Government Printing Works

PRESENTATION TO THE PORTFOLIO COMMITTEE FOR HOME AFFAIRS

ANNUAL REPORT 2012 /2013

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History   1782 – 2013

1782
Governor van Plettenberg makes a first attempt to produce printed matter in SA.

1785
The first printing plant is established in the Cape by Johann Christian Ritter.

1811
BJ van der Standt enrols as the first printing trade apprentice.

1829
Sir Lowry Cole's declaration of a free press in South Africa is announced and William Bridekirk is awarded a ten-year government contract for the production of the Gazette, which lasted until 1881 under Saul Solomon & Company.

1860
Moll moves printing works to Pretoria.

1877
The Republic of Transvaal is annexed by the British Empire, confiscating the printing works.

1897
The GPW building project is completed and remains its head office to today.

1994
All printing facilities of the former independent states and self-governing territories are allocated to the GPW.

1996
The GPW is restructured.

1800
Walker & Robertson import printing machines and produce the first Government Gazette in the guise of the "Kaapse Stads Courant".

1801
The first GPW is established at the Castle under Sir John Barrow.

1824
Lord Charles Somerset and his opposition are embroiled in a battle to break government's monopoly over the local print industry.

1857
Cornelius Petrus Moll and Jan Cilliers produce the first Government Gazette of the Republic of Transvaal.

1859
The printing facility is purchased by government from Moll and Cilliers, while Moll retains position as printing superintendent.

1888
The House of Assembly authorises government to establish a proper GPW.

1891
The GPW is struck by lightning and burns down, but is rebuilt by government.

1976
The GPW is established as a trade account.

2009
The GPW is established as a government component.

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Celebrating 125 years

LEGISLATIVE MANDATE OF GPW

- The Government Printing Works (GPW) is a Government Component reporting to the Minister of Home Affairs; with oversight by the Parliamentary Portfolio Committee for Home Affairs

- GPW was designated a Government Component on 9 October 2009

- The purpose of GPW is to deliver security printing and related services to the Government of South Africa

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Strategic Outlook :
Print and Media Company

Vision

To be the State's mandated security printer

Mission

To provide cost effective, reliable and timeous services in security printing to all spheres of Government

To provide the public with valuable information

To disseminate Government information through technology, innovation and service excellence

Values

Reliability

Integrity

Accuracy

Stakeholder

satisfaction

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Celebrating 125 years

Strategic Outcome Oriented Goals 2012/13

Strategic outcome oriented goal 1	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

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Strategic Outcome Oriented Goals 2012/13

Strategic outcome oriented goal 2	**Optimise processes and facilities**
Goal statement	Optimise processes and facilities to increase operational effectiveness and improved customer service

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Strategic Outcome Oriented Goals 2012/13

Strategic outcome oriented goal 3	Developed workforce
Goal statement	Have an efficient, effective and well-trained/developed workforce and special remuneration dispensation for the Government Component

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BUSINESS DIVISIONS

- Operations & Production

- Strategic Management

- Financial Services

- Human Resource Management

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PRODUCTION STATISTICS

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 499419
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

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BRANCH : OPERATIONS AND PRODUCTION

KEY PERFORMANCE INDICATOR	ANNUAL TARGET	PERFORMANCE	TARGET ACHIEVED +/-
1. Functional and secure operating facilities	Completed assessment of facility	Completed assessment of facility	+
	Completed lay-out and design of facility	A feasibility study was complete	-
2. Production equipment	10 items of equipment procured according to Recapitalisation Plan	9 items of equipment	-
3. Production of security printed materials	100% of identity documents produced must conform to the clients specifications	99,95% of the 1 995 421 identity documents conformed to specifications	-
	Identity documents Delivered at a turnaround time of 3 days	Identity Documents delivered at an average of 3.3 days	-
	Maintain or reduce spoilage percentage	17 606 (2.8)% spoiled passports emanating from the 627 152 booklets personalised	-
	Produce 100% of the required number of examination scripts within the client's specified timeframes	100% of the required 16 518 188 examination scripts were produced within the client's specified time frames.	+

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BRANCH : OPERATIONS AND PRODUCTION

KEY PERFORMANCE INDICATOR	ANNUAL TARGET	PERFORMANCE	TARGET ACHIEVED +/-
4. **Operational and control processes**	Develop and maintain Standard Operating Procedures for all security printing material	A Standard Operating Procedures (SOP) document was developed	+
5. **Loss indicator Passports**	Maintain a zero rate of loss	No losses of passports due to theft	+
6. **Loss indicator identity documents**	Maintain a zero rate of loss	No losses of identity documents due to theft	+
7. **Loss indicator examination scripts**	Maintain a zero rate of loss	No losses of examination scripts due to theft	+

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BRANCH : STRATEGIC MANAGEMENT

KEY PERFORMANCE INDICATOR	ANNUAL TARGET	PERFORMANCE	TARGET ACHIEVED +/-
1. Coordination and distribution of government information	Developed and implemented E-Gazette system	Gazettes have been published electronically 17 August 2012	+
	Develop and implement public web project	GPW has been visible on the world wide web from 17 August 2012	+
	Design and develop call centre	ICT Helpdesk for user and ERP systems support was implemented	+
	100% Government Gazettes Published according to Quality & Delivery specifications	99.96% of the 2384 Gazettes were published according to Quality & Delivery specifications One out of 2 384 Gazette editions was printed incorrectly. This was rectified by GPW	-

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BRANCH : STRATEGIC MANAGEMENT

KEY PERFORMANCE INDICATOR	ANNUAL TARGET	PERFORMANCE	TARGET ACHIEVED +/-
2. Secure application availability	98% system availability	99.8% systems availability	+
	100% of data rights management controls implemented	100% data rights management controls implemented	+
3. Architecture	Implementation of Ubumbano Project	The Ubumbano Project (ERP) was implemented in October 2012	+
	50% implementation of recommendations	Four of the five recommended areas have been addressed and the one area partially addressed	+
4. Integrated systems	100% implementation of integration module of Ubumbano project	Implementation of integration points between Hiflex and AX	+

BRANCH : STRATEGIC MANAGEMENT

KEY PERFORMANCE INDICATOR	ANNUAL TARGET	PERFORMANCE	TARGET ACHIEVED +/-
5. **ICT support services**	Review & refine Helpdesk function	A formal approach to the ICT Helpdesk was implemented	+
	Review & refine management support system	The MIS developed and implemented as part of the ERP system	+
6. **Awareness of GPW**	Develop brand (and logo)	New brand and logo not yet developed	-
7. **Product mix diversification**	One new product developed	Top Product Developments include: -New RSA Birth Certificate	+
8. **Marketing Strategy**	Completed and approved marketing strategy	Marketing strategy not completed	-
9. **Security risk management system**	100% of identified staff graded in terms of security criteria	Security screening awareness presentations were conducted	-

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BRANCH : STRATEGIC MANAGEMENT

KEY PERFORMANCE INDICATOR	ANNUAL TARGET	PERFORMANCE	TARGET ACHIEVED +/-
10. Internal audit – to provide an independent, objective assurance and consulting services	100% monthly risk management compliance/ improvement reports for identified risk areas	An overall strategic and operational risk assessment was completed in March 2013	+
	50% internal audit policies updated	All internal Audit policies updated and approved by the Audit Committee	+
	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	-
	100% of risk based internal audit plan implemented	13% not implemented due to challenges experienced	-

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BRANCH : STRATEGIC MANAGEMENT

KEY PERFORMANCE INDICATOR	ANNUAL TARGET	PERFORMANCE	TARGET ACHIEVED +/-
11. Develop and implement E-Gazette system	Developed and implemented E-Gazette system	Gazettes have been published electronically on the GPW Public Web	+
12. Develop and implement public web project	Developed and implemented public web project	GPW has been visible on the world wide web from 17 August 2012	+
13. Establish and implement call centre	Design and develop call centre	A recognised approach to the ICT Helpdesk for user and ERP systems support was implemented	+
14. System availability reflected in monthly statistical reports	100% data rights management controls implemented	100% data rights management controls implemented	+
15. Implement Microsoft Dynamic AX & HiFlex	Implemented Ubumbano Project	The Ubumbano Project (ERP) was implemented in October 2012	+

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BRANCH : STRATEGIC MANAGEMENT

KEY PERFORMANCE INDICATOR	ANNUAL TARGET	PERFORMANCE	TARGET ACHIEVED +/-
16. **Review and refine Dynamix AX & HiFlex**	Implemented Ubumbano Project	A continuous process was implemented to review and refine the Dynamic AX & HiFlex system	+
17. **Implementation of recommendation by ICT assurance providers**	50% implementation of recommendation by ICT assurance providers	Four of the five recommended areas have been addressed and the one area partially addressed.	+
18. **Functional ICT Helpdesk**	Reviewed and refined helpdesk function	A formal approach to the ICT Helpdesk was implemented	+
19. **Implement Management System Support**	Reviewed and refined Management System support	The MIS developed and implemented	+

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BRANCH : STRATEGIC MANAGEMENT

KEY PERFORMANCE INDICATOR	ANNUAL TARGET	PERFORMANCE	TARGET ACHIEVED +/-
20. % of identified staff trained and evaluated for security competence	75% of identified staff trained and evaluated for security competence	NKP Refresher Course was attended by all Security Officers	+
21. NKP structures to be established	70% of structure established	Three (3) Joint Planning Committee (JPC) meetings took place and three (3) Control Security Officers were appointed	+
22. Monthly risk management compliance/ improvement reports	100% monthly risk management compliance/ improvement reports for identified risk areas	An overall strategic and operational risk assessment was conducted	+

BRANCH : FINANCE

KEY PERFORMANCE INDICATOR	ANNUAL TARGET	PERFORMANCE	TARGET ACHIEVED +/-
1. Provide quality financial and supply chain management services in compliance with legislation and with client needs to contribute towards financial sustainability	Maintain unqualified audit opinion	Maintained Unqualified audit opinion for 2012	+
	50% client satisfaction index	80% client satisfaction index	+
	5% reduction in audit findings	7.6 % reductions based on 2011 Audit Report	+
	10 days turnaround times in monthly and quarterly financial management and performance reports	10 days financial management reports > 30 days for performance reports	+

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BRANCH : FINANCE

KEY PERFORMANCE INDICATOR	ANNUAL TARGET	PERFORMANCE	TARGET ACHIEVED +/-
	R830 685m R-value of revenue	R 929 154m	+
	24.6% operating cost as percentage of revenue	17.4%	+
	27% Gross profit margin	21.7%	_
	60 days debtor collection period	88 days	_
	R-value of procurement: HDI 20% Non HDI 80%	HDI 31% Non HDI 69%	+
	2.5 inventory turn-over ratio	5.6 inventory turn-over ratio	+
	100% revised draft SCM Framework and Policy	SCM Framework and Policy revised	-
	R343 085m investment in additional production assets	R19 427m	-
	14% return on capital investment	30% Achieved	+

BRANCH : HUMAN RESOURCES

KEY PERFORMANCE INDICATOR	ANNUAL TARGET	PERFORMANCE	TARGET ACHIEVED +/-
1. Human Resource staffing plan	Completed and approved Human Resource Plan	HR Plan approved on 5 February 2013	+
	Completed job descriptions and job evaluations	47 job descriptions and 36 job evaluations completed	+
	Implemented migration plan	Target partially achieved. Draft migration plan completed and structure revised	-
	Filled senior management service posts in accordance with Human Resource Staffing Plan	Two of the eight identified posts were filled	-
	Filled posts in accordance with Human Resource Staffing Plan (90%)	For all other staff 60 of the 66 identified posts were filled	-

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BRANCH : HUMAN RESOURCES

KEY PERFORMANCE INDICATOR	ANNUAL TARGET	PERFORMANCE	TARGET ACHIEVED +/-
2. Training and development plan	Approved Human Resource Development Plan	Human resources resource development plan approved	+
	Two training partnerships entered into	4 training partnerships entered into	+
	Two training days per person - 1 200 training days provided	1 718 training days provided	+
3. Special remuneration dispensation	Approved and implemented special remuneration strategy	Actions within the control of GPW to enable achievement of the target was completed	-
4. Human Resource policies and procedures	All Human Resource policies and procedures implemented and staff trained/informed	A total of 15 policies revisited and submitted for consultation	+

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STATEMENT OF FINANCIAL PERFORMANCE

	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	(161 976)	(114 358)	(128 257)	(109 278)	(100 668)
Operating profit	109 361	191 782	214 814	92 980	10 976
Interest received	2				4 260
Profit for the year	109 363	191 782	214 814	92 980	15 236

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SELECTED BALANCE SHEET ITEMS

Statement of Financial Performance (R million)	Audited Outcome 2012/13	Audited Outcome 2011/12	Audited Outcome 2010/11	Audited Outcome 2009/10	Audited Outcome 2008/09
Bank & Cash	1 028,3	958,5	645,5	390,9	103,3
Trade Receivables	408,6	164,3	212,0	152,6	139,5
Debtors Days Outstanding	88	88	61	63	83
Property, Plant & Equipment	295,8	337,9	351,1	359,4	348,7
Lease Improve-ments	72.1	41,7	44,0		
Trade Payables	298,2	156,5	144,0	85,3	113,9

PROGRESS WITH KEY PROJECTS

- Public website and Electronic Gazette went live in August 2012

- ERP system went live on 1 October 2012

- New unabridged birth certificate launched

- New asylum seekers document produced

- Development of new facility proceeding very slowly

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PROGRESS WITH KEY PROJECTS

- Smart ID Card Project launched by the Minister and Deputy President on 18 July 2013 : Madiba Day

- Smart ID Card personalisation machines operative – launched by the President

- First batch of blank polycarbonate cards arrived

- Production of Smart ID Cards to begin on 15 Oct 2013 – 100 000 by April 2014

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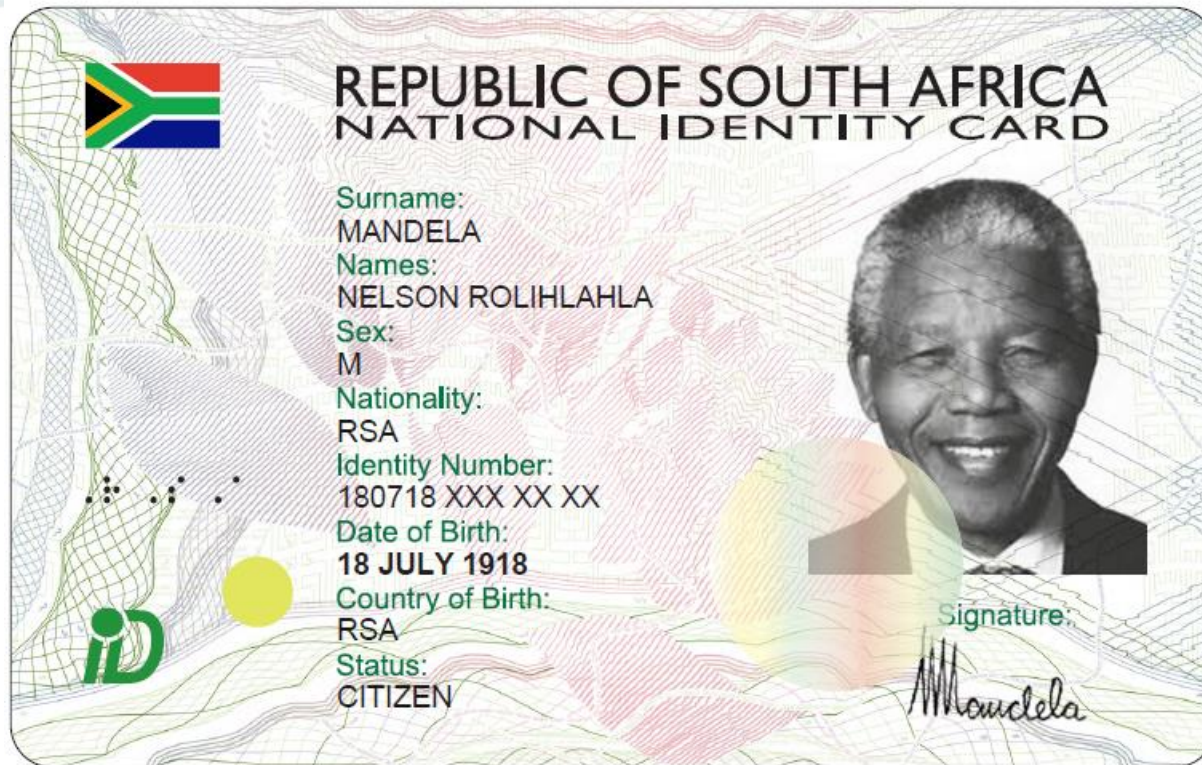Government Printing Works
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Smart ID Card

Smart ID Card

World-Class Printing Facility

31

Smart ID Card Project

- Cost to citizen will be the price of the current ID book : R 140

- Production cost R 100 per smartcard

- First issue ID smartcards will be free of charge : i.e. ~ 1 million South Africans a year turning 16 years of age"

- 38 million ID books will be replaced with smart ID cards over 3 years : 2013 to 2016 i.e. 10 million p.a. or 833 000 per month

- "Live capture" will dramatically improve security

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CONCLUSION

- GPW has successfully completed its conversion to a Government Component in the years 2009 – 2013

- It has achieved its vision of becoming "the State's mandated security printer"

- GPW is now ready to complete the transformation into a "State –owned Company"

- Progress has been made in becoming a modern "print and media company" through revamping internal business processes through the establishment of an Enterprise Resource Planning system (ERP) to integrate financial and production information systems

- A public website has been launched; including an electronic government gazette

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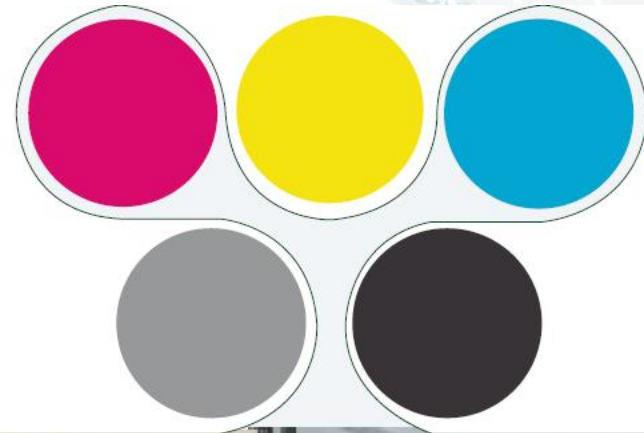Government Printing Works
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CONCLUSION

- Migration to a "new GPW establishment" in human resources has been held up by delays in renovation of the Visagie Street premises

- The asset recapitalisation process has also been slowed by the delays in renovation of Visagie Street

- The ID Smartcard project is proceeding well with four card personalisation machines purchased and operative at the passport factory

- The rollout of Smart ID Cards will begin on 15 October 2013

- All ID books will be replaced with 38 million Smart ID Cards over the next 3 – 5 years

- The business is expanding as more and more government departments bring their work to GPW; and clients from other African countries approach GPW for security printing services

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We thank you kindly