

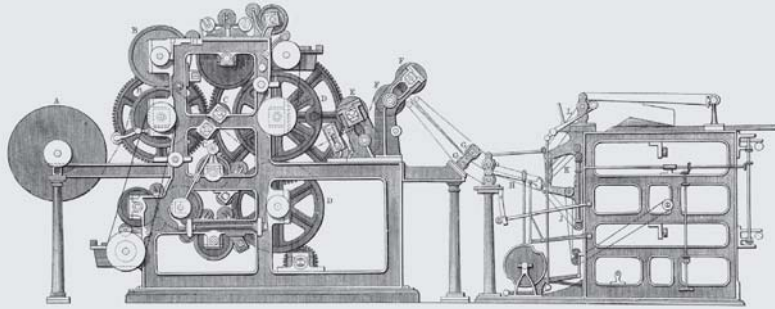
THE GOVERNMENT
PRINTING
WORKS

ANNUAL REPORT



government
printing

Department:
Government Printing Works
REPUBLIC OF SOUTH AFRICA



ANNUAL REPORT

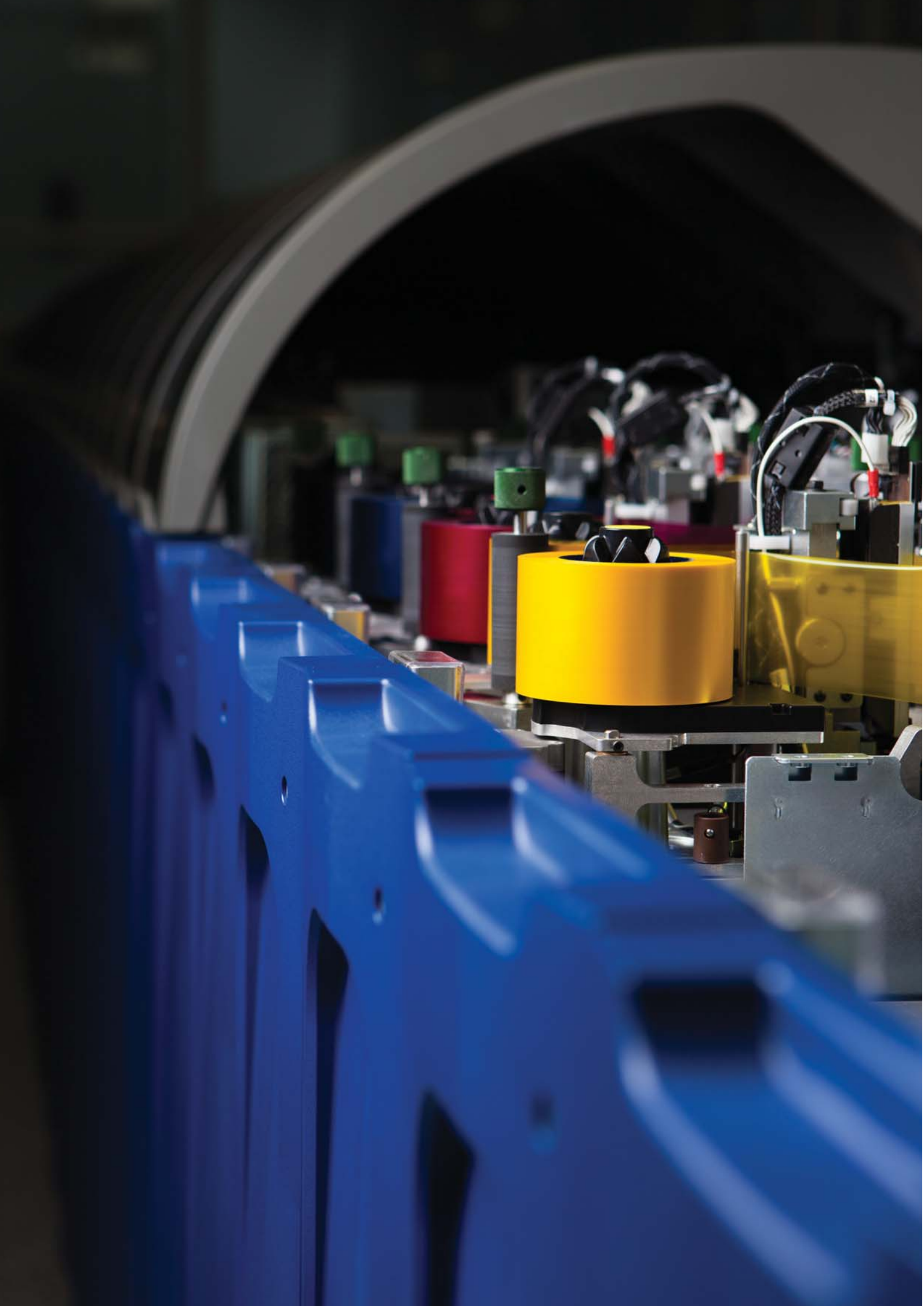
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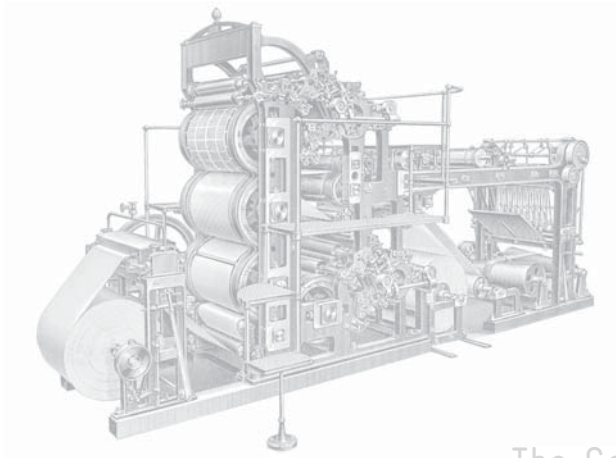
THE GOVERNMENT
PRINTING
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**government
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Department:
Government Printing Works
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GAZETTE DEFINITIONS

Government Gazette

National Government publishes the Government Gazette as a tool to communicate messages of national importance to the general public. It contains information of a legal, administrative and general nature.

Extraordinary Gazette

As part of daily administration of the country, specific matters of an urgent or emergency nature may arise, which must be communicated to the public.

Due to urgency, such matters may not be suitable to stand over until a Friday and subsequently are published as Extraordinary Gazettes. These gazettes are thus supplementary editions of the Government Gazette and are published any day of the week as and when required.

Regulation Gazette

This gazette contains information that government wishes to communicate specifically pertaining to regulations only.

Legal Gazette

Members of public must communicate specific actions to the general public, such as sales in execution, personal name changes and so on, to comply with various stipulations of law. The Legal Gazette contains information in these categories.

Liquor Licence Gazette

This is a special edition of the Government Gazette, which contains applications for liquor licences only. It is published in addition to the weekly Government Gazette. Should there be parties wishing to oppose the granting of liquor licences, it is much easier if such notices are contained in a single edition of the gazette only.

Monthly Gazette index

Since there are many gazette editions additional to the weekly gazette, the GPW compiles an index of all gazettes published during a month. This is a service to the public, to assist interested parties in keeping track of all editions.

Provincial Gazette

The Provincial Gazette serves the same purpose as the Government Gazette, however, on the level of the provincial government. It is a tool to communicate messages of provincial importance to the general public and contains information of a legal, administrative and general nature.

Tender Bulletin

The Tender Bulletin is printed on behalf of the Department of Finance. It provides a summary of all procurement that national government wishes to do, which is of assistance to prospective vendors/suppliers.



Chapter 01

OVERVIEW

Esteemed Minister of Home Affairs, Mrs GNM Pandor gives an outline on the innovations, achievements and progress made by the GPW, while GPW's CEO, Prof. Anthony Mbewu provides further information on how the organisation is transforming into a modern print and media company.





OVERVIEW



Preface to Government Printing Works Annual Report 2012/13 by Mrs GNM Pandor MP, Minister of Home Affairs

The Government Printing Works (GPW) has made considerable progress in the past financial year towards reaching its vision of becoming 'the State's mandated security printer'.

The mission of GPW is to provide:

- ◀ cost effective, reliable and timeous services to all spheres of government in printing;
- ◀ the public with equitable information; and
- ◀ dissemination of government information; through technology, innovation and service excellence

Notable initiatives by GPW in this financial year include nine new pieces of equipment purchased as part of the asset replacement programme. This programme entails spending R 385 million over the MTEF period to replace outdated technology and machinery.

The Enterprise Resource Planning (ERP) system went live in October 2012, and is currently being optimised. It integrates management information flow in the finance and production environments using an IT backbone.

The new public website was launched in August 2012, and provides access to the electronic Government Gazette for stakeholders.

New business in the field of general printing increased markedly, to the extent that the turnover of GPW now exceeds 900 million rands.

The new unabridged birth certificate was launched, as well as other documents for Government such as education certificates with enhanced security features.

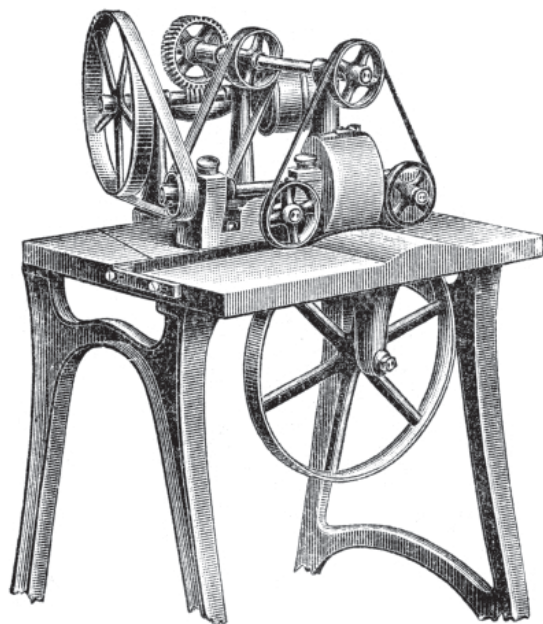
The GPW completed the procurement process for the new National Smart Identity Card, entailing acquisition of four card personalisation machines and a contract for the supply of blank pre-printed polycarbonate cards. The Minister of Home Affairs plans to replace 38 million ID books with smart ID cards over the coming years.

The new GPW establishment is being implemented, with the appointment of personnel to key SMS posts such as the General Manager for Strategic Management. At the end of the last financial year, 90 per cent of identified vacant posts between levels one and 12 had been filled.

This year past has seen the GPW continue on its path of improved service delivery, and transformation into a modern print and media company. These developments will ensure that South African citizens, and the government departments that serve them, are empowered with state of the art, secure means of identification such as passports, identity documents and eventually smart ID cards.

G.N.M. Pandor

The Honourable GNM Pandor MP
Minister of Home Affairs





CHIEF EXECUTIVE OFFICER'S REPORT



With 2013 representing a landmark year for the GPW, being its 125-year anniversary, it is only fitting to report that the 2012/ 2013 financial year period has been highly successful for the organisation.

Highlights of the past year include an increase in revenue, which has more than doubled over the past four years, making the GPW into the R900 million company it is today. The awarding of new projects, including the rollout of the new national smart ID cards (of which production will commence in the second half of 2013) for the Department of Home Affairs, have helped the GPW to reach its vision of becoming the state's mandated security printer.

The organisation also undertook two considerable projects for the Department of Basic Education. The first was the Kha Ri Gude project, which saw the production of books for school learners, including numeracy, literacy and learner assessment portfolio books in all 11 languages, as well as English for Everybody. 719,622 books were printed for each category, at a value of more than R35 million.

In addition to this, GPW printed the Train the Trainer Brochure and the Facilitators Guide (41,622 of each) as well as administration documents and banners and has been awarded the project to print in the next financial year.

A second project undertaken for the Department of Basic Education involved the printing of Grade 11 Mathematics textbooks, Grade 11 Physical Science textbooks, Grades 4 – 6 Natural Science and Technology workbooks, Grade R readers, teachers' guides, "Mind the Gap" workbooks, including geography, accountancy, life sciences and economics workbooks. In a project valued at around R255 million, the total number of books printed for this project came to 11,603,392.

Projects of this magnitude certainly reflect the rising reputation of the organisation, which is growing both within local government departments and the private sector.

Over the reported period, the organisation underwent the complex process of preparation for its new enterprise resource planning (ERP) system implementation and general technology infrastructure upgrade in late 2012, in order to streamline business operations and better integrate various business areas.

This project has been successfully completed and GPW now boasts a state-of-the-art data centre, servers and network infrastructure, all based at its Visagie Street site, with more efficient and collaborative operations. A major part of this upgrade was a focus on information communication technology (ICT) security, ensuring that the GPW is resilient to intrusions and attacks, through the use of a number of security technologies.

GPW's first ever public website went live in August 2012, at the same time as the company began to publish gazettes electronically for download. Both new initiatives have been favourably received, with the process for gazette contributors and advertisers also seeing improvement, where stories and advertising material can now be submitted online instead of via fax or physical delivery as previously.

From an organisational structure perspective, positions for four general managers (GMs), reporting directly to the CEO were aligned, covering strategic management, human resources (HR), production and operations, and financial services. The strategic management and HR roles will be filled early in the 2013/ 2014 financial year, thus completing the executive committee team. At the end of the last financial year, 90 percent of identified posts between levels one and 12 had been filled.

Staff members also undertook extensive technical training (more than 90 days worth) over the past year, in preparation for the launch of the new ERP system. Moreover, training to promote health and safety within the organisation commenced, to ensure that all employees understand their rights in terms of safety and to promote a safe working environment for all.

The renovation of the GPW's new Visagie Street premises has not progressed as quickly as hoped. This will be a major focus for the next financial year, in order to ensure that the entire organisation is moved across to the new site by the end of 2014 and completes its asset recapitalisation programme.

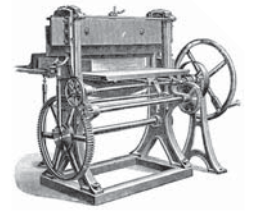
The GPW's new focus and vision is to further entrench itself within the South African private and public sectors, while also extending its reach beyond the borders into southern Africa. A large part of this progression will include its transformation into a print and media company, employing paper, synthetic substrates and internet-based media to deliver its products.

We look forward to the next financial year's opportunities and challenges, and thank the Minister of Home Affairs and her department for their continued support.



Prof. AD Mbewu

Pretoria
31 May 2013



Chapter 02

ABOUT GPW

A quick glance about the organisation, its purpose, core values, vision and mission; addressing who the GPW is, what it does and its proposed course of action.



ABOUT GPW

The GPW is a South African security printing specialist that deals with the printing of passports, visas, birth certificates, smartcard identity documents and examination materials, as well as government stationery and publications, such as tender bulletins and Government Gazettes.

Based in Pretoria, Gauteng, the GPW boasts a rich history spanning 125 years, during which it has adhered to the overall goal of security printing, that is, to prevent forgery, counterfeiting and tampering that could lead to fraud and identity theft.

It has done this by continuously updating its technical security printing methods and today boasts a state-of-the-art facility that has been benchmarked internationally and is widely divergent from its humble beginnings.

The GPW operates as a self-funded business within the regulated parameters of National Treasury.

Vision and mission

The market for security printed matter is constantly growing, due to the need for modern security documents that incorporate biometric features. Today, the GPW is well positioned to benefit from these developments both within South Africa and further afield across the African continent.

In line with this, the organisation developed its vision and mission and its business behaviour is governed within these parameters.

Vision:

- ◀ To consolidate its position as the state's mandated security printer, while extending its reach into southern Africa's public sectors.

Mission:

- ◀ To provide cost effective, reliable and timeous services to all spheres of government in printing;
- ◀ To deliver equitable information to the public; and
- ◀ To disseminate government information through technology, innovation and service excellence.



Chapter 03

SERVICE OFFERINGS

This section details the GPW's service offerings such as printing services, gazette services, publications, stationery services consulting services and, of course, its expert security printing capabilities.



SERVICE OFFERINGS

Utilising the latest technologies, the GPW is fully equipped to focus on its customers' communication needs and provides a comprehensive suite of printing, security printing, publishing and dissemination services to both government and the South African public.

As the custodian and publisher of Government Gazettes – the official publications used by government to communicate messages of national importance to the general public – the GPW now also provides its customers with convenient electronic access to submit content, read current gazettes and access all back issues.

To further enhance its service offering, the GPW has created an end-to-end consulting service for clients wanting to do business with the organisation.

Security printing services

Document security features generally function on three levels:

- ◀ First level security, which consists of elements such as watermarks and tactile features that can be readily verified with the naked eye under natural light.
- ◀ Second level features, made up of hidden elements such as invisible ink and micro-printed text, which can be verified only with the use of elementary tools.
- ◀ The most intricate, however, is the third level of security, which comprises covert elements, such as infrared detectable inks, that can be certified only with the use of sophisticated laboratory equipment.

The knowledge and capacity of the GPW to produce documents containing all three levels of security, place it among the most modern printing facilities in the country and in line with international best practice standards.

The GPW has made a significant investment in its Security Printing business unit's new facility, which resembles a laboratory more than the traditional printing factory.

It is located within a highly secured environment, ensuring that the internal security measures are also supported and safeguarded by external security factors.

The modern facility prides itself on its multi-unit web press and sheet-fed press, both with the capacity to produce advanced feature rainbow printing technology and enabling the use of various high security inks in order to protect documents against forgery.



Specialised services

Rubberstamps

The GPW has a modern rubberstamp plant to produce regular rubberstamps. It also uses laser technology to produce high security rubberstamps such as those used for border control (visa stamps).

Document securitising

The GPW has sophisticated laser technology to create high value security features in documents, including logos, images and numbering, as well as the necessary means to secure documents by application of holograms, kinegrams and other security foils.

Card manufacturing

The GPW can develop card type documents (smartcards with integrated circuits as well as regular cards). This service includes the maintenance of internal computer servers to accept downloaded data from customers, which is used for full colour card personalisation by either dye diffusion thermal transfer (D2T2) or laser engraving.

Passport production

The GPW can manufacture blank International Civil Aviation Organisation (ICAO) compliant booklets in any configuration, including the incorporations of polycarbonate data-pages, for delivery to the customer.

It is also able to personalise passports with polycarbonate data pages, in compliance to ICAO standards, using advanced laser-engraving technology.

Printing services

The GPW provides a full suite of services, which comprises the three main disciplines related to the manufacturing of printed matter; being origination, printing and finishing, as well as related specialised services.

Origination

These services relate to the preparation of text, in a format ready for printing, and include:

- ◀ Typesetting – a customer can deliver text in written format, which the GPW will typeset.
- ◀ Layout and design – the GPW can assist the customer to design new documents and to do the layout required for printing.
- ◀ Acceptance of document in most electronic formats and converting such documents to printed formats.

The above includes the development of security features required to safeguard documents against forgery, such as micro text, guilloche backgrounds, vignettes and more.

All of the above relate to both security and non-security printing jobs.

Printing

Once the document is received from origination, it can be printed as:

- ◀ Offset printing – full colour, high quality printing in sheet format, such as posters, annual reports, passport visa pages and more;
- ◀ Continuous printing – full colour jobs/ single colour jobs printed in high volumes, including newsletters, census forms, voter registration forms and more; or
- ◀ Digital printing – either full colour or black & white. Digital printing is used for production of variable data (no two documents are the same), such as voters' rolls, personalisation of documents such as certificates and more.

All of the above relate to both security printing jobs and non-security printing jobs.

Finishing

After receiving printed matter from the print rooms, finishing operations are executed to deliver the printed matter in its final format as:

- ◀ sheeted;
- ◀ fan folded packs;
- ◀ sprocketed continuous stationery (also multipart);
- ◀ multipart snapsets;
- ◀ folded forms;
- ◀ perfect bound books;
- ◀ multipart;
- ◀ reel-to-reel format;
- ◀ books (side stitched and saddle stitched);
- ◀ full-bound books (including genuine leather); and
- ◀ foil blocking.

All of the above relate to both security and non-security printing jobs.

Gazette services

The GPW is the custodian of a host of government publications: tender bulletins, regulation gazettes, provincial gazettes (excluding the Free State and Western Cape), national gazettes and legal notices. Some are published weekly, others monthly. As publisher and editor of these official communication tools to the general public, the GPW is accountable for their content.

The Government Gazette business unit compiles, edits and typesets the publications before printing and disseminating them in hard copy and publishing them electronically.



Publication services

Publications and hard copy items, such as maps, aviation logbooks, Southern African Development Community (SADC) road traffic signs manuals, motor vehicle forms, Patent Journals and terminology dictionaries, as well as self-help books created to assist with the social and economic growth of all South Africans, fall under the Publications business unit.

The business unit prints, distributes and acts as a vendor. Products are available to both government departments and the public.

In addition, the business unit also offers the following services:

- ⬅ Copyright administration on government documents;
- ⬅ ISBN, RP and PR numbers allocation on government documents;
- ⬅ Photocopying;
- ⬅ Lamination/ encapsulation; and
- ⬅ Subscription to government documents.

To meet its mandate, the GPW is required to commit to a substantial investment in sophisticated equipment and processes, which, if restricted to the production of security printed matter only, would not be used economically. It is thus considered imperative that other related non-security services also be rendered by the GPW to ensure optimum use of the institution's internal production capacity.

Consequently, Publications has been established as a self-sustaining business unit within the GPW.

Stationery services

The Stationery Services business unit is responsible for the stockholding of standard documents, such as medicine registers for local clinics, patient cards for hospitals and leave application forms, which are used across government departments, municipalities and other entities.

This division does no printing, only the procuring of stock, warehousing and issuing the items on order to customers. The business unit operates from a 10,000m² warehouse in Zandfontein and has regional support offices in Mmabatho, Polokwane and East London.

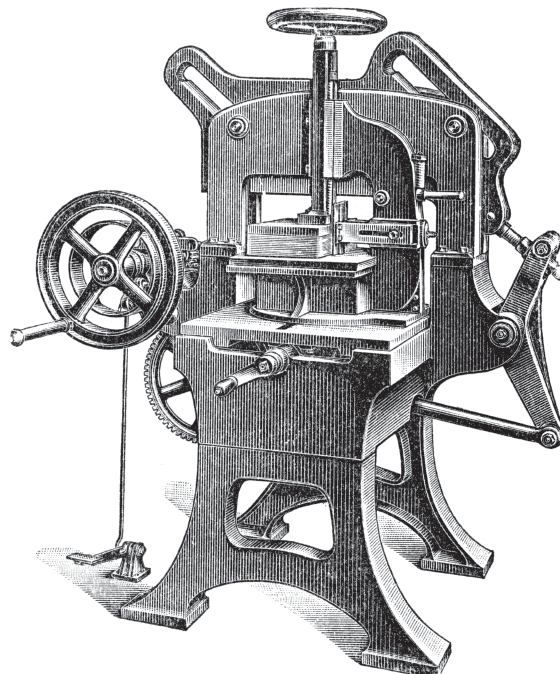
Stationery Services also buys paper in bulk directly from the mills (the Zandfontein warehouse can store up to 48,000 boxes of A4 paper at a time) and then sells these to the various departments to be used as copier and fax paper.

Consulting services

The GPW employs professionals with numerous years of knowledge and experience in the fields of printing and security printing. These Printing/ security printing experts are committed to delivering an end-to-end consulting service informing the client about how the GPW can add value to their project requirements.

Consulting services include:

- ◀ Designing the document around the customers' specifications;
- ◀ Advising on raw materials and printing best practices;
- ◀ Instructing on security production processes;
- ◀ Recommending printing methods and paper; and
- ◀ Educating the client about the selection of security features on offer to protect documents from fraudulent attack.





Chapter 04

HISTORY AND MILESTONES

The GPW was founded in 1801 and has experienced a rich and varied history, shaping it into the organisation it is today and aims to be in the future. This chapter tells the story from beginning up until now.



HISTORY AND MILESTONES

I. From 1652 to 1976

During its rule of the Western Cape region of South Africa from 1652 to 1799, the Dutch East Indian Company did not allow the operation of any printing facilities until its final years of existence in the regions.

The first attempt to produce printed matter in the Cape was initiated during 1782 by Governor van Plettenberg, when a ship, transporting money from the Netherlands, was delayed due to poor weather conditions at sea. This resulted in a shortage of money and the governor had no option other than to produce primitive banknotes on a parchment substrate, as an interim measure.

During 1784, the Dutch East Indian Company appointed Johann Christian Ritter, a Bavarian born in Bayrouth in 1755, to assume duties as an artisan bookbinder in the Cape. He brought with him a small printing press and successfully produced a variety of maps on behalf of the organisation over the year. As a result of his success, the first printing plant was established in the Cape in 1785, with Ritter being appointed the first printing superintendent. It is thus widely accepted that Ritter is the founder of the printing industry in the Republic of South Africa.

A number of other artisans joined Ritter's printing company in the following years and, although a variety of printed matter such as government notices, handbills and other documents were produced, printing facilities remained limited until 1800 when Walker & Robertson, a prominent company in the trading of slaves, imported a complete set of printing machines and support equipment. This was installed in February 1800 at the company's premises situated at 35 Plein Street in Cape Town. Subsequently, the company was appointed by Governor Yonge as the sole supplier of government printed matter in the Cape colony. Yonge also authorised the company to produce a weekly gazette, which commenced circulation with effect from 1 August 1800, known as the "Kaapsche Stads Courant". This publication was the precursor to what is today known as the "Government Gazette".

Following his appointment as the new governor of the Cape colony during 1801, Major-General Dundas monopolised all government and commercial printing and subsequently issued an order of attachment on the printing facility of Walker & Robertson. On 8 October 1801, the entire printing works was moved to the Castle and the first GPW was established under the supervision of Sir John Barrow, a government official who also served as accounts auditor of the Cape colony. He held this position until British re-occupation of the Cape during 1806, when George Ross was appointed the superintendent of printing.

The first apprentice to learn and complete a printing trade in South Africa was BJ van der Sandt, who enrolled at the printing facility during 1811 and remained there until retirement age, eventually also being appointed as the superintendent of printing.



A fierce battle to break the government's monopoly on printing and establish a free press erupted during 1824 between the governor, Lord Charles Somerset on the one hand, and his opposition - a group of obstinate Scotsmen, comprising George Greig, a printer who originated from the King's Printing Office in Shacklewell, Thomas Pringle who was a 1820 settler and John Fairbairn, a prominent South African journalist. This struggle continued for five years, culminating in Sir Lowry Cole's 1829 declaration of a free press in South Africa.

Immediately, the number of commercial printers increased, with printing facilities being established in places as far away as Grahamstown, Port Elizabeth, Bloemfontein, Durban and many others. As a result, most of the printing presses at the Castle facility were sold during 1829 and the government's printing requirements were divided equally between the printing establishments of George Greig and William Bridekirk.

Bridekirk and his later associate, SJ Mollet, were awarded a ten-year government contract for the production of the Gazette. During 1847, Saul Solomon & Company purchased Bridekirk's printing facility and remained the government's main printing supplier until 1881, when a new company, WA Richards & Sons, obtained the majority of all the government contracts. During this period, printing establishments also expanded to other areas with the northbound movement of pioneers and the establishment of the Republic of Transvaal.

When Marthinus Wessel Pretorius became the president of the Republic of Transvaal in 1856, he invited Petrus Moll and Jan Cilliers to establish a printing plant at Potchefstroom. This company produced the first Government Gazette of the Republic on 25 September 1857. However, as Cornelis Moll also utilised the Gazette to publish his own editorial viewpoints in opposition to the government's opinion, the president had no option other than to place the printing facility under direct government control, and the government purchased the printing facility from Moll and Cilliers in September 1859. Whilst Cilliers moved back to the Cape, Moll retained his position as printing superintendent and when the Republic of Transvaal moved its capital from Potchefstroom to Pretoria in 1860, he moved the entire printing works to Pretoria where it was modernised to the extent that it produced the first postage stamps for the Transvaal on 4 April 1879, utilising printing plates and gum-paper from suppliers in Germany.

During 1873, Cornelius Moll's earlier partner Jan Cilliers, moved back to Pretoria from the Cape and successfully negotiated to purchase the printing works from the government. Subsequently, he established the plant as a private printing works with contracts to produce printed matter for government, operating from his premises in Church Street, Pretoria under the name Cilliers and Rous. This position remained unchanged until the annexation of the Republic of Transvaal by the British Empire during 1877, when the British confiscated the printing works and utilised the facility for the provision of local government printed matter. However, when the war broke out, Cilliers managed to

lay his hands on old, dilapidated machines, which he repaired sufficiently to continue with the printing of private documents and newsletters. General Piet Joubert continuously collected donations and utilised the funds for upgrading Cilliers' existing rundown machines and to purchase new equipment, thus allowing him to maintain a printing facility of reasonable proportion throughout the war.

After the war ended, the House of Assembly authorised government to establish a proper GPW on 4 July 1888, to procure the necessary equipment for such a plant, and also to appoint printing staff on a permanent basis. In view of this, the printing works, which Cilliers successfully maintained during the war, was purchased by government to serve as a basic facility for further development in accordance with the resolution taken by the House of Assembly. On 1 August 1888, the new GPW commenced with its duties under the supervision of PWT Bell, who was appointed as the first government printer in South Africa. The printing works operated from premises situated between Church Street and Bureau Street in the centre of Pretoria, with a staff complement consisting of two clerks, six typesetters and two machine operators.

On the afternoon of 14 March 1891, the building caught fire after being struck by lightning. Whilst the GPW staff attempted to put out the fire, the police and fire brigade arrived at the scene. The chief of local police and the fire chief, however, could not agree on who was in charge of the limited fire fighting equipment. The disagreement quickly turned ugly and the two officials became involved in a fistfight in the middle of Church Street. Being fairly evenly matched, the two men continued to fight for several minutes after which the fire chief, apparently a southpaw, managed to finally put the police chief down. Unfortunately, by this time, the entire GPW building was completely incinerated. Government decided to rebuild the building in a project, which was completed on 29 May 1891.

Continuous expansion of printing operations during the following years, necessitated government to seek alternative premises to house the printing works and subsequently eight stands, located in Koch Street, Pretoria (today, Bosman Street) were purchased from the late estate of AH Nelmapius during 1894. A tender was awarded to a building contractor, WJ Geerts, to erect the buildings for an amount of 20,940 pounds and construction commenced during the same year.

The building project was completed during 1897, at a final cost of 24,504 pounds, and remains the head office of the GPW until this day.



2. From 1976 to 2008

During 1976, the GPW was established as a trade account. This implied that the GPW had to operate on regular business principles and since then, financial viability of the institution thus depended entirely on the GPW's ability to generate sufficient revenue from services rendered to defray all its operational and capital expenditure. Being functionally charged with the rendering of inter-departmental services, the National Treasury (NT) directed the trade account's operations within the following framework:

- ◀ Meeting its mandate required the GPW to commit substantial investment in sophisticated equipment and processes, which, if restricted to the production of security printed matter only, would not be utilised economically and thus it was considered imperative that other related services also be rendered by the GPW to ensure optimum utilisation of the institution's internal capacity.
- ◀ In view of this, NT directed that government institutions be obliged to source all of their printing related services only from the GPW.

The afore-mentioned arrangement established the GPW as a centralised national printing facility with a stable customer base, ensuring optimum utilisation of its infrastructure by rendering security printing services as well as related non-security services to government institutions.

Following the 1994 general election, all printing facilities of the former independent states and self-governing territories were allocated to the GPW. The new political dispensation implied that South Africa had six printing facilities and the GPW, operating on business principles, had to absorb all these facilities, which presented the organisation with a substantial duplication of personnel and equipment. Given this untenable situation, cabinet was approached with a recommendation that the Department of Home Affairs (DHA) be authorised to re-organise and rationalise government's printing functions. Cabinet approved this recommendation on 24 February 1996.

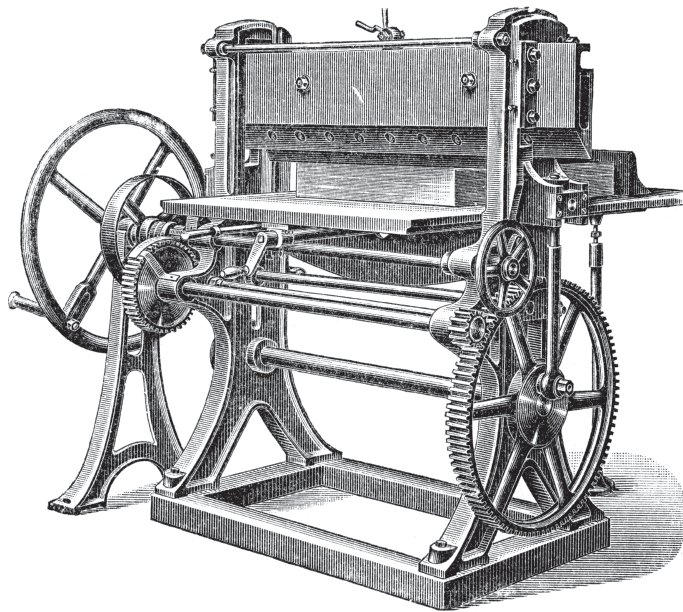
Upon completion of its investigation, the DHA submitted a cabinet memorandum with recommendations that certain printing facilities, such as the Umtata Printing Works, be closed down whilst other facilities be restructured to serve as provincial offices of the GPW.

The restructuring was subsequently completed, leaving the GPW's head office in Pretoria with regional offices in Polokwane, Mmabatho, East London and Cape Town respectively.

3. From 2008 to present day

During 2008, the GPW prepared a business case to propose its conversion to a government component. During September 2008, this business case was presented to a joint panel (the NT, Department of Public Service and Administration and the DHA), which was subsequently approved by the Ministers of Finance, Home Affairs and Public Service and Administration respectively. Emanating from this process, the GPW was established as a government component on 9 October 2009 (refer Government Gazette 32616 dated 9 October 2009).

In 2013, the GPW has completed its three-year transition to becoming a government component and will continue to fulfil a key role into the future as government's "security printer of choice".



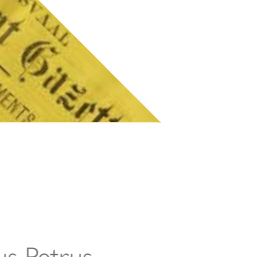
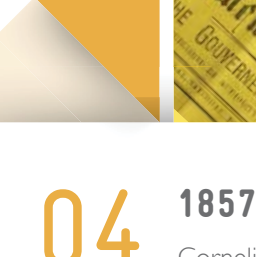
01

1782

The first attempt to produce printed matter in South Africa is made by Governor van Plettenberg.

1785

Johann Christian Ritter establishes the first printing plant in the Cape.



02

1800

Walker & Robertson import printing machines and produce the first Government Gazette, called the "Kaapse Stads Courant".

1801

The first GPW is established at the Castle under Sir John Barrow.

1811

Bj van der Standt enrolls as the first printing trade apprentice.

03

1824

A fierce battle erupts between Lord Charles Somerset and his opposition, to break government's monopoly over the local print industry.

1829

Sir Lowry Cole declares a free press in South Africa. William Bridekirk is awarded a ten-year government contract for the production of the Gazette, which lasted until 1881 under Saul Solomon & Company.

04

1857

Cornelius Petrus Moll and Jan Cilliers produce the Republic of Transvaal's first Government Gazette.

1859

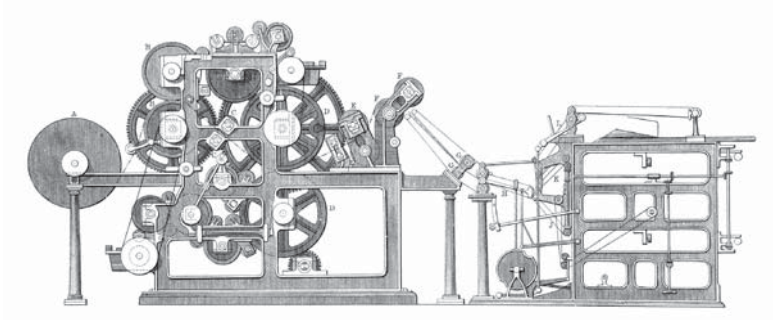
The printing facility is purchased by government from Moll and Cilliers, while Moll retains position as printing superintendent.

1860

Moll moves printing works to Pretoria.

1782 – 2013

The Government Printing Works



08 1994

All printing facilities of the former independent states and self-governing territories are allocated to the GPW.

1996

The GPW is restructured.

05 1877

The British Empire annexes the Republic of Transvaal, confiscating the printing works.



09 2009

The GPW is established as a government component.

07 1891

The GPW is struck by lightning and burns down, but is rebuilt by government.

06 1888

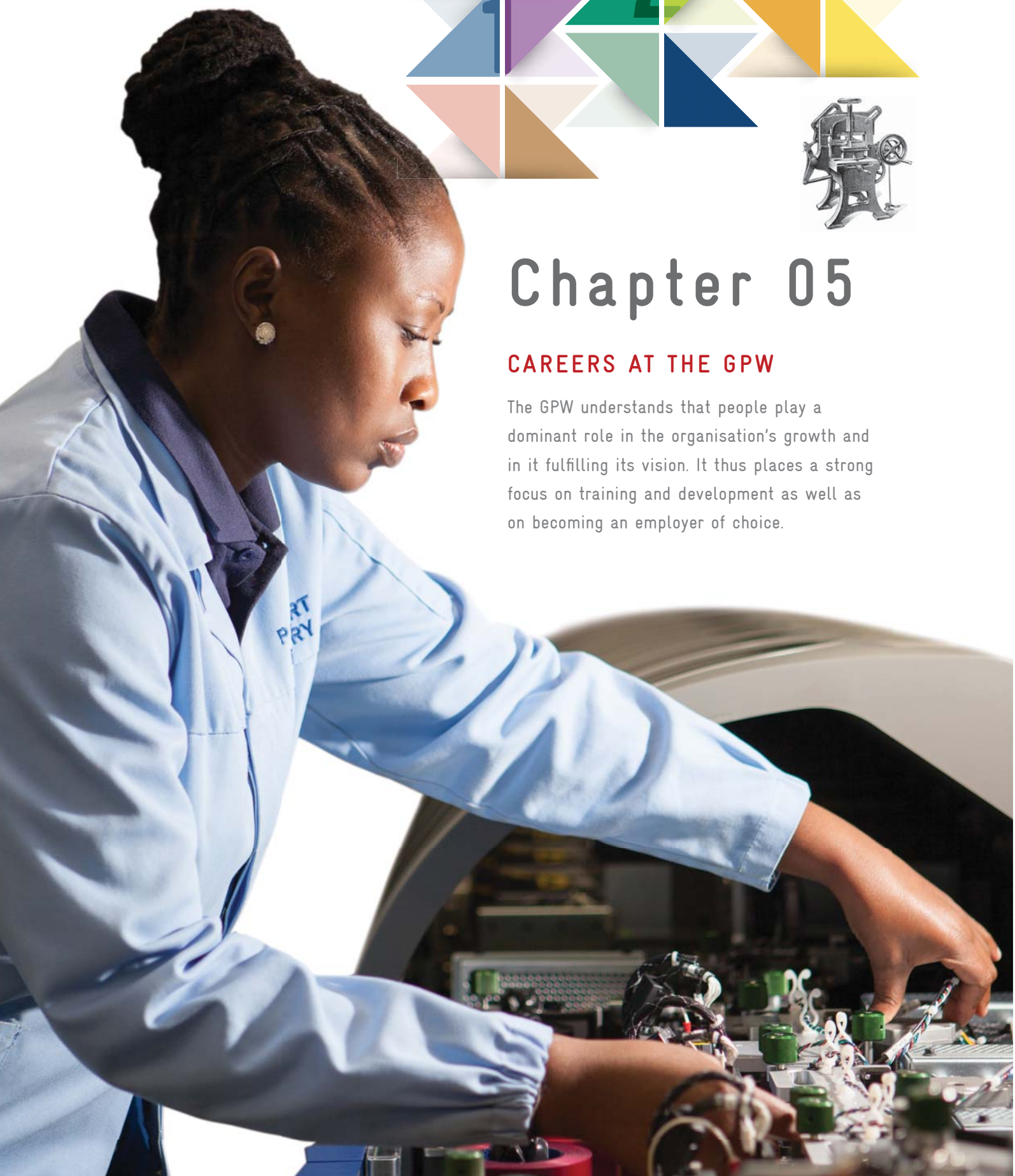
The House of Assembly authorises government to establish a proper GPW.

1976

The GPW is established as a trade account.

2013

The GPW concludes transition to a government component.



Chapter 05

CAREERS AT THE GPW

The GPW understands that people play a dominant role in the organisation's growth and in it fulfilling its vision. It thus places a strong focus on training and development as well as on becoming an employer of choice.

CAREERS AT GPW

As part of its aim to become an “employer of choice”, the 2012/ 2013 financial year has seen the GPW put in place a number of mechanisms and strategies to reach this goal. This includes the development and adoption of new HR policies, encompassing a performance management development policy, a human capital strategy and a workforce skills plan.

Since the appointment of the new GPW CEO, Professor Anthony Mbewu at the beginning of 2012, the establishment was re-aligned and the remaining two vacant general manager positions were advertised and are in the final appointment stages.

In addition to this, 90 percent of identified lower level posts (between levels one and 12) have been filled.

From a labour relations point of view, there has also been vast progress. As a result of improved procedures, the past financial year did not show any outstanding grievances, whereas in the previous financial year, 60 percent remained unaddressed. This new approach has proven to be highly successful.

On the training and development side, all staff members within the GPW have been given the opportunity to undergo training. This included extensive technical training in preparation for the launch of the new ERP system, health and safety training, as well as training around compliance.

The organisation continues to provide employees with growth opportunities through study bursaries, with a further 21 new study bursaries awarded over the year, and seven candidates accepted in to the GPW’s internship and learner programme.

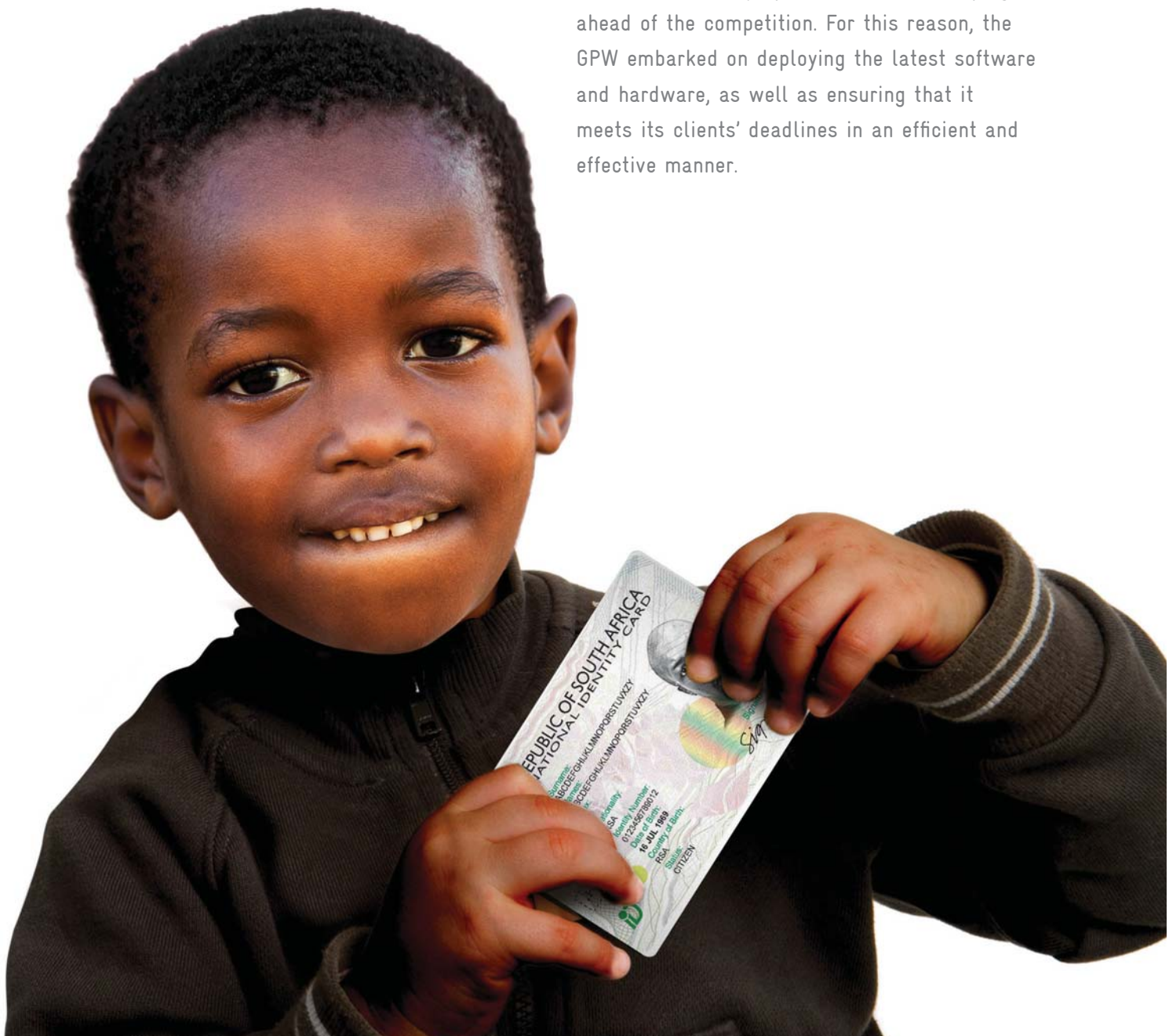
Plans for the next two years from a human resources perspective include the establishment of a formal GPW training and development academy, as well as a special remuneration dispensation structure to be put in place to attract and retain employees. At this stage, a task team with the Department of Public Service and Administration has been formed to take the matter of a special dispensation forward.



Chapter 06

OUR FUTURE

In the printing industry, technology and customer service plays a vital role in staying ahead of the competition. For this reason, the GPW embarked on deploying the latest software and hardware, as well as ensuring that it meets its clients' deadlines in an efficient and effective manner.



OUR FUTURE

The GPW is well on the way to realising its quest to become a modern print and media company, harnessing ICT technologies and the power of the internet to achieve this goal.

The organisation's extensive three-year asset replacement programme to replace old technology is set to be completed in 2014, with a total project spend of R256 million.

Not only has the newly implemented ERP solution helped the GPW to streamline its business operations, improving processing performance and providing a system availability of more than 99 percent, it has also allowed the organisation to move away from the previous manual, more paper-based procedures, making it far more flexible and agile.

The next step for the GPW, from a technological perspective, is to improve collaboration, both internally between departments, and externally with customers. While the first stage in this process has been enabled through the ERP system rollout and technology refresh, the GPW has also introduced a service desk, which abides by IT best practices in terms of support, and its purpose is for staff members to raise any ICT queries or issues.

The next year will see this service extended with the introduction of a contact centre, which is set to provide a one-stop support shop for both external customers and internal staff members. This project will commence with the introduction of a new, state-of-the-art switchboard system, which will provide the next collaboration step in that it will allow for both voice and video communication channels. This means that staff are able to be "at the office", wherever they may be at the time.

This level of collaboration is set to further increase the GPW's competitive edge, in a world where greater teamwork at all levels in the organisation is key.

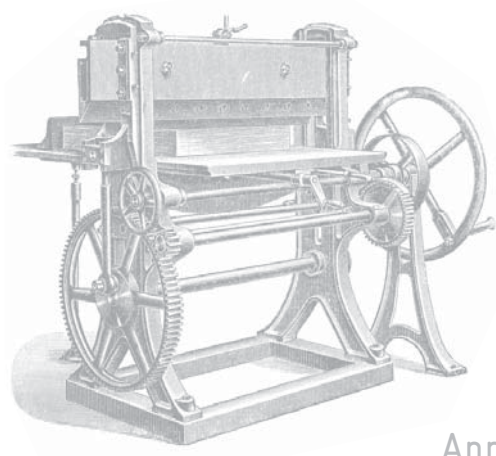


Chapter 07

FINANCIAL

The GPW's annual financial statements and reports for the year ended 31 March 2013.





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REPORT OF THE AUDIT COMMITTEE

We are pleased to present our report for the financial year ended 31 March 2013

Audit committee members and attendance:

The audit committee consists of the members listed hereunder and meets at least four times a year as per the approved terms of reference. The terms of engagement of the acting chairperson expired on 31 January 2013. In order to retain continuity and experience, approval was granted by the Minister of Home Affairs to appoint a new chairperson of the audit committee from within the current membership with effect from 1 February 2013. Two additional members were appointed to the audit committee which now brings composition of the audit committee to five.

Three meetings took place during the year under review. The fourth meeting scheduled for November 2012 was cancelled because a quorum could not be formed. It remained a challenge to secure a date suitable where both the audit committee and management were available to hold the fourth meeting.

Attendance for the year under review was as follows:

Name of the member	Position	Number of meetings held	Number of meetings attended
Ms. PM Sedite	Chairperson – appointed 01/02/2013	3	3
Ms. M. Strydom	Member	3	3
Mr. SL Ndaba	Member	3	3
Mr. SAH Kajee	Member - appointed 01/12/2012	1	1
Mr. A Amod	Member - appointed 01/12/2012	1	1

Audit committee responsibility

We report that we have adopted appropriate formal terms of reference in our charter in line with the requirements of Section 38(1)(a) of the Public Finance Management Act, No.1 of 1999 as amended by Act 29 of 1999 and Treasury Regulations 3.1.13. We further report that we conducted our affairs in compliance with this charter and have discharged all our responsibility as contained therein.

The charter is reviewed annually and complies with principles of good governance and with the requirements of the above mentioned Act and Regulations.

The effectiveness of internal control

Our review of the findings of the internal audit work, which was based on the risk as identified in the previous audit reviews conducted in the entity, revealed certain weaknesses. Risk assessment has been subsequently completed by the entity in the last quarter of the year.

The following audit activities were completed during the year under review:

- ◀ Rolling out three year strategic plan;
- ◀ Annual internal audit plan;

- ◀ Accounts receivable;
- ◀ Suspense account;
- ◀ Cash and bank;
- ◀ Transfers and promotions;
- ◀ Recruitment and selection;
- ◀ Qualification verification;
- ◀ Official vehicles;
- ◀ Supply chain management;
- ◀ Origination – Government Gazette; and
- ◀ Revenue.

A performance evaluation audit could not be completed as planned because human resources could not provide requested information to plan and execute the audit. The process has since changed with effect from 01 April 2013 and internal audit will conduct this audit in the year 2013/14.

Evaluation of financial statements

We have reviewed the financial statements and the report of progress made against pre-determined objectives and recommended them for management to submit for audit by Auditor-General South Africa.

Further to this, we have:

- ◀ Reviewed the Auditor-General South Africa's management report and management's response thereto; and
- ◀ Reviewed and discussed the audited annual financial statements due to be included in the annual report with the Auditor-General South Africa's and the Accounting Officer's reports.

We concur with and accept the Auditor-General South Africa's report on the annual financial statements.

In-year management and monthly/quarterly reporting

The government component has submitted monthly and quarterly reports to the executive authority.

Appreciation

The audit committee expresses its appreciation to the accounting officer; management team and the Auditor-General for their contribution to fulfil our obligations.



Ms. PM Sedite

Chairperson of the auditor committee

Date: 31 July 2013



ACCOUNTING OFFICER'S RESPONSIBILITIES AND APPROVAL

The accounting officer is required in terms of the Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999) (as amended by Act No. 29 of 1999) to ensure that the GPW maintains and implements adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the annual financial statements fairly present the state of affairs of the entity as at the end of the financial year and the results of its operations and cash flows for the year then ended. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements have been prepared on the going concern assumption basis and in accordance with generally accepted accounting practice. Unless otherwise indicated, the financial statements are prepared on the same basis and accounting policies as in previous years to comply with South African Statements of Generally Accepted Accounting Practice, except where it is directed by National Treasury (NT).

The accounting officer is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The accounting officer has reviewed the company's cash flow forecast for the year to 31 March 2014 and, in the light of this review and the current financial position, he is satisfied that the entity had or has access to adequate resources to continue in operational existence for the foreseeable future.

The annual financial statements set out on pages 39 to 61, which have been prepared on the going concern basis, were approved by the board on 31 May 2013.

A handwritten signature in black ink, appearing to read 'V. Mbewu'.

Prof. AD Mbewu

Pretoria

31 May 2013

ACCOUNTING OFFICER'S REPORT

Introduction

The GPW has reached its landmark 125th birthday this year. Since conversion to a government component in October 2009, it has begun to operate more fully on sound business principles, achieving the objective of full profitability within a three-year cycle starting on April 2010. The GPW now generates sufficient revenue from services rendered to defray its operational expenditure, and in future will no longer require transfers from National Treasury. The total revenue of GPW is now almost R 1 billion (R 929 million), a 91 percent increase from the R 487 million total revenue of 2009. Operating surplus reached approximately R 110 million (12 percent of revenue), a seven fold increase since the R 15 million surplus of 2009. The annual surplus is ploughed back into funds for asset recapitalisation and renovation of the Visagie Street site.

This transition to a government component has entailed radical transformation in terms of :

- ◀ The business processes of GPW;
- ◀ An extensive asset recapitalisation programme to replace outdated equipment;
- ◀ Renovation of premises for GPW at Visagie Street; and
- ◀ Implementation of a new GPW establishment and migration of existing employees to the new model.

Despite its challenges, the transformation is proceeding well and, by 2014, should result in a modern "print and media" company; able to fully satisfy the security printing and related services needs of both the government and the South African people.

Mandate and core business

The GPW has attained its goal of becoming the "security printer of choice" of government, with more and more departments committing their security printing needs to the GPW, as well as some general printing. A notable win has been the granting of a large contract from the Department of Basic Education in 2012. As a government component, GPW remains within the mandate and full control of the state – its only shareholder. Its core business is the rendering of security printing and related services to government departments, provincial institutions and local authorities, which entails the following:

- ◀ Compiling, editing, printing and distributing official Gazettes;
- ◀ The procurement and stocking of departmental forms and face value documents;
- ◀ The production of high security documents and also general printing; and
- ◀ The procurement and distribution of standard stationary items.

Transformation

The GPW is well on the path to becoming a modern printing company run on solid principles, with an emphasis on security printing. This has entailed the use of a number of technologies in order to harness the internet, as well as information and communication, both in its products and its business processes.

In terms of transforming the GPW's business processes, the organisation's ERP system was launched on 1 October 2012. This system integrates the functions of finance and production branches using an IT backbone. The finance solution implemented is Microsoft Dynamics AX; and the production solution Hiflex; with Biztalk used to integrate both solutions. The ERP solution includes features such as an activity based costing system, which will enable the GPW to dramatically improve the efficiency of reporting and management in the organisation.



With regards to transforming products, the “e-Gazette” was launched in August 2012. It is anticipated that most of the GPW’s clients will use this internet-based platform to access the e-Gazette; as well as to submit material for publication in the “e-Gazette”.

New premises

The process of renovating the GPW’s Visagie Street site has experienced serious delays. Pavilion 1, the new passport factory, and Pavilion 2 the Security Printing Division were renovated and are operating well, but the remainder of the Visagie Street remains unrenovated due to external capacity constraints. Concerted action will need to be taken to ensure that renovation of the entire site is completed by the end of 2014, ready for the whole organisation to vacate the Bosman Street site and move to the modern facilities in Visagie Street.

Asset replacement programme

The extensive asset replacement programme continues, which will see virtually all the old printing equipment of the GPW replaced by modern technology. The programme began in 2011, with plans to spend R 275 million over the three years from 2014 to 2016. However, the procurement of these assets has been constrained by delays in renovations of the Visagie Street premises, where these new printing machines are to be housed. Implementation of this programme will support the GPW in its drive to create internal capacity for production of the best possible standards of printed matter, on both paper and synthetic substrates; adhering to the quality standards required by various international bodies.

GPW establishment

The migration of staff to the new “GPW establishment” continued throughout this review period. This entailed formulating new job descriptions, conducting job evaluations and the creation of new posts. The organisation is now structured under the four following general managers (GMs) who report to the CEO:

- ◀ GM: Financial Services
- ◀ GM: Production and Operations
- ◀ GM: Human Resources
- ◀ GM: Strategic Management

The post of GM: Strategic Management has been filled, and Mrs Mogogodi Dioka started in this role in May 2013. Interviews will be held by mid 2013 to fill the position of GM: Human Resources. It is anticipated that by the end of 2013/2014 most of the 22 vacancies in the 30 SMS posts will be filled. Vacancies at lower levels are being filled; and negotiations are underway to attempt to address deficiencies in the remuneration structures, particularly within the technical grades where the majority of skills shortages are experienced.

The staff complement at GPW has now reached 561, with many new staff members holding competencies commensurate with a modern “print and media” company that deploys the most up to date technologies in the security printing industry. Recruiting and retaining skilled and specialist staff remains a serious challenge at GPW; primarily as a result of uncompetitive remuneration packages compared to the printing industry.

National smart ID card

Following an initial pilot programme in January 2012, the GPW embarked upon a long and complex procurement process for the new national smart ID card. Tenders have been awarded to two companies, both international leaders in the field of electronic ID cards. One company will supply four personalisation machines and mailing solutions in June 2013 – three to be housed in the passport factory at Visagie Street, and one at the disaster recovery site. Test runs will begin with these machines in June 2013, with a view to smart ID card production beginning in July 2013. The second company will provide millions of blank, preprinted polycarbonate cards with contactless integrated circuits. These cards will be shipped to GPW at Visagie Street for personalisation.

The Department of Home Affairs, with SARS, is rolling out “live capture” systems at Home Affairs offices so that all citizens’ details can be captured electronically with no paper work involved, thus obviating the room for fraud or identity theft. Each citizen’s digitised photograph, demographic details and electronic finger prints will be downloaded immediately from the live capture booth in the Home Affairs office, directly to the servers at GPW to be personalised onto the blank cards. As the cards are produced, they will be deposited in individual envelopes using the automated mailing solution, and then couriered to the Home Affairs office where the citizen made the application for an smart ID card, the day before. It is envisaged that over the coming six to seven years, all old green ID books will be replaced with 38 million smart ID cards.

In 2014, the plan is to construct a polycarbonate plant at Visagie Street so that, with time, the entire process of smart ID card production will be done on a single, secure GPW site.

The GPW deploys the most modern laser imaging technology in the world in its passport factory. This is used for, amongst other things, the production of laser perforations in paper-based documents and the personalisation of passports and identification cards on materials such as paper and polycarbonate.

GPW continues to operate on regular business principles by generating sufficient revenue from services rendered, to defray its operational expenditure; thus ensuring sustainability as a “government-owned business”. The GPW’s security product offering is unrivalled both in South Africa and the broader African continent; and this has clearly been recognised by government through the award of the smart ID card contract.

The successful appointment of the GM: Strategic Management will enable completion of the marketing strategy in 2013/14 as this general manager oversees the marketing function. The appointment was only made after the current financial year-end, and interviews will soon be held for a specialist in marketing.

Outputs.

Outputs of security and other printed matter during the review period decreased mainly due to decreased demand; while all the business units attained most of their targets.

Production statistics

There has been a steady decline in the demand for new passports by South African citizens, and this has impacted negatively on revenues for GPW, resulting in a 15 percent decline in gross profit.



Government Gazettes and IDs were all published according to quality and delivery specifications throughout the year; with a turnaround time of 3.3 days consistently achieved in the case of the ID documents.

Table: Production statistics for the years 2008 to 2013

Product	2012/2013	2011/2012	2010/2011	2009/2010	2008/2009
Passports (booklets)	627,152	707,384	859,884	832,262	1,259,611
Identity documents (booklets)	1,995,421	2,395,393	2,233,493	2,463,147	2,499,419
Examinations (books)	16,518,188	26,538,274	21,726,216	29,868,940	38,794,029
Government Gazette (editions)	2,384	2,180	2,390	2,292	2,496
Government Gazettes (total number of A4 pages per annum)	105,120	97,110	107,044	105,915	110,281

The spoilage rate for new passports was 2.8 percent - above the target of no more than 2.2 percent spoilage rate, but still below the international benchmark of three percent; but not a single imperfect passport left the passport factory. There were also no known cases of successful forgery of the new South African passport.

All targets were met in terms of printing and delivery of examination scripts within the clients' specified timeframes.

In addition, the GPW performed and delivered on new products including the new RSA birth certificate for the Department of Home Affairs, the new national certificate and diploma for the Department of Higher Education and the new senior certificate for the Department of Basic Education.

Security and corporate governance

The GPW has a fully functioning security division; and the organisation did not experience any serious security breaches during the period under review. Zero losses due to theft occurred for identity documents, passports and examination scripts.

A comprehensive strategic and operational risk assessment has been completed and a risk register generated, for implementation in 2013.

The internal audit department of the GPW is functional, with three internal audit interns under training. The internal audit plan has now been revised to be risk-based. The audit committee has met regularly, and the Minister appointed a new chairperson of the committee, Mrs Maphefo Sedite.

The GPW has begun the process of recruiting a compliance officer. An employee wellness officer has been appointed, and there were no serious accidents or health and safety concerns during the 2012/2013 financial year.

All SMS employees submitted declaration of financial interests forms at the beginning of each year; and members of bid adjudication committees and interview panels signed conflict of interest forms.

Information and communication technology

The information and communication technology systems of GPW have been completely overhauled, and now meet best practice internationally, with a fully functioning, high availability intranet and e-mail system, and secure firewalls. The GPW external website was launched in August 2012, and has been well received. The address of the website is : <http://www.gpwonline.co.za>

Human resources

The majority of the human resources policies, standard operating procedures and strategies have been revised, developed, customised and adopted. A new human capital strategy was implemented from the end of the review period. A workplace skills plan has been completed; and the policy of an average of two training days per employee annually was implemented. All identified job evaluation and job descriptions were completed; and 90 percent of the vacant lower level posts identified were filled. A remuneration benchmark survey has been completed and a task team with the Department of Public Administration has been established to address a special remuneration dispensation. Improved mechanisms have been put in place to address staff grievances and all outstanding and new grievances were addressed and finalised.

Financial services

In the finance division an unqualified audit report was obtained from the Auditor-General. Turnaround times of monthly financial management performance reports were maintained below 14 days. Revenue has been impacted by the dwindling passport numbers, but nevertheless increased by 34 percent from the previous financial year to almost reach R 1 billion (R 929 million). Net surplus fell from R 192 million to R 109 million – a 43 percent decline. Debtors remain a challenge to the balance sheet.

Nine pieces of new equipment were procured compared with the target of 10 pieces contained in the asset recapitalisation programme.

Conclusion

The GPW has completed its three-year transition into a government component. This has been borne out in the increasing revenue stream, new customers arriving at our doorstep, and the award of the large and prestigious smart ID card project. The organisation has reached its goal of becoming the government's "security printer of choice"; and its revenue now exceeds R 900 million, having more than doubled from 2009 to 2013.

Significant remaining challenges include the recruitment and retention of skilled human resources, addressing deficiencies in the remuneration structures, accelerating renovation of the Visagie Street site, establishing smart ID card production and completing the asset recapitalisation programme. With the strong and unwavering support received from the Minister of Home Affairs and her department, we anticipate meeting all these challenges in the years that lie ahead.



Prof. AD Mbewu
Accounting officer
Pretoria
31 May 2013



REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON FINANCIAL STATEMENTS OF THE GOVERNMENT PRINTING WORKS

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the financial statements of the Government Printing Works set out on pages 39 to 61 which comprise statement of financial position as at 31 March 2013, the statement of comprehensive income, statement of changes in net assets and the statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Statements of Generally Accepted Accounting Practice and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and for such internal control as the accounting officer determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the *General Notice* issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Government Printing Works as at 31 March 2013, and its financial performance and cash flows for the year then ended in accordance with South African Statements of Generally Accepted Accounting Practice and the requirements of the PFMA.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

7. In accordance with the PAA and the *General Notice* issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

Predetermined objectives

8. I performed procedures to obtain evidence about the usefulness and reliability of the information in the report on predetermined objective as set out on pages 63 to 98 of the annual report.
9. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability. The usefulness of information in the annual report relates to whether it is presented in accordance with the National Treasury annual reporting principles and whether the reported performance is consistent with the planned objectives. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the *National Treasury Framework for managing programme performance information*.
10. The reliability of the information in respect of the selected objectives is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).
11. There were no material findings on the annual report concerning the usefulness and reliability of the information.

Additional matter

12. Although no material findings concerning the usefulness and reliability of the performance information were identified in the report on predetermined objectives, I draw attention to the following matter:

Achievement of planned targets

13. Of the total number of 56 targets planned for the year, 22 targets were not achieved during the year under review. This represents 39% of total planned targets that were not achieved.

Compliance with laws and regulations

14. I performed procedures to obtain evidence that the entity has complied with applicable laws and regulations regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key applicable laws and regulations as set out in the *General Notice* issued in terms of the PAA are as follows:

Revenue management

15. The accounting officer did not take effective and appropriate steps to timeously collect all money due to the institution as per the requirements of Treasury Regulation 11.2.1.



Procurement processes

16. Quotations were awarded to bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, which is prescribed in order to comply with Treasury regulation 16A8.3.
17. Awards were made to bidders who did not submit a declaration of past supply chain practices such as fraud, abuse of SCM system and non-performance, which is prescribed in order to comply with Treasury regulation 16A9.2.

Internal control

18. I considered internal control relevant to my audit of the financial statements, report on predetermined objectives and compliance with laws and regulations. The matters reported below under the fundamentals of internal control are limited to the significant deficiencies that resulted in the findings on compliance with laws and regulations included in this report.

Leadership

19. The accounting officer did not exercise oversight responsibility over reporting and compliance with laws and regulations and internal control.
20. There is a lack of sufficient monitoring controls to ensure adherence to compliance with laws and regulations for purposes of taking corrective action to address deficiencies in a timely manner in the trading entity.

Auditor General

Pretoria
31 July 2013



A U D I T O R - G E N E R A L
S O U T H A F R I C A

STATEMENT OF COMPREHENSIVE INCOME

Annual Financial Statements for the year ended 31 March 2013

	Note(s)	2013 R '000	2012 R '000
Revenue	2	929,154	692,919
Cost of sales		(727,430)	(455,548)
Gross profit		201,724	237,371
Other income	3	69,613	68,769
Operating expenses	4	(161,977)	(114,357)
Operating profit		109,360	191,782
Interest received		2	-
Profit for the year		109,362	191,782
Other comprehensive income		-	-
Total comprehensive income for the year		109,362	191,782



STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2013

Annual Financial Statements for the year as at 31 March 2013

	Note(s)	2013 R '000	2012 R '000
Assets			
Non-current assets			
Property, plant and equipment	6	342,669	379,588
Intangible assets	7	25,213	-
		367,882	379,588
Current assets			
Inventories	8	155,845	138,434
Trade and other receivables	9	408,594	164,267
Cash and cash equivalents	10	1,028,331	958,458
		1,592,770	1,261,159
Total assets		1,960,652	1,640,747
Net assets and liabilities			
Net assets			
Capital fund	11	875,693	683,911
Surplus distributable to National Treasury		109,358	191,778
		985,051	875,689
Liabilities			
Non-current liabilities			
Deferred income	12	674,206	605,920
Current liabilities			
Trade and other payables	13	298,240	156,466
Provisions	14	2,975	2,672
		301,395	159,138
Total liabilities		975,601	765,058
Total net assets and liabilities		1,960,652	1,640,747

STATEMENT OF CHANGES IN NET ASSETS

Annual Financial Statements for the year ended 31 March 2013

	Capital fund	Surplus distributable to National Treasury	Net assets
	R '000	R '000	R '000
Balance at April 01, 2011	469,096	214,811	683,907
Profit for the year	-	191,782	191,782
Transfer of Treasury approved surplus to capital fund	214,815	(214,815)	-
Total changes	214,815	(23,033)	191,782
Balance at April 01, 2012	683,911	191,778	875,689
Profit for the year	-	109,362	109,362
Transfers of Treasury approved surplus to capital fund	191,782	(191,782)	-
Total changes	191,782	(82,420)	109,362
Balance at March 31, 2013	875,693	109,358	985,051



STATEMENT OF CASH FLOWS

Annual Financial Statements for the year as at 31 March 2013

	Note(s)	2013 R '000	2012 R '000
Cash flows from operating activities			
Cash receipts from contributors and other sources		952,134	967,237
Cash paid to suppliers and employees		(813,101)	(594,181)
Cash generated from operations	15	139,033	373,056
Interest income		2	-
Net cash from operating activities		139,035	373,056
Cash flows from investing activities			
Acquisition of property, plant and equipment	6	(54,145)	(60,139)
Acquisition of intangible assets	7	(15,017)	-
Net cash from investing activities		(69,162)	(60,139)
Total cash movement for the year		69,873	312,917
Cash at the beginning of the year		958,458	645,541
Total cash at end of the year	10	1,028,331	958,458

ACCOUNTING POLICIES

Annual Financial Statements for the year ended 31 March 2013

I. Basis of preparation

The annual financial statements have been prepared in accordance with South African Statements of General Accepted Accounting Practice, and the Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999) (as amended by Act No. 29 of 1999). The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below.

The GPW concluded that the annual financial statements fairly present the entity's statement of financial position, statement of comprehensive income and statement of cash flow.

These accounting policies are consistent with the previous year, except where the government component has adopted certain new and amended South African Statements of Generally Accepted Accounting Standards.

I.1 Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when:

- ◀ it is probable that future economic benefits associated with the item will flow to the entity; and
- ◀ the cost of the item can be measured reliably.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is de-recognised.

Cost or fair value

Property, plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost of property, plant and equipment on a straight-line basis, over the estimated useful life. Depreciation of an asset commences when the asset is ready for its intended purpose and brought to use.

Profits and losses arising on the disposal or retirement of an item of property, plant and equipment, determined as the difference between the actual proceeds and the carrying amount of the assets, are recognised in the statement of comprehensive income in the period in which they occur.

The entity derecognises an item of property, plant and equipment only when the contractual rights to the cash flows from the property, plant and equipment expires, or when it transfers the property, plant and equipment and substantially all the risks and rewards of the ownership thereof to another entity.



ACCOUNTING POLICIES

Annual Financial Statements for the year ended 31 March 2013

The annual depreciation rates are based on the following estimated asset lives:

Item	Years
Leasehold improvements	20 years
Plant and equipment	1 -10 years
Office furniture	6 years
Motor vehicles	5 years
Computer equipment	3 years

The residual value and the useful life of each asset are reviewed at each financial period-end.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately.

1.2 Intangible assets

An intangible asset is recognised when:

- ◀ it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- ◀ the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost and comprise of software.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- ◀ it is technically feasible to complete the asset so that it will be available for use or sale;
- ◀ there is an intention to complete and use or sell it;
- ◀ there is an ability to use or sell it;
- ◀ it will generate probable future economic benefits;
- ◀ there are available technical, financial and other resources to complete the development and to use or sell the asset; and
- ◀ the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

Intangible assets are amortised on a straight-line basis over its anticipated useful life.

Computer software is capitalised to computer equipment where it forms an integral part of computer equipment.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets. For all other intangible assets, amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

Reassessing the useful life of an intangible asset with a definite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result, the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Item	Useful life
Computer software	5 years

1.3 Financial assets and liabilities

1.3.1 Initial recognition

Financial instruments are recognised initially when the entity becomes a party to the contractual provisions of the instruments.

The entity classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments comprise of trade and other receivables, trade and other payables, cash and cash equivalents.

Financial instruments classified as loans and receivables are recognised as assets when the entity becomes a party to the contract and as a consequence has a legal right to receive cash.

1.3.2 Profit and losses and fair value adjustments

Profits, losses and fair value adjustments on financial instruments through surplus or deficit, both realised and unrealised, are included in the statement of financial performance.

1.3.3 De-recognition

A financial asset is de-recognised when the entity loses control over the contractual rights that comprises the asset and consequently, the substantive risk and benefits associated with the asset are transferred. This occurs when the rights are realised, expired or are surrendered.

The financial liability is de-recognised when the obligation specified in the contract is discharged, cancelled or expired.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in the statement of financial performance.

1.3.4 Interest

Interest income is recognised in the statement of financial performance as it accrues, using the original effective interest rate of the instrument calculated at the acquisition of origination date. Interest income includes amortisation of any discount or premium or any other differences between the initial carrying amount of an interest-bearing instrument and its amount at maturity calculated on an effective interest rate basis.



ACCOUNTING POLICIES

Annual Financial Statements for the year ended 31 March 2013

1.3.5 Trade and other receivables

Trade receivables are recognised initially at fair value. Appropriate allowances for estimated irrecoverable amounts are recognised in surplus or deficit when management believes that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 90 days overdue) are considered indicators that the trade receivable is impaired.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of financial performance within operating expenses. The amount of the allowance is calculated in accordance with the doubtful debt policy of the GPW. When a trade receivable is irrecoverable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited in the statement of comprehensive income.

Trade and other receivables are classified as loans and receivables.

1.3.6 Trade and other payables

Trade payables are initially and subsequently measured at fair value.

1.3.7 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and deposits held and owed by Paymaster General. These are initially and subsequently recorded at fair value.

1.4 Operating leases

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the statement of comprehensive income on a straight-line basis over the period of the lease, except where it is immaterial in relation to the total lease payments, and where variable escalation forms part of the payments.

Operating leases are those leases that do fall within the scope of the above definition. Operating lease rentals are expensed as they become due.

1.5 Inventories

Inventories are measured at the lower of cost and net realisable value, determined on standard cost.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories and as an expense in the period in which the reversal occurs.

1.6 Impairment of assets

The entity assesses at each statement of financial position date whether there is any indication that an asset may be impaired. If any such indication exists, the entity estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

If there is any indication that assets may be impaired, the recoverable amount is estimated for the individual asset.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation is recognised immediately in profit or loss.

The increased carrying amount of assets attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation is recognised immediately in profit or loss.

1.7 Retirement benefits

1.7.1 Pension funds

The GPW contributes to the Government Employees' Pension Fund in respect of employer's contribution to the fund, as prescribed by law, and therefore recognised as an expense in the accounting period. No provision is made for pension retirement benefits in the financial statements of the GPW as the pension scheme is administered by National Treasury (NT). Once the employee leaves the GPW, he/she becomes a pension member under the auspices of the NT and has no relationship with the GPW.

1.7.2 Medical benefits

The GPW provides medical benefits for its employees in accordance with public service conditions of service benefits. These benefits are funded by employer and employee contributions. Employer contributions to the fund are expensed when money is paid to the fund. No provision is therefore made for medical benefits in the financial statements of the GPW. The GPW does not bear any responsibility for medical benefits for employees who have retired.



ACCOUNTING POLICIES

Annual Financial Statements for the year ended 31 March 2013

1.7.3 Termination benefits

Termination benefits are recognised and expensed only when payment is made and the actual costs are reflected. These benefits are pro rata leave and pro rata service bonus when an employee resigns or when an employee retires.

1.8 Provisions

Provisions are recognised when:

- ◀ the entity has a present obligation as a result of a past event;
- ◀ it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- ◀ a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Provisions shall not be recognised for future operating losses. If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

1.9 Conditional grants and receipts

Government grants are recognised when there is reasonable assurance that:

- ◀ the entity will comply with the conditions attached to them; and
- ◀ the grants will be received.

The deferred income relating to grants is recognised on the following basis:

Capital contributions on plant and equipment: The deferred income will be credited to the statement of comprehensive income over the useful life of the asset starting when the asset is brought to use.

1.10 Revenue recognition

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- ◀ the entity has transferred to the buyer the significant risks and rewards of ownership of the goods;
- ◀ the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- ◀ the amount of revenue can be measured reliably;
- ◀ it is probable that the economic benefits associated with the transaction will flow to the entity; and
- ◀ the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Contract revenue comprises:

- ◀ the initial amount of revenue agreed in the contract;
- ◀ variations in contract work, claims and incentive payments;
- ◀ to the extent that it is probable that they will result in revenue; and
- ◀ they are capable of being reliably measured.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

1.11 Interest income

Interest is recognised on a time-proportion basis using the effective interest method.

1.12 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Public Finance Management Act (Act No. 01 of 1999), the Treasury Regulations issued in terms of the Act or in contravention of the entities supply chain management policy. Irregular expenditure excludes unauthorized expenditure. Irregular expenditure is accounted for as expenditure in the statement of comprehensive income and where recovered, it is subsequently accounted for as revenue in the statement of comprehensive income.

1.13 Fruitless and Wasteful Expenditure

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the statement of comprehensive income and were recovered, it is subsequently accounted for as revenue in the statement of comprehensive income.

1.14 Translation of foreign currencies

Foreign currency transactions

The functional and presentation currency of the GPW is the South African Rand. Transactions in foreign currencies are initially recorded in the functional currency at the rate ruling at the date of the transaction. At the date of the statement of financial position, monetary assets and liabilities denominated in foreign currencies are translated to the functional currency, being the South African Rand, at exchange rates ruling at the date of the statement of financial position. Exchange differences arising on the settlement of transactions, at rates different from those at the date of the transaction, and unrealised foreign exchange differences on unsettled foreign currency monetary assets and liabilities, are recognised in the statement of comprehensive income.

1.15 Significant judgements, estimates and assumptions

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement are inherent in the formation of estimates. Actual results in the future could differ from these estimates, which may be material to the annual financial statements. Significant judgements include: allowance for doubtful debts; allowance for slow moving inventory; residual values; useful lives and depreciation methods; employee obligations; and asset impairment tests.

Other judgements made relate to classifying financial assets and liabilities into categories.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Annual Financial Statements for the year ended 31 March 2013

Note(s)	2013 R '000	2012 R '000
2. REVENUE		
Revenue	929,154	692,919
Regular sales	605,833	590,617
Contract printing	323,321	102,302
	929,154	692,919
3. OTHER INCOME		
Bad debts recovered	12	727
Discount received	2,667	1,624
Deferred income	66,933	66,334
Other recoveries	1	83
Other income	-	1
	69,613	68,769
4. OPERATING EXPENDITURE		
Administration and management fees	27,587	21,310
Auditors' remuneration	4,566	3,121
Provision for impairment of trade and other receivables	6,487	(5,423)
Bad debts written off	8	59
Depreciation and amortisation	10,527	3,425
Employee costs	60,119	57,326
Other operating expenditure	52,439	33,570
Loss on exchange differences	238	968
Loss on disposal of assets	6	2
	161,977	114,358
5. SURPLUS FOR THE YEAR		
The following items have been charged in arriving at surplus for the year		
Depreciation	78,772	75,585
Amortisation	2,090	-
Auditors' remuneration	4,566	3,121
	85,428	78,706

6. PROPERTY, PLANT AND EQUIPMENT

	2013			2012		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Plant and equipment	582,370	(335,678)	246,692	562,554	(270,225)	292,329
Office furniture	15,871	(11,631)	4,240	14,865	(10,460)	4,405
Motor vehicles	880	(880)	-	880	(880)	-
Computer equipment	50,858	(31,203)	19,655	63,338	(22,211)	41,127
Leasehold improvements	78,552	(6,470)	72,082	45,107	(3,380)	41,727
Total	728,531	(385,862)	342,669	686,744	(307,156)	379,588

Reconciliation of property, plant and equipment - 2013

	2013					
	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Plant and equipment	292,329	19,427	-	389	(65,453)	246,692
Office furniture	4,405	1,050	(6)	29	(1,238)	4,240
Computer equipment	41,127	223	-	(12,704)	(8,991)	19,655
Leasehold improvements	41,727	33,445	-	-	(3,090)	72,082
Total	379,588	54,145	(6)	(12,286)	(78,772)	342,669

Reconciliation of property, plant and equipment - 2012

	2012				
	Opening balance	Additions	Disposals	Depreciation	Total
Plant and equipment	341,870	17,850	-	(67,391)	292,329
Office furniture	4,331	1,251	(6)	(1,171)	4,405
Motor vehicles	176	-	-	(176)	-
Computer equipment	4,681	41,038	-	(4,592)	41,127
Leasehold improvements	43,982	-	-	(2,255)	41,727
Total	395,040	60,139	(6)	(75,585)	379,588



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Annual Financial Statements for the year ended 31 March 2013

7. INTANGIBLE ASSETS

	2013			2012		
	Cost / valuation	Accumulated depreciation	Carrying value	Cost / valuation	Accumulated depreciation	Carrying value
Computer software	20,821	(2,090)	18,731	-	-	-
Intangible assets under development	6,482	-	6,482	-	-	-
Total	27,303	(2,090)	25,213	-	-	-

Reconciliation of intangible assets - 2013

	2013				
	Opening balance	Additions	Transfers	Amortisation	Total
Computer software	-	8,756	12,065	(2,090)	18,731
Intangible assets under development	-	6,261	221	-	6,482
Total	-	15,017	12,286	(2,090)	25,213

8. INVENTORIES

	2013	2012
	R '000	R '000
Raw materials, components	79,788	75,270
Work in progress	21,550	29,627
Finished goods	51,322	34,871
Consumables	3,795	-
Subtotal	156,455	139,768
Inventories (write-downs)	(610)	(1,334)
	155,845	138,434

Inventories are valued consistent to previous years as stated in note 1.5. During the year under review slow moving and obsolete stock amounting to R nil (2012: R nil) were written off. An decrease in the provision for slow moving and obsolete stock amounting to R 724 thousand (2012: R 411 thousand) was passed during the current financial year.

9. TRADE AND OTHER RECEIVABLES

	2013	2012
	R '000	R '000
Trade receivables	404,770	161,294
Other receivables	3,824	2,973
	408,594	164,267

Incapacity leave of R 102 thousand (2012: R 32 thousand) is included in other receivables.

The GPW considers that the carrying amount of trade and other receivables approximates to their fair value. Concentrations of credit risk with respect to trade receivables are limited due to the majority of receivables being owed by government departments. Management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the group's trade receivables.

Trade and other receivables impaired

As at 31 March 2013 trade and other receivables in the amount of R 24,977 thousand was considered to be impaired and an increase in the provision for doubtful debts of R 6,487 thousand was passed in the current financial year.

Reconciliation of provision for impairment of trade and other receivables

	2013	2012
	R '000	R '000
Opening balance	18,490	25,302
Provision adjustment	6,487	(5,423)
Less: utilised	-	(1,389)
	24,977	18,490

The creation and release of provision for impaired receivables have been included in other income in the statement of comprehensive income (note 3). Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

10. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

	2013	2012
	R '000	R '000
Cash on hand	444	39
Bank balances	74,450	15,676
Paymaster General	953,437	942,743
	1,028,331	958,458



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Annual Financial Statements for the year ended 31 March 2013

11. CAPITAL FUND

	2013 R '000	2012 R '000
Balance at the beginning of the year	683,911	469,096
Transfer of the National Treasury approved surplus	191,782	214,815
	875,693	683,911

The capital fund originated through the transfer of net surplus in previous years' after the approval of the National Treasury was obtained for the necessary transfers. The purpose of the fund is the financing of the operations of the GPW.

12. DEFERRED INCOME

During the financial year under review the GPW received an amount of R 135,219 thousand from National Treasury via the Department of Home Affairs (DHA) as a contribution towards the transformation of the GPW, including the procurement of new production equipment. The deferred income will be credited to the statement of comprehensive income over the useful life of the asset starting when the asset is brought to use.

	2013 R '000	2012 R '000
Opening balance	605,920	543,251
Grants received during the year	135,219	129,002
Deferred income realised through depreciation and appropriation	(66,933)	(66,333)
Closing balance	674,206	605,920

13. TRADE AND OTHER PAYABLES

	2013 R '000	2012 R '000
Trade payables	184,444	115,765
Other payables	109,237	35,823
Accrued expense - leave pay	4,739	4,878
	298,420	156,466

Included in other payables are the following: unallocated deposits of R 86,849 thousand (2012: R 15,050 thousand), VAT of R 11,680 thousand (2012: R 618 thousand) and debtors with credit balances of R 4,167 thousand (2012: R 4,840 thousand).

Management consider that the carrying amount of trade and other payables approximates their fair value.

The entity changed its leave policy in 2002 due to the new dispensation. The entity capped all employees' unused leave from the previous years prior to June 2000, limiting employees to take such leave during their working life at the entity under specific conditions. Capped leave is payable, based on the salary notch at the date of termination, which is only applicable if the termination of service is as a result of retirement, ill-health, death and specific leave conditions.

Accrued leave pay

	2013 R '000	2012 R '000
Opening balance	4,878	4,710
Movement	(139)	168
	<u>4,739</u>	<u>4,878</u>

14. PROVISIONS

Reconciliation of provisions - 2013

	Opening balance	Movement	Total
Service bonus	2,672	303	2,975

Reconciliation of provisions - 2012

	Opening balance	Movement	Total
Service bonus	2,247	425	2,672

The service bonus payable is based on an employees' monthly salary on date when the bonus is due (month of birth). Bonus payable to employees is only applicable if an employee is still in the service of the entity or else on a pro rata basis in instances of retirement, ill-health and death.

15. CASH GENERATED FROM OPERATIONS

	2013 R '000	2012 R '000
Surplus for the year	109,362	191,782
Adjustments for:		
Depreciation and amortisation	80,862	75,588
(Profit) loss on sale of assets	6	2
Interest	(2)	-
Movements in provisions	303	425
Changes in working capital:		
Inventories	(17,411)	(17,545)
Trade and other receivables	(244,327)	47,706
Trade and other payables	141,954	12,428
Deferred income	68,286	62,670
	<u>139,033</u>	<u>373,056</u>



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Annual Financial Statements for the year ended 31 March 2013

16. OPERATING LEASES

The GPW leases offices under lease agreements. The leases have varying terms, escalation clauses and renewal rights.

The future aggregate minimum lease payments under operating leases are as follows:

R'000	R'000	R'000
Up to 1 year	1 to 5 years	More than 5 years
R 4,078	R 6,578	R nil

17. DEPRECIATION AND AMORTISATION - OPERATING EXPENDITURE

	2013 R '000	2012 R '000
Depreciation - operating expenditure		
Plant and machinery	77	52
Motor vehicles	-	124
Office equipment	667	691
Computer equipment	7,693	2,558
	8,437	3,425
Amortisation - operating expenditure		
Computer software	2,090	-
	8,437	3,425
	10,527	3,425

18. EMPLOYEE BENEFITS

	2013 R '000	2012 R '000
Salaries and wages	109,458	92,059
Employer contributions:		
Pension	8,524	7,432
Housing	4,400	3,798
Medical	6,580	6,228
Public Service Co-ordinate Bargaining Council	3	3
General Public Service Bargaining Council	28	26
	128,993	109,546

19. EMOLUMENTS

	2013	2012
	R '000	R '000
Chief Executive Officer		
Basic	844	210
Flexible portion of package	704	178
	1,548	388

The Chief Executive Officer resigned on the 31st of May 2010. The new Chief Executive Officer took up office on the 2nd of January 2012. The Executive Director: Operations, acted as Chief Executive Officer until 31 December 2011.

	2013	2012
	R '000	R '000
General Manager: Operations Production		
Basic	754	622
Flexible portion of package	323	420
Acting allowance - Chief Executive Officer	-	50
	1,077	1,092

General Manager: Financial Services		
Basic	646	622
Flexible portion of package	504	485
	1,150	1,107

General Manager: Human Resources		
Basic	345	323
Flexible portion of package	124	92
Acting allowance	150	91
	619	506

Currently the GPW has an acting General Manger: Human Resources.

Director: Costing (Appointed 20/06/2012)		
Basic	434	358
Flexible portion of package	180	247
	614	605

Director: Costing was appointed on the 1st of June 2011 and resigned on the 31st of March 2012. A new Director: Costing was appointed on the 20th of June 2012.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Annual Financial Statements for the year ended 31 March 2013

	2013	2012
	R '000	R '000
Director: Internal Audit		
Basic	444	428
Flexible portion of package	300	285
	744	713
Director: Factory Manager		
Basic	535	493
Flexible portion of package	284	326
	819	819
Director: Financial Management		
Basic	607	585
Flexible portion of package	460	390
	1,067	975
Director: Project Management (Appointed 1/12/2010, Resigned 30/06/2011)		
Basic	-	106
Flexible portion of package	-	79
	-	185
Director: Information Technology (Appointed 24/05/2012)		
Basic	430-	-
Flexible portion of package	185-	-
	615-	-

20. REMUNERATION OF AUDIT COMMITTEE MEMBERS

Audit committee members	37	78
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21. CONTINGENCIES

In terms of the PFMA, all surplus funds as at year end may be forfeited to National Treasury should an application for retention of surplus funds be denied. The GPW will submit an application to National Treasury for the retention of surplus funds for the year ending 31 March 2013. As in previous years the GPW expects that National Treasury will approve the retention of the surplus funds.

22. RELATED PARTIES

Related party balances

Amounts included in Trade receivable (Trade Payable) regarding related parties

	2013 R '000	2012 R '000
The DHA	8,501	17,976

Deferred income

Grant received from National Treasury, via the DHA	135,219	129,002
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Related party transactions

The following transactions pertaining to the major related parties to the GPW are disclosed:

The DHA

Sales	234,874	279,151
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23. EVENTS AFTER THE REPORTING DATE

Events that occurred after the reporting date, but before the financial statements were authorised for issue, were considered. There were no events that indicated evidence of any adverse or favourable conditions that existed on reporting date that should be adjusted for.

24. RENTAL OF BUILDINGS

Certain buildings occupied by the GPW are owned and provided by the Department of Public Works (DPW).

25. UNAUTHORISED EXPENDITURE

There was no unauthorised expenditure during the year; hence there was no need for disciplinary action.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Annual Financial Statements for the year ended 31 March 2013

	2013	2012
	R '000	R '000
26. IRREGULAR EXPENDITURE		
Overtime in excess of 30 percent of basic salary	-	1,845
Opening balance	-	5,384
Add: Irregular expenditure - current year	-	1,845
Less: Amounts condoned	-	(7,229)
	-	-
Payment to supplier without Tax Clearance Certificate	173	173
Opening balance	173	-
Add: Irregular expenditure - current year	-	173
	173	173

27. FRUITLESS AND WASTEFUL EXPENDITURE

There was no fruitless and wasteful expenditure during the year.

28. GIFTS AND DONATIONS

No gifts and donations were made during the year.

29. EX-GRATIA PAYMENTS

	20	10
Payments made during the year:	20	10

30. FINANCIAL INSTRUMENTS

General

The GPW's activities expose it to a variety of risks. This section summarises these risks and the manner in which the GPW manages them.

Categories of financial instruments

Financial assets

Cash and bank balances	1,028,331	958,458
Trade receivables	404,770	161,294

Financial liabilities

Trade payables	184,442	115,765
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30. FINANCIAL INSTRUMENTS (continued)

Operational risk

Operational risk is the risk of loss arising from system failure, human error or external events. When controls fail to perform, operational risk can cause damage to reputation, have legal or regulatory implications or can lead to financial loss. The GPW can't expect to eliminate all operational risks, but by initiating a rigorous control framework and by monitoring and responding to potential risk, it is able to manage the risk. Controls include effective segregation of duties, access control, authorisation and reconciliation procedures, staff education and assessment processes and financial processes.

Price risk

As the entity has no significant interest-bearing assets, the entity's income and operating cash flows are substantially independent of changes in market interest rates.

Fair value

At 31 March 2013, the carrying amounts of cash, accounts receivable, accounts payable and accrued expenses approximated their fair values due to the short term maturities of these assets and liabilities.

Credit risk

The GPW sells to government departments, state organs and the general public. It does not apply the credit management policies in a normal trading environment due to the fact that credit sales are only to government departments. Sales to the general public are either on a pre-paid or cash basis

Currency risk

The entity operates in the Republic of South Africa and is exposed to foreign exchange risk except to the extent that local suppliers pass increased cost due to exchange rate fluctuations onto the GPW. At year end, the GPW had an exposure to the EURO due to agreements for the maintenance of machinery and supply of stock, for which contracts were concluded in EURO.

The entity did not hedge for foreign exchange fluctuations on these contracts, due to the utilisation of the Paymaster General account.

Liquidity risk

The entity's exposure to liquidity risk is minimal since the GPW resides under the auspices of the DHA, which is the ultimate responsible party of the GPW.



Chapter 08

Performance Report

This chapter details the GPW's performance indicators, its actual output for the year under review and actual performance against target. It also provides reasons if there is a variance between these measurements.



PERFORMANCE REPORT

Performance information

Statement of responsibility for performance information

The Chief Executive Officer is responsible for the preparation of the public entity's performance information and for the judgements made in this information.

The Chief Executive Officer is responsible for establishing, and implementing a system of internal control designed to provide reasonable assurance as to the integrity and reliability of performance information.

In my opinion, the performance information fairly reflects the actual achievements against planned objectives, indicators and targets, as per the strategic and annual performance plan of the public entity for the financial year ended 31 March 2013.

The GPW's performance information for the year ended 31 March 2013 have been examined by the external auditors and their report is presented on page 31.

The performance information of the entity set out on page 63 to page 98 were approved by the Chief Executive Officer.



Prof. AD Mbewu
Chief Executive Officer
31 May 2013

Auditor-General's report: predetermined objectives

Refer to paragraph 8 to 13 in the Auditor-General's report.

Overview of the GPW's performance

Service delivery environment

A significant development within the GPW was the mandate from the Department of Home Affairs (DHA) to develop capacity for the production of a national identification card in a smartcard format, which will replace the green bar-coded identity books. Through a process of competitive bidding, the procurement of equipment and blank cards were successfully concluded and delivery is expected in the months of June and July 2013. The project to develop the building to house the equipment was also concluded in May 2013. Once all equipment has been commissioned, the GPW will have capacity to replace all green identity books within a period determined by the DHA.



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The GPW also performed and delivered on new products including the new RSA birth certificate for the DHA, the new national certificate and diploma for the Department of Higher Education and the new senior certificate for the Department of Basic Education.

The GPW continued producing high quality printing at the new passport production facility, which was launched in 2009. Production statistics for selected products during the year under review are as follows:

Product	2012/2013	2011/2012	2010/2011	2009/2010	2008/2009
Passports (booklets)	627,152	707,384	859,884	832,262	1,259,611
Identity documents (booklets)	1,995,421	2,395,393	2,233,493	2,463,147	2,499,419
Examinations (scripts)	16,518,188	26,538,274	21,726,216	29,868,940	38,794,029
Government Gazettes (editions)	2,384	2,180	2,390	2,292	2,496
Government Gazettes (total number of A4 pages per annum)	105,120	97,110	107,044	105,915	110,281

Passports and identity books are produced on demand from the DHA. The decline in production can be directly related to a decrease in demand. Based on information from the DHA, there has been a decrease in re-application of passports and identity documents, probably due to citizens taking good care of their documents to avoid the increased cost of re-applying for these documents.

The decline in the volume of examination scripts printed was as a result of a drop in orders from Mpumalanga, Gauteng and the Eastern Cape. All these departments have in-house printing facilities available and only utilise the services of the GPW when they cannot cope with volumes internally. Furthermore, the Limpopo department did not order midyear examinations for grade 12s. The GPW was still able to maintain service delivery targets, and thus, maintained its contribution towards the outcome of government of “an efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship”.

Organisational environment

For the 2012/2013 financial year, the GPW continued on the process of transformation from an operational, technological and human resources perspective. During the year, it was able to upgrade the hardware and software of information technology and communication. The Ubumbano Project (ERP) was implemented in October 2012, intending to improve and streamline internal business processes, especially with regard to activity based costing, and to manage and integrate the core elements of the organisation. As a result, various initiatives, to contribute towards the strategic outcome-oriented goal of optimising processes and facilities to increase operational effectiveness and improved customer service, could be launched and implemented. Some of these initiatives include publishing Gazettes electronically and the launching of the GPW public website. Major challenges during the implementation of the Ubumbano Project were computer literacy and training, as well as the integration of the production and support systems.

A further major achievement was the completion and approval of the human resources plan and the human resources development plan that demonstrate the HR unit's contribution to the strategic outcome-oriented goal for an efficient, effective and well-trained/developed workforce providing quality human resources to enable the GPW to achieve its objectives. The HR unit continues to perform in the area of training and skills transfer where the targets for training partnerships and training days were exceeded. The targets set for the implementation of the migration plan, the filling of all identified senior management posts and for an approved and implemented GPW special remuneration dispensation were all only partially achieved. It is anticipated that the filling of the senior management posts, as well as the finalisation of the migration process, will be completed early in 2013/2014 as progress is in an advanced stage. The approval for GPW special remuneration dispensation falls outside the approval authority of the GPW.

Key policy developments and legislative changes

During the year there were no key policy developments or legislative changes.

Strategic outcome-oriented goals

The following strategic outcome-oriented goals have been identified for the GPW for the period 2013-2018:

Strategic outcome-oriented goal one	Develop the government component
Goal statement	Fully develop the government component organisation to perform as a sustainable ring-fenced business entity with flexibility and within regulated parameters
Strategic outcome-oriented goal two	Optimise processes and facilities
Goal statement	Optimise processes and facilities to increase operational effectiveness and improved customer service
Strategic outcome-oriented goal three	Developed workforce
Goal statement	Have an efficient, effective and well-trained/developed workforce and special remuneration dispensation for the government component

For the 2012/13 period, a number of strides have been made towards achieving the strategic outcome oriented goals. The operations and production branch continued with its performance of producing high quality products on a timely basis in accordance with client specifications. During the year, the GPW was able to upgrade its information technology and communications hardware and software for the improvement and streamlining of internal business processes to manage and integrate the core elements of the organisation. As a result, various initiatives to contribute towards the strategic outcome-oriented goal of optimising processes and facilities could be launched and implemented.

A further major achievement was the completion and approval of the Human Resource Plan and the Human Resource Development Plan that demonstrate the human resources unit's contribution to the strategic outcome oriented goal to



PERFORMANCE REPORT

have an efficient, effective and well-trained/developed workforce providing quality human resources to enable GPW to achieve its objectives. The Human Resources Unit continues to perform in the area of training and skills transfer where the targets for training partnerships and training days were exceeded.

The achievement of the above outcomes contributed directly to the GPW's outcome of growing towards becoming the leading provider of security printing services on the African continent.

Performance information by business units

For the year under review, the GPW has used the strategic outcome-oriented goals and strategic objectives defined in its strategic plan as a basis to develop the performance indicators and annual targets for the different business units, taking guidelines for planning and reporting on performance information issued by the National Treasury.

The GPW business model provides (in addition to compliance functions such as internal audit) for the following four branches:

- ◀ Operations and production
- ◀ Strategic management
- ◀ Financial services
- ◀ Human resources

The performance in the different branches is set out below.

Branch operations and production

Purpose: To establish itself as the preferred security printer on the African continent, dedicated to helping its customers solve the complex security problems of identity theft and document fraud.

Strategic objectives:

- ◀ Functional and secure operating facilities - occupy functional and secure operating facilities;
- ◀ Production equipment - acquire modern production equipment to satisfy all security printing requirements;
- ◀ Production of security printed materials - produce security printed material according to customer requirements and local/international standards at the most cost effective manner and within the agreed delivery lead times; and
- ◀ Operational and control processes - develop and maintain all operational and control processes to safeguard the integrity of security material.

Strategic objectives, performance indicators, planned targets and actual achievements:

The operations and production branch was able to achieve all the targets set for the 2012/13 financial year, with the exception of the targets of turnaround time (3.3 days vs three days average turnover), procurement of production equipment (9 vs 10 pieces of equipment) and spoilage percentages (2.8% vs 2.2%) that showed an insignificant deviation from set targets. The branch contributed directly to the strategic outcome-oriented goal to optimise processes and facilities to increase operational effectiveness and improved customer service by completing the feasibility study of the new facility. The operational business unit of GPW is proud to report that the targets set for the production of identity

documents and examinations scripts in accordance with clients' specifications were achieved. Zero losses due to theft occurred for identity documents, passports and examination scripts.

The achievement of the above targets contributed directly to the GPW's outcome of growing towards becoming the leading provider of security printing services on the African continent.

The mandate from the DHA to develop capacity for the production of a national identification card in a smartcard format resulted in the unit being involved with the procurement of personalisation and mailing equipment and blank polycarbonate cards in smartcards format, the development of a facility to house the personalisation equipment, and the appointment and training of personnel to operate the personalisation and mailing equipment. Despite the additional challenges, the branch was still able to perform extremely well as indicated in the table below.

Branch operations and production					
Strategic objectives	Actual achievement 2011/12	Planned target 2012/13	Actual achievement 2012/13	Deviation from planned target to actual achievement for 2012/13	Comment on deviations
Functional and secure operating facilities: Relocate to functional and secure operating facilities	New strategic objective for 2012/13	Completed assessment of facility	Completed assessment of facility	Target partially achieved	The Department of Public Works (DPW) was tasked with performing this function on behalf of GPW, however the DPW could not complete the assessment exercise. A feasibility study was completed
		Completed lay-out and design of facility	Completed lay-out and design of facility		
Production equipment: Acquire modern production equipment to satisfy all security printing requirements	30 new equipment items procured according to recapitalisation plan	10 items of equipment procured according to recapitalisation plan	9 items of equipment procured according to recapitalisation plan	One less item of equipment was procured than originally anticipated	One less item was procured due to re-prioritisation. The focus of procurement was shifted to the implementation of the smartcard (national identity document). Due to the high profile and risk of the smartcard project, resources were dedicated to ensure timeous completion of this project. The process has now been successfully concluded and production equipment not procured during 2012/13 will be included in the 2013/14 equipment replacement programme



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Branch operations and production					
Strategic objectives	Actual achievement 2011/12	Planned target 2012/13	Actual achievement 2012/13	Deviation from planned target to actual achievement for 2012/13	Comment on deviations
Production of security printed materials: Produce security printed material according to customer requirements and local/international standards in the most cost effective manner and within the agreed delivery lead times	100% of Government Gazettes published according to quality and delivery specifications within deadlines	Re-located to Strategic Management Branch	-	-	-
	99.96% of identity documents produced conformed to specifications and identity documents delivered at an average turnaround time of 3.3 days	100% of identity documents produced must conform to the clients specifications	99,95% of the 1,995,421 identity documents conformed to specifications	The low percentage of spoilage (0.05%) is in line with the previous year's. 902 identity documents were spoiled.	Spoilage emanates from regular production operations
		Identity documents delivered at a turnaround time of 3 days	Identity documents delivered at an average (slightly higher than targeted) turnaround time of 3.3 days	The 3.3 days actual turnaround time is slightly above the target of 3 days but in line with the actual performance of the previous year	Daily quantities of identity documents received from Department of Home Affairs vary. GPW's fixed resources cannot always cope with these fluctuations
	2.2% spoiled passports emanating from booklets personalised	Maintain or reduce spoilage percentage	17,606 (2.8)% spoiled passports emanating from the 627,152 booklets personalised	The 2.8% spoilage reported is a slight deviation from the previous reported spoilage of 2.2% but still within the acceptable international benchmark of 3%.	The reason for the 0.6% increase in spoilage was due to technical problems experienced during personalisation process
	100% of required examination scripts produced within clients specified time frames	Produce 100% of the required number of examination scripts within the client's specified time frames	100% of the required 16,518 188 examination scripts were produced within the client's specified time frames.	Target achieved	-

Branch operations and production					
Strategic objectives	Actual achievement 2011/12	Planned target 2012/13	Actual achievement 2012/13	Deviation from planned target to actual achievement for 2012/13	Comment on deviations
Operational and control processes: Develop and maintain all operational and control processes to safeguard the integrity of security material	New strategic objective	Develop and maintain standard operating procedures (SOP) for all security printing material	A SOP document was developed, with the purpose of establishing uniform procedures pertaining to preparation of documents prior to printing, during the printing, binding and dispatch processes of all printed documents	Target achieved	-
		Maintain or reduce loss indicator	No documents were lost due to theft	Target achieved	-

Branch operations and production					
Performance indicator	Actual achievement 2011/12	Planned target 2012/13	Actual achievement 2012/13	Deviation from planned target to actual achievement for 2012/13	Comment on deviations
Assessment of Visagie street facility	New strategic objective for 2012/13	Completed assessment of facility	Completed assessment of facility	Target achieved	-
Develop layout and design	New strategic objective for 2012/13	Completed layout and design of facility	Completed layout and design of facility	Target partially achieved	The Department of Public Works (DPW) was tasked with performing this function on behalf of the GPW, however DPW could not complete the assessment exercise. A feasibility study was completed



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Branch operations and production					
Performance indicator	Actual achievement 2011/12	Planned target 2012/13	Actual achievement 2012/13	Deviation from planned target to actual achievement for 2012/13	Comment on deviations
Equipment replacement ratio	30 new equipment items procured according to recapitalisation plan	10 items of equipment procured according to recapitalisation plan	9 items of equipment procured according to recapitalisation plan	One less item of equipment was procured than originally anticipated	One less item was procured due to re-prioritisation. The focus of procurement was shifted to the implementation of the smartcard (national identity document). Due to the high profile and risk of the Smartcard project, resources were dedicated to ensure timeous completion of this project. The process has now been successfully concluded and production equipment not procured during 2012/13 will be included in the 2013/14 equipment replacement programme.
Identity documents produced according to quality and delivery	99.96% of identity documents produced conformed to specifications and identity documents delivered at an average turnaround time of 3.3 days	100% of Identity documents produced must conform to the clients specifications	99,95% of the 1,995,421 identity documents conformed to specifications	The low percentage of spoilage (0,05%) is in line with the previous years. 902 identity documents were spoiled.	Spoilage emanates from regular production operations
		Identity documents delivered at a turnaround time of 3 days	Identity documents delivered at an average (slightly higher than targeted) turnaround time of 3.3 days	The 3.3 days actual turnaround time is slightly above the target of 3 days but in line with the actual performance of the previous year	Daily quantities of identity documents received from Department of Home Affairs vary. The GPW's fixed resources cannot always cope with these fluctuations
Quantity of passports spoiled during booklet personalization	2.2% spoiled passports emanating from booklets personalised	Maintain or reduce spoilage percentage at 3% of total production	17 606 (2.8)% spoiled passports emanating from the 627,152 booklets personalised	The 2.8% spoilage reported is a slight deviation from the previous reported spoilage of 2.2% but still within the acceptable international benchmark of 3%.	The reason for the 0.6% increase in spoilage was due to technical problems experienced during personalisation process

Branch operations and production					
Performance indicator	Actual achievement 2011/12	Planned target 2012/13	Actual achievement 2012/13	Deviation from planned target to actual achievement for 2012/13	Comment on deviations
Quantity of examination scripts printed	100% of required examination scripts produced within clients specified time frames	Produce 100% of the required number of examination scripts within the client's specified time frames	100% of the required 16,518,188 examination scripts were produced within the client's specified time frames.	Target achieved	
Develop and maintain SOPs for all security printing material	New strategic objective for 2012/13	Develop and maintain SOPs for all security printing material	An SOP document was developed, with the purpose of establishing best practice procedures pertaining to preparation of documents prior to printing, during the printing, binding and dispatch processes of all printed documents	Target achieved	-
Loss indicator Passports	New strategic objective for 2012/13	Maintain a zero rate of loss	No losses of passports due to theft	Target achieved	-
Loss indicator identity documents	New strategic objective for 2012/13	Maintain a zero rate of loss	No losses of identity documents due to theft	Target achieved	-
Loss indicator examination scripts	New strategic objective for 2012/13	Maintain a zero rate of loss	No losses of examination scripts due to theft	Target achieved	-

Strategy to overcome areas of under performance

The GPW's disaster recovery site for the production of identity documents and passports will also be used as a testing site for software upgrades on personalisation machines. This will reduce the risk of technical problems being identified in a live system whenever upgrades are implemented.

Due to the re-prioritisation of procuring equipment to be utilised for production of the new smart ID card, the total number of planned equipment items could not be achieved. Since procurement related to the smartcard has since been completed, the outstanding equipment items will be added on as additional items for the 2013/14 financial year.

Changes to planned targets

No changes to planned targets



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Branch strategic management

Purpose: Facilitating the development, alignment and implementation of the strategic plan and related policies and procedures; marketing of the GPW's products and services; the provisioning of information communication and technology services and the rendering of legal services.

Strategic objectives per annual performance plan:

- ◀ Coordination and distribution of government information – ensure the effective and efficient coordination and distribution of government information to the public;
- ◀ Secure application availability – provide high availability of applications and high security on infrastructure;
- ◀ Architecture – provide architecture for continuous printing process improvement;
- ◀ Integrated systems – integrate systems and data across the entire GPW value chain;
- ◀ ICT support services – implement ICT support services;
- ◀ Awareness of GPW – raise and increase awareness of the GPW including new/improved production capacity and capabilities;
- ◀ Product mix diversification – diversification of product mix within security printing;
- ◀ Marketing strategy – aggressive marketing strategy to retain and grow the market;
- ◀ Security risk management system – develop and implement a security risk management system; and
- ◀ Internal audit – to provide an independent, objective assurance and consulting services.

Strategic objectives, performance indicators, planned targets and actual achievements:

The upgrade of information technology and communication hardware and software within the GPW resulted in various excellent areas of improvement including: being visible on the world wide web, publishing Gazettes electronically and establishing an ICT call centre/helpdesk. The unit was able to provide high availability of applications and high security on infrastructure. The Ubumbano Project (ERP) was implemented in October 2012, with the purpose of improving and streamlining internal business processes, especially with regard to activity based costing and to manage and integrate the core elements of the organisation. This initiative forms part of the overall strategic objective to optimise processes and facilities, as well as increase customer service.

The one area in which the unit could not perform effectively was marketing. A new brand, logo or marketing strategy cannot be developed until the organisation has completed the current transformation process. Progress made regarding marketing is the appointment of the general manager: strategic management, who oversees the marketing function. The appointment was only made after the current financial year end. It is anticipated that the marketing strategy will be completed in 2013/14.

Despite a lack of resources, the GPW was able to develop and deliver new products, including the new RSA birth certificate for the DHA, the new national certificate and diploma for Department of Higher Education and the new senior certificate for Department of Basic Education.

Branch strategic management					
Strategic objectives	Actual achievement 2011/12	Planned target 2012/13	Actual achievement 2012/13	Deviation from planned target to actual achievement for 2012/13	Comment on deviations
Sales					
Coordination and distribution of government information: Ensure the effective and efficient coordination and distribution of government information to the public	100% of Government Gazettes published according to quality and delivery specifications within deadlines	Developed and implemented e-Gazette system	Gazettes have been published electronically on the GPW public website from 17 August 2012. A customer engagement process whereby key customers have been included in the design process of the forms, have been concluded. The second phase of the project is earmarked to start in June 2013. This phase will focus on the automation of the internal process (input) and organisational alignment	Target achieved	-
		Develop and implement public web project	The GPW has been visible on the world wide web from 17 August 2012	Target achieved	-
		Design and develop call centre	A recognised approach to the ICT helpdesk for user and ERP systems support was implemented. This approach comprised of ICT service management processes and an ICT system to assist with the recording, classification and monitoring of ICT support calls within the GPW.	Target achieved. Internal call centre established.	The helpdesk will at a later date, be extended to incorporate call centre functionality to support, GPW external clients queries. This will however only be implemented once the GPW staff has moved into the new facilities (building) due to space restraints.
		100% Government Gazettes published according to quality & delivery specifications	99.96% of the 2,384 Gazettes were published according to quality and delivery specifications. One out of 2,384 Gazette editions was printed incorrectly	The target was not achieved	One Gazette edition was printed incorrectly. The Gazette was re-printed to correct the error.



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Branch strategic management					
Strategic objectives	Actual achievement 2011/12	Planned target 2012/13	Actual achievement 2012/13	Deviation from planned target to actual achievement for 2012/13	Comment on deviations
Information communication technology					
Secure application availability: Provide high availability of applications and high security on infrastructure	New strategic objective for 2012/13	98% system availability	99.8% systems availability	Targets achieved	-
		100% of data rights management controls implemented (target measured through number of security breaches and number of threats detected)	100% data rights management controls implemented measured through security breaches and number of threats detected: zero security breaches and less than 15 threats detected per month		
Architecture: Provide architecture for continuous printing process improvement	Actions towards secure infrastructure and applications completed include: information system security specialist appointed; segregation of LAN at head office and Visagie Street; anti virus protection implemented; software updates (patches); desktop firewall activation, group policy implementation (ADDS) and implementation of SSLVPN for secure remote access	Implementation of Ubumbano Project	The Ubumbano Project (ERP) was implemented in October 2012, with the purpose of improving and streamlining internal business processes, especially with regard to activity based costing and to manage and integrate the core elements of the organisation. Once implemented a continuous process was implemented to review and refine the Dynamic AX and HiFlex solutions	Target achieved	-
		50% implementation of recommendations	Four of the five recommended areas have been addressed and the one area partially addressed	Target exceeded	-
Integrated systems: Integrate systems and data across the entire GPW value chain	New strategic objective for 2012/13	100% implementation of integration module of Ubumbano project	Implementation of integration points between Hiflex and AX to transfer data from one system to the other for estimation, order entry, scheduling and invoicing stock completed	Target achieved	-

Branch strategic management					
Strategic objectives	Actual achievement 2011/12	Planned target 2012/13	Actual achievement 2012/13	Deviation from planned target to actual achievement for 2012/13	Comment on deviations
Information communication technology - continued					
ICT support services: Implement ICT support services	New strategic objective for 2012/13	Review and refine helpdesk function	A formal approach to the ICT helpdesk was implemented. This approach comprised of ICT service management processes and an ICT system to assist with the recording, classification and monitoring of ICT support calls within the GPW	Target achieved	-
		Review and refine management support system	The management information system developed and implemented as part of the ERP system support business by providing information that facilitates strategic and operational decision-making	Target achieved	
Marketing					
Awareness of GPW: Raise and increase awareness of the GPW including new/improved production capacity and capabilities	No progress in the area of marketing because dedicated capacity not yet appointed	Develop brand (and logo)	New brand and logo not yet developed	The GPW retains its current branding until the organisation has completed the current transformation process	The GPW needs to fully adopt its new identity and put that identity into a brand which will then be developed and communicated
Product mix diversification: Diversification of product mix within security printing		One new product developed	Top product developments include: - New RSA birth certificate for the DHA - New national certificate and diploma for the Department of Higher Education - New senior certificate for the Department of Basic Education	Target exceeded	-



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Branch strategic management					
Strategic objectives	Actual achievement 2011/12	Planned target 2012/13	Actual achievement 2012/13	Deviation from planned target to actual achievement for 2012/13	Comment on deviations
Marketing - continued					
Marketing strategy: Aggressive marketing strategy to retain and grow the market		Completed and approved marketing strategy	Marketing strategy not completed	Target not achieved	Progress made regarding marketing is the appointment of the General Manager: Strategic Management who oversees the marketing function. The appointment was only made after the current financial year-end. Immediate actions to capacitate marketing were launched through the pending appointment of the Chief Director: Marketing. Discussions on the basis of the marketing strategy have been initiated with the GPW leadership. Due to the security nature of the GPW main business the positioning of a strategy is very complex but it is anticipated that the marketing strategy will be completed in 2013/14
		1 new customer	Nine new customers were registered and traded with	Target exceeded	-
Security					
Security risk management system: develop and implement a security risk management system	Security risk management plan drafted, security staff trained, security compliance form filed and meetings to support national key point structures conducted	100% of identified staff graded in terms of security criteria	Security screening awareness presentations were conducted to the majority staff of the GPW	Target partially achieved. Staff were not graded in terms of security criteria but were made aware of the requirements and necessity of complying with security criteria	Apprehension by staff to submit information for screening purpose due to ignorance and lack of knowledge addressed by conducting screening awareness presentations

Branch strategic management					
Strategic objectives	Actual achievement 2011/12	Planned target 2012/13	Actual achievement 2012/13	Deviation from planned target to actual achievement for 2012/13	Comment on deviations
Security - continued					
		Implemented security risk management plan	Security risk management plan not yet approved	Target partially achieved. A draft security risk management plan is in place but requires specialist input to complete, which is sought through the tender process	The delay in approved security risk management plan holds up the roll-out of an improved security system. However, the existing systems are being maintained and monitored on an on-going basis
		75% of identified staff trained and evaluated for security competence	National key point refresher course was attended by all security officers	Target achieved	-
		70% of structure established	As part of the target to establish national key point structures 3 Joint Planning Committee (JPC) meetings took place and 3 control security officers were appointed as shift leaders with effect from the 1st of March 2013	Target achieved	-
Internal audit					
Internal audit – to provide an independent, objective assurance and consulting services	83% of all audits identified according to revised internal audit plan completed in the financial year	100% monthly risk management compliance/ improvement reports for identified risk areas	An overall strategic and operational risk assessment was completed in March 2013. Prior to completion of the risk registers internal audit identified risks as part of each audit and made recommendations after testing of internal controls to address identified risks	Target achieved	-
		50% internal audit policies updated	All internal audit policies updated and approved by the audit committee	Target achieved	-



PERFORMANCE REPORT

Branch strategic management					
Strategic objectives	Actual achievement 2011/12	Planned target 2012/13	Actual achievement 2012/13	Deviation from planned target to actual achievement for 2012/13	Comment on deviations
Internal audit - continued					
		Approved risk based internal audit plan	Annual internal audit plan was developed and adopted, however due to the absence of risk assessment the plan is not risk based. Alternative methods were applied by internal audit to identify priority areas	Target partially achieved. An internal audit plan was developed despite the fact that a formal risk assessment was not completed at the start of the financial year.	An overall strategic and operational risk assessment was completed in March 2013 and will be used as a basis to develop a risk based rolling three year strategic internal audit plan and the annual internal audit plan for 2013/14
		100% of risk based internal audit plan implemented	87% of the audit plan implemented	13% not implemented due to challenges experienced following the implementation of new ERP system in October 2012	

Branch strategic management					
Strategic objectives	Actual achievement 2011/12	Planned target 2012/13	Actual achievement 2012/13	Deviation from planned target to actual achievement for 2012/13	Comment on deviations
Sales					
Develop and implement e-Gazette system		Developed and implemented e-Gazette system	Gazettes have been published electronically on the GPW public website from 17 August 2012. A customer engagement process whereby key customers have been included in the design process of the forms, has been concluded. The second phase of the project is earmarked to start in June 2013. This phase will focus on the automation of the internal process (input) and organisational alignment	Target achieved	-

Branch strategic management					
Strategic objectives	Actual achievement 2011/12	Planned target 2012/13	Actual achievement 2012/13	Deviation from planned target to actual achievement for 2012/13	Comment on deviations
Sales - continued					
Develop and implement public web project		Developed and implemented public web project	The GPW has been visible on the world wide web from 17 August 2012	Target achieved	-
Establish and implement call centre		Design and develop call centre	A recognised approach to the ICT helpdesk for user and ERP system support was implemented. This approach comprised of ICT service management processes and an ICT system to assist with the recording, classification and monitoring of ICT support calls within the GPW	Target achieved. internal call centre established	The helpdesk will at a later date be extended to incorporate call centre functionality to support GPW external clients' queries. This will however only be implemented once GPW staff has moved into the new facilities (building) due to space restraints
Information communication technology					
System availability reflected in monthly statistical reports	New strategic objective for 2012/13	98% system availability	99.8% systems availability	Target achieved	-
Data rights management controls implemented (Target measured through number of security breaches and number of threats detected)	0%	100% data rights management controls implemented	100% data rights management controls implemented and measured through security breaches and number of threats detected	Target achieved	-
Number of security breaches		0	0		
Number of security threats detected		Less than 15 threats detected per month	Less than 15 threats detected per month		



PERFORMANCE REPORT

Branch strategic management					
Strategic objectives	Actual achievement 2011/12	Planned target 2012/13	Actual achievement 2012/13	Deviation from planned target to actual achievement for 2012/13	Comment on deviations
Information communication technology - continued					
Implement Microsoft Dynamic AX and HiFlex (Ubumbano Project)	New strategic objective for 2012/13	Implemented Ubumbano Project	The Ubumbano Project (ERP) was implemented in October 2012, with the purpose of improving and streamlining internal business processes, especially with regard to activity based costing, and to manage and integrate the core elements of the organisation. Major challenges during the implementation were computer literacy and training, as well as the integration of the production and support systems	Target achieved	-
Review and refine Dynamix AX and HiFlex (Umbumbano Project)	New strategic objective for 2012/13	Implemented Ubumbano Project	Once implemented, a continuous process was introduced to review and refine the Dynamic AX and HiFlex systems, some of which would further enhance workflow and internal control, as well as reporting and management information	Target achieved	-

Branch strategic management

Strategic objectives	Actual achievement 2011/12	Planned target 2012/13	Actual achievement 2012/13	Deviation from planned target to actual achievement for 2012/13	Comment on deviations
Information communication technology - continued					
Implementation of recommendation by ICT assurance providers	Final report and findings received from assurance providers and road map for implementation to be finalised, approved and implemented	50% implementation of recommendation by ICT assurance providers	Four of the five recommended areas have been addressed and the one area partially addressed. The target of 50% (cumulative) implementation of recommendation by ICT assurance providers was exceeded. The recommendations implemented included: ICT governance policy developed and implemented. ICT policies reviewed and updated. A new environmental management system implemented and environmental standards defined. New ERP system is fully integrated. Within the active directory environment and will benefit from the established user account policies and procedures.	The recommendation of ICT continuity has been addressed partially through the ICT disaster recovery site in the process of being built and the BCM plan in the process of being developed.	Disaster recovery has been delayed by the slow completion of the facilities. This will now be completed by June 2013



PERFORMANCE REPORT

Branch strategic management					
Strategic objectives	Actual achievement 2011/12	Planned target 2012/13	Actual achievement 2012/13	Deviation from planned target to actual achievement for 2012/13	Comment on deviations
Information communication technology - continued					
Implement the integration module of the Ubumbano Project	Completed the analysis and design for the planned GPW ERP implementation. The ERP solution consists of an integrated business and production system, intranet, e-Gazette, public website and the implementation of VIP payroll. The original timeline for implementation was for April 2012 but was moved to October 2012. The intranet was implemented in head office in July 2011.	Implemented integration module of the Ubumbano Project	Implementation of integration points between Hiflex and AX to transfer data from one system to the other for estimation, order entry, scheduling and invoicing stock completed.	Target achieved	-
Functional ICT helpdesk	New strategic objective for 2012/13	Reviewed and refined helpdesk function	A formal approach to the ICT helpdesk was implemented. This approach comprised of ICT service management processes and an ICT system to assist with the recording, classification and monitoring of ICT support calls within the GPW.	Target achieved	-
Implement management information system support	New strategic objective for 2012/13	Reviewed and refined management system support	The management information system developed and implemented as part of the ERP system will support business by providing information that facilitates strategic and operational decision-making	Target achieved	Further refinement of the management information system is dependent on the completion of ERP enhancements

Branch strategic management					
Strategic objectives	Actual achievement 2011/12	Planned target 2012/13	Actual achievement 2012/13	Deviation from planned target to actual achievement for 2012/13	Comment on deviations
Marketing					
Developed brand (and logo)	No progress in the area of marketing because dedicated capacity not yet appointed	Developed brand (and logo)	New brand and logo not yet developed	The GPW retains its current branding until the organisation has completed the current transformation process	The GPW needs to fully adopt its new identity and then put that identity into a brand which will then be developed and communicated
No. of new products (SA government and new countries in rest of Africa)		One new product developed	Top product developments include: - New RSA birth certificate for the DHA - New national certificate and diploma for the Department of Higher Education - New senior certificate for the Department of Basic Education	Target exceeded	-
Completed, approved and implemented marketing strategy		Completed and approved marketing strategy	Marketing strategy not completed	Target not achieved	Progress made regarding marketing is the appointment of the General Manager: Strategic Management who oversees the marketing function. The appointment was only made after the current financial year-end. Immediate actions to capacitate marketing were launched through the pending appointment of the Chief Director: Marketing. Discussions on the basis of the marketing strategy have been initiated with the GPW leadership. Due to the security nature of the GPW's main business the positioning of a strategy is very complex but it is anticipated that the marketing strategy will be completed in 2013/14
No. of new customers		One new customer	Nine new customers were registered and traded with	Target exceeded	-



PERFORMANCE REPORT

Branch strategic management					
Strategic objectives	Actual achievement 2011/12	Planned target 2012/13	Actual achievement 2012/13	Deviation from planned target to actual achievement for 2012/13	Comment on deviations
Security					
Percentage of identified staff graded in terms of security criteria	Z 204s (security compliance forms filed to obtain a certain level of clearance to access classified information) were completed by all security staff and newly appointed employees	100% of identified staff graded in terms of security criteria	Security screening awareness presentations were conducted to the majority staff of the GPW	Target partially achieved. Staff were not graded in terms of security criteria but were made aware of the requirements and necessity of complying with security criteria	Apprehension by staff to submit information for screening purpose due to ignorance and lack of knowledge addressed by conducting screening awareness presentations
Implemented security risk management plan	Security risk management plan drafted	Implemented security risk management plan	Security risk management plan not yet approved	Target partially achieved. A draft security risk management plan is in place but requires specialist input to complete which is sought through the tender process	The delay in approved security risk management plan holds up the roll-out of an improved security system. However; the existing systems are being maintained and monitored on an on-going basis.
Percentage of identified staff trained and evaluated for security competence	100% of security staff received training on the national key points. One security officer also received training on occupational, health and safety.	75% of identified staff trained and evaluated for security competence	National key point refresher course was attended by all security officers. One assistant security manager completed the security advisors/ managers course presented by State Security Agency (SSA).	Target achieved	-
National key point structures to be established	As part of the target to establish national key point structures 3 Joint Planning Committee (JPC) meetings took place.	70% of structure established	As part of the target to establish national key point structures 3 Joint Planning Committee (JPC) meetings took place and 3 control security officers were appointed as shift leaders with effect from the 1st of March 2013	Target achieved	-

Branch strategic management					
Strategic objectives	Actual achievement 2011/12	Planned target 2012/13	Actual achievement 2012/13	Deviation from planned target to actual achievement for 2012/13	Comment on deviations
Internal audit					
Monthly risk management compliance/improvement reports	Risk management has not been formally adopted within GPW. Internal audit identifies the risks as part of each audit and makes recommendations after testing of internal controls to address identified risks	100% monthly risk management compliance/improvement reports for identified risk areas	An overall strategic and operational risk assessment was conducted. Once the risk registers are finalised, the audit plan will be amended accordingly to address this indicator. However, internal audit identifies the risks as part of each audit and makes recommendations after testing of internal controls to address identified risks	Target achieved	Risk management compliance reports are anticipated to be generated in the coming financial year as soon as the risk registers are finalised and the audit plan amended accordingly.
Updated internal audit policies	The internal audit and audit committee charters for the 2011/12 were approved and for 2012/13 financial year updated and submitted to the audit committee for approval. The internal audit methodology and fraud prevention plan were tabled and approved by the audit committee	50% internal audit policies updated	Internal audit policies updated and approved by the audit committee	Target achieved	-



PERFORMANCE REPORT

Branch strategic management					
Strategic objectives	Actual achievement 2011/12	Planned target 2012/13	Actual achievement 2012/13	Deviation from planned target to actual achievement for 2012/13	Comment on deviations
Internal audit - continued					
Approved risk based internal audit plan	In the absence of a formally compiled risk register an internal audit plan and not a risk based internal audit plan was completed and approved	Approved risk based internal audit plan	Annual internal audit plan was developed and adopted, however due to the absence of risk assessment, the plan is not risk based. The following methods were adopted by internal audit in developing the plan: - Previous years' management report. - Consultation with management and staff - Walkthrough observations	Target partially achieved. An internal audit plan was developed despite the fact that a formal risk assessment was not completed at the start of the financial year.	An overall strategic and operational risk assessment was completed in March 2013 and will be used as a basis to develop a risk based internal audit plan for 2013/14
Percentage of risk based internal audit plan implemented	83% of all audits identified according to revised internal audit plan completed in the financial year	100% of risk based internal audit plan implemented	87% of the audit plan implemented	13% not implemented due to challenges experienced following the implementation of the ERP system in October 2012	

Strategy to overcome areas of under performance

Through the appointment of the general manager: strategic management, performance in the area of marketing will be fast-tracked. Strategies have been put in place to improve relations between internal audit, management and the audit committee and any challenges by internal audit will be reported timeously to management to enable corrective actions.

Changes to planned targets

The target of "data rights management controls implemented" were measured quarterly through number of security breaches and number of threats detected.

Branch finance

Purpose: To provide financial management services to the GPW and its partners with professionalism and excellence, so that they achieve the overall objectives economically, efficiently and effectively, hence promoting good governance, accountability and sustainability.

Strategic objectives per annual performance plan:

- ◀ Provide quality financial and supply chain management services in compliance with legislation and with client needs to contribute towards financial sustainability

Strategic objectives, performance indicators, planned targets and actual achievements:

The GPW was able to exceed the revenue target. Targets not achieved included debtors' days, gross profit margin and inventory turnover ratio. The variances are explained in the table below. The actual achievements against the targets demonstrate the finance division's contribution to improved accountability and sustainability.

Branch finance					
Strategic objectives	Actual achievement 2011/12	Planned target 2012/13	Actual achievement 2012/13	Deviation from planned target to actual achievement for 2012/13	Comment on deviations
Provide quality financial and supply chain management services in compliance with legislation and with client needs to contribute towards financial sustainability	Unqualified audit opinion was received for the 2010/11 financial year. 2011/12 audit is still in the process of being completed and will be reported on in the second quarter of 2012	Maintain unqualified audit opinion	Maintained unqualified audit opinion for 2012	Target achieved	-
	New target	50% client satisfaction index	80% client satisfaction index	Target exceeded	
	During the 2009/2010 external audit, 10 findings related to non-compliance of financial related policies. During the 2010/2011 audit this increased to 13, resulting in a 30% increase in findings. No internal audit findings related to financial related policies reported.	5% reduction in audit findings	7.6 % reductions based on 2011 audit report	Target exceeded	-
	12 days	10 days turnaround times in monthly and quarterly financial management and performance reports	10 days financial management reports > 30 days for performance reports	Target achieved for financial reports but not for performance reports	Performance reports were submitted within the range of between 32 to 35 days after quarter end. Monitoring will be enhanced



PERFORMANCE REPORT

Branch finance					
Strategic objectives	Actual achievement 2011/12	Planned target 2012/13	Actual achievement 2012/13	Deviation from planned target to actual achievement for 2012/13	Comment on deviations
	R692,919m R-value of revenue	R830,685m R-value of revenue	R929,154m R-value of revenue	Target exceeded	
	16.5% operating cost as percentage of revenue	24.6% operating cost as percentage of revenue	17.4%	Target exceeded	
	34.26% gross profit margin	27% gross profit margin	21.7%	Target percentage not achieved as the product mix has changed significantly.	More printing was done via the contract printing division than anticipated.
	88 days debtor collection period	60 days debtor collection period	88 days	Target not achieved	Target not achieved as a substantial project done for Department of Basic Education was only invoiced during the last month of the financial year.
	R-value of procurement: HDI 31% Non HDI 69%	R-value of procurement: HDI 20% Non HDI 80%	HDI 31% Non HDI 69%	Target achieved	
	3.88 inventory turn-over ratio	2.5 inventory turn-over ratio	5.6 inventory turn-over ratio	Target achieved	
	Supply chain management framework and policy revised. Await input from National Treasury	100% revised draft SCM framework and policy	SCM framework and policy revised. Await input from National Treasury	Target not achieved	No feedback received from National Treasury. The GPW will consult experts in the field of SCM and finalise the framework and policy after receiving input
	R17,850m investment in additional production assets	R343,085m investment in additional production assets	R19,427m	Target not achieved	The focus of procurement was shifted to the implementation of the smartcard (national identity document). Due to the high profile and risk of the smartcard project, resources were dedicated to ensure timeous completion of this project
	51% return on capital investment	14% return on capital investment	30%	Target achieved	The much higher than anticipated return on capital investment can be attributed to the lower investment in capital.

Branch finance					
Performance indicator	Actual achievement 2011/12	Planned target 2012/13	Actual achievement 2012/13	Deviation from planned target to actual achievement for 2012/13	Comment on deviations
Clean audit report	Unqualified audit opinion was received for the 2010/11 financial year. 2011/12 audit is still in the process of being completed and will be reported on in the second quarter of 2012	Maintain unqualified audit opinion	Maintained unqualified audit opinion for 2012	Target achieved	-
Client satisfaction index on financial management	New target	50%	80%	Target exceeded	
Reduction in audit findings (internal and external audit) on non-compliance to financial related policies	During the 2009/2010 external audit, 10 findings related to non-compliance of financial related policies. During the 2010/2011 audit this increased to 13, resulting in a 30% increase in findings. No internal audit findings related to financial related policies reported.	5% reduction in audit findings	7.6 % reductions based on 2011 Audit Report	Target exceeded	-
Turnaround times (days) in monthly and quarterly financial management and performance reports	12 days	10 days turnaround times in monthly and quarterly financial management and performance reports	10 days financial management reports > 30 days for performance reports 30 days performance reports	Target achieved for financial reports but not for performance reports	Performance reports were submitted within the range of between 32 to 35 days after quarter end. Monitoring will be enhanced
R-value of revenue	R692,919m	R830,685m	R929,154m	Target exceeded	
Operating cost as percentage of revenue	16.5%	24.6%	17.4%	Target exceeded	



PERFORMANCE REPORT

Branch finance					
Performance indicator	Actual achievement 2011/12	Planned target 2012/13	Actual achievement 2012/13	Deviation from planned target to actual achievement for 2012/13	Comment on deviations
Gross profit margin	34.26%	27%	21.7%	Target percentage not achieved as the product mix has changed significantly.	More printing was done via the contract printing division than anticipated.
Debtor collection period	88 days	60 days	88 days	Target not achieved	Target not achieved as a substantial project done for Department of Basic Education was only invoiced during the last month of the financial year.
R-value of procurement between HDIs and non-HDIs	HDI 31% Non HDI 69%	HDI 20% Non HDI 80%	HDI 31% Non HDI 69%	Target achieved	
Inventory turn-over ratio	3.88	2.5	5.6	Target achieved	
Revise draft SCM framework and policy	SCM framework and policy revised. Await inputs from National Treasury	100% revised draft SCM Framework and policy	SCM framework and Policy revised. Await inputs from National Treasury	Target not achieved	No feedback received from National Treasury. The GPW will consult experts in the field of SCM and finalise the framework and policy after receiving input
Investment in additional production assets	R17,850m	R343,085m	R19,427m	Target not achieved	The focus of procurement was shifted to the implementation of the smartcard (national identity document). Due to the high profile and risk of the smartcard project, resources were dedicated to ensure timeous completion of this project
Return on capital investment	51%	14%	30%	Target achieved	The much higher than anticipated return on capital investment can be attributed to the lower investment in capital.

Strategy to overcome areas of under-performance

The areas of under-performance where actions can be taken by the GPW include debtors' days and turnover ratio.

Changes to planned targets

The targets for turnaround times of monthly and quarterly financial management and performance reports were split to distinguish between the two types of reports with 10 day turnaround time for financial reports and 30 days for performance reports.

Finance branch targets were revised to reflect the information contained in the updated budget. Previous targets were based on the 2011 budget. This resulted in the change in target from 29 percent operating cost as percentage of revenue to 24.6 percent and from 30 percent gross profit margin to 27 percent.

Human resources and transformation business unit

Purpose: To create and sustain an environment to unleash human potential and making differences in people's lives.

Strategic objectives per annual performance plan:

- ◀ Human resources staffing plan – develop and implement a human resources staffing plan;
- ◀ Training and development plan – develop and implement a training and development plan;
- ◀ Special remuneration dispensation – design and negotiate a special remuneration dispensation; and
- ◀ Human resources policies and procedures – develop and implement GPW-specific human resources policies and procedures

Strategic objectives, performance indicators, planned targets and actual achievements:

The human resources and transformation business unit was able to achieve all the targets set for the 2012/13 financial year, with the exception of the targets of implementation of the migration plan, the filling of all identified senior management posts, and to have an approved and implemented GPW special remuneration dispensation, which were all partially achieved. Comments on deviations from targets are provided in the table below, which also indicates the various actions completed by the business unit in the said areas of performance. It is anticipated that the filling of the senior management posts, as well as the finalisation of the migration process, will be completed early in 2013/2014 as progress is in an advanced stage. A major achievement was the completion and approval of the human resources plan and the human resources development plan, demonstrating the business unit's contribution to providing quality human resources in order to enable the GPW to achieve its objectives. The human resources unit continues to perform in the area of training and skills transfer, where the targets for training partnerships and training days were exceeded.



PERFORMANCE REPORT

Human resources and transformation business unit					
Strategic objectives	Actual achievement 2011/12	Planned target 2012/13	Actual achievement 2012/13	Deviation from planned target to actual achievement for 2012/13	Comment on deviations
Human resources staffing plan: develop and implement a human resources staffing plan	Human capital strategy completed but however not yet submitted for approval. The finalisation and implementation of the strategy is still dependent on the completion of the re-engineering processes, implementation of the ERP system and the physical re-location. All identified job descriptions were done and identified posts job evaluated. 95% of posts (102) were advertised and 69% (74 out of a total of 107) filled.	Completed and approved human resources plan	Human resources plan approved on 5 February 2013 and appointments for new structure made on a continuous basis.	Target achieved	-
		Completed job descriptions and job evaluations	For all the 26 identified posts, job descriptions and posts job evaluations were completed. Additional job descriptions for 21 posts and 10 posts job evaluations were also completed.	Target exceeded	-
		Implemented migration plan	Draft migration plan updated and completed to reflect amendments to the approved structure including the creation of additional divisions such as the new identity card and finishing divisions	Target partially achieved. Draft migration plan was completed but not approved and implemented. The approved structure was changed which had a direct impact on the implementation of the migration plan	The implementation of a new financial and production system in October 2012, changes to the approved structure to incorporate additional divisions and the new facility not being completed contributed to the delay in achieving the target. The implementation of the migration plan including revised business processes and post provisions were based on assumptions that the new facility would be completed. Once EXCO approves the updated migration plan, consultation with organised labour in the departmental bargaining council need to take place before implementation

Human resources and transformation business unit					
Strategic objectives	Actual achievement 2011/12	Planned target 2012/13	Actual achievement 2012/13	Deviation from planned target to actual achievement for 2012/13	Comment on deviations
		Filled posts in accordance with human resources staffing plan	Two of the eight identified posts were filled. Interviews were conducted for a further two posts, short listing completed for one more post whilst the short listing of the outstanding three posts has been scheduled for the first quarter of 2013/2014. For all other staff 60 of the 66 identified posts were filled in accordance with the human resources staffing plan and within the fourth quarter target of 90% of other funded posts filled in accordance with human resources staffing plan	Target partially achieved	The delay in the filling of the two general manager posts (strategic management and human resources) impacted on the filling of other senior management positions.
Training and development plan: develop and implement a training and development plan	The workplace skills plan was completed, one training partnership was entered into and an average of one training day per person was achieved	Approved human resources development plan	Human resources development plan that addresses development of employees and training structures was approved in January 2013 and will be effective from 1 April 2013	Target achieved	-
		Two training partnerships entered into	Four training partnerships were entered into to provide training to the GPW's employees	Target exceeded	-
		Two training days per person	1718 training days were provided compared to the target of 1200 days (43% above target). This relate to an average of 3.1 average training days per person compared to the target of two	Target exceeded	Extensive ERP training to prepare for the ERP system to go live 1 October 2012 as well as training on health and safety resulted in the target being exceeded



PERFORMANCE REPORT

Human resources and transformation business unit					
Strategic objectives	Actual achievement 2011/12	Planned target 2012/13	Actual achievement 2012/13	Deviation from planned target to actual achievement for 2012/13	Comment on deviations
Special remuneration dispensation: design and negotiate a special remuneration dispensation	New strategic objective for 2012/13	Negotiate a special remuneration dispensation	Actions within the control of the GPW to enable achievement of the target were completed and included research, benchmarking studies, presentations and participation in forums to discuss the special remuneration dispensation	The target to have an approved and implemented GPW special remuneration dispensation was not achieved	The approval falls outside the GPW's authority
Human resources policies and procedures: develop and implement GPW specific human resources policies and procedures	Seventeen out of the thirty identified HR policies have been revised (57%) and four adopted. The remaining 13 identified policies are in an advanced stage of consultation	All human resources policies and procedures implemented and staff trained/informed	A total of 15 policies revisited and submitted for consultation. Nine policies approved and implemented with effect from 1 April 2013. Six previously approved policies revised with minor amendments that needs to be consulted on prior to finalisation and approval of revisions	Target achieved	The six revised and not yet adopted policies were mainly due to cancelled consultation meetings

Human resources and transformation business unit

Performance indicator	Actual achievement 2011/12	Planned target 2012/13	Actual achievement 2012/13	Deviation from planned target to actual achievement for 2012/13	Comment on deviations
Approved human resources plan and implemented structure	Human capital strategy completed but however not yet submitted for approval. The finalisation and implementation of the strategy is still dependent on the completion of the re-engineering processes, implementation of the ERP system and the physical re-location. All identified job descriptions were done and identified posts job evaluated. 95% of posts (102) were advertised and 69% (74 out of a total of 107) filled.	Completed and approved human resources plan	Human resources plan approved on 5 February 2013 and appointments for new structure made on a continuous basis.	Target achieved	-
		Completed job descriptions and job evaluations	For all the 26 identified posts, job descriptions and post evaluations were completed. An additional 21 post descriptions and 10 post evaluations were also completed.	Target exceeded	-
		Implemented migration plan	Draft migration plan updated and completed to reflect amendments to the approved structure including the creation of additional divisions such as the new identity card and finishing divisions	Target partially achieved. Draft migration plan was completed but not approved and implemented. The approved structure was changed which had a direct impact on the implementation of the migration plan	The implementation of a new financial and production system in October 2012, changes to the approved structure to incorporate additional divisions and the new facility not being completed contributed to the delay in achieving the target. The implementation of the migration plan including revised business processes and post provisions was based on assumptions that the new facility would be completed. Once EXCO approves the updated migration plan, consultation with organised labour in the departmental bargaining council needs to take place before implementation



PERFORMANCE REPORT

Human resources and transformation business unit					
Performance indicator	Actual achievement 2011/12	Planned target 2012/13	Actual achievement 2012/13	Deviation from planned target to actual achievement for 2012/13	Comment on deviations
		Filled senior management posts in accordance with human resources staffing plan	Two of the eight identified posts were filled. Interviews were conducted for a further two posts, shortlisting completed for one more post whilst the shortlisting of the outstanding three posts have been scheduled for the first quarter of 2013/2014.	Target partially achieved	The delay in the filling of the two general manager posts (strategic management and human resources) impacted on the filling of other senior management positions.
		Filled other posts in accordance with human resources staffing plan	60 of the 66 identified posts were filled in accordance with the human resources staffing plan and within the fourth quarter target of 90 percent of other funded posts filled in accordance with human resources staffing plan	Target achieved	-
Approved and implemented human resources development plan	The workplace skills plan was completed, one training partnership was entered into and an average of one training day per person was achieved	Approved human resources development plan	Human resources development plan that addresses development of employees and training structures was approved in January 2013 and will be effective from 1 April 2013	Target achieved	
Number of training partnerships	One training partnership entered into focusing on computer literacy	Two training partnerships entered into	Four training partnerships were entered into to provide training to GPW employees	Target exceeded	-

Human resources and transformation business unit

Performance indicator	Actual achievement 2011/12	Planned target 2012/13	Actual achievement 2012/13	Deviation from planned target to actual achievement for 2012/13	Comment on deviations
Number of training days	Average one training day per employee	Two training days per person	1718 training days were provided compared to the target of 1200 days (43% above target). This relate to an average of 3.1 average training days per person compared to the target of two.	Target exceeded	Extensive training to prepare for the ERP system to go live 1 October 2012 as well as training on health and safety resulted in the target being exceeded
Approved and implemented GPW special remuneration dispensation	New strategic objective for 2012/13	Negotiate a special remuneration dispensation	Actions within the control of the GPW to enable achievement of the target were completed and included research, benchmarking studies, presentations and participation in forums to discuss the special remuneration dispensation	The target to have an approved and implemented GPW special remuneration dispensation was not achieved	The approval falls outside the GPW's authority
Revised, approved and implemented human resources policies	17 out of the 30 identified HR policies have been revised (57%) and four adopted. The remaining 13 identified policies are in an advanced stage of consultation	All human resources policies and procedures revised, approved, implemented and staff trained/informed	A total of 15 policies revisited and submitted for consultation. Nine policies approved and implemented with effect from 1 April 2013. Six previously approved policies revised with minor amendments that needs to be consulted on prior to finalisation and approval of revisions	Target achieved	The six revised and not yet adopted policies were mainly due to cancelled consultation meetings



PERFORMANCE REPORT

Strategy to overcome areas of under-performance

The only area of unsatisfactory performance is with the approval and implementation of the GPW special remuneration dispensation. The approval falls outside the GPW's authority but all actions within the control of the GPW will be completed to contribute towards achieving the target. Although various actions were taken and preparatory work completed to support and enable decision making on approval of a special remuneration dispensation, a decision to form a task team and conduct additional research and benchmarking studies to complete the task team report was taken very late in the financial year. The unit will ensure required tasks are performed diligently.

Changes to planned targets

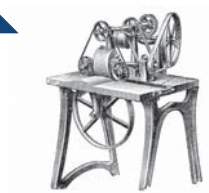
The only changes were to split annual targets into quarterly targets and bi-annual targets to enable in-year monitoring.

2.4.6 Summary of financial information

The information in the table below demonstrates the improved overall financial performance since the proclamation of the GPW as a government component on the 9th of October 2009.

	2013	2012	2011	2010	2009
Revenue	929,154	692,919	753,443	639,035	487,074
Cost of sales	(727,430)	(455,548)	(473,799)	(497,025)	(403,771)
Gross profit	201,724	237,371	279,644	142,010	83,303
Other income	69,613	68,769	63,427	60,248	28,341
Operating expenses	(161,977)	(114,358)	(128,257)	(109,278)	(100,668)
Operating profit	109,360	191,782	214,814	92,980	10,976
Interest received	2				4,260
Profit for the year	109,362	191,782	214,814	92,980	15,236





Chapter 09

HUMAN RESOURCES

Human resources are important in any organisation and the GPW is determined to create the right workforce to become the business it envisions. This chapter shows this strategic asset in terms of service delivery, expenditure, employments and vacancies, employment equity and more.



HUMAN RESOURCES

I. Service delivery

The tables below reflect the components of the service delivery improvement plan, as well as progress made in the implementation thereof.

Table 1.1 – Main service for service delivery improvement and standards

Main services	Actual customers	Potential customers who may be integrated	Standard of services	Actual achievements against standards
Operations and production	All public service departments and South African citizens.	African countries that may require security printing services.	Service delivery standards are set out in the GPW business model.	The recapitalisation programme and building of printing capacity.

Table 1.2– Consultation arrangements for customers

Type of arrangement	Actual customers	Potential customers	Actual achievements
Direct interaction with clients. The implementation of an ERP solution to be implemented in 2012/2013, which will include a GPW website.	All public service departments and South African citizens.	African countries that may require security printing services.	TO BE ADDED

Table 1.3– Service delivery strategy

Strategy	Actual achievements
Continuous interactions with various customers and stakeholders to build on improved relations. Commissioning of new equipment and technology.	Improved capacity and on time services.

Table 1.4 – Service information tool

Type of information tool	Actual achievements
Daily interaction with various customers and stakeholders.	Was not measured.

Table 1.5 – Complaints mechanism

Complaints mechanism	Actual achievements
Suggestion boxes	Was not used to the maximum of potential for new suggestions and improvements.



2. Expenditure

The GPW budgets in terms of clearly defined programmes. The tables below summarise final audited expenditure (Table 2.1) and by salary level (Table 2.2). In particular, it provides an indication of the amount spent on personnel costs in terms of the salary bands within the GPW.

Table 2.1 – Personnel costs

Programme	Total expenditure	Personnel expenditure	Training expenditure	Professional and special services	Personnel cost as % of total expenditure	Average personnel cost per employee	Employment as at 31 March 2013.
	R'000	R'000	R'000	R'000		(R)	
GPW	889,902	127,669	603	11,969	14.35	226,766	561
Total	889,902	127,669	603	11,969	14.35	226,766	561

Table 2.2 – Personnel costs by salary band

Salary bands	Personnel expenditure	Percentage of total personnel cost	Average personnel cost per employee
	R'000		(R)
Lower skilled (Levels 1-2)	1,650	1.3	126,923
Skilled (Levels 3-5)	49,354	38.9	173,782
Highly skilled production (Levels 6-8)	34,402	26.8	260,621
Highly skilled supervision (Levels 9-12)	14,082	11	502,929
Senior management (Levels 13-16)	2,670	2.1	890,000
Contract (Levels 3-5)	13,427	10.4	246,719
Contract (Levels 6-8)	13,263	10.3	213,919
Contract (Levels 9-12)	3,127	2.4	183,941
Contract (Levels 13-16)	5,001	3.9	1,000,200
Periodical remuneration	137	0.1	68,500
Total	127,669	100	226,766

Table 2.3 – Salaries, overtime, home owners allowance and medical aid

Programme	Salaries		Overtime		Home owners allowance		Medical assistance	
	Amount	Salaries as % of personnel cost	Overtime	Overtime as % of personnel cost	HOA	HOA as % of personnel cost	Medical ass.	Medical ass. as % of personnel cost
	R'000		R'000		R'000		R'000	
GPW	87,660	68.4	11,675	9.1	4,451	3.5	6,572	5.1
Total	87,660	68.4	11,675	9.1	4,451	3.5	6,572	5.1

Table 2.4 – Salaries, overtime, home owners allowance and medical aid by salary band

Salary bands	Salaries		Overtime		Home owners allowance		Medical assistance	
	Amount	Salaries as % of personnel cost	Overtime	Overtime as % of personnel cost	HOA	HOA as % of personnel cost	Medical ass.	Medical ass. as % of personnel cost
	R'000		R'000		R'000		R'000	
Lower skilled (Levels 1-2)	942	57.1	109	6.6	140	8.5	232	14.1
Skilled (Levels 3-5)	29,081	58.9	5,691	11.5	2,859	5.8	4,065	8.2
Highly skilled production (Levels 6-8)	22,712	65.5	2,832	8.2	1,260	3.6	1,865	5.4
Highly skilled supervision (Levels 9-12)	10,702	75.8	400	2.8	156	1.1	392	2.8
Senior management (Levels 13-16)	2,158	78.4	0	0	36	1.3	18	0.7
Contract (Levels 3-5)	10,816	1,80.3	2,520	19	0	0	0	0
Contract (Levels 6-8)	2,939	93.7	119	3.8	0	0	0	0
Contract (Levels 9-12)	3,547	92.8	4	0.1	0	0	0	0
Contract (Levels 13-16)	4,763	94.3	0	0	0	0	0	0
Periodical remuneration	0	0	0	0	0	0	0	0
Total	87,660	68.4	11,675	9.1	4,451	3.5	6,572	5.1



3. Employment and vacancies

The tables in this section summarise the position with regard to employment and vacancies.

The following tables summarise the number of posts of the establishment, the number of employees, the vacancy rate and whether there are any staff that are additional to the establishment.

Table 3.1 – Employment and vacancies, 31 March 2013

Programme	Number of posts	Number of posts filled	Vacancy rate	Number of posts filled additional to the establishment
GPW	719	561	20.1	7
Total	719	561	22	7

Table 3.2 – Employment and vacancies by salary bands, 31 March 2013

Salary band	Number of posts	Number of posts filled	Vacancy rate	Number of posts filled additional to the establishment
Lower skilled (Levels 1-2), permanent	24	14	41.7	0
Skilled (Levels 3-5), permanent	384	350	8.1	3
Highly skilled production (Levels 6-8), permanent	217	149	31.3	0
Highly skilled supervision (Levels 9-12), permanent	64	40	37.5	4
Senior management (Levels 13-16), permanent	30	8	73.3	0
Total	719	561	22	7

Table 3.3 – Employment and vacancies by critical occupation, 31 March 2013

Critical occupations	Number of posts	Number of posts filled	Vacancy rate	Number of posts filled additional to the establishment
Compositors, typesetters and related printing workers	44	41	6.8	0
Bookbinding and related machine operators	32	25	21.9	0
Printing and related machine operators	23	18	21.7	0
Finance and economics related managers	8	5	37.5	1
Senior managers	30	8	73.3	0
Total	137	97	29.2	1

4. Job evaluation

The following table (Table 4.1) summarises the number of jobs that were evaluated during the year under review. The table also provides the statistics on the number of posts that were upgraded or downgraded.

Table 4.1 – Job evaluation

Salary band on 31 March 2012	Number of posts	Number of jobs evaluated	% of posts evaluated	Number of posts upgraded	% of upgraded posts evaluated	Number of posts downgraded	% of downgraded posts evaluated
Lower skilled (Levels 1-2)	24	0	0	0	0	0	0
Skilled (Levels 3-5)	384	37	9.6	0	0	0	0
Highly skilled production (Levels 6-8)	217	4	1.8	0	0	0	0
Highly skilled supervision (Levels 9-12)	64	1	1.6	0	0	0	0
Senior management service band A,	15	3	20	0	0	0	0
Senior management service band B	11	2	16.7	0	0	0	0
Senior management service band C,	3	0	0	0	0	0	0
Senior management service Band D	1	0	0	0	0	0	0
Total	719	47	6.5	0	0	0	0

Table 4.2 – Profile of employees whose positions were upgraded due to their posts being upgraded

Beneficiaries	African	Asian	Coloured	White	Total
Beneficiaries	0	0	0	0	0

Table 4.3 – Employees whose salary level exceed the grade determined by job evaluation [i.t.o PSR I.V.C.3]

Total number of employees whose salaries exceeded the upgrades determined by job evaluation in 2012/2013	None
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Table 4.4 – Profile of employees whose salary level exceeded the grade determined by job evaluation [i.t.o.PSR I.V.C.3]

Beneficiaries	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0
Employees with a disability	0	0	0	0	0



5. Employment changes

This section provides information on changes in employment over the financial year. Table 5.1 summarises appointments, promotions and service terminations by race, gender and disability. In addition, the table provides an indication of the impact of these changes on the employment of the GPW.

Table 5.1 – Annual turnover rates by salary band

Salary band	Employment at beginning of period	Appointments	Terminations	Turnover rate
Lower skilled (Levels 1-2)	16	0	1	6.3
Skilled (Levels 3-5)	295	4	7	2.4
Highly skilled production (Levels 6-8)	127	9	10	7.9
Highly skilled supervision (Levels 9-12)	22	5	3	13.6
Senior management service band A,	3	0	0	0
Senior management service band B	0	0	0	0
Senior management service band C	2	0	0	0
Senior management service band D	1	0	0	0
Interns and learners	3	4	0	0
Total	469	22	21	4.5

Contract (Levels 3-5), permanent	30	5	2	6.7
Contract (Levels 6-8), permanent	35	1	2	5.7
Contract (Levels 9-12), permanent	12	9	2	16.7
Contract (Band A), permanent	1	2	0	0
Contract (Band B), permanent	0	0	0	0
Contract (Band C), permanent	1	0	0	0
Total	79	17	6	7.6

Note 1: A total of 69 contract employees were appointed for a period of six months or shorter during the financial year to assist with special projects. These appointments and service terminations are not reflected in the above-mentioned information (Table 5.1).

Note 2: The above-mentioned appointment information does not include the appointment of four employees in a permanent capacity while initially employed on contract.

Table 5.2 – Annual turnover rates by critical occupation

Occupation	Employment at beginning of period	Appointments	Terminations	Turnover rate
Bookbinding and related machine operators	20	3	0	0
Compositors typesetters and related printing workers	39	2	1	3.3
Printing management and supervisory personnel	26	3	2	7.7
Finance and economics related managers	8	1	0	0
Senior managers	6	2	0	0
Total	99	11	3	3

Table 5.3 – Reasons why staff are leaving the GPW

Termination type	Number	Percentage of total resignations	Percentage of total employment
Death	4	4	14.8
Resignation	8	8	29.6
Transfers	2	2	7.4
Retirement early	1	1	3.7
Dismissal-misconduct	1	1	3.7
Retirement normal	8	8	29.6
Contract expiry	3	3	11.1
Total	27	27	100

Resignations as % of permanent employment	4.8%
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Table 5.4 - Granting of employee initiated severance packages

No employee initiated severance package applications were received or granted during the financial year.

Table 5.5 - Promotions by critical occupation

Occupation	Employment at beginning of period	Promotions to another salary level	Salary level promotions as a % of employment	Progressions to another notch within salary level	Notch progressions as a % of employment
Bookbinding and related machine operators, permanent	7	0	0	6	85.7
Compositors typesetters and related printing workers	38	0	0	23	60.5
Printing management and supervisory personnel	26	0	0	5	19.2
Total	71	0	0	34	47.9



Table 5.6 - Promotions by salary band

Salary band	Employment at beginning of period	Promotions to another salary level	Salary level promotions as a % of employment	Progressions to another notch within salary level	Notch progressions as a % of employment
Lower skilled (Levels 1-2)	14	0	0	7	50
Skilled (Levels 3-5)	288	11	3.8	240	83.3
Highly skilled production (Levels 6-8)	130	8	6.2	74	56.9
Highly skilled supervision (Levels 9-12)	25	5	20	10	40
Senior management (Levels 13-16)	3	0	0	0	0
Contract (Levels 3-5), permanent	50	0	0	36	72
Contract (Levels 6-8), permanent	12	0	0	10	83.3
Contract (Levels 9-12), permanent	5	2	40	1	20
Contract (Levels 13-16), permanent	3	0	0	1	33.3
Total	530	26	4.9	379	71.5

6. Employment equity

The tables in this section are based on the formats prescribed by the Employment Equity Act, 55 of 1998.

Table 6.1 – Total number of employees (including employees with disabilities) per occupational category (SASCO)

Occupational categories	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Legislators, senior officials and managers	1	0	0	1	2	1	0	0	1	0	4
Professionals	8	0	0	8	3	3	0	0	3	5	19
Technicians and associate professionals	38	4	2	44	12	32	3	1	36	17	109
Clerks	22	2	0	24	3	30	3	1	34	13	74
Service and sales workers	13	1	0	14	1	3	0	0	3	0	18
Craft and related trades workers	38	2	3	43	30	23	0	0	24	13	109
Plant and machine operators and assemblers	68	4	0	72	31	54	8	1	62	37	202
Elementary occupations	9	1	0	10	4	10	0	0	10	1	25
Total	197	14	5	216	86	156	14	3	173	86	561

	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Employees with disabilities	3	0	0	3	4	1	0	0	1	3	11



Table 6.2 - Total number of employees (incl. employees with disabilities) per occupational band

Occupational bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Top management, permanent	0	0	0	0	1	0	0	0	0	0	1
Senior management, permanent	1	0	0	1	0	1	0	0	1	0	2
Professionally qualified and experienced specialists and mid-management, permanent	11	0	3	14	5	5	0	0	5	4	28
Skilled technical and academically qualified workers, junior management, supervisors, foremen, permanent	44	3	1	48	27	37	1	1	39	18	132
Semi-skilled and discretionary decision making, permanent	95	10	0	105	45	65	12	2	79	54	283
Unskilled and defined decision making, permanent	2	1	0	3	0	11	0	0	11	0	14
Contract (top management), permanent	1	0	0	1	1	0	0	0	0	0	2
Contract (senior management), permanent	0	0	0	0	2	0	0	0	0	1	3
Contract (professionally qualified), permanent	5	0	1	6	1	2	0	0	2	3	12
Contract (skilled technical), permanent	5	0	0	5	1	6	0	0	6	5	17
Contract (semi-skilled), permanent	33	0	0	33	3	29	1	0	30	1	67
Total	197	14	5	216	86	156	14	3	173	86	561

Table 6.3 – Recruitment

Occupational bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Top management	0	0	0	0	0	0	0	0	0	0	0
Senior management	0	0	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	2	0	1	3	1	2	0	0	2	0	6
Skilled technical and academically qualified workers, junior management, supervisors, foremen	5	2	0	7	1	2	0	0	2	0	10
Semi-skilled and discretionary decision making	3	0	0	3	0	3	0	0	3	0	6
Contract senior management	0	0	0	0	2	0	0	0	0	0	2
Contract (professionally qualified and experienced specialists and mid-management)	4	0	0	4	1	1	0	0	1	3	9
Contract (skilled technical and academically qualified workers, junior management, supervisors, foremen)	1	0	0	1	0	0	0	0	0	0	1
Contract (semi-skilled and discretionary decision making)	3	0	0	3	0	1	0	0	1	1	5
Total	17	2	1	21	5	9	0	0	9	4	39

Special project appointments, short term less than six months

Occupational bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Contract (semi-skilled)	32	0	0	32	2	36	0	0	34	1	69
Total	32	0	0	32	2	36	0	0	34	1	69



Table 6.4 – Promotions

Occupational bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Top management	0	0	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialist	1	0	0	1	0	0	0	0	0	0	1
Skilled technical and academically qualified worker	1	0	0	1	2	3	0	0	3	0	6
Semi-skilled and discretionary decision making	4	1	0	5	1	4	1	0	5	5	16
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0	0	0
Total	6	1	0	7	3	7	1	0	8	5	23

Table 6.5 – Terminations

Occupational bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Professionally qualified and experienced specialists and mid-management	0	0	0	0	1	1	0	1	2	0	3
Skilled technical and academically qualified workers, junior management, supervisors, foremen	5	0	0	5	1	1	0	0	1	0	7
Semi-skilled and discretionary decision making	3	1	0	4	0	4	1	0	4	1	10
Contract (top management)	0	0	0	0	0	0	0	0	0	0	0
Contract (senior management)	0	0	0	0	0	0	0	0	0	0	0
Contract (professionally qualified)	0	0	0	0	1	0	0	0	0	1	2
Contract (skilled technical)	0	0	0	0	2	0	1	0	1	0	3
Contract (semi-skilled)	1	0	0	1	0	0	0	0	0	0	1
Unskilled and defined decision making	1	0	0	1	0	0	0	0	0	0	1
Total	10	1	0	11	5	6	2	1	9	2	27

Special project contract expiry, short term less than six months

Occupational bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Contract (semi-skilled)	28	0	0	28	2	36	0	0	34	1	65
Total	28	0	0	28	2	36	0	0	34	1	65

Table 6.6 - Disciplinary action

Occupational bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Total	2	1	1	4	0	1	0	1	1	1	6

Table 6.7 - Skills development

Occupational categories	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Legislators, senior officials and managers	1	0	0	1	3	1	0	0	1	0	5
Professionals	8	0	0	8	3	3	0	0	3	5	19
Technicians and associate professionals	17	2	3	22	11	17	0	0	17	8	58
Clerks	22	2	0	24	3	30	3	1	34	13	74
Craft and machine operators and assemblers and others	78	5	1	83	31	50	8	1	61	25	199
Elementary occupations	3	0	0	3	0	2	0	0	0	1	6
Total	129	9	4	141	51	103	11	2	116	52	361



7. Performance

To encourage good performance, the department has granted the following performance rewards during the year review. The information is presented in terms of race, gender and disability (Table 7.1), critical occupations (Table 7.3) and salary bands for SMS (Table 7.4).

Table 7.1 - Performance rewards by race, gender and disability

Description	Number of beneficiaries	Total employment	Percentage of total employment	Cost (R'000)	Average cost per beneficiary (R)
African, female	38	156	24.4	340	8,959
African, male	27	196	13.8	241	8,920
Asian, female	1	3	33.3	18	17,969
Asian, male	0	5	0	0	0
Coloured, female	9	14	64.3	73	8,071
Coloured, male	2	14	14.3	13	6,361
Total blacks, female	48	173	27.7	431	8,980
Total blacks, male	29	215	13.5	254	8,743
White, female	36	86	41.9	357	9,928
White, male	24	86	27.9	251	10,465
Employees with a disability	1	1	100	7	6,759
Total	138	561	24.6	1,300	9,420

Table 7.2 - Performance rewards by salary band for personnel below senior management service

Salary band	Number of beneficiaries	Total employment	Percentage of total employment	Cost (R'000)	Average cost per beneficiary (R)
Lower skilled (Levels 1-2)	5	13	38.5	25	5,000
Skilled (Levels 3-5)	90	284	31.7	705	7,833
Highly skilled production (Levels 6-8)	36	132	27.3	458	12,722
Highly skilled supervision (Levels 9-12)	3	28	10.7	75	25,000
Contract (Levels 3-5)	3	67	4.5	28	3
Contract (Levels 6-8)	1	17	5.9	9	9,000
Contract (Levels 9-12)	0	12	0	0	0
Periodical remuneration	0	2	0	0	0
Total	138	555	24.9	1,300	9,420

Table 7.3 - Performance rewards by critical occupation

Critical occupations	Number of beneficiaries	Total employment	Percentage of total employment	Cost R'000	Average cost per beneficiary (R)
Bookbinding and related machine operators	6	25	24	62	10,333
Printing management and supervisory personnel	2	24	8.3	43	21,500
Compositors typesetters and related printing workers	11	40	27.5	124	11,273
Financial and related professionals	2	10	20	44	22,000
Total	21	99	21.2	273	13,000

Table 7.4 - Performance related rewards (cash bonus) by salary band for senior management service

SMS band	Number of beneficiaries	Total employment	Percentage of total employment	Cost (R'000)	Average cost per beneficiary (R)	% of SMS wage bill	Personnel cost SMS (R'000)
Band A	0	5	0	0	0	0	0
Band B	0	0	0	0	0	0	0
Band C	0	2	0	0	0	0	0
Band D	0	1	0	0	0	0	0
Total	0	8	0	0	0	0	0



8 Foreign workers

The tables below summarise the employment of foreign nationals in the GPW, in terms of salary bands and major occupations. The table also summarises changes in the total number of foreign workers in each salary band and by each major occupation.

Table 8.1 - Foreign workers by salary band

Major occupation	Employment at beginning period	Percentage of total	Employment at end of period	Percentage of total	Change in employment	Percentage of total	Total employment at beginning of period	Total employment at end of period	Total change in employment
Total	0	0	0	0	0	0	0	0	0

Table 8.2 - Foreign workers by major occupation

Major occupation	Employment at beginning period	Percentage of total	Employment at end of period	Percentage of total	Change in employment	Percentage of total	Total employment at beginning of period	Total employment at end of period	Total change in employment
Total	0	0	0	0	0	0	0	0	0

9. Leave utilisation for the period 1 January 2012 to 31 December 2012

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. The following tables provide an indication of the use of sick leave (Table 9.1) and disability leave (Table 9.2). In both cases, the estimated cost of the leave is also provided.

Table 9.1 - Sick leave 1 January 2012 till 31 December 2012

Salary band	Total days	% days with medical certification	Number of employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated cost (R'000)	Total number of employees using sick leave	Total number of days with medical certificates
Lower skilled (Levels 1-2)	57	82.5	7	1.6	8	15	450	47
Skilled (Levels 3-5)	1,743	85.5	217	48.2	8	645	450	1,491
Highly skilled production (Levels 6-8)	791	76.4	102	22.7	8	490	450	604
Highly skilled supervision (Levels 9-12)	193	74.6	29	6.4	7	270	450	144
Senior management (Levels 13-16)	9	11.1	3	0.7	3	29	450	1
Contract (Levels 1-2)	5	20	3	0.7	2	1	450	1
Contract (Levels 3-5)	330	85.8	62	13.8	5	124	450	283
Contract (Levels 6-8)	137	59.1	18	4	8	76	450	81
Contract (Levels 9-12)	38	84.2	7	1.6	5	54	450	32
Contract (Levels 13-16)	9	44.4	2	0.4	5	30	450	4
Total	3,312	81.2	450	100	7	1,734	450	2,688

Table 9.2 - Disability leave (temporary and permanent) 1 January 2012 till 31 December 2012

Salary band	Total days	% days with medical certification	Number of employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated cost (R'000)	Total number of days with medical certification	Total number of employees using disability leave
Skilled (Levels 3-5)	43	100	4	66.7	11	15	43	6
Highly skilled production (Levels 6-8)	4	100	1	16.7	4	3	4	6
Contract (Levels 3-5)	12	100	1	16.7	12	4	12	6
Total	59	100	6	100	10	22	59	6



Table 9.3 - Annual leave | January 2012 till 31 December 2012

Salary band	Total days taken	Average per employee	Employment
Lower skilled (Levels 1-2)	327	27	12
Skilled (Levels 3-5)	7,143	24	293
Highly skilled production (Levels 6-8)	3,319	24	138
Highly skilled supervision (Levels 9-12)	650	20	32
Senior management (Levels 13-16)	51	13	4
Contract (Levels 3-5)	1,031	8	130
Contract (Levels 6-8)	297	15	20
Contract (Levels 9-12)	114	10	12
Contract (Levels 13-16)	81	16	5
Total	13,013	20	646

Table 9.4 - Capped leave, | January 2012 till 31 December 2012

Salary band	Total days of capped leave taken	Average number of days taken per employee
Skilled (Levels 3-5)	16	2
Highly skilled production (Levels 6-8)	35	9
Highly skilled supervision (Levels 9-12)	7	4
Total	58	4

Table 9.5 - Leave payouts for the period | April 2012 to 31 March 2013

Reason	Total amount (R'000)	Number of employees	Average payment per employee (R)
Leave payouts for 2012/13 due to non-utilisation of leave for the previous cycle	9	1	9,000
Capped leave payouts on termination of service for 2012/13	239	28	8,536
Current leave payouts on termination of service for 2012/13	0	6	0
Total	248	35	7,086

10. HIV/AIDS and health promotion programmes

Table 10.1 - Steps taken to reduce the risk of occupational exposure

The GPW participated in several initiatives to address it.

Table 10.2 - Details of health promotion and HIV/AIDS programmes [tick Yes/No and provide required information]

Question	Yes	No	Details, if yes
Has the GPW designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001?			General Manager: Human Resources
Does the GPW have a dedicated unit or have you designated specific staff members to promote health and well being of your employees?			Specific staff members have been delegated.
Has the GPW established committees as contemplated in Part VI E 5(e) of Chapter 1 of the Public Service Regulations, 2001?			Health and safety committee

11. Labour relations

Table 11.1 - Collective agreements, 1 April 2012 to 31 March 2013

None

Table 11.2 – Misconduct and disciplinary hearings finalised

Outcomes of disciplinary hearings	Number	Percentage of total
Corrective counseling	0	0
Final written warning	3	50
Suspended without pay	2	33.3
Dismissal	1	16.7
Total	6	100

Table 11.3 - Types of misconduct addressed and disciplinary hearings

Type of misconduct	Number	% of total
Poor and improper conduct	2	33.3
Unauthorised absenteeism	3	50
Dishonesty	1	16.7
Total	6	100



Table 11.4 - Grievances lodged

Number of grievances addressed	Number	% of total
Resolved	26	100
Not resolved	0	0
Total	26	100

Table 11.5 - Disputes lodged

Number of disputes addressed	Number	% of total
Upheld	0	0
Dismissed	0	0
Total	0	0

Table 11.6 - Strike actions

Strike Actions	
Total number of person working days lost	0
Total cost (R'000) of working days lost	0
Amount (R'000) recovered as a result of no work no pay	0

Table 11.7 - Precautionary suspensions

Precautionary suspensions	
Number of people suspended	3
Number of people whose suspension exceeded 30 days	3
Average number of days suspended	69
Cost (R'000) of suspensions	71

12. Skills development

Table 12.1 - Training needs identified 1 April 2012 to 31 March 2013

Occupational categories	Gender	Number of employees as at 1 April 2012	Training needs identified at start of reporting period			
			Learnership and internships	Skills programmes and other short courses	Other forms of training	Total
Legislators, senior officials, managers and skilled technical	Female	45		45	0	45
	Male	61		60	0	60
Clerks and lower skilled	Female	211	5	211	0	216
	Male	213	5	213	0	218
Total		530	10	529	0	539

Table 12.2 - Training provided 1 April 2012 to 31 March 2013

Occupational categories	Gender	Number of employees as at 1 April 2012	Training provided		
			Learnership and internships	Skills programmes and other short courses	Total
Legislators, senior officials and managers	Female	45	0	31	28
	Male	61	0	49	52
Clerks and lower skilled	Female	211	3	150	140
	Male	213	4	149	141
Total		530	7	379	361

Table 12.3 – Internship and apprentice programme 1 April 2012 to 31 March 2013

The GPW internship and learner programme details are as follows

Unit	No of interns		
	Male	Female	Total
Operation and production	2	1	3
Internal audit	2	2	4
Total	4	3	7

Table 12.4 – Study bursaries granted 1 April 2012 to 31 March 2013

Occupational categories	Male	Female	Total
Legislators, senior officials and managers	3	0	3
Clerks and lower skilled	9	9	18
Total	12	9	21



13. Injury on duty

The following table provides basic information on injury on duty.

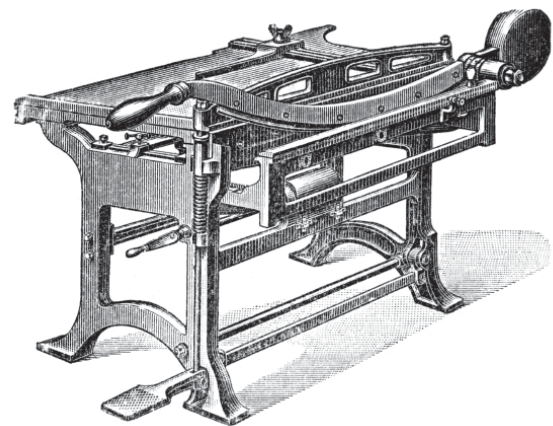
Table 13.1 - Injury on duty

Nature of injury on duty	Number	Percentage of total
Required basic medical attention only	37	62.7
Temporary total disablement	22	37.39
Permanent disablement	0	0
Fatal	0	0
Total	59	100

14. Utilisation of consultants

Table 14.1 - Report on consultant appointments

No consultants were appointed during the financial year.







Nature of business and principal activities: The Government Printing Works is tasked with the rendering of printing and related services to government departments, provincial institutions and local authorities.

Legal form of entity: In accordance with the Public Finance Management Act (No.1 of 1999) The Government Printing Works is classified as a trading entity.

Registered office: 149 Bosman Street
Pretoria
0001

Business address: 149 Bosman Street
Pretoria
0001

Postal address: Private Bag X 85
Pretoria
0001

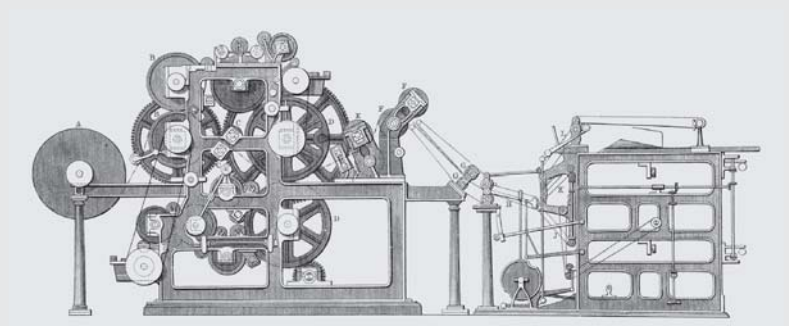
Auditors: The Auditor-General of South Africa

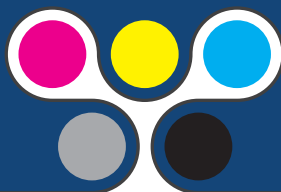
Bankers: ABSA
Reserve Bank

Accounting Officer: Prof. AD Mbewu

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