

# ANNUAL

REPORT  
2015/16

## PRESENTATION TO THE PORTFOLIO COMMITTEE FOR HOME AFFAIRS

**Ms. Thandi Moyo**  
**Acting Chief Executive Officer**

12 October 2016



**government  
printing**

Department:  
Government Printing Works  
REPUBLIC OF SOUTH AFRICA



**GOVERNMENT  
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# LEGISLATIVE MANDATE AND STRATEGIC OUTLOOK



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# LEGISLATIVE MANDATE OF GPW

- The Ministers of Finance, Home Affairs and Public Service and Administration approved the business case and GPW was established as a Government Component on 9 October 2009 (Government Gazette 32616). As a Government Component the GPW delivers security printing services to government.

# 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

# SITUATIONAL ANALYSIS

- Transformation into a Government Component complete after the process started in 2009.
- Revenue has doubled since then and now exceeds one billion.
- Seven unqualified audits inclusive of the 2015 clean audit.
- Achieved vision of 'Security printer of choice', although still to be enshrined in legislation.
- Complete the transformation journey through the promulgation of the State Printers Bill.
- Consolidated position as a government owned entity running on sound business principles.

# SITUATIONAL ANALYSIS

## continued

- Profits ploughed back into purchase of new equipment and renovation of Visagie Street.
- GPW fully supports the objectives set out in the National Development Plan and specifically Chapter 13 on building a capable and developmental State.
- Through clear governance structures and stable leadership this Government Component is committed to achieving developmental potential.
- The GPW's financial viability is dependent on its ability to generate revenue from services rendered.

# SITUATIONAL ANALYSIS

continued

- Although GPW can report on increased outputs, service delivery is still negatively affected by human and material resource constraints.
- The lack of experienced and qualified senior managers, artisans and administrative personnel impacts on service delivery, resulting in the GPW being compelled to outsource certain functions.



# STRATEGIC OBJECTIVES 2016 - 2020

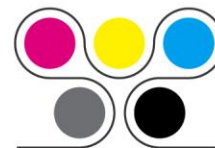


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# STRATEGIC OUTCOME ORIENTED GOALS

<b>Strategic outcome oriented goal 1</b>	<b>State-owned Company</b>
Goal statement	To further develop the Government Component to become a State-owned Company
<b>Strategic outcome oriented goal 2</b>	<b>Optimise processes and facilities</b>
Goal statement	To optimise processes and facilities to increase operational effectiveness and improve customer service
<b>Strategic outcome oriented goal 3</b>	<b>Developed workforce</b>
Goal statement	To have an efficient, effective, well-trained and developed workforce; and a special remuneration dispensation for the Government Component.

# KEY PROJECTS

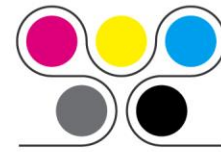


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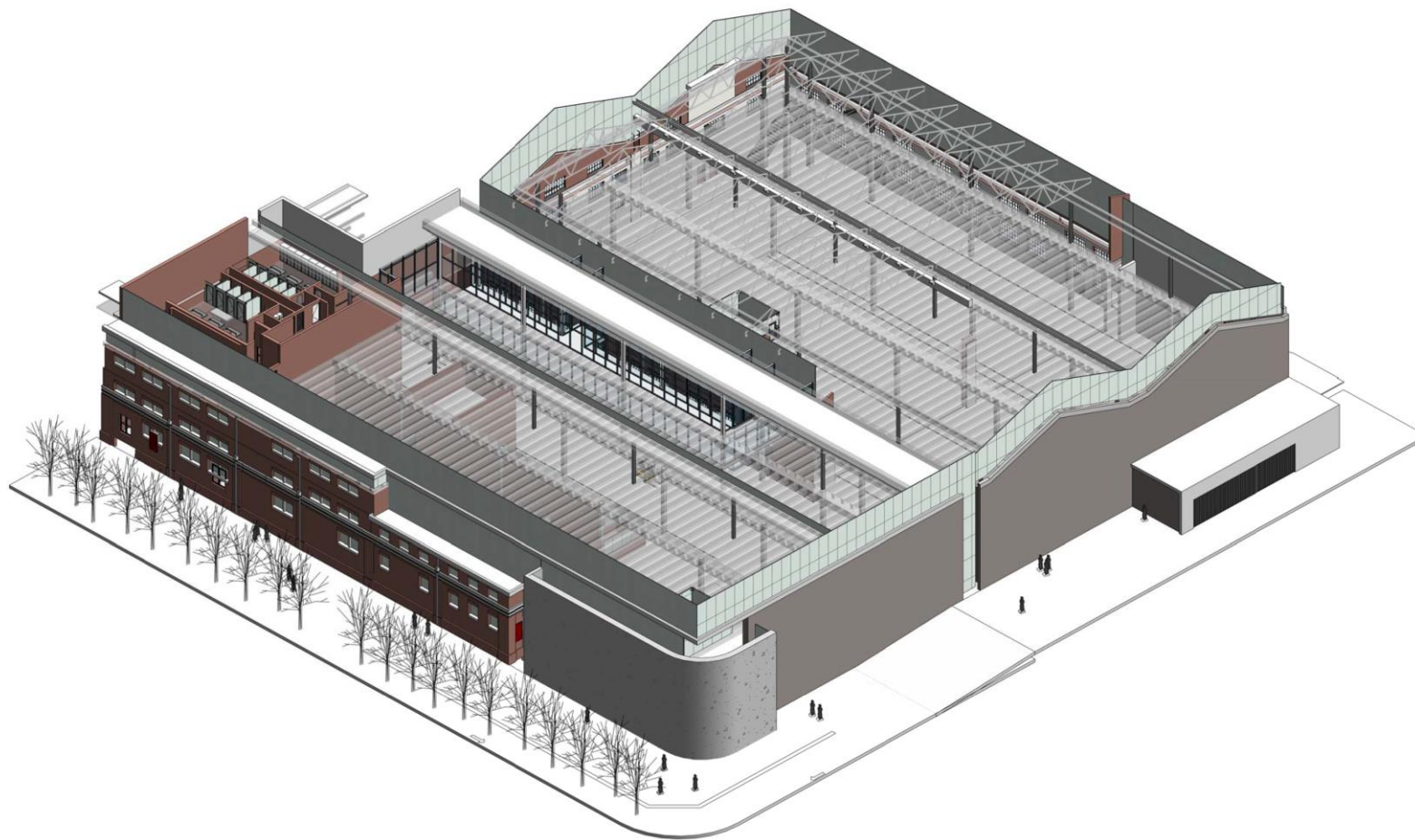
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# KEY PROJECTS

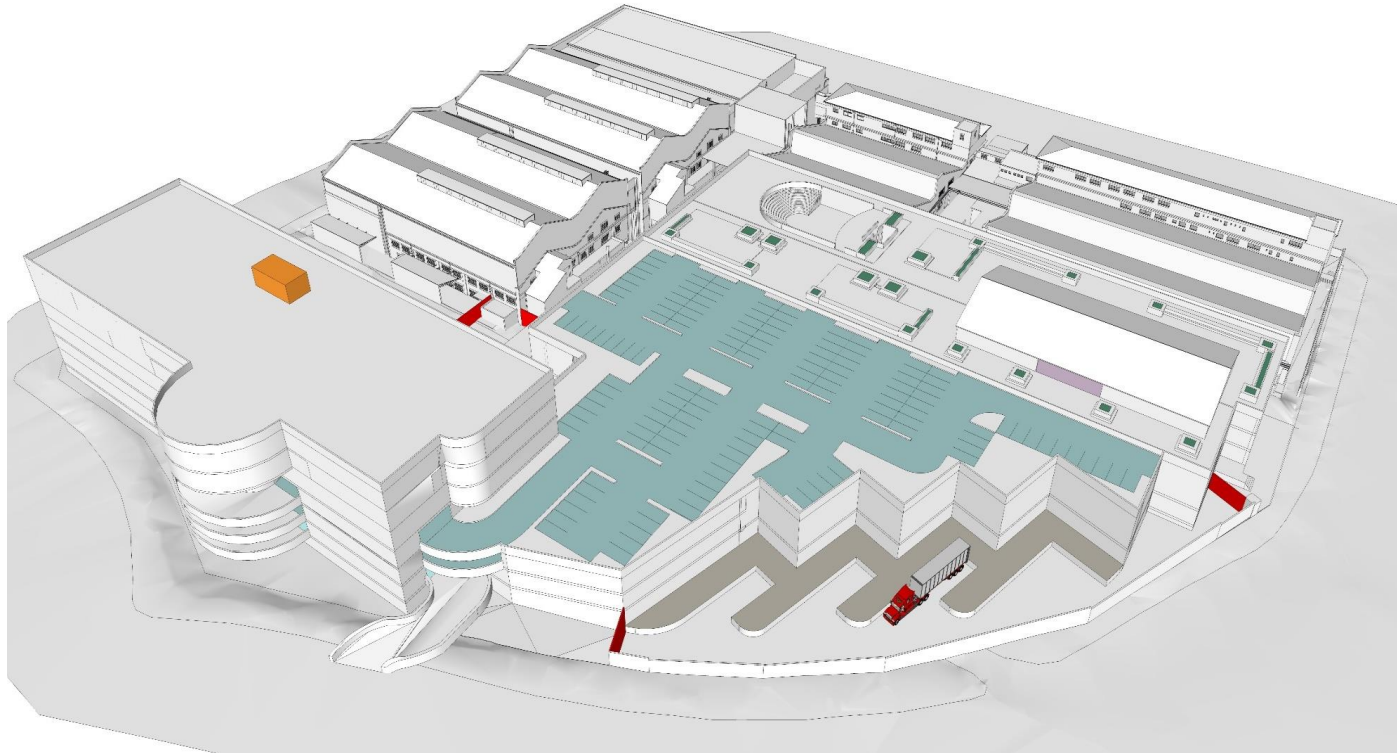
- Ongoing printing of the smart ID card, with 2,413,929 produced in 2015/16
- Business transformation – ICT increasingly used for both internal and external services and products
- Past mid-way point in the R800 million asset recapitalisation programme
- Ongoing renovation of Pavilion 3 – examination printing section as well as a dispatch centre for passports and smart ID cards
- Continued migration of GPW employees to the new GPW establishment
- Pro-active effort placed on human resources development, 1 846 training days, mainly focusing on employee health, safety and personal finance, with a special focus on diversity



# 3D CONCEPT PERSPECTIVE: SOUTH FAÇADE OF MINNAAR STREET CAMPUS



# VISAGIE STREET CAMPUS 2019



# PROJECT STATISTICS



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# PRODUCTION STATISTICS

PRODUCT	2015/2016	2014/2015	2013/2014	2012/2013	2011/2012
Passports	820 237	742 142	656 600	627 152	707 384
Identity Books	545 507	920 835	1 884 326	1 995 421	2 395 393
Smart ID cards	2 413 929	1 660 280	134 867	–	–
Examination books	15 813 805	21 208 146	21 902 988	16 518 188	26 538 274
Government Gazettes (editions)	3 115	2 579	2 573	2 384	2 180
Government Gazettes (pages published)	167 507	109 180	109 250	105 120	97 110

# FINANCIAL RESULTS

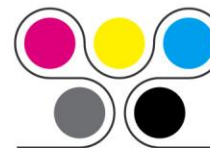


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# STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

(R '000)	2015/16	2014/15	2013/14	2012/13	2011/12	2010/11	2009/10
<b>Revenue</b>	1 138 249	1 013 017	780 659	929 154	692 919	753 443	639 035
<b>Cost of sales</b>	(632 460)	(602 212)	(500 146)	(727 430)	(455 548)	(473 799)	(497 025)
<b>Gross Profit</b>	505 789	410 805	280 513	201 724	237 371	279 644	142 010
<b>Other income</b>	71 446	52 134	66 014	69 613	68 769	63 427	60 248
<b>Operating expenses</b>	(195 464)	(158 123)	(196 840)	(161 977)	(114 358)	(128 257)	(109 278)
<b>Operating profit</b>	381 771	304 816	149 687	109 360	191 782	214 814	92 980
<b>Interest received</b>	1 363	-	-	2	-	-	-
<b>Profit for the year</b>	383 134	304 816	149 687	109 362	191 782	214 814	92 980

# STATEMENT OF FINANCIAL POSITION

Selected Items (R million)	2015/16	2014/15	2013/14	2012/13	2011/12	2010/11	2009/10
Bank & Cash	1 411,0	1 316,2	1 298,0	1 028,3	958,5	645,5	390,9
Trade Receivables	309,1	349,3	211,9	408,6	164,3	212,0	152,6
Debtors Days Outstanding	75	71	77	88	88	61	63
Property, Plant & Equipment	594,5	350,8	266,1	270,6	337,9	351,1	359,4
Lease Improvements	88,0	100,1	76,6	72,1	41,7	44,0	-
Trade Payables	202,9	197,0	190,4	298,4	156,5	144,0	85,3

# IRREGULAR EXPENDITURE

Irregular expenditure	2016 R '000
B-BBEE points awarded without verification of supporting documents (GPW does not agree with AG's finding)	24 949
Goods not procured through competitive bidding	5 464
Less than three quotations obtained and reason for deviation not justifiable	1 005
Quotations not evaluated using the prescribed preferential points system	911
<b>Total</b>	<b>32 239</b>

GPW is in the process of having the total amount of irregular expenditure condoned by National Treasury.

# HUMAN RESOURCES



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# DEMOGRAPHIC TRANSFORMATION

GPW has undergone great transformation in its business processes, technology, products and services over the past 20 years.

GPW has also undergone dramatic demographic transformation in its workforce of 558 from an organisation that before 1994 was 100% white and predominantly male.

Demographics in March 2015	Numbers	Percentages	Percentages in population
Male : Female	295 : 263	53 : 47	49 : 51
Black African	382	69%	81%
White	140	25%	8%
Coloured	25	4%	9%
Indian	11	2%	2%

# PERFORMANCE INFORMATION

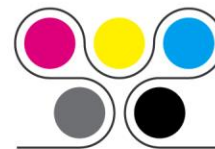


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# BRANCH: OPERATIONS AND PRODUCTION

KEY PERFORMANCE INDICATOR	ANNUAL TARGET	PERFORMANCE	TARGET ACHIEVED +/-
1. Number of equipment items procured	4 new equipment procured according to recapitalisation plan	5 new equipment procured according to recapitalisation plan	+
2. Identity cards produced according to quality specifications	100% of identity documents/cards distributed conformed to client's specifications	100% of 2 413 929 identity documents/cards distributed conformed to client's specifications	+
3. Travel documents produced according to quality specifications	100% of travel documents delivered conform to client's specification	100% of 820 237 travel documents delivered, conformed to client's specification	+
4. Examination scripts delivered according to quality specifications	100% of examination papers delivered conform to client's specifications	100% of 15 813 805 examination papers delivered, conformed to client's specifications	+

# BRANCH: STRATEGIC MANAGEMENT

KEY PERFORMANCE INDICATOR	ANNUAL TARGET	PERFORMANCE	TARGET ACHIEVED +/-
5. Percentage of security vulnerabilities (detected by security assessments mitigated)	> 99% security vulnerabilities mitigated	100% security vulnerabilities mitigated	+
6. Availability of ICT systems	> 99% system availability	99.89% system availability	+
7. Percentage (number) of ICT services offerings identified implemented	> 80% ICT services offerings identified implemented	83% ICT services offerings identified implemented	+
8. Develop and implement e-Gazette system	Implement, review and refine e-Gazette system	e-Gazette system implemented, including the introduction of the e-Gazette contact centre. System improvement changes implemented as per customer feedback and publishing process requirements	+

# BRANCH: STRATEGIC MANAGEMENT

## continued

KEY PERFORMANCE INDICATOR	ANNUAL TARGET	PERFORMANCE	TARGET ACHIEVED +/-
9. Number of targeted platforms used to raise and increase awareness of GPW including new/improved production capacity and capabilities	One targeted platform used to raise and increase awareness of GPW	Three main platforms used to raise and increase awareness of GPW, including: <ul style="list-style-type: none"> <li>• Exhibitions</li> <li>• Hosting customer demonstrations</li> <li>• Tender bids</li> </ul>	+
10. Number of new security products developed for customers	One new security product developed	Two new products developed: <ul style="list-style-type: none"> <li>• Voucher for Department of Rural Development and Land Reform</li> <li>• Certificate for DET SETA</li> </ul>	+
11. Developed and implemented risk management system	Implement security risk management system	As part of security management system, the security management plan has been approved	-
12. Percentage of annual internal audit plan implemented	85% of annual internal audit plan implemented	94% of the revised annual internal audit plan implemented	+

# BRANCH: FINANCIAL SERVICES

KEY PERFORMANCE INDICATOR	ANNUAL TARGET	PERFORMANCE	TARGET ACHIEVED +/-
13. Clean audit report	Maintain unqualified audit opinion	Maintain unqualified audit opinion for 2014/2015	+
14. Operating cost as percentage of revenue	22.6% operating cost as percentage of revenue	17.2% operating cost as percentage of revenue	+
15. Gross profit margin	27.8% gross profit margin	44.4% gross profit margin	+
16. Debtor collection period	80 days debtors collection period	75 days debtors collection period	+
17. Maintain a positive working capital ration	10.1	9.4	-

# BRANCH: FINANCIAL SERVICES

continued

KEY PERFORMANCE INDICATOR	ANNUAL TARGET	PERFORMANCE	TARGET ACHIEVED +/-
18. Inventory turn-over ratio	3.0 inventory turn-over ratio	5.64 inventory turn-over ratio	+
19. SLA's concluded	Concluded SLA's with 10 external customers, 10 suppliers	Concluded contracts with 10 suppliers and SLA's with 11 customers	+
20. Return on capital investment	20% return on capital investment	54% return on capital investment	+
21. Completed construction of secure facilities	Construction of Pavilion 3, 30% completed. Site development plan for remainder of secure facilities	Site development plan completed and approved and 26.8% of construction of Pavilion 3 concluded	-

# BRANCH: HUMAN RESOURCES

KEY PERFORMANCE INDICATOR	ANNUAL TARGET	PERFORMANCE	TARGET ACHIEVED +/-
22. Revised and implemented human resource staffing plan	Revised job descriptions and job evaluations	100% of identified job descriptions and job evaluations revised	+
	Filled posts in accordance with HR staffing plan	Requests have been received to fill 130 positions (permanent and temporary). All posts identified to be advertised have been advertised. 115 positions were filled (permanent and temporary), resulting in 88.46% filled	+
23. Revised and implemented human resource development plan	Conduct skills assessment	Skills assessment 100% completed	+
	Three average training days per person	1 846 training days provided i.e. an average of 3.4 training days per person	+
24. Revised and implemented employee relations management policies, processes and guidelines	Determine absenteeism baseline per unit	Absenteeism baseline per unit completed	+

# GPW: TOTAL PERFORMANCE

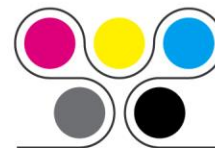
BRANCH	TARGETS PLANNED	TARGETS ACHIEVED	%
Operations & Production	4	4	100%
Strategic Management	8	7	88%
Financial Services	9	7	78%
Human Resources	5	5	100%
Total	26	23	88%

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