



KwaZulu-Natal Chamber BULLETIN

Printing Industries Federation of South Africa

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Pinetown Printers – New Press Commissioned

KZN Chamber member Pinetown Printers formally commissioned their latest acquisition, a Komori Lithrone S40 at a special function held on 6 October 2005. A hundred and fifty guests including customers, suppliers and other dignitaries attended the launch.

Since 1994 the company has been growing its turnover by around 40% per annum. This has been with the help of more efficient production and the introduction of new equipment. Beginning with a staff of just 16, the company now employs some 90 people. With the additional capacity that the new press is expected to generate, another 30 employees are to be employed over the next two years.

Supplied by Kemtek Imaging Systems, the Komori Lithrone S40 B1 offset press is a state of the art five colour press complete with coater and IR drier.

Pinetown Printers M.D. Rod Samouilhan is enthusiastic about the capability of this new press. Rod says that the new press will meet the most demanding print requirements with ease and that it is one of the most sophisticated presses in Southern Africa.

The S40 will allow for faster turn-around time. It takes approximately 10-15 minutes depending on job, stock size etc. to change over between jobs and has the ability to handle shorter runs. With speeds of up to 16000 sheets per hour and the ability to handle stock up to 1mm thick, this press will be able to handle long-run quantities on a wide range of work. Special colour work and demanding 300 Ipi (Spekta) printing are well within its capability.

The press is equipped with a pre-press CIP4 interface and PDC-S closed-loop scanning Spectrophotometer to provide the highest level of consistent colour control and accuracy. This high level of automation makes the system easy to use and allows full press make-readies in a matter of minutes.

The introduction of the new press is the culmination of an intensive upgrade phase over the last 18 months. Included in the upgrade has been the pre-press section with a CTP system, a Screen Trueflow PDF workflow management system, and a 24 station Kolbus perfect binder offering PUR glueing.

The company is extremely proud of its progress and is now set to offer customers a full in-house high quality prepress, print and finishing service across a broad range of print.

Estimating for Printing

The Chamber is busy preparing for the next intake of students for its very popular Estimating for Printing Programme to be run in 2006.

Don't delay and register now to ensure that your booking is secure for 2006.

Contact Helen on 031 7058744 for bookings.

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Capital Gains TAX

General Provisions

Capital Gains Tax (CGT) is applicable to all capital gains which accrue after 1 October 2001.

In the case of assets purchased after 1 October 2001, the Capital Gains Tax will be levied on the entire capital gains, subject to certain adjustments.

CGT only becomes effective when the taxpayer disposes of the asset.

In the case of individuals, only 25% of the net capital gain is included in taxable income. In the case of companies, close corporations and trusts, 50% of the net capital gain is included in taxable income.

Where the asset is disposed of involuntarily and is replaced by a similar business asset, the capital gain may be deferred.

It should be noted that the initial cost of acquiring the asset, or the calculated capital cost of the asset on 1 October 2001, should be increased by the cost of subsequent additions and indirect costs incurred.

Individuals are entitled to an annual exclusive R10 000, which increases to R50 000 in the year in which an individual dies.

In the case of the CGT of small businesses:

The Income Tax Act provides special concessions for the exemption of Capital Gains Tax, in certain circumstances, on the disposal of "small business" assets.

In terms of the legislation a "small business" is a business which has assets with a market value of not more than R5 million.

The exemption of Capital Gain of up to a maximum of R500 000, per taxpayer, over his or her life, applies to business assets.

- A small business for CGT purposes means a business with assets with a market value of less than R5 million, on the date of the disposal of the asset or interest.
- Persons who operate a small business, as a sole proprietor, partner or as a member of a company or close corporation, subject to certain conditions, may be entitled to a

concession of up to R500 000. This is available on the disposal of an active business provided the persons who operate the business have attained the age of 55 years or if the disposal was the consequence of ill health, other infirmity, superannuation or death.

- Full details are contained in paragraph 57 of the eighth schedule of the Income Tax Act.

The provisions make reference to "active business assets", in the case of a small business owned by a sole proprietor. In the case of a partnership reference is made to "interest in the active business assets, to the extent of the partner's interest". In the case of a company which qualifies as a small business, reference is made to the "interest which relates to the assets of the small business".

The legislation makes it evident that the relief will only apply when:

- The person has held the asset or interest for at least five years;
- The taxpayer was substantially involved in the operations of the small business;

Acknowledgements ICSA Corporate Governance Technical Newsletter.

Executive Directors: Protection under the Labour Relations Act

During 2004 the Labour Court considered a matter in which PG Group had terminated the services of its Financial Director, both as an employee and as a Director.

The Court held that, while the termination of the directorship was permissible in terms of the Companies Act, the matter of the termination of employment was a matter which fell under the jurisdiction of the Labour Relations Act.

PG has been granted leave to appeal and the Labour Appeal Court is expected to review the matter during 2005.

Acknowledgements: ICSA Corporate Governance Technical Newsletter

PEAC ARE BACK IN KZN!

**DEMO AND Q&A SESSION AT THE
PIFSA KZN CHAMBER, 64 HENWOOD
ROAD, NEW GERMANY.**

MONDAY 17TH OCTOBER, 5.30 PM

PEAC Software Solutions are returning to the KZN Chamber offices on October 17th. The team last visited in August to demonstrate PEAC – Printers’ Estimating, Accounting and Costing Software. Due to the fantastic response they had from Printers in KZN after the August event, they are returning.

PEAC is a comprehensive management tool - intuitive, quick to set up and learn, and most of all is accurate – therefore saving you time and money. PEAC comes with a Rates/Budget Calculator, which means that the set up data you enter is correct - ensuring that all your estimates, costs, and reports are accurate.

You can download a trial version of PEAC before the demo from www.peacprint.co.za.

If you have any other questions, please contact Hilary Rogers or Warren Homber at PEAC on 011 781 4011 or 082 906 0811.

To reserve your place at the demo, please contact Helen at the PIFSA KZN CHAMBER on 031 705 8744 or email kzn-chamber@pifsa.org



PIFSA Finance

For assistance with financing of Capital Equipment, motor vehicles and other finance solutions contact Geoff Warren at the Chamber or Ralph Howell of ABSA.

Contact Details: kzn-chamber@pifsa.org
or tel: 031-7058744

Spotlight on Labour Law

No smoking - can you enforce it?

In a recent arbitration award, the employer’s actions to introduce a “No Smoking” rule throughout the factory was challenged on the basis of a unilateral change to employees’ terms and conditions of employment.

The employer introduced a rule prohibiting smoking throughout its factory. The applicant union referred a dispute to arbitration claiming that the imposition of the rule without consultation amounted to a **unilateral change to terms and conditions of employment**. The union further claimed that the suspension without pay of an employee for smoking in the men’s rest room had amounted to an unfair labour practice.

The employer argued that the right to prohibit the use of tobacco, alcohol or any other habit forming drugs vested in the owner of any premises and was entrenched in s 9 of the Tobacco Products Control Act 83 of 1999. The employer had a responsibility towards the health of its workers and was not required to consult on the issue. Furthermore, the employee had been, on the balance of probabilities, smoking on the premises and there was a fair reason for his suspension.

The union conceded that the only area of contention was whether the employer had applied the no-smoking rule consistently. While management and administrative staff could leave the premises and smoke at will, most factory workers were ‘locked in’ and could only smoke during their lunch break.

Continued on page 4

Need Technical Training?

The Chamber can facilitate technical training for single and two-colour offset litho printing. This training is conducted in house.

Contact Geoff at the Chamber for details.

Continued from page 3

Held: That a total ban on smoking did not constitute a unilateral change to terms and conditions of employment. There was no contractual entitlement to smoke at the workplace. For the right to smoke to be considered as a condition of employment it would need to qualify as a 'condition' under which the affected employees were employed. Any dispute over the fairness of the implementation of the rule would have to be addressed as a mutual interest dispute.

Further held: That the employer had not discharged the onus of proving that the employee had indeed been smoking in the rest room and that his suspension without pay was accordingly unfair. The employer was ordered to pay the employee the wages lost during the period of suspension.

Source: CCMA News



PrintSecure

*Security Printing Accreditation and Standards
Authority of the Printing Industries Federation of
South Africa.*

*51 people attend the first consultative workshop
held in September 2005.*

PrintSecure held its first consultative workshop on the 22 September 2005 at the Cross Media Training Centre in Honeydew. Erich Kühl, the Commercial and Technical director of Printing Industries Federation of South Africa (PIFSA), explained the need for the establishment of security printing standards in our country to combat fraud and counterfeiting. At present it is estimated that fraud and counterfeit account for almost 10 per cent of world trade, approximately US\$ 600 billion. Most of these proceeds are used to fund other illegal activities and terrorism.

Participants reflected a good cross section of the security chain from security material producers to government and educational

manufacturers and users of security products; printers; distributors and enforcement agencies. The feedback from the floor was positive with at least fifteen people volunteering for the Steering Committee, which will address the rules, the standards required by end users, tier structures, fees, and the promotion of the scheme. The Steering Committee currently represents government printing, suppliers, SAP document forensics printers, distributors and the educational sector.

Co-operation from all sectors in the chain is essential to achieve and control security standards. It is important that end users are involved in the process from the beginning, that suppliers and printers of security products are properly accredited to minimise the chances of fraud and that constant monitoring takes place.

Anyone interested in taking part in this initiative is invited to contact Erich Kühl or Louise Moralee at the following:

Tel: +27 11 699 3000

Fax: +27 11 699 3010

ekuhl@pifsa.org or lmoralee@pifsa.org.

Press Release: 4 October 2005

PrintSecure is an accreditation body for the security printing sector under the auspices of the Printing Industries Federation of South Africa (PIFSA)

The Printing Industries Federation of South Africa is a Section 21 company and Trade Organisation representing printing companies within Southern Africa.

Revenue Stamps: Replacement by Electronic Payment

The Stamp Duties Act 1968 has been amended by the Revenue Laws Amendment Act 32 of 2004.

Revenue stamps were previously an accepted means of payment of duty. In terms of Section 5 (1) (v) of the Stamp Duties Act payment of stamp duty may no longer be made by means of Revenue Stamps. Payments for R200 or more are required to be paid electronically in a manner prescribed by the Commissioner, in which SARS will issue an electronic report in respect of the payment of duty.

The period in which duty was required to be paid was previously 21 days of the execution of an instrument. This period has now been extended to 30 days.

Acknowledgements: ICSA Corporate Governance Technical Newsletter

Close Corporations: Know the Facts!

If a member authorises an agent to contract on behalf of the CC; is the CC bound?

Section 54 of the Close Corporations Act provides that any member of a close corporation may, as the agent of the close corporation, enter into a contract with an outsider. Such action will be binding on the close corporation.

The question of a member's authority to bind the close corporation by appointing an agent, to enter an agreement on behalf of the close corporation, was recently considered in *J & K Timbers (Pty) Ltd t/a Tags Timbers v GL & S Furniture Enterprises CC 2005 (3) SA223 (N)* in which the Court ruled that a member may bind the close corporation through a duly appointed agent, without the consent of the other members.

Acknowledgements: ICSA Corporate Governance Technical Newsletter

UIF increases it's ceiling

The Minister of Labour, Membathisi Mdladlana, has announced a big adjustment in the maximum earnings level for beneficiaries of the Unemployment Insurance Fund (UIF).

The UIF's remuneration ceiling was R8 836 per month.

The monthly level of remuneration for determining maximum contributions and benefits has been increased to R10 966 per month with effect from 1 October 2005.

AIDS infections have not peaked, say study

The HIV/AIDS prevalence rate in the corporate sector has risen to 19,4% from 15% two years ago, suggesting prevalence of the disease has not yet peaked, as Old Mutual's health-care survey, which scrutinised 100 companies, shows.

Only 25 of the 100 companies had done prevalence testing.

These figures are an important contribution to sketching a picture of Aids infections in SA, especially given the dispute over the prevalence rate. Statistics SA says 16,7% of all people in SA between the ages of 15 and 49 are infected, while the United Nations puts it closer to 21%.

Old Mutual's figures for the corporate sector, despite their limitations, suggest the UN figures are closer to an accurate reading.

The research, released yesterday, also showed that, in contrast to a few years ago, companies were now well aware of the risk that HIV/AIDS strategy was a "key focus".

When it came to AIDS treatment, all the employees polled had access to antiretroviral drugs because of the prescribed minimum benefits laws that came into effect this year, which force medical schemes to offer these drugs.

Only 18% of the companies had specific disease management programmes in place.

Extract Article – Business Day 9 September 2005

Promotion of Access to Information Act

Extension Granted to Certain Private Bodies.

All private companies with a turnover of over R10 000 000, 00 or who employ 50 or more people have been granted an extension to 31 December 2005 to submit their Section 51 Manuals to the SAHRC.

All private companies who fall below this threshold will be granted an extension from 1 January 2006 to the 31 December 2011. This notice will be published in the Government Gazette shortly.

Source: Central Chamber

Some Strike Statistics

According to a well known labour law firm the number of man days lost to strikes this year rose from 200 000 at the end of the first quarter to 700 000 at the end of June.

The major strike trigger was wages, which accounted for 99% of the total number of man days lost in the country.

Wages settlement rates have been on the decrease over the past few years. In 2003 the average wage settlement rate was 8,7%; last year it was 7,9% and, according to the Reserve Bank, the average for the first quarter of 2005 was 6%.

This may be because it is difficult for workers to adjust to lower inflation because not long ago they used to get double digit-increases.

Acknowledgments SACOB

AIDS Infections have not Peaked – says study

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- Only 25 of the 100 companies had done prevalence testing.
- Only 18% of the companies had specific disease management programmes in place.

These figures are an important contribution to sketching a picture of AIDS infection in South Africa for those people between the ages of 15 and 49 years. The United Nations puts the figure closer to 21%.

Old Mutual's figures for the corporate sector, despite their limitations. Suggest the UN figures are closer to an accurate reading.

The research, released recently also showed, that in contrast to a few years ago, companies were now well aware of the risk that HIV/AIDS posed for their business. Of those surveyed, some 71% had a specific strategy in place to counter effects of the

pandemic, while 80% said developing an AIDS strategy was a "key focus."

When it came to AIDS treatment, all the employees polled had access to anti-retroviral drugs because of the prescribed minimum benefits laws that came into effect this year, which force medical schemes to offer these drugs.

Acknowledgements: SACOB

SACOB Business Confidence Index

The South African Chamber of Business (SACOB) Confidence Index declined to 125.9 in September from 126.1 in August – reported SACOB on 5th October 2005.10.07

The index was five index points below last year's record level of 130.9 seen in September 2004..

The average for the first nine months of 2005, meanwhile, was still three index points above the average for the corresponding period in 2004.

SACOB believe that business confidence would probably record a higher level in 2005 than that of 2004.

PIFSA SERVICES

Remember that the Chamber offers a wide range of services to members. See details below

Industry Level Representation

- Statutory Council
- MAPPP SETA
- Labour Affairs
- SACOB
- Government Lobby and Consultation
- Trade Exhibitions
- Access to the Graphic Arts Information Network
- World Print and Communication Forum
- Representation on SATU Retirement Funds

Dispute Resolution

- Commercial Disputes
- Labour Disputes
- Technical Expertise

Management Consulting Services

- Broad Based Black Economic Empowerment

Industry Communication

- Regular News Bulletins
- Printalk (Graphix)
- Website Home Page
- Impressions Magazine

Labour Relations Services

- CCMA/Statutory Council Hearings
- Chairing Disciplinary Hearings
- Counselling
- Union Relations
- Wage Negotiations
- Retrenchments and Restructuring
- Wage Surveys
- Notice letters and other documentation

Human Resources Management

- Job Descriptions
- Job Evaluation
- Personnel Filing Systems
- HIV?AIDS Policy
- Policy and Procedure Manuals
- Various Employment Guidelines
- Performance Management Systems

Training and Development

- Cross Media Training Centre
- SA Printing College
- Estimator Training
- Short Course Programmes
- Skills Development Planning
- Skills Development Facilitation
- Representation at MAPPP SETA
- Introduction to Print

Chamber Golf Day



8th November 2005
See booking form enclosed

Anyway

*People are unreasonable, illogical
and self-centered
Love them anyway.*

*If you do good people will accuse
you of selfish ulterior motives.
Do good anyway.*

*If you are successful, you win false
friends and true enemies.
Succeed anyway.*

*The good you do today will be
forgotten tomorrow.
Do good anyway.*

*Honesty and frankness make you
vulnerable.*

Be honest and frank anyway.

*People really need help but may
Attack you if you help them.
Help people anyway.*

*Give the world the best you have
And you'll get kicked in the teeth.
Give the world the best you've got
anyway.*

Leo Buscaglio

CHAMBER COURSES – 2005

Course	Details	Duration	Date	Price
Basic Safety Training	An introduction to the requirements of the OHS Act.	1 Day	27 October 2005	R290,00 (Incl. VAT)
Dealing with Misconduct and Poor Work Performance	A hand on practical workshop where delegates get to understand and apply the code of good practice, ensuring fair water-tight disciplinary action.	1 Day 08h30 – 16h30	1 November 2005	R820,00 (Incl. VAT) Tea, lunch and Course Notes
Labour Relations Course	This course gives an overview of the Labour Relations Act and the Basic Terms and Conditions Act applicable to the Printing and Packaging Industry.	1 Day 08h30 – 16h30	8 November 2005	R820,00 (Excl. VAT) Tea, Lunch and Course Notes
Health and Safety Representative	Delegates will understand the role and duties of the Health and Safety Representative.	1 Day	26 October 2005	R485,00 (Incl. VAT)
Telephone Technique and Front Office Skills	Realise the value of an efficient and motivated Receptionist and ensure that customer and other business contacts receive a good first impression. <u>Course Contents</u> Customer Service, grooming and Appearance, the Reception Area, Communication Skills, Handling Appointments, Greetings, Messages, Dealing with Complaints, Telephone Technique, Security and the Reception Area.	1 Day 08h30 – 16h00	11 October 2005	R820, 00 (Incl. VAT) Tea, lunch and Course Notes.
Supervisors Course	A course for first line Supervisors/Managers	3 Day 08h30 – 16h30	17 – 19 October 200	R2400, 00 (Incl. VAT) Tea Lunch and Course Notes.