the establishment of this training facility has started in a small way, there's room for immediate growth.

Currently eight students are studying the first TT1 block in the trades of flexography, rotary re-reeling and sheet-fed lithography. However, the facility can accommodate a larger number of students. It's hoped that once local employers begin to support local technical training, numbers will swell and additional trades will be added.



CMTC KZN lecturers Graham Sperring and Stuart Schaffer

Meet the lecturers

Graham Sperring is no stranger to many in the printing and packaging fraternity in KwaZulu-Natal. Graham spent 15 years as a lecturer at the Durban Technical College and many journeymen in the province have attended his lectures. Graham went on to work for the Industries Training Board, and when the SETAs were formed in the late 1990s he was transferred to the MAPP SETA where he served until his retirement.

Not one to put up his feet, Graham has remained active in the industry, and his joining the lecturing staff of the Cross Media Training Centre in KZN sees him continuing in a field in which he is passionate and extremely competent.

Stuart Schaffer served time as an apprentice with Nampak in the early 1980s and has also worked at Republican Press and LR Plastics before heading to the Cape and then on to the Cross Media Training Centre at Honeydew.

Stuart is well experienced in the production arena, supplemented by some seven years of experience as a lecturer and in-house training facilitator. He has excellent knowledge in his field of flexography and has an excellent rapport with students.



We even managed to get Chris Mason Training Director of CMTC involved in moving furniture for the set up of the lecture rooms

Industry support vital

For technical and apprentice training to succeed and grow, the industry in KZN needs to throw its weight behind this initiative. Industry support will allow increasingly improved technical training to become available.



Students attending the Cross Media Training centre TT1 Block in KZN with their Lecturer Mr Graham Sperring.

Cross Media Training Centre opens in KwaZulu-Natal

THE need for live classes for technical training in KwaZulu-Natal has been addressed by the Cross Media Training Centre, and technical theoretical training for the trades of flexography and lithography is now available at PIFSA's offices in Pinetown.

According to Nick Delpont, MD of Cross Media Training Centre, other printing trades will be catered for as soon as possible.

Currently the Johannesburg-based campus caters for all trades and offers accommodation to out-of-town apprentices. By offering these courses in KZN, training costs will be reduced for companies in the province.

The Cape Town campus has been offering technical theoretical training to most trades for four years but does not offer accommodation.

The Cross Media Business School is also presenting the comprehensive supervisor and sales programmes in KZN. These programmes run over five and six consecutive days respectively and include subjects designed to enhance the skills of supervisors and sales staff.

Subjects included in the supervisor programme are problem solving and implementing skills, management, interpersonal fitness and assertiveness skills. The sales course includes the science of selling, customer behaviour profiling, diversifying sales techniques, introduction to printing, interpersonal fitness and assertiveness skills.

The first phase of the programme will be presented during May and the second phase in the second half of the year.

For further information contact Helga on 011 6993000.

Selecting staff for training

A SUCCESSFUL outcome to apprenticeship training is essential in making sure that skills development achieves its goal. As obvious as it sounds, the wrong learners should not be registered into apprenticeship training schemes.

Apprenticeship training is a rigorous programme which includes three technical theoretical components each consisting of three subjects. As the student also has to pass many other theoretical modules which form part of the training programme, a high degree of technical understanding is required.

The learner also undergoes practical workplace training, learning various aspects of the job. Mechanical ability, spatial or lateral thinking, and a degree of mathematical ability – all are necessary to be a good operator in any of the printing and associated trades.

A reliable individual with a good attitude who seems to have an aptitude for learning would appear to be a company's obvious choice for apprenticeship training. However, experience shows that making a decision on that basis often leads to disastrous results.

The selected candidate has to attend the Cross Media Training Centre for technical theoretical modules. This can be quite daunting as the average age of the college student is around 23 (somebody who left school about five years previously), while the learner selected by the company is often older and finds it difficult to relate either to his peers or to the subject matter being taught.

It is not to say that an older learner cannot engage

in an apprenticeship but it is a factor that needs consideration.

As a result, the incorrectly selected company learner often fails one or more subject and needs to rewrite several times before completing the apprenticeship. A two-year apprenticeship ends up being a four- or five-year apprenticeship. The good motivated and reliable staff member becomes demotivated, negative and unreliable because he or she is not suited to the environment of an apprenticeship.

If a learner is selected according to the results of a psychometric test using the technical test battery, areas of strengths can be identified and trained accordingly. If a learner has a high mechanical ability, good spatial ability and technical understanding, he or she would excel as an apprentice in a machine minding trade. If, however, there's a low technical understanding, the learner should rather be trained in practical aspects of the trade and write a recognition of prior learning. Each instance would result in a certificate recognising the ability of the learner.

Says Steven Botha of Lloyd Gray Lithographers: 'It's far better to know the potential of all your staff before engaging in any type of training. With these tests you can determine who can form part of your long-term training plans in several areas of your business.'

These tests not only indicate potential learners for apprenticeships, but can indicate the correct people to train as estimators and various other printing industry jobs.

For information on having staff assessed to determine training potential, contact Kim or Helga on 011 699 3000.



PIFSA commissions printing sector baseline study

PIFSA has requested BMI to conduct an initial baseline study aimed at quantifying the printing industry in order to gain greater insight into the market.

BMI's consultancy service provides comprehensive market research in the form of multi-client or client-confidential reports. The company has an extensive database of South African markets based on 26 years of research in a wide range of industries, and specialises in quantifying markets.

To do this the company endeavours to source all market players in a particular sector, and to gather information from each. BMI does not publish individual company data but collates the data to provide a total market overview.

Why is this research necessary?

In order for PIFSA to represent the industry effectively, and to provide a strategic service to members, the Federation requires detailed information on the present state of the industry.

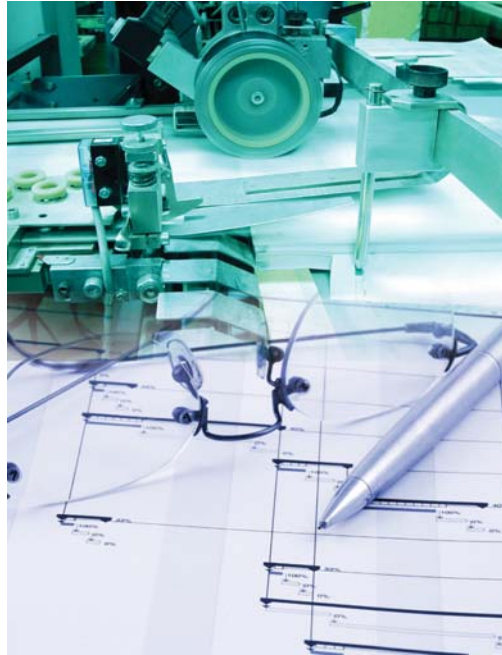
There's currently a lack of up-to-date market information, and the limited base of data that is available may be inaccurate. PIFSA has requested that BMI compile a report that assesses the printing market and gives an overall state of the industry. The final report will be compiled on behalf of PIFSA but this information will be shared with members.

This study is intended to be a forum for PIFSA members and provides a valuable opportunity to voice concerns or opinions. As this research will ultimately benefit the industry, PIFSA would greatly appreciate the assistance of all players active within the market.

What does this study entail?

The study will provide a basic overview of the market, including:

- Overall industry turnover
- Staff complements
- Number of printing units and utilisation of presses
- Level of printing products and services offered
- Incidence of value-added services



Although data will be collected from individual companies, this will be maintained in strict confidence. The report will only show data in aggregate form highlighting total industry trends. No company specifics will be available to PIFSA or its members.

How can you assist?

BMI will be interviewing a number of industry players over the next few months. PIFSA urges all members to co-operate by providing information on his or her particular company. Input is also encouraged via email or fax to allow a broad spectrum of responses.

Questions regarding the study will be answered by Dr Dana Braithwaite (Business Unit Manager) on 011 4501874.

The questionnaire is also available on the BMI website www.bmifoodpack.co.za and can be downloaded and faxed to 011 4501877 or emailed to info@bmifoodpack.co.za.

Queries can also be directed to Erich Kuhl or Louise Moralee at PIFSA (011 0000000).

FINANCIAL FITNESS

Bad debts recovered

Nothing can quite match the exhilaration of recovering a bad debt! Cash flow receives an unexpected injection, debtors look more positive, and the provision for bad debts can be reduced. Then, an irritating little voice says there's more to this recovery than merely cash in the bank.

What about VAT?

The good news is that the answer to this question is quite simple.

The VAT portion is treated in the same way as if you were raising an invoice. When you submit the subsequent VAT201 return to SARS, you include the VAT on the bad debt recovered as output tax.

In our next issue, we'll discuss **business travel and input tax**.

Techno Chat

'World first' brings new opportunities for cold set web offset

UNTIL recently, coated papers could only be printed on cold set web offset machines with great difficulty, or not at all. Forms printers, book and newspaper printers can now utilise their spare cold set capacity to produce higher quality and higher value work on their presses thanks to a new range of lightweight matt coated wood free papers manufactured by the Finnish Tervakoski mill, represented in South Africa by Peters Papers.

New applications made possible by this innovation include high quality bibles, lightweight text books, travel guides, hotel directories, package inserts, instruction leaflets, legal publications, and many more. Even mail order catalogues and certain magazines may be suitable applications, as well as some security documents.

The 'thincoat plus' paper with high whiteness and opacity is manufactured in a range of substances from 29g/m² to 60g/m².

Test runs conducted on a cold set press achieved speeds of 22 000 impressions/hour, and ink savings of up to 30% can be expected over uncoated cold set papers.

Lighter school books lighten the burden of learning

IN Europe, the weight of school books is being reduced by up to 25% through the use of TerStar Plus 65g/m², a wood-free silk-matt coated paper also manufactured by Tervakoski.

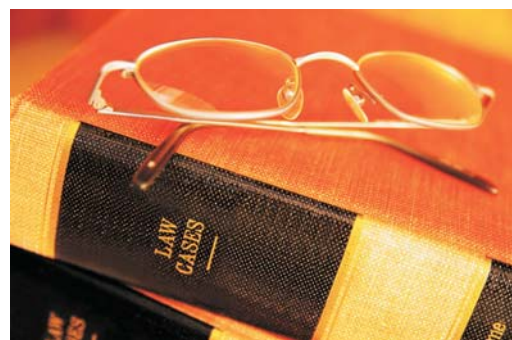
Previously, the average school back-pack weighed about 5kg when full of books printed on 80-90g/m² wood containing paper. This has been reduced to 3.5kg by well-known Austrian publisher and school book printer, Trauner Verlag & Druck, using TerStar Plus. Properties such as excellent image



reproduction and tear resistance, coupled with high optical opacity, have not only been retained, but improved.

Once the problem of provision and retention of books is improved in South Africa, our educational leaders would be well advised to take heed of such developments. Studies show that when books are lighter, they're easier to handle and less subjected to abuse or harsh handling.

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



Legal matters

Determination of earnings threshold
FROM March 1, 2008, all employees earning in excess of R149 736.00 (One hundred and forty nine thousand seven hundred and thirty six Rand) per annum are excluded from Sections 9,10,11,12,15,17(2), 18(3) of the Act.

Earnings are defined for this purpose as 'the regular annual remuneration before deductions, ie income tax, pension, medical and similar payments, but excluding similar payments (contributions) made by the employer in respect of the employee: Provided that subsistence and transport allowance received or achievement awards, intermittent payments for occasional overtime shall not be regarded as remuneration for the purpose of this notice.'

Reference: Government Gazette 30720, February 1, 2008, Notice 100

Increased Fees and Charges for Postal Services.

THE Independent Communications Authority of South South Africa (ICASA) have published the fees and charges for Postal Services that will apply from 1 April 2008 in the Government Gazette 30714, 31 January 2007, Notice 157.

Reference: Government Gazette 30714, 31 Jan 2007, Notice 157

PrintTALK



What and why – IBA staff?

THE Integrated Business Administrator (IBA) programme started in 2004 with the intention of supplying new admin staff to the printing industry.

Questions that now need answers are:

- Has IBA been able to supply the staff?
- Is there still a need for more admin staff?
- Is IBA able to meet the industry's needs?

Since its inception, IBA has supplied over 100 young people to the industry. In most cases they have become integral staff members of the companies that originally sponsored them (by paying for their training). Yes, of course some didn't make the grade but by far the majority have become part of the industry.

Some larger companies have realised that they are able to take a student from almost each course to ensure a constant supply of new recruits to feed into their various divisions.

Smaller companies have also realised that this is possibly the easiest and most cost-efficient way to grow their staff. Screening is already done and staff members can be selected from a group already trained for the industry.



Looking at the three questions above, it's safe to say that IBA has been able to supply the industry with staff. Since there are constant requests for new students there certainly is a need; and based on the success of many of the students it's also correct to say that IBA is able to meet the need.

Visit the website www.ibaprogram.com for further information and for a list of students available for sponsorship and subsequent employment.

Further enquiries can also be emailed to Ross Bartholomew on ross@ibaprogram.com.

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