

THE GOVERNMENT PRINTING WORKS
Annual Report 2011-2012



government
printing

Department:
Government Printing Works
REPUBLIC OF SOUTH AFRICA



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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 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 of this category.

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. That is, it is as 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, Dr NC Dlamini-Zuma gives an outline on the innovations, achievements and progress made by the GPW, while GPW's new CEO, Prof. Anthony Mbewu provides further information on how the organisation is transforming into a modern print and media company.



OVERVIEW



Preface by Dr N.C. Dlamini-Zuma, MP, Minister of Home Affairs

The Government Printing Works (GPW) is a government component that delivers security printing (such as passports and identity documents) and related services to the Department of Home Affairs (DHA) and other government departments.

The vision of GPW is to become “the state’s mandated security printer” and its mission is to provide:

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

The GPW has made considerable progress towards achieving its vision through various initiatives during the year under review, such as:

It is optimising its production processes through the development of new premises at Visagie Street, Pretoria, which should reach completion by the end of 2015.

It is midway through a radical asset replacement programme, spending R385 million over the MTEF period to replace outdated technology and machinery.

In support of its business operations, the GPW is implementing an enterprise resource planning (ERP) system, as well as systems to implement the activity-based costing methodology. The project is on track to go live in October 2012.

In early 2012, the GPW successfully completed a pilot for the production of a new national identity document (ID) smart card, which is scheduled for implementation from the end of 2012. This will entail the purchase of state of the art machinery for the personalisation of the polycarbonate cards within a secure facility at the GPW’s Visagie Street premises. It is envisaged that going forward, all the processes for the production of the smart card will be done inhouse, minimising the opportunities for fraud or identity theft.

The new GPW establishment is being implemented, with a new personnel structure that should address capacity building and the retention of staff. The process should be complete by the end of 2014.



The GPW continues on its path of improved service delivery to ensure that both South African citizens and the government departments that serve them are empowered with high-tech, secure means of identification, such as: passports, identity documents and eventually ID smart cards.

N.C. Dlamini-Zuma

N. C. Dlamini-Zuma
Minister of Home Affairs



CHIEF EXECUTIVE OFFICER'S REPORT.



The 2011/12 financial year has been a fruitful and eventful period in the GPW journey of transforming into a government component and becoming government's mandated security printer of choice.

Once again, the GPW obtained an unqualified audit for the 2011/12 financial year, confirming its position as a government-owned entity running on sound business principles; with all its operations financed through revenue it generates by means of the services it provides.

The GPW produced in the year under review, 707,384 state of the art passports, which are virtually impossible to forge, as well as 2,395,393 identity (ID) documents with a turnaround time of three days per document. A successful pilot project in early 2012 produced for the Department of Home Affairs, a prototype of a new ID smartcard to replace ID books over the coming years. The ID smartcard will contain a microchip and have security features that will make it extremely difficult to counterfeit. The Minister of Home Affairs plans for the rollout of the new ID smartcards to begin before the end of 2012.

In addition, the GPW printed 26,538,274 matriculation examination papers within specified time and quality parameters, as well as over 2,180 editions of the Government Gazette.

Work is underway to augment the printed gazette with an electronic gazette, which will be accessible to the public via a website. This will be launched in the third quarter of 2012.

During the reported period, the GPW purchased 30 new pieces of equipment as part of its asset recapitalisation programme. Total investment in additional production assets reached R17,850,000 and there are plans in place to procure additional and technology, including equipment to personalise the new polycarbonate ID smartcards.

The use of advanced information technology systems in its financial and production processes and employing paper, synthetic substrates and internet-based media to deliver its products, will facilitate the transformation of the GPW into a modern print and media company over the coming years.



Renovation of the Visagie Street, site in Pretoria has seen some delays, however, the passport factory, security printing facility and several business units such as IT and internal audit have already been relocated. It is hoped that by the end of 2014, the entire organisation will have made the move from Bosman Street to Visagie Street.

The business processes of the GPW are also being revamped with the new ERP system set to go live in October 2012. This will ensure integration of management information flow between the financial and production branches of the GPW, including activity-based costing, to improve the efficiency and accuracy of reporting and management within the GPW.

The new CEO of the GPW took office in January 2012. The vacant posts of general managers for Strategic Management and for Human Resources are currently being filled, as are the 24 open positions in the senior management category. Full implementation of the new GPW establishment has been held up by delays in migration to the Visagie Street site. Currently, 537 staff are employed at the GPW, but this is set to increase as the new structures are established. Adequate remuneration of these staff members remains a challenge, with the GPW's salaries significantly lagging behind salaries for equivalent posts in the printing industry.

In conclusion, the GPW continues on its three year path to transition to a government component and is supported by an increasing revenue stream, new customers arriving at its doorstep and being awarded large prestigious projects, such as the ID smartcards. Significant challenges remain, including recruitment and retention of skilled human resources, addressing deficiencies in the remuneration structures, accelerating renovation of the Visagie Street site and implementing ERP. 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

Pretoria
31 May 2012

A close-up photograph of a hand holding a fan of color swatches. The swatches are arranged in a semi-circle, showing a wide range of colors from dark blues and greens to bright yellows and oranges. The hand is positioned at the top, with the thumb and index finger visible, holding the edges of the swatches. The background is plain white.

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 Government Printing Works (GPW) is a South African security printing specialist that deals with the printing of passports, visas, birth certificates, smart card identification 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 124 years, during which it has adhered to the overall goal of security printing, which is to prevent forgery, counterfeiting and tampering that could lead to fraud and identity theft.

It has done this by continuously updating its security printing technology and today boasts a new 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 regulated parameters of South Africa's Department of Home Affairs.

Vision and Mission

The market for security printed matter is on the increase. This growth is mainly driven by the need for modern security documents, including documents that incorporate biometric features.

Today, the GPW is well positioned to take advantage of this growth and, with its new security printing facility, it has the capacity to expand its business in order to become one of the leading security printing services provider on the African continent.

In line with this, the GPW developed its vision and mission, and its business behaviour is guided by its core values.

Vision: To be the State's mandated security printer.

Mission:

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

Core values: Reliability, integrity, accuracy, stakeholder satisfaction.



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 also created an end-to-end consulting service for clients wanting to do business with the GPW.

Security printing services

Document security features generally function on three levels:

- First level security consists of elements such as watermarks and tactile features, which can be readily verified with the naked eye under natural light.
- Second level features are 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 verified 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 new 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 (smart cards 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 card personalisation by either D2T2 (full colour personalisation) or laser engraving.

Passport production

The GPW can manufacture blank 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 three 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 documents in most electronic formats and their conversion 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 printing jobs 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.
- 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, including 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 such as:

- sheeted;
- fan folded packs;
- sprocketed continuous stationery (also multipart);
- multipart snapshots;
- 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 printing jobs 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, other 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 – some weekly, others monthly.



Publication services

Publications and hard copy items such as maps, aviation logbooks, 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.
- 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 production 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, but 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 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. Printing/ security printing experts are committed to delivering an end-to-end consulting service and 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 best practices printing.
- Advising on security production processes.
- Recommending printing methods and paper.
- 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 Eastern 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 Beyrouth during 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. Historically, 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, which were 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 to commence duties 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 decided to monopolise 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 B.J. 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 to establish a free press erupted during 1824 between the governor, Lord Charles Somerset on the one hand, and his opposition being 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, who was a prominent South African journalist. This battle 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 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 Cornelius 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 Cornelius 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 thus government purchased the printing facility from Moll and Cilliers in September 1859. Whilst Jan Cilliers moved back to the Cape, Cornelius 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 where it produced the first postage stamps for 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 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.



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 get hold of 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 dilapidated machines and to purchase new equipment, thus Cilliers was able 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. The two officials, being fairly evenly matched, 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, 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 GPW with a substantial duplication of personnel and equipment. Given this untenable situation, Cabinet was approached with a recommendation that the Department of Home Affairs 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 (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).

As a government component, the GPW will continue to fulfil a key role into the future pertaining to the delivery of security printing services to government.





The Government Printing Works

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 enrolls 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.



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.

1782 - 2011

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.



1888

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

1976

The GPW is established as a trade account.

2009

The GPW is established as a government component.

1891

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



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 THE GPW

A career at the GPW means building on the organisation's rich legacy. The GPW offers its employees an environment that enables them to reach their full potential. The GPW has also put mechanisms in place to become an employer of choice.

The GPW offers both technology and development opportunities, such as training and study bursaries.

Professor Anthony Mbewu, the GPW's new CEO took office on 1 January 2012, which has enabled the organisation to expedite the filling of vacant general manager posts and other senior management positions. The Internal Audit department has also been capacitated, whilst several lower level posts have been filled.

It is unfortunate that the number of qualified artisans has declined, creating a skills gap in various printing disciplines. The GPW has, however successfully recruited a number of artisans to both close this skills gap and help build capacity. Nevertheless, the inadequate dispensation of certain disciplines has an impact on recruiting and retaining critical skills.

Training and development

In the year under review, training and developments' main emphasis was in preparation for the new ERP system and 62 training days were spent on PC literacy improvement. Fourteen new study bursaries were granted in the financial year and three unemployed candidates were accepted into apprentice programmes.

A Departmental Bargaining Council has been established at the GPW in order to create a legitimate forum for discussions between the employer and organised labour organisations. Serious misconduct cases were limited to four cases only, which less than one percent of total employees.



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

As a government component, the GPW needs to invest and adopt the latest technology in order to stay ahead of the competition and create a sustainable business.

For this reason, it is following a radical equipment modernisation plan that will bring its printing resources in line with other world-class security printing facilities. It is envisioned that the plan will be completed by 2014.

Its asset replacement programme commenced with the commissioning of a new passport manufacturing and personalisation centre in April 2009, and continued during the 2011/12 financial year, with the following acquisitions, valued at approximately R103 million:

- computer-to-plate plate making system;
- laser-based rubberstamp production system for the manufacturing of security rubberstamps;
- sheet-fed and web-fed security foil application systems;
- eight paper granulators;
- video spectral comparator system to enhance the GPW's laboratory services for assistance with forensic document analysis;
- four paper jogging machines;
- automated paper folding machine;
- paper drilling machine;
- wire-stitching machine; and
- sheet-fed offset printing press.

In terms of its service delivery, the GPW continued on the journey of transformation during the year under review; with the challenges of the organisation including functioning on purely business principles governed by market forces and, at the same time, operating within the public service milieu, following the GPW's establishment as a government component.

Highlights that illustrate the positive future ahead include the continuous production of high quality security products on behalf of government institutions. These services included the printing and distribution of approximately 27 million examination papers, which also incorporated national senior certificate examination materials, on behalf of various Limpopo, Gauteng and Mpumalanga's provincial departments of education.

The entire project was completed successfully within the prescribed timeframes and with no security compromises.

In summary, the GPW's investment in new technology has positioned it to take advantage of the growth in the security printing industry, placing it amongst the leaders in security printing and ensuring that it delivers on its vision.



Chapter 07

FINANCIAL

The GPW's annual financial statements and reports for the year ended 31 March 2012.



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AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2012

AUDIT COMMITTEE MEMBERS AND ATTENDANCE:

The Audit Committee consist of the members listed hereunder and should meet at least four times per annum as per its approved terms of reference. There terms of engagement of the chairperson expired on 31 October 2011. In order to retain continuity and experience approval was granted to appoint one of the members as acting Chairperson with effect from 01 November 2011.

Four meeting took place during the year under review.

| Name of Member | Position | Number of meetings held | Number of meetings attended |
|----------------|--------------------------------|-------------------------|-----------------------------|
| Ms. MAF Moja | Chairperson – Contract expired | 4 | 3 |
| Ms. M Strydom | Member – Acting Chairperson | 4 | 4 |
| Mr. SL Ndaba | Member | 4 | 4 |
| Ms. M Sedite | Member | 4 | 2 |
| Mr. AN Mhlongo | Member – Resigned 03/06/2011 | 4 | 0 |

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 the 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 responsibilities 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

The GPW is still in the transition phase out of the Department of Home Affairs being corporatized. This resulted in management concentrating on strategic matters of the new structures of the organisation. Internal Audit unit is not yet fully capacitated however the recruitment of the vacant positions as per the approved structure is in process, 2 internal Audit Specialists were appointed during the year and 3 interns were appointed subsequent to year end. Therefore the majority of the approved posts were vacant for the period under review which resulted in internal audit not being able to fully perform their duties during this period.



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.

We have further have:

- Reviewed the Auditor-General South Africa's managements' report and management response thereto.
- 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.

APPRECIATION

The Audit Committee expresses its appreciation to the Accounting Officer; Management team, and the Auditor-General for their contribution to fulfill our obligations.

Ms. M Strydom
Acting Chairperson of the Audit Committee

Date: 31 July 2012

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, and were given unrestricted access to all financial records and related data.

The annual financial statements have been prepared on the going concern basis and in accordance with South African Statements of 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 entity's cash flow forecast for the year to March 31, 2013 and, in the light of this review and the current financial position, 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 41 to 61, which have been prepared on the going concern basis, were approved by the Accounting Officer on May 31, 2012.



Prof AD Mbewu

Pretoria
31 May 2012



ACCOUNTING OFFICER'S REPORT

EXECUTIVE SUMMARY

The GPW was founded in 1888 for the purposes of rendering security printing and related services to government. In 1976, the GPW was established as a trading account within the Department of Home Affairs. When the Public Finance Management Act came into effect in 1999, the institution was established as a trading entity and, since then, the GPW has been operating on regular business principles by generating sufficient revenue from services rendered to defray its operational expenditure.

The GPW was converted to a Government Component in October 2009, a new type of entity in terms of Schedule 3 of the Public Service Act – Section 7(5)(c), which had come into effect on 1 April 2008. This conversion was to enable the entity to operate more fully on sound business principles, setting the GPW on the path to full profitability within a three-year cycle starting on April 2010.

The GPW is midway in this transition, which 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
- Migration of GPW employees into a new GPW Establishment.

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

MANDATE AND CORE BUSINESS

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 items of stationery.

TRANSFORMATION

The GPW continues to advance in its quest to become a modern printing company run on solid principles, with an emphasis on security printing. This has meant beginning the transformation into a print and media company, embracing the modern technologies of the internet, as well as information and communication technologies in both its products and business processes.

In terms of transforming the GPW's business processes, implementation of an Enterprise Resource Planning (ERP) system began in the 2011/12 financial year, with the purpose of integrating the functions of finance and production branches using an IT backbone. The finance solution implemented is Microsoft Dynamics AX and the production solution deployed is Hiflex; with Microsoft Biztalk Server provided to integrate the finance and production solutions. The ERP system will go live in late 2012 and 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. The ERP system will replace the current old and fragmented systems that are both time consuming and costly to utilise.

Furthermore, planning for an electronic gazette (e-gazette) to complement the Government Gazette began in this financial year and will go live in mid 2012. It is anticipated that most of the clients of the GPW will use this internet-based platform to access the e-gazette, as well as to submit material for publication.

NEW PREMISES

The process of renovating the Visagie Street site for the GPW continued this year with the completion of Pavilion 2, adjacent to the new Passport Factory in Pavilion 1. It is hoped renovation of the entire site will be completed by the end of 2013, ready for the whole organisation to vacate the Bosman Street site and move to the modern facilities in Visagie Street.

ASSET REPLACEMENT PROGRAMME

The GPW is in the midst of an extensive asset replacement programme to replace old technology. The programme began in 2011, with plans to spend R256 million over the three years from 2011 to 2014. However, spending on 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.

THE GPW ESTABLISHMENT

The migration of staff to the new "GPW establishment" continued throughout the period under review. 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; and
- GM: Strategic Management.



Two of these GM posts remain vacant (GM: Human Resources and GM: Strategic Management). These and other senior management posts will be filled in 2012 now that a new CEO has been appointed from 1 January 2012. The CEO in turn reports to the Minister of Home Affairs, the Honourable Dr Nkosazana Dlamini Zuma.

The new structure provides for more specialist positions and strengthens the managerial capacity of the GPW – a necessary change in an organisation undergoing transformation into a modern print and media company. As more managerial positions are filled, the appointment in lower level vacancies will be expedited. Provisions have been made to address deficiencies in the remuneration structures over the next two financial years, especially in the technical grades where the majority of skills shortages are experienced.

Currently 537 staff work at the GPW, but this number is set to increase during 2012/13, with many new staff holding competencies that commensurate with a modern print and media company that deploys the most up to date technologies in the security printing industry.

However, recruiting and retaining skilled and specialist staff remains a serious challenge at the GPW, primarily as a result of uncompetitive remuneration packages in comparison to the printing industry.

STRATEGY

A strategic planning workshop held by senior managers in October 2011 affirmed the vision of the GPW: To render security printing and related services to government. The goal is for the GPW to become the “security printer of choice” of the government, and the organisation is well on track to achieve this goal within the coming years. The GPW is carving out its niche in the local print industry through excellent print and media products, benchmarked against the best in the world. These include the new world class South African passport and will be joined in late 2012 by the new identification (ID) smart card, announced by the Minister of Home Affairs during her budget vote speech in April 2012.

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

The 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 offering the GPW provides of security products is unrivalled in South Africa and the African continent and this has clearly been recognised by government, which awarded the ID smart card contract to GPW. The GPW's capability to print such a smart card came to the fore in 2010 with its new South African Crew Member Certificate production and was further honed in a pilot South African ID smart card project in January and February 2012, in which the Department of Home Affairs requested the GPW to produce ID smart cards for 2,000 Home Affairs officials to use as access control into their headquarters.

This new South African ID smart card is made from polycarbonate and has a contactless electronic chip, digitised fingerprints and a photograph of the citizen. It contains internationally benchmarked security features, eliminating forgeries and, in this way, alleviating the serious problems of identity theft and fraud, cloning of ID documents and more.

OUTPUTS

Outputs of security and other printed matter during the period under review remained stable, as shown in the following production statistics, and all the business units attained most of their targets:

Production statistics

| Product | 2010/11 | 2011/12 | % Variance |
|--------------------------------|------------|------------|------------|
| Passports (booklets) | 859,884 | 707,384 | -17.7% |
| ID documents (booklets) | 2,233,493 | 2,395,393 | +7.3% |
| Examinations (scripts) | 21,726,216 | 26,538,274 | +22.1% |
| Government Gazettes (editions) | 2,390 | 2,180 | -8.7% |

The Government Gazettes and ID documents were all published according to Quality and Delivery Specifications throughout the year, with a turnaround time of three days consistently achieved in the case of the ID documents.

The spoilage rate for new passports was 2.6 percent, below the target of no more than three percent spoilage rate, and not a single imperfect passport left the passport factory. There were 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.

The GPW has a fully functioning Security Division and the organisation did not experience any serious security breaches in the period under review. Additional staff members were recruited within the Internal Audit department during the course of the year, including two internal audit interns.

The information and communication technology systems have been improved with a fully functioning intranet, a highly available e-mail system and secure firewalls. In the coming months, the GPW external website will be launched.

Human Resource policies, standard operating procedures and strategies have been revised, developed and customised. 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 one training day per employee annually was implemented. All outstanding job evaluation and descriptions were completed and 60 percent of the vacant posts were advertised and filled. A remuneration benchmark survey is underway.

In the finance division, a clean audit report was obtained. Turnaround times of monthly financial management performance reports were maintained below 14 days.

Revenue flow tends to fluctuate markedly at GPW due to large changes in orders between quarters, but despite this, revenue was maintained at between R157,575,000 and R198,477,000 quarterly throughout the period under review. Operating cost as a percentage of revenue was 16.5 percent.



Thirty pieces of new equipment were procured as planned in the asset recapitalisation programme and total investment in additional production assets reached R17,850,000. The return on capital investment was 51 percent.

CONCLUSION

The GPW achieved marked successes midway through its three-year transition to a government component. This has been due to its increasing revenue stream, the gaining of new customers and large prestigious projects being awarded to the GPW, such as the ID smart card. Significant challenges, however, remain along its growth path. These include recruitment and retention of skilled human resources, addressing deficiencies in the remuneration structures, accelerating renovation of the Visagie Street site and implementing an ERP system. With the strong and unwavering support received from the Minister of Home Affairs and her Department, the GPW anticipates meeting all these challenges in the years that lie ahead.

Prof AD Mbewu
Accounting Officer

Pretoria
31 May 2012

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 41 to 61 which comprise statement of financial position as at 31 March 2012, 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 2012, 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 83 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 was identified in the report on predetermined objectives, I draw attention to the following matter below.

Achievement of planned targets

13. Of the 64 planned targets, 69% of the targets were achieved during the year under review. This represents 31% of total planned targets that were not achieved during the year under review.

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:

Internal audit

15. The internal audit function did not evaluate the effectiveness and efficiency of controls and did not give adequate recommendations for their enhancement and improvement, not as required in Treasury Regulation (TR) 3.2.11.

Expenditure management

16. Money owing by the Government Printing Works was not always paid within 30 days of receiving an invoice or statement, as required by section 38(1)(f) of the PFMA and TR 8.2.3.

Risk assessment

17. The accounting officer did not ensure that a risk assessment is conducted regularly to identify emerging risks of the institution as required by TR 3.2.1 and Section 38(1)(i) of the PFMA.

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 does 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 the internal policies and procedures and for purposes of taking corrective action to address deficiencies in a timely manner in the trading entity.

Governance

21. Although GPW has a newly established internal audit division, the majority of the approved posts were vacant for the period under review which resulted in internal audit not being able to fully perform their duties during this period.
22. No risk assessment was performed during the financial year under review.

Auditor General

Pretoria
31 July 2012



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

| | Note(s) | 2012 R '000 | 2011 R '000 |
|-----------------------------------|---------|----------------|----------------|
| Revenue | 2 | 692,919 | 753,443 |
| Cost of sales | 3 | (455,548) | (473,799) |
| Gross profit | | 237,371 | 279,644 |
| Other income | 4 | 68,769 | 63,427 |
| Operating expenses | 5 | (114,358) | (128,257) |
| Operating profit | | 191,782 | 214,814 |
| Surplus for the year | | 191,782 | 214,814 |
| Other comprehensive income | | - | - |
| Total comprehensive income | | 191,782 | 214,814 |

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2012

| | Note(s) | 2012 R '000 | 2011 R '000 |
|--|---------|------------------|------------------|
| Assets | | | |
| Non-current assets | | | |
| Property, plant and equipment | 7 | 379,588 | 395,040 |
| Current assets | | | |
| Inventories | 8 | 138,434 | 120,889 |
| Trade and other receivables | 9 | 164,267 | 211,973 |
| Cash and cash equivalents | 10 | 958,458 | 645,541 |
| | | 1,261,159 | 978,403 |
| Total assets | | 1,640,747 | 1,373,443 |
| Net assets and liabilities | | | |
| Net assets | | | |
| Capital fund | 11 | 683,911 | 469,096 |
| Surplus distributable to National Treasury | | 191,778 | 214,811 |
| | | 875,689 | 683,907 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Deferred income | 12 | 605,920 | 543,251 |
| Current liabilities | | | |
| Trade and other payables | 13 | 156,466 | 144,038 |
| Provisions | | 2,672 | 2,247 |
| | | 159,138 | 146,285 |
| Total liabilities | | 765,058 | 689,536 |
| Total net assets and liabilities | | 1,640,747 | 1,373,443 |



STATEMENT OF CHANGES IN NET ASSETS

| | Capital fund | Surplus distributable to National Treasury | Net assets |
|--|----------------|--|----------------|
| | R '000 | R '000 | R '000 |
| Balance at April 01, 2010 | 356,410 | 112,683 | 469,093 |
| Changes in net assets | | | |
| Total comprehensive income for the year | - | 214,814 | 214,814 |
| Transfer of treasury approved surplus to capital fund | 112,686 | (112,686) | - |
| Total changes | 112,686 | 102,128 | 214,814 |
| Balance at April 01, 2011 | 469,096 | 214,811 | 683,907 |
| Changes in net assets | | | |
| Total comprehensive income for the year | - | 191,782 | 191,782 |
| Transfers of treasury approved surplus to capital fund | 214,815 | (214,815) | - |
| Total changes | 214,815 | (23,033) | 191,782 |
| Balance at March 31, 2012 | 683,911 | 191,778 | 875,689 |

STATEMENT OF CASH FLOWS

| | Note(s) | 2012 R '000 | 2011 R '000 |
|---|---------|----------------|----------------|
| Cash flows from operating activities | | | |
| Cash receipts from contributors and other sources | | 967,237 | 899,410 |
| Cash paid to suppliers and employees | | (594,181) | (540,629) |
| Cash generated from operations | 15 | 373,056 | 358,781 |
| Net cash from operating activities | | 373,056 | 358,781 |
| Cash flows from investing activities | | | |
| Acquisition of property, plant and equipment | 7 | (60,139) | (104,163) |
| Total cash movement for the year | | 312,917 | 254,618 |
| Cash at the beginning of the year | | 645,541 | 390,923 |
| Total cash at end of the year | 10 | 958,458 | 645,541 |



ACCOUNTING POLICIES

I. BASIS OF PREPARATION

The annual financial statements have been prepared in accordance with South African Statements of Generally 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 present fairly the entity's financial position, financial performance and 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 financial performance in the period in which they occur.

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 |
| Computer software | 3 years |

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 Financial assets and liabilities

1.2.1 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.

1.2.2 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.

1.2.3 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.

1.2.4 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 or 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.

1.2.5 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 financial performance.

Trade and other receivables are classified as loans and receivables.



1.2.6 Trade and other payables

Trade payables are initially and subsequently measured at fair value.

1.2.7 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.

1.3 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 financial performance 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.

1.4 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 are 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 recognised as an expense in the period in which the reversal occurs.

1.5 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.

1.6 Retirement benefits

1.6.1 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 administrated by National Treasury (NT). Once the employee leaves the GPW, he/she becomes a pension member under the auspices of the National Treasury and has no relationship with the GPW.

1.6.2 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.

1.6.3 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.

1.7 Provisions and contingencies

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.



1.8 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 Financial Performance over the useful life of the asset starting when the asset is brought to use.

1.9 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.

1.10 Interest income

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

1.11 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 financial performance.

1.12 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 is 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

| Note(s) | 2012 | 2011 |
|---|----------------|----------------|
| | R '000 | R '000 |
| 2. REVENUE | | |
| Revenue | 692,919 | 753,443 |
| Regular sales | 590,617 | 648,353 |
| Contract printing | 102,302 | 105,090 |
| | 692,919 | 753,443 |
| 3. COST OF SALES | | |
| Direct labour | 52,220 | 50,930 |
| Manufacturing overheads | 37,715 | 25,102 |
| Direct materials | 293,453 | 331,600 |
| Depreciation-factory equipment | 72,160 | 66,167 |
| | 455,548 | 473,799 |
| 4. OTHER INCOME | | |
| Bad debts recovered | 727 | 798 |
| Discount received | 1,624 | 1,511 |
| Deferred Income | 66,334 | 60,765 |
| Other recoveries | 83 | 316 |
| Telephone refunds | 1 | 37 |
| | 68,769 | 63,427 |
| 5. OPERATING EXPENDITURE | | |
| Administration and management fees | 21,310 | 21,035 |
| Audit fees | 3,121 | 3,864 |
| Bad debts provision | (5,423) | 7,371 |
| Bad debts written off | 59 | 2 |
| Depreciation | 3,425 | 2,366 |
| Employee costs | 57,326 | 49,296 |
| Other operating expenditure | 33,570 | 42,285 |
| Loss on exchange differences | 970 | 2,038 |
| | 114,358 | 128,257 |
| Due to classification changes, some of the 2011 figures have changed. However, the total operating expenditure remains the same for 2011. | | |
| 6. SURPLUS FOR THE YEAR | | |
| The following items have been charged in arriving at surplus for the year | | |
| Depreciation | 75,585 | 68,533 |
| Auditors' remuneration | 3,121 | 3,864 |
| Consultant fees | - | 798 |
| | 78,706 | 73,195 |

7. PROPERTY, PLANT AND EQUIPMENT

| | 2012 | | | 2011 | | |
|------------------------|----------------|--------------------------|----------------|----------------|--------------------------|----------------|
| | Cost | Accumulated depreciation | Carrying value | Cost | Accumulated depreciation | Carrying value |
| Plant and equipment | 562,554 | (270,225) | 292,329 | 544,966 | (203,096) | 341,870 |
| Office furniture | 14,865 | (10,460) | 4,405 | 13,643 | (9,312) | 4,331 |
| Motor vehicles | 880 | (880) | - | 880 | (704) | 176 |
| Computer equipment | 60,680 | (22,071) | 38,609 | 22,303 | (17,622) | 4,681 |
| Computer software | 2,658 | (140) | 2,518 | - | - | - |
| Leasehold improvements | 45,107 | (3,380) | 41,727 | 45,107 | (1,125) | 43,982 |
| Total | 686,744 | (307,156) | 379,588 | 626,899 | (231,859) | 395,040 |

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 | 38,380 | - | (4,452) | 38,609 |
| Computer software | - | 2,658 | - | (140) | 2,518 |
| Leasehold improvements | 43,982 | - | - | (2,255) | 41,727 |
| Total | 395,040 | 60,139 | (6) | (75,585) | 379,588 |

Reconciliation of property, plant and equipment - 2011

| | 2011 | | | | |
|------------------------|-----------------|----------------|------------|-----------------|----------------|
| | Opening balance | Additions | Disposals | Depreciation | Total |
| Plant and equipment | 348,213 | 56,126 | - | (62,469) | 341,870 |
| Office furniture | 4,321 | 1,252 | (1) | (1,241) | 4,331 |
| Motor vehicles | 352 | - | - | (176) | 176 |
| Computer equipment | 6,525 | 1,679 | - | (3,523) | 4,681 |
| Leasehold improvements | - | 45,106 | - | (1,124) | 43,982 |
| Total | 359,411 | 104,163 | (1) | (68,533) | 395,040 |



8. INVENTORIES

| | 2012 | 2011 |
|---------------------------|----------------|----------------|
| | R '000 | R '000 |
| Raw materials, components | 75,270 | 65,377 |
| Work in progress | 29,627 | 13,726 |
| Finished goods | 34,871 | 42,709 |
| Subtotal | 139,768 | 121,812 |
| Inventories (write-downs) | (1,334) | (923) |
| | 138,434 | 120,889 |

Inventories are valued consistent to previous years as stated in note 1.4. During the year under review slow moving and obsolete stock amounting to R null million (2011: R null million) were written off. An increase in the provision for slow moving and obsolete stock amounting to R 0,411 million (2011: -R 0,157) was passed during the current financial year.

9. TRADE AND OTHER RECEIVABLES

| | 2012 | 2011 |
|-------------------|----------------|----------------|
| | R '000 | R '000 |
| Trade receivables | 161,294 | 183,346 |
| Other receivables | 2,973 | 28,627 |
| | 164,267 | 211,973 |

Included in other receivables are the following: Disallowance creditors of R null million (2011: R1,086 million), incapacity leave of R 0,32 million (2011: -R 0,57 million), VAT of R null million (2011: R25,738 million) and creditors with debit balances of R null million (2011: R0,698 million).

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 2012 trade and other receivables in the amount of R 18,490 million was considered to be impaired and a reduction in the provision for doubtful debts of R 5,423 million was passed in the current financial year.

Reconciliation of provision for impairment of trade and other receivables

| | 2012 | 2011 |
|----------------------|---------------|---------------|
| | R '000 | R '000 |
| Opening balance | 25,302 | 31,372 |
| Provision adjustment | (5,423) | 7,370 |
| Less: utilised | (1,389) | (13,440) |
| | 18,490 | 25,302 |

The creation and release of provision for impaired receivables have been included in other income in the income statement (note 5). 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:

| | 2012 R '000 | 2011 R '000 |
|-------------------|----------------|----------------|
| Cash on hand | 39 | 39 |
| Bank balances | 15,676 | 17,296 |
| Paymaster general | 942,743 | 628,206 |
| | 958,458 | 645,541 |

11. CAPITAL FUND

| | 2012 R '000 | 2011 R '000 |
|--|----------------|----------------|
| Balance at the beginning of the year | 469,096 | 356,410 |
| Transfer of the National Treasury approved surplus | 214,815 | 112,686 |
| | 683,911 | 469,096 |

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 129 million 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.

| | 2012 R '000 | 2011 R '000 |
|---|----------------|----------------|
| Opening balance | 543,251 | 506,788 |
| Grants received during the year | 129,002 | 97,228 |
| Deferred income realised through depreciation and appropriation | (66,333) | (60,765) |
| Closing balance | 605,920 | 543,251 |



13. TRADE AND OTHER PAYABLES

| | 2012 | 2011 |
|-----------------------------|----------------|----------------|
| | R '000 | R '000 |
| Trade payables | 115,765 | 109,893 |
| Other payables | 35,823 | 29,435 |
| Accrued expense - leave pay | 4,878 | 4,710 |
| | <u>156,466</u> | <u>144,038</u> |

Included in other payables are the following: Unallocated deposits of R 15,050 million (2011: R 22,679 million), VAT of R 0,618 million (2011: R null million) and debtors with credit balances of R 4,840 million (2011: R 6,673 million).

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

| | 2012 | 2011 |
|-----------------|--------------|--------------|
| | R '000 | R '000 |
| Opening balance | 4,710 | 4,803 |
| Movement | 168 | (93) |
| | <u>4,878</u> | <u>4,710</u> |

14. PROVISIONS

Reconciliation of provisions - 2012

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

Reconciliation of provisions - 2011

| | Opening balance | Movement | Total |
|---------------|-----------------|----------|-------|
| Service bonus | 2,111 | 136 | 2,247 |

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

| | 2012 | 2011 |
|------------------------------------|----------------|----------------|
| | R '000 | R '000 |
| Surplus for the year | 191,782 | 214,814 |
| Adjustments for: | | |
| Depreciation and amortisation | 75,588 | 68,534 |
| (Profit) loss on sale of assets | 2 | - |
| Movements in provisions | 425 | 136 |
| Changes in working capital: | | |
| Inventories | (17,545) | 39,484 |
| Trade and other receivables | 47,706 | (59,412) |
| Trade and other payables | 12,428 | 58,762 |
| Deferred income | 62,670 | 36,463 |
| | 373,056 | 358,781 |

16. OPERATING LEASES

The GPW leases various items of office equipment, including photocopying machines, fax machines, a franking machine and a letter opener from various lessors. These lessors are Minolta and Pitney Bowes. The National Treasury entered into these lease agreements on behalf of the GPW. The lease agreements are for three years and can be renewed at the end of the lease term. The lease arrangement does not impose any restrictions.

Future minimum lease payments at 31 March 2012.

| R'000 | R'000 | R'000 |
|--------------|--------------|-------------------|
| Up to 1 year | 1 to 5 Years | More than 5 years |
| R 10 | R Nil | R Nil |

17. DEPRECIATION - OPERATING EXPENDITURE

| | 2012 | 2011 |
|---|--------------|--------------|
| | R '000 | R '000 |
| Plant and machinery | 52 | 50 |
| Motor vehicles | 124 | 124 |
| Office equipment | 691 | 757 |
| Computer equipment | 2,418 | 1,435 |
| Computer software | 140 | - |
| | 3,425 | 2,366 |
| Total depreciation - operating expenditure | 3,425 | 2,366 |



18. EMPLOYEE BENEFITS

| | 2012 | 2011 |
|---|----------------|---------------|
| | R '000 | R '000 |
| Salaries and wages | 92,059 | 84,049 |
| Employer contributions: | | |
| Pension | 7,432 | 6,943 |
| Housing | 3,798 | 3,172 |
| Medical | 6,228 | 5,492 |
| Public Service Co-ordinate Bargaining Council | 3 | 3 |
| General Public Service Bargaining Council | 26 | 25 |
| | 109,546 | 99,684 |

19. EMOLUMENTS

19.1. Executive remuneration

| | 2012 | 2011 |
|--------------------------------|------------|------------|
| | R '000 | R '000 |
| Chief Executive Officer | | |
| Basic | 210 | 128 |
| Flexible portion of package | 178 | 97 |
| | 388 | 225 |

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.

Executive Director: Operations

| | | |
|--|--------------|--------------|
| Basic | 622 | 593 |
| Flexible portion of package | 420 | 398 |
| Acting allowance - Chief Executive Officer | 50 | 213 |
| | 1,092 | 1,204 |

Chief Financial Officer

| | | |
|-----------------------------|--------------|--------------|
| Basic | 622 | 593 |
| Flexible portion of package | 485 | 414 |
| | 1,107 | 1,007 |

Executive Director: HR and Transformation

| | | |
|-----------------------------|------------|------------|
| Basic | 323 | 299 |
| Flexible portion of package | 92 | 86 |
| Acting allowance | 91 | 85 |
| | 507 | 470 |

Currently the GPW has an acting Executive Director: HR and Transformation.

| | 2012 R '000 | 2011 R '000 |
|---|----------------|----------------|
| Director: Costing (2012: Appointed 1/6/2011) (2011: Contract ended 31/12/2010) | | |
| Basic | 358 | 293 |
| Flexible portion of package | 247 | 222 |
| | <u>605</u> | <u>515</u> |

The Director: Costing's contract ended on the 31st of December 2010. A new Director: Costing was appointed on the 1st of June 2011.

| | | |
|---|------------|------------|
| Director: Internal Audit (Appointed 1/08/2010) | | |
| Basic | 428 | 276 |
| Flexible portion of package | 285 | 180 |
| | <u>713</u> | <u>456</u> |

| | | |
|----------------------------------|------------|------------|
| Director: Factory Manager | | |
| Basic | 493 | 402 |
| Flexible portion of package | 326 | 224 |
| | <u>819</u> | <u>626</u> |

| | | |
|---|------------|------------|
| Director: Financial Management (Appointed 1/12/2010) | | |
| Basic | 585 | 109 |
| Flexible portion of package | 390 | 127 |
| | <u>975</u> | <u>236</u> |

| | | |
|---|------------|------------|
| Director: Project Management (Appointed 1/12/2010) | | |
| Basic | 106 | 106 |
| Flexible portion of package | 79 | 71 |
| | <u>185</u> | <u>177</u> |

The Director: Project Management was appointed on the 1st of December 2010 and resigned on the 30th of June 2011.

20. REMUNERATION OF AUDIT COMMITTEE MEMBERS

| | 2012 R '000 | 2011 R '000 |
|-------------------------|----------------|----------------|
| Audit committee members | <u>78</u> | <u>35</u> |



21. CONTINGENCIES

These contingent liabilities represent guarantees to various financial institutions for housing loans to personnel. In the event the liability arises, the GPW will be liable to pay out and subsequently institute claims against personnel. Although the exposure appears reasonable, there is no limit to these contingent liabilities because they are purely dependent on employees exercising the benefit.

List of institutions: ABSA, FNB, Old Mutual, Nedbank and Standard Bank

| | 2012 | 2011 |
|--|--------|--------|
| | R '000 | R '000 |
| Guarantees to various financial institutions for housing loans | - | 19 |

22. RELATED PARTIES

| | 2012 | 2011 |
|--|---------|---------|
| | R '000 | R '000 |
| Related party balances | | |
| Amounts included in Trade Receivable (Trade Payable) regarding related parties | | |
| The Department of Home Affairs (DHA) | 17,976 | 36,422 |
| Deferred income | | |
| Grant received from National Treasury, via the DHA | 129,002 | 97,228 |
| Related party transactions | | |
| The following transactions pertaining to the major related parties to the GPW are disclosed: | | |
| The Department of Home Affairs | | |
| Sales | 279,151 | 304,539 |

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.

26. IRREGULAR EXPENDITURE

| | 2012 R '000 | 2011 R '000 |
|---|----------------|----------------|
| Overtime in excess of 30% of basic salary | 1,845 | 2,119 |
| Opening balance | 5,384 | 3,265 |
| Add: Irregular expenditure - current year | 1,845 | 2,119 |
| Less: Amounts condoned | (7,229) | - |
| | <u>-</u> | <u>5,384</u> |
| Payment to supplier without Tax Clearance Certificate | 173 | - |
| Irregular expenditure - current year | <u>173</u> | <u>-</u> |

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

Payments made during the year:

| 2012 R '000 | 2011 R '000 |
|----------------|----------------|
| <u>10</u> | <u>25</u> |

30. FINANCIAL INSTRUMENTS

General

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

| | 2012 R '000 | 2011 R '000 |
|--|----------------|----------------|
| Categories of financial instruments | | |
| Financial assets | | |
| Cash and bank balances | 958,458 | 645,541 |
| Trade receivables | 161,294 | 183,346 |
| Financial liabilities | | |
| Trade payables | 115,765 | 102,494 |



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, the GPW 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 2012, 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, and contracts were concluded in EUROS.

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 resorts 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

INFORMATION ON PRE-DETERMINED OBJECTIVES

Overall performance

Statement of Financial Performance

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.

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

Vision and mission

Vision: To be the state's mandated security printer.

Mission: 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.

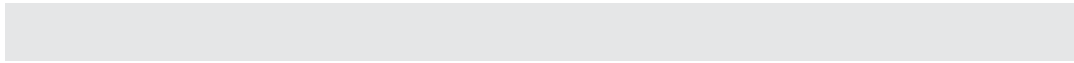
Strategic objectives

The following strategic objectives are reflected in the 2010/11 to 2012/13 approved Strategic Plan:

- Conversion to a government component (GC) organisation to perform as a ring-fenced business entity with flexibility and within regulated parameters.
- Optimise production processes to increase operational effectiveness and improved customer service.
- Migration of technology across the spectrum to enable current and new processes as well as increasing production capacity.
- Implement an effective market strategy to ensure that the GPW retains high value customers and consolidates its position as a state security documents printer.
- Ensure strong financial management.

For the 2011/12 financial year, the GPW can demonstrate performance for all the strategic objectives set, except for the implementation of an effective marketing strategy, mainly as a result of lack of capacity within the GPW. The performance in the different areas is reflected under the section dealing with business unit performance.

For the 2012/13 year, strategic outcome oriented goals have been set and approved.



Overview of the organisational and service delivery environment for 2011/12

During the 2011/12 financial year, the GPW continued on the process of transformation from an operational, technological and human resources perspective. During the year, GPW upgraded the hardware and software of its information technology and communication platforms. Many challenges were experienced as part of process, and the GPW was unable to achieve its targeted implementation date of 1 April 2012. However, progress was made to establish business recovery, prevent and minimise external threats and secure infrastructure and applications.

The GPW continued producing high quality printing at the new passport production facility which was launched in 2009. Additional production assets to the value of R37,697m were procured. Production statistics for selected products during the year under review are as follows:

| Product | 2011/12 | 2010/11 | 2009/10 | 2008/09 |
|--|------------|------------|------------|------------|
| Passports (booklets) | 707,384 | 859,884 | 832,262 | 1,259,611 |
| Identity Documents (booklets) | 2,395,393 | 2,233,493 | 2,463,147 | 2,499,419 |
| Examinations (books) | 26,538,274 | 21,726,216 | 29,868,940 | 38,794,029 |
| Government Gazettes (editions) | 2,180 | 2,390 | 2,292 | 2,496 |
| Government Gazettes (total number of A4 pages per annum) | 97,110 | 107,044 | 105,915 | 110,281 |

The GPW was able to maintain service delivery outputs despite the resource challenges faced by the organisation. The GPW continued to operate without a permanently appointed Chief Executive Officer for most of the year, and the lack of experienced and qualified senior managers, artisans and administrative personnel impacted on service delivery, resulting in the GPW being compelled to outsource certain functions.

Through the delivery of its services and products, the GPW is contributing to the outcome of government of “an efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship”.

Key policy developments and legislative changes

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

Collection of revenue


The GPW's financial viability is dependent on its ability to generate revenue from services rendered. The GPW continuously strive to identify new measures to raise additional revenue or to ensure more efficient/effective collection of outstanding debts. The principal clientele of the GPW are state departments and their statutory bodies e.g. the departments of Home Affairs, Education, Police, Health, Justice and others, to which GPW provides security printing services on a cost recoverable basis.

Departmental expenditure

2011/12 – R569,906m 2010/11 – R602,056m

Conditional grants and earmarked funds

R129,002m was received from the National Treasury to assist with the implementation of the Asset Replacement Programme as well as the development of the new facility, situated at Visagie Street, Pretoria.



Business units performance

For the year under review, the GPW has used the strategic objectives, defined in its Strategic Plan, as a basis to further refine the service delivery objectives and key performance indicators for the different business units taking guidelines for planning and reporting on performance information issued by National Treasury during the 2010/11 financial year into account.

The activities of Department: Government Printing Works are organised in the following business units for purposes of performance reporting against objectives

- Operations;
- Finance;
- Human Resource Management;
- Marketing;
- Information and Communications Technology;
- Internal Audit; and
- Security.

For the year under review the GPW used the approved Strategic Plan as a basis to further refine its strategic objectives and performance indicators reflected in its Annual performance plan to improve clarity and measurability of indicators and targets and contribute towards meaningful reporting in the annual report. A reconciliation between indicators and targets in the approved Strategic Plan and adjusted indicators and targets included in the Annual Performance Plan, were compiled and attached to Annual Performance Plan submitted to National Treasury. These refinements did not change the essence of the indicators and targets and, for transparency, the GPW discloses the indicators refinements as part of this performance report. The GPW is in the process of continuously assessing, reviewing, re-financing and improving the information contained in the Strategic Plan and Annual Performance Plan to ensure compliance to the criteria set by National Treasury; and take the findings of the Auditor-General into account.

Operations business unit

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 per Annual Performance Plan:

- Recapitalise equipment to enable current and new processes and to increase capacity
- Increase productivity levels;
- Provide high quality printing services to government to contribute towards customer satisfaction

Performance indicators and targets:

The operational business unit of GPW is proud to report that they were able to achieve all targets set for the production of identity documents, passports, Government Gazettes and examination scripts within minimum spoilage reported. 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.



Operations business unit

| Performance indicator | Baseline (Actual output 2010/11) | Actual performance against target | | Reason for variance |
|---|---|--|--|---|
| | | Target 2011/12 | Actual 2011/12 | |
| Number of planned new equipment items procured according to Recapitalisation Plan | | 27 | 30 new equipment items were procured according to the Recapitalisation Plan. This exceeded the original target set of 27 but fell short of three items compared to the revised target of 33 items. | Three items not procured according to the Recapitalisation Plan was as a result of the delay in the implementation of the ERP system and further research to be conducted on latest technological development prior to procurement. |
| Percentage increase in productivity levels | | 50% increase in usage of available machine hours for production operations. | Unable to measure the indicator due to the production (Hiflex) system of ERP solution, required to measure machine utilisation, not being fully implemented. | Production (Hiflex) system of ERP solution is not fully implemented with the result that the information to measure machine utilisation is not available yet. |
| Government gazettes | | | | |
| Government gazettes editions in accordance with Quality and Delivery Specifications | 100% of the 2,390 of the Government Gazette editions published, conformed to the specified quality standards. | 100% of Gazette editions must be published in accordance with Quality and Delivery Specifications. | Target set was achieved. 100% of the 2,180 gazette editions ordered, were published according to Quality and Delivery Specifications. | |
| | 100% of the 2,390 of the Government Gazette produced, were published within the specified timeframe. | | Target set was achieved. 100% of the 2,180 Government Gazette editions ordered, were published within deadline. | |
| Identity Documents | | | | |
| Identity Documents produced according to Quality and Delivery Specifications | 2,494 spoiled Identity Documents materialised from 2,233,493 booklets produced. This translates to 0.1% of the total production quantity. | 100% of Identity Documents produced must conform to the clients specifications. | 99.96 % (2,395,393) against the target of 100% of Identity Documents produced conformed to specification. Incorrect documents were replaced prior to delivery. | Spoilage emanates from regular production operations. |
| Identity Documents produced according to Quality and Delivery Specifications | The 2,233,493 Identity Documents produced, were delivered within an average delivery time of 3, 5 days. | Identity Documents delivered at a turnaround time of three days. | Identity Documents delivered at an average turnaround time of 3.3 days. | Daily quantities of Identity Documents received from Department of Home Affairs vary. The GPW's fixed resources cannot always cope with these fluctuations. |



| Performance indicator | Baseline (Actual output 2010/11) | Actual performance against target | | Reason for variance |
|--|---|--|--|--|
| | | Target 2011/12 | Actual 2011/12 | |
| Passport production | | | | |
| Quantity of passports spoiled during booklet personalisation | 14,542 spoiled passports emanated from the 859,884 booklets personalised. This translates to 1,7% of the total production quantity. | Maintain (or reduce) spoilage percentage at 3% of total production. | 15,255 (2.2%) spoiled passports emanating from the 707,384 booklets personalised. | Spoilage emanates from regular production operations. The annual rate of 2.2% is within the target percentage. |
| Examination scripts | | | | |
| Quantity of examination scripts printed | 100% of examination scripts produced, were delivered within the specified timeframe. | Produce 100% of the required number of examination scripts within the client's specified timeframes. | Target achieved. 100% of the required 26,538,274 examination scripts were produced within the client's specified timeframes. | - |

Finance business unit

Purpose: To provide, with professionalism and excellence, financial management services to the GPW and its partners so that they achieve their 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.

Performance indicators and targets:

The GPW was able to slightly exceed the revenue target and the delay in the implementation of the ERP system resulted in much higher than planned profit margins. The actual achievements against the targets demonstrate the finance division's contribution to improved accountability and sustainability.



| Performance indicator | Baseline (Actual output 2010/11) | Actual performance against target | | Reason for variance |
|---|----------------------------------|--|---|---|
| | | Target 2011/12 | Actual 2011/12 | |
| Clean audit report | - | Maintain Unqualified audit opinion. | 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. | - |
| Reduction in audit findings (internal and external audit) on non-compliance to financial related policies | - | 0% reduction in audit findings of audit report 2011. | During the 2009/10 external audit, 10 findings related to non-compliance of financial related policies. During the 2010/11 audit this increased to 13, resulting in a 30% increase in findings. No internal audit findings related to financial related policies reported. | The target of 0% reduction in audit findings was set to comply with the realistic and achievable criteria for targets to be set. Due to the nature and scope of work performed by external audit and the establishment of Internal Audit, the GPW expected to have an increase in audit findings. |
| Turnaround times (days) in monthly and quarterly financial management and performance reports | | 14 days | 12 days | - |
| R-value of revenue | 753 443m | 695 429m | 692 919m | Slightly below target as a result of decreased orders and resultant sales. |
| Operating cost as percentage of revenue | 17,02% | 23% | 16,50% | Due to the delay in the implementation of the ERP system, capitalised ERP expenses have not been depreciated. The implementation of the government component organisational structure has not been completed. |
| Gross profit margin | 37,11% | 26% | 34,26% | Due to the delay in the implementation of the ERP system, capitalised ERP expenses have not been depreciated. The implementation of the government component organisational structure has not been completed. |
| Debtor collection period | 61 days | 70 days | 88 days | Included in the March debtors' balance is an amount of R 32,7 million owed by the Limpopo education department and R 23 million by SAPS. |



| Performance indicator | Baseline (Actual output 2010/11) | Actual performance against target | | Reason for variance |
|--|----------------------------------|---|--|--|
| | | Target 2011/12 | Actual 2011/12 | |
| R-value of procurement between HDIs and non-HDIs | HDI 24% Non HDI 76% | HDI 20% Non HDI 80% | HDI 31% Non HDI 69% | - |
| Inventory turnover ratio | 3,33 | 3 | 3,88 | - |
| Revise draft SCM framework and policy | - | Revised draft SCM framework and policy. | SCM Framework and Policy revised. Await inputs from National Treasury. | - |
| Investment in additional production assets | 56,126m | 265,935m | 17 850m | The main reason for the variance is lease improvements to the value R130 million that was not completed during the year. Planned procurement of some equipment has been postponed to 2012 due to fact that the facilities are not yet ready. |
| Return on capital investment | 18% | 15% | 51% | The much higher than anticipated return on capital investment can be attributed to the lower investment in capital and higher net profit than originally planned. |

Human Resources and Transformation Business Unit

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

Strategic objectives per Annual Performance Plan:

- To revise, develop and customise Human Resource policies, standard operation procedures and strategies;
- Develop and implement human capital strategy;
- Enhance / empowerment of supervisory skills;
- To have the new GPW structure fully implemented;
- To have as many as possible senior management posts appropriate filled according to staffing plan;
- To fill posts according to staffing plan;
- To finalise the migration all employees to the government component;
- Improve Human Resource management service delivery internally to the GPW;
- Develop and implement a retention policy/ framework;
- To have attractive remuneration bands for critical jobs and other jobs;
- Conduct timeous performance assessments in accordance with requirements; and
- To ensure ownership of disciplinary and grievance processes.



Performance indicators and targets:

The Human Resources business unit reports performance in the area of training and skills transfer. A lot of focus was put on the preparation and development of the human capital strategy and Workplace Skills Plan that demonstrate the human resources division's contribution to providing quality human resources to enable the GPW to achieve its objectives.

| Performance indicator | Baseline (Actual output 2010/11) | Actual performance against target | | Reason for variance |
|---|----------------------------------|--|--|--|
| | | Target 2011/12 | Actual 2011/12 | |
| % HR policies, standard operating procedures and strategies revised, developed and customised | - | 15% | Seventeen out of the thirty identified HR policies have been revised (57%) and four adopted. The remaining thirteen identified policies are in an advanced stage of consultation. | - |
| Completed and approved human capital strategy implemented | - | Completed and approved human capital strategy. | Human capital strategy completed, but not yet approved and implemented. | 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. |
| Number of training partnerships entered into | - | One training partnership entered into. | Training Partnership focusing on computer literacy concluded. | - |
| Appointment of HRD manager / specialist | - | Appointment of HRD manager/specialist. | HRD ERP one year contract appointment made. | - |
| Completed and approved Workplace Skills Plan | - | Workplace Skills Plan completed and approved by 31 March 2012. | The Workplace Skills Plan was completed but has not been approved. The Workplace Skills Plan only needs to be submitted to SETA by 30 June 2012, so GPW is still within the required timeline. The completion date of 31 March 2012 refers to internal completion. | - |
| No of days training per employee | - | One training day per employee. | The target of an average one training day per employee was achieved. | - |
| Training of all current and new supervisors | - | 5% of current and new supervisors trained. | 28 (85%) out of 33 supervisors trained in PC literacy and other training interventions. | - |
| Number of skills transfer programmes per critical position | - | 20% | Two skills transfer programmes were implemented for the two critical positions focus areas being artisans and end-users. 100% achievement. | - |



| Performance indicator | Baseline (Actual output 2010/11) | Actual performance against target | | Reason for variance |
|--|---|--|--|--|
| | | Target 2011/12 | Actual 2011/12 | |
| Number of job descriptions finalised | 83% job descriptions finalised. 60% of newly created lower level posts job descriptions finalised. | All outstanding job descriptions done. | All identified job descriptions done. | - |
| Number of job posts evaluated | 83% posts were job evaluated. 60% of new lower level posts were job evaluated | All outstanding job evaluated. | All identified posts job evaluated. | - |
| Migration of employees to new structure | - | All outstanding job descriptions done and posts job evaluated. | Although all outstanding job descriptions and posts job evaluations were completed the migration of employees to the new structure has not been finalised. | The finalisation and implementation of the Migration Plan is still dependent on the completion of the re-engineering processes, implementation of the ERP system and the physical re-location. |
| Number of posts advertised | 22.6% SMS posts were advertised | 60% of posts advertised; (107 posts). | 95% of target has been achieved. (102 Posts advertised). | The remaining 5% of the target related to posts not advertised in the branch strategic management as a result of the vacant senior management and positions. |
| Number of posts filled | 19% SMS posts filled | 60% of posts filled | The GPW was able to fill 69% posts (74 out of a total of 107 advertised posts). | - |
| All identified staff migrated | - | 100% of identified staff migrated. | The finalisation and implementation of the Migration Plan is still dependent on the completion of the re-engineering processes, implementation of the ERP system and the physical re-location. | The finalisation and implementation of the Migration Plan is still dependent on the completion of the re-engineering processes, implementation of the ERP system and the physical re-location. |
| All HR employees trained in customer services and protection of information laws | - | 100% of employees trained in customer services and protection of information laws. | All HR employees trained in customer services but not in protection of information laws. | HR employees were not trained in the protection of information laws. A suitable service provider has not yet been identified. |
| Conduct a customer satisfaction survey | - | Completed survey at 28 February 2012. | Customer satisfaction survey was not completed. | With the number of vacancies in HR targets had to be re-prioritised and this was not considered to be a high priority. |



| Performance indicator | Baseline (Actual output 2010/11) | Actual performance against target | | Reason for variance |
|--|----------------------------------|---|---|--|
| | | Target 2011/12 | Actual 2011/12 | |
| Improve turnaround time | - | Improve turnaround of processing documents within five working days from receipt / last working day of an employee. | Target was achieved. An average turnaround of 3.4 days was achieved for the service termination documents. | - |
| % of staff turnover per occupation – critical vs rest | - | 8% | The critical staff turnover was 12.55% against the target of 8%. The overall staff turnover was 6.23%. | The non-achievement of the target was as a result of the resignation and retirements of 10 artisans amongst the artisan group out of a total of 80. A total of 23 artisans were recruited or promoted in the critical group. |
| Implemented measures in place to address job satisfaction | - | Identified measures to address job satisfaction | Information was collected during exit interviews from employees who resigned. The majority of employees resigned due to better remuneration elsewhere. The GPW commenced with actions for a special salary dispensation for a government component. | - |
| Number of exit interviews conducted | - | 100% exit interviews conducted | Exit interviews conducted with all employees that resigned and attended scheduled interviews. | - |
| Conduct remuneration benchmark study | - | Complete remuneration benchmark study | Partially completed. Was only able to obtain information for comparative purposes from one printing institution. | Information not sufficient to make a recommendation. |
| Identify and implement actions based on benchmark study | - | Identify actions based on remuneration benchmark study | Information on turnover and recruitment drives for past three years completed. | Sufficient benchmark information on printing industry not readily available. Information collected was not sufficient to identify possible actions. Information on turnover and recruitment drives for past three years completed. |
| Percentage of performance assessments completed within required timeframes | - | 50% | Managers and supervisors were sensitised to complete assessments on time. Confirmation was received that assessments were up to date but this was not verified. | - |



| Performance indicator | Baseline (Actual output 2010/11) | Actual performance against target | | Reason for variance |
|--|----------------------------------|---|---|--|
| | | Target 2011/12 | Actual 2011/12 | |
| Address / resolve grievances within the prescribed timeframe | - | Address/ resolve grievances within the prescribed timeframe stipulated in the grievance rules for the public service (GPSBC Resolution 14 of 2002). | For the reporting period, 13 grievances were received of which four were resolved within 30 days (against the prescribed timeframe of 30 days) and two attended to within 30 days (against the prescribed timeframes of 30 days). Seven are in the process of investigation. In-house capacity has been created to handle grievances. Information sessions were presented to all staff during November / December 2011 in order to ensure that all staff are adequately informed. | Target was not achieved. Only 30% of grievances received were finalised within the required timeframe. Lack of capacity and lack of knowledge to address grievances were the main reasons for not achieving this target. |
| Improved turnaround time of handling disciplinary cases | - | Improved turnaround time of handling disciplinary and to finalise cases within four months. | The initial investigations and preparation for disciplinary hearings were completed within four weeks. None of the cases however were finalised within four months | Cases could not be finalised as a result of unavailability of preceding officers, requests for postponement and the outcomes of the hearings. |

Marketing Business Unit

Purpose: Provide marketing including publication and advertising

Strategic objectives per Annual Performance Plan:

- Raise and increase awareness of GPW including new / improved production capacity and capabilities;
- Diversification of product mix within security printing; and
- Aggressive marketing strategy to retain and grow the market.

Performance indicators and targets:

During the year under review, the GPW was unable to perform in the area of marketing due to a lack of dedicated capacity.

| Performance Indicator | Baseline (Actual output 2010/11) | Actual Performance against target | | Reason for variance |
|---|----------------------------------|-----------------------------------|---|--|
| | | Target 2011/12 | Actual 2011/12 | |
| Development and implementation of brand (and logo). | | Brand in place. | No progress in the area of marketing can be reported. | No dedicated capacity has been appointed. Performance in this area will be prioritised once the critical areas have been addressed |



Information Communications Business Unit

Purpose: Delivering solutions that enable improved efficiency, effectiveness and security

Strategic objectives per Annual Performance Plan:

- Develop and implement a business continuity solution that supports functionality with recovery (in alignment with an IT governance framework);
- Approved MSP by CEO;
- Replace current business system and acquire and improve systems that enable business strategy;
- Replace current voice and data communications equipment; and
- ICT legal and King III compliance.

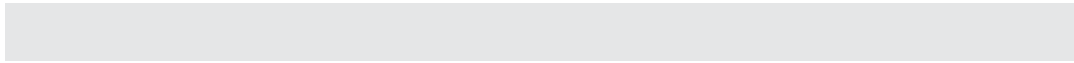
Performance indicators and targets:

Various activities were completed to establish business recovery, prevent and minimise external threats and secure infrastructure and applications. The achievements against the targets demonstrate the contribution towards implementing secure and reliable systems to enable best of class printing and supporting printing core functions. The ERP was in the process of being implemented, but delayed mostly due to the GPW capacity constraints.

| Performance Indicator | Baseline (Actual output 2010/11) | Actual Performance against target | | Reason for variance |
|---|----------------------------------|---|---|---|
| | | Target 2011/12 | Actual 2011/12 | |
| Number of hours required for business recovery | - | 100% (Percentage refers to actions required to establish business recovery). | 73% of planned actions required to establish business recovery have been completed. Necessary and required hardware procured and installed and hardware redundancy testing successfully completed. A draft ERP disaster recovery plan has been completed. | Due to the business continuity plan (high availability disaster recovery plan) not being completed it is not possible to measure the target of number of hours required for business recovery. |
| Reduction of % of illegal hits in and out of the system | - | 100% (Percentage reflects the actions required to prevent and minimise external threats) | 50% of actions required to prevent and minimise external threats have been implemented. A firewall was installed and customised at both Bosman and Visagie Street sites. | <p>The variance from the target of 100% is as a result of not all security features planned for as part of the GPW hardware upgrade project being installed due to the delays in the implementation of the project.</p> <p>Implementation of intrusion detection systems is required to enable the measurement of illegal hits.</p> <p>Since the implementation of the firewall, GPW has established a baseline and attempts to gain unauthorised access are continuously managed.</p> <p>The GPW managed firewall is installed at passport factory to manage and secure the link between the GPW and the DHA</p> |



| Performance Indicator | Baseline (Actual output 2010/11) | Actual Performance against target | | Reason for variance |
|--|----------------------------------|---|---|--|
| | | Target 2011/12 | Actual 2011/12 | |
| Secure infrastructure and applications | - | 100% (Percentage reflects the actions required to secure the infrastructure and applications) | 100% of the planned actions to contribute towards secure infrastructure and applications were completed. These include: information System Security specialist appointed; Segregation of LAN at head office and Visagie Street site; Anti virus protection implemented; Software updates (patches); desktop firewall activation, group policy implementation (ADDS) and implementation of SSLVPN for secure remote access. | - |
| Data rights management controls implemented | - | 30% | 0% | Limited progress in the implementation of data rights management controls as a result of the delayed GPW hardware upgrade project implementation. Rights management services (RMS) and information rights management (RMS) technologies due for implementation in 2012/13. |
| ICT aligned with overall GPW plan | - | 100% alignment by 31 March 2012 (Alignment refers to the link between the strategic plan, the annual performance plan, AG findings and overall ICT plan) | 43% (cumulative for the year) of implementation of planned recommendations were implemented. The strategic plan and Annual Performance Plan is aligned. A draft overall ICT plan was developed in September 2011, but not approved. | Some of the significant recommendations not yet addressed include: - development of IT governance Framework and Plan; - definition and delegation of systems owners responsibilities; - IT risk register; - various systems policies and procedures; - environmental controls and detectors in server room; - approve disaster recovery and IT continuity plan; and - approved business continuity plan. These recommendations will be implemented as part of the GPW hardware upgrade project and the implementation of its ERP system. |
| Provide a single version of information through databases with integrity | - | Develop and data migration testing completed by 31 March 2012 | The reference to a single version of information through databases with integrity refers to the ERP system in which is in the process of being implemented. As part of this process data migration integrity was confirmed through continuous data migration testing. | - |



| Performance Indicator | Baseline (Actual output 2010/11) | Actual Performance against target | | Reason for variance |
|--|----------------------------------|--|---|---|
| | | Target 2011/12 | Actual 2011/12 | |
| Integrate applications and provide workflow | - | Develop and test integrated system as per Ubumbano project completed by 31 March 2012. | Completed the analysis and design for the planned GPW ERP system implementation. The ERP solution consist of an integrated business and production system, an intranet, e-gazette, public web and implementation of VIP payroll. The original timelines for implementation was April 2012 but was moved to October 2012. The intranet was implemented at head office in July 2011. | The ERP project was delayed due to the GPW is capacity constraints, as well as the intergration of the business and production solutions. |
| Voice and data communications equipment replaced | - | 100% implemented | <p>50% completed. Data communications equipment replaced, but voice communication equipment not yet replaced as a result of the delayed GPW hardware upgrade project implementation.</p> <p>For data communications equipment replaced: (100%) Circuits installed except for Mmabatho (third party inter-dependency Telkom capacity).</p> <p>Voice communications equipment: SIP (session initiation protocol) required for voice communication installed at Bosman and Visagie sites. In process of configuration of Lync.</p> | <p>Voice communication equipment not yet replaced as a result of the delayed GPW hardware upgrade project implementation.</p> <p>For data communications equipment replaced: Circuits installed except for Mmabatho (third party inter-dependency Telkom capacity) Changes cannot be implemented until all lines are available.</p> |
| Implemented ICT governance structure | - | 50% | <p>As part of the implementation of the governance structure a business analyst was appointed and the following policies have been drafted but not yet approved:</p> <ul style="list-style-type: none"> • Change management; • Naming convention; • User admin; • Access policy; and • Back-up policy. <p>A governance framework and plan has not been completed.</p> | - |
| Number of non-compliance findings by assurance providers | - | Analyse findings by ICT assurance providers | Final reports and findings received from assurance provider and roadmap for implementation to be finalised, approved and implemented. | - |

Internal Audit Business Unit

Purpose: Delivering solutions that enable improved efficiency, effectiveness and security.

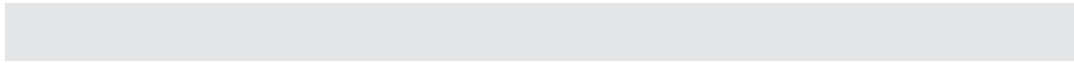
Strategic objectives per Annual Performance Plan:

- Co-ordinate the implementation of risk management;
- Evaluate governance processes; and
- Develop and execute a risk based internal audit plan.

Performance indicators and targets:

During the year the Internal Audit business unit was established, capacitated and an audit plan completed. The business unit was able to complete most of the planned audits.

| Performance Indicator | Baseline (Actual output 2010/11) | Actual Performance against target | | Reason for variance |
|--|----------------------------------|-----------------------------------|---|--|
| | | Target 2011/12 | Actual 2011/12 | |
| Monthly risk management/ compliance improvement reports | - | 50% | Risk management has not been formally adopted within the GPW. Internal Audit identifies the risks as part of each audit and makes recommendations after testing of internal controls to address identified risks. | |
| Internal audit reports | - | 100% | Internal Audit was able to complete 83% of the originally planned audits. | The Internal Audit Plan was revised during the year and the Audit Committee was informed about the revision. The audit of Supply Chain Management could not be conducted due to timing challenges. |
| Updated policies | - | 100% | 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. | - |
| Approved risk based internal audit plan | - | September 2011 | 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. | |
| Percentage of risk based internal audit plan implemented | - | 30% | 83% of all audits identified according to revised internal audit plan completed in the financial year. | Internal Audit Plan revised during the year |



Security Business Unit

Purpose: To provide proactive effective, efficient, quality security services to the GPW and its clients.

Strategic objectives per Annual Performance Plan:

Develop and implement a security risk management system.

Performance indicators and targets:

The Security Business Unit was able to achieve or exceed all targets set.

| Performance Indicator | Baseline (Actual output 2010/11) | Actual Performance against target | | Reason for variance |
|--|----------------------------------|--|--|---------------------|
| | | Target 2011/12 | Actual 2011/12 | |
| % of staff graded in terms of security criteria | - | 100% of critical | Z 204's (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. | - |
| Developed security risk management plan | - | Developed security risk management plan | Security risk management plan drafted | - |
| % of staff trained and evaluated for security competence | - | 35% of 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. | - |
| NKP structures to be established | - | 3% of structure established | As part of the target to establish National Key Point structures three (3) Joint Planning Committee (JPC) meetings took place. | - |

The following table reflects the refinement to the strategic objectives and indicators in the approved strategic plan to improve clarity and measurability of indicators and targets and contribute towards meaningful reporting in the annual report.



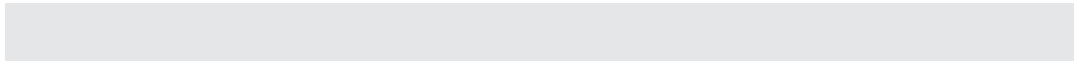
| Strategic objective per approved strategic plan | Adjusted strategic objective | Performance indicators per approved strategic plan | Adjusted performance indicators | Explanation for refinement/ changes |
|--|--|--|--|---|
| Business Unit: Operations | | | | |
| Equipment recapitalisation | Recapitalise equipment to enable current and new processes and to increase capacity. | Operationalisation of the new equipment by 2014 | No. of Planned New Equipment Procured according to Recapitalisation Plan. | |
| | | Equipment written off. | Not included. | Inverse of first indicator. Not considered necessary. |
| Customer satisfaction | Provide high quality printing services to government to contribute towards customer satisfaction. | % of improvement of delivery on time by customer satisfaction surveys, etc. | Government Gazettes Published according to Quality and Delivery Specifications. | GPW does not have an operational Marketing business unit that can measure customer satisfaction. It is also considered more relevant and specific to measure the quantity and quality of outputs. Targets include reference to turnaround time, quantity and quality aspects. |
| | | | Identity Documents produced according to Quality and Delivery Specifications. | |
| | | | Quantity of passports spoiled during booklet personalisation. | |
| | | | Quantity of examination scripts printed. | |
| Improvement of spoilage and Rework | Not included | % improvement in the spoilage and rework as a share in total cost of production. | Not included. | GPW does not have an ABC system to measure the cost of spoilage. However it can measure the quantity of spoilage. Included under "Quantity of passports spoiled during booklet personalisation". |
| Business Unit: Finance | | | | |
| The provision of fully compliant financial management services | Provide quality financial and Supply Chain Management services in compliance with legislation and with client needs to contribute towards financial sustainability | Clean audit report. | Not adjusted. | All components of the previously defined objectives have been consolidated into one objective. |
| To achieve optimal client satisfaction | | Client satisfaction index on financial management. | Not adjusted. | |
| Strengthen the GPW's capability to fulfill its mandate | | Monthly and quarterly compliance reports. | Not included. | Combined with indicator on turn-around times of report. |
| Continuous improvement of financial management performance and reporting | | % implementation of policies. | Reduction in audit findings (internal and external audit) on non-compliance to financial related policies. | |



| Strategic objective per approved strategic plan | Adjusted strategic objective | Performance indicators per approved strategic plan | Adjusted performance indicators | Explanation for refinement/ changes |
|---|---|---|--|---|
| Business Unit: Finance - continued | | | | |
| | | % improvement in turnaround times in financial management and performance reports | Turnaround times (days) in monthly and quarterly financial management and performance reports | |
| | | | R-value of revenue | New indicator to measure financial sustainability. |
| | | | Operating cost as percentage of revenue | New indicator to measure financial sustainability. |
| | | | Gross profit margin | New indicator to measure financial sustainability. |
| | | | Debtor collection period | New indicator to measure financial sustainability. |
| | | | R-value of procurement between HDI's and non-HDI's | New indicator to measure financial sustainability. |
| | | | Inventory turn-over ratio | New indicator to measure financial sustainability. |
| | | | Revise draft SCM Framework and Policy | New indicator. |
| | | | Investment in additional production assets | New indicator to measure financial sustainability. |
| | | | Return on capital investment. | New indicator to measure financial sustainability. |
| Business Unit: Human Resources | | | | |
| To have customised HR policies, standard operation procedures and strategies finalised. | To revise, develop and customise HR policies, standard operation procedures and strategies. | % revise, develop and customised policies in workplace. | % HR policies, standard operating procedures and strategies revised, developed and customised. | Key output measured by the % of HR policies, standard operating procedures and strategies revised, developed and customised |
| | | No of grievances and disputes emanated from policies. | Not included as KPI. | |
| Develop and implement human capital strategy. | Not adjusted | Training partnerships entered into. | Completed and approved human capital strategy. | |
| | | | Number of training partnerships entered into. | |
| | | Appointment of HRD manager/ specialist. | No adjustment. | |
| | | Quality of Workplace Skills Plan. | Completed and approved Workplace Skills Plan. | |



| Strategic objective per approved strategic plan | Adjusted strategic objective | Performance indicators per approved strategic plan | Adjusted performance indicators | Explanation for refinement/ changes |
|---|--|--|---|---|
| Business Unit: Human Resources - continued | | | | |
| | | No of days training per employee | No adjustment | |
| To have as many as possible senior management posts appropriate filled according to staffing plan | Not adjusted | Number of posts advertised | No adjustment | Quality of candidates were taken out as indicator as this forms part of the appointment process |
| | | Quality of candidates | Taken out as indicator | |
| | | Number of posts filled | No adjustment | |
| To fill posts according to staffing plan | Not adjusted | Number of posts advertised | No adjustment | Quality of candidates were taken out as indicator as this forms part of the appointment process |
| | | Quality of candidates | Taken out as indicator | |
| | | Number of posts filled | No adjustment | |
| To finalise the migration all employees to government component | Not adjusted | Number of grievances | All identified staff migrated | The indicator of grievances does not relate directly to the objective of finalising the migration |
| Improve service delivery | Improve Human Resource Management service delivery internally to GPW | All HR employees trained in customer services and protection of information laws | No adjustment | |
| | | Conduct a customer satisfaction survey | No adjustment | |
| | | Improve turnaround time | No adjustment | |
| To work towards an employer of choice | Develop and implement a retention policy/ framework | % of staff turnover per occupation – critical vs rest | No adjustment | Quality of exit interviews currently not measurable due to lack of criteria |
| | | Measures in place for job satisfaction | Implemented measures in place to address job satisfaction | |
| | | Quality of exit interviews | Number of exit interviews conducted | |
| To have attractive remuneration bands for critical jobs and other jobs | Not adjusted | Number of special dispensations negotiated | Conduct remuneration benchmark study Identify and implement actions based on study | To ensure the indicators are linked to objectives and specific and measurable |
| Ensure proper timeously assessments | Conduct timeous performance assessments in accordance with requirements | Reduced grievances Improved performance Timeously interventions | Percentage of performance assessments completed within required timeframes | To ensure the indicators are linked to objectives and specific and measurable |
| Business Unit: Marketing | | | | |
| Supporting the new/ improved production capacity and capabilities of GPW | Raise and increase awareness of GPW including new/ improved production capacity and capabilities | Development and implementation of brand (and logo) | Not adjusted | To establish a clear link between objective and indicator |



| Strategic objective per approved strategic plan | Adjusted strategic objective | Performance indicators per approved strategic plan | Adjusted performance indicators | Explanation for refinement/ changes |
|--|---|--|--|--|
| Business Unit: Marketing - continued | | | | |
| Aggressive marketing strategy to retain and grow the market | Not adjusted | % churn (loss of customers) | Not adjusted | |
| | | Number of new customers in region | Not included | Part of indicator on new customer per different products |
| | | Retention of local market | Not included | Part of indicator on % churn (loss of customers) |
| Increase revenue | Not included | % increase in gross profit | Not included | Included under finance section |
| Stock reduction | Not included | R value saved | Not included | Inventory indicators reflected under Finance section |
| Business Unit: Information and Communications Technology | | | | |
| Business continuity solution that supports redundancy and functionality with recovery (in alignment with an IT governance framework) | Develop and implement a business continuity solution that supports functionality with recovery (in alignment with an IT governance framework) | Number of hours required for business recovery | Not adjusted | |
| | | Reduction of % of illegal hits in and out of the system | Not adjusted | |
| | | Secure infrastructure and applications | Not adjusted | |
| | | Data rights management controls implemented | Not adjusted | |
| Implement SLDC and functional specifications for new system | Not included | Complete plan to replace various systems | Not included | Included in next indicator and objective |
| Replace current business system and acquire and improve systems that enable business strategy | Not adjusted | Internal customer satisfaction index | Not to be included | Indicators adjusted to clearly align with objective |
| | | Provide a single version of information through databases with integrity | Not adjusted | |
| | | Integrate applications and provide workflow | Not adjusted | |
| | | Positive AG report | Not to be included | |
| Replace current voice and data communications equipment | Not adjusted | Provide collaboration and uniform communication tools | Voice and data communications equipment replaced | |
| ICT legal compliance King III | Not adjusted | ICT Governance structure | Implemented ICT Governance structure | |
| | | Regulatory compliance | Number of non-compliance findings by assurance providers | |



| Strategic objective per approved strategic plan | Adjusted strategic objective | Performance indicators per approved strategic plan | Adjusted performance indicators | Explanation for refinement/ changes |
|---|---|--|--|-------------------------------------|
| Business unit: Internal audit | | | | |
| Risk management | Co-ordinate the implementation of risk management | Monthly compliance/ improvement reports | Monthly risk management compliance/ improvement reports | |
| Governance processes | Evaluate governance processes | Internal audit reports | | |
| Updated policies | Not adjusted | | | |
| Internal audit plan | Develop and execute a risk based internal audit plan | Approved Audit Plan | Approved risk based internal audit plan | |
| | | | Percentage of risk based internal audit plan implemented | |
| Business unit: Security | | | | |
| Risk management | Develop and implement a security risk management system | % of staff graded | % of staff graded in terms of security criteria | |
| | | Efficiency level of security systems - % improvement | Implemented security risk management plan | |
| | | % improvement in security competence | % of staff trained and evaluated for security competence | |
| | | NKP structures to be established | Not adjusted | |

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Chief Executive Officer

31 May 2012



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 re-capitalisation programme and building of printing capacity. |

Table 1.2 – Consultation arrangements for customers

| Type of arrangement | Actual customer | Potential customer | Actual achievements |
|--|--|--|---------------------|
| Direct interaction with clients. The implementation of an ERP solution to be implemented in 2012/13, which will include a GPW Internet: Website. | All public service departments and South African citizens. | African countries that may require security printing services. | |

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 2012 |
|--------------|-------------------|-----------------------|----------------------|-----------------------------------|--|-------------------------------------|--------------------------------|
| | (R'000) | (R'000) | (R'000) | (R'000) | | (R) | |
| GPW | 575,328 | 109,545 | 578 | 14,450 | 19,04 | 213,122 | 537 |
| Total | 575,328 | 109,545 | 578 | 14,450 | 19,04 | 213,122 | 537 |

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) | 1,517 | 1.4 | 116,692 |
| Skilled (Levels 3-5) | 45,751 | 41.8 | 157,220 |
| Highly skilled production (Levels 6-8) | 30,706 | 28.1 | 230,872 |
| Highly skilled supervision (Levels 9-12) | 9,251 | 8.5 | 402,217 |
| Senior management (Levels 13-16) | 3,088 | 2.8 | 772,00 |
| Contract (Levels 3-5) | 10,767 | 9.8 | 224,313 |
| Contract (Levels 6-8) | 2,248 | 2.1 | 187,333 |
| Contract (Levels 9-12) | 2,753 | 2.5 | 458,833 |
| Contract (Levels 13-16) | 2,654 | 2.4 | 884,667 |
| Periodical remuneration | 642 | 0.6 | 642,000 |
| Total | 109,377 | 100 | 204,826 |



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

| Programme | Salaries | | Overtime | | Home owners allowance | | Medical assistance | |
|---------------------------|----------------|---------------------------------|------------------|---------------------------------|-----------------------|----------------------------|----------------------|-------------------------------------|
| | Amount (R'000) | Salaries as % of personnel cost | Overtime (R'000) | Overtime as % of personnel Cost | HOA (R'000) | HOA as % of personnel Cost | Medical ass. (R'000) | Medical ass. as % of personnel cost |
| Government Printing Works | 74,082 | 67.7 | 9,164 | 8.4 | 3,907 | 3.6 | 6,227 | 5.7 |
| Total | 74,082 | 67.7 | 9,164 | 8.4 | 3,907 | 3.6 | 6,227 | 5.7 |

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

| Salary bands | Salaries | | Overtime | | Home owners allowance | | Medical assistance | |
|--|----------------|---------------------------------|------------------|---------------------------------|-----------------------|----------------------------|----------------------|-------------------------------------|
| | Amount (R'000) | Salaries as % of personnel cost | Overtime (R'000) | Overtime as % of personnel Cost | HOA (R'000) | HOA as % of personnel Cost | Medical ass. (R'000) | Medical ass. as % of personnel cost |
| Lower skilled (levels 1-2) | 873 | 57.5 | 104 | 6.9 | 125 | 8.2 | 214 | 14.1 |
| Skilled (levels 3-5) | 27,163 | 59.4 | 5,354 | 11.7 | 2,547 | 5.6 | 3,839 | 8.4 |
| Highly skilled production (levels 6-8) | 20,365 | 66.3 | 1,878 | 6.1 | 1,085 | 3.5 | 1,809 | 5.9 |
| Highly skilled supervision (levels 9-12) | 6,828 | 73.8 | 239 | 2.6 | 117 | 1.3 | 347 | 3.8 |
| Senior management (levels 13-16) | 2,603 | 84.3 | 0 | 0 | 33 | 1.1 | 18 | 0.6 |
| Contract (levels 3-5) | 9,012 | 84 | 1,503 | 14 | 0 | 0 | 0 | 0 |
| Contract (levels 6-8) | 2,156 | 95.9 | 86 | 3.8 | 0 | 0 | 0 | 0 |
| Contract (levels 9-12) | 2,537 | 92.2 | 0 | 0 | 0 | 0 | 0 | 0 |
| Contract (levels 13-16) | 2,545 | 95.9 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 74,082 | 67.7 | 9,164 | 8.4 | 3,907 | 3.6 | 6,227 | 5.7 |



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 2012

| Programme | Number of posts | Number of posts filled | Vacancy rate | Number of posts filled additional to the establishment |
|--------------|-----------------|------------------------|--------------|--|
| GPW | 701 | 535 | 23.7 | 2 |
| Total | 701 | 535 | 23.7 | 2 |

Table 3.2 – Employment and vacancies by salary bands, 31 March 2012

| 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 | 16 | 33.3 | 0 |
| Skilled (Levels 3-5), Permanent | 367 | 334 | 9.0 | 0 |
| Highly skilled production (Levels 6-8), Permanent | 216 | 145 | 32.9 | 0 |
| Highly skilled supervision (Levels 9-12), Permanent | 64 | 30 | 53.1 | 2 |
| Senior management (Levels 13-16), Permanent | 30 | 7 | 76.7 | 0 |
| Interns/learners | 0 | 3 | 0 | 0 |
| Total | 701 | 535 | 23.7 | 2 |

The abovementioned numbers include a number of contract employees.



Table 3.3 – Employment and vacancies by critical occupation, 31 March 2012

| 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 | 39 | 11.4 | 0 |
| Bookbinding and related machine operators | 32 | 20 | 37.5 | 0 |
| Printing and related machine operators | 23 | 16 | 30.4 | 0 |
| Finance and economics related managers | 8 | 4 | 50.0 | 1 |
| Human resources related, Permanent | 25 | 12 | 52.0 | 0 |
| Senior managers | 30 | 7 | 76.7 | 0 |
| Total | 162 | 98 | 39.5 | 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 | 0 | 0.0 |
| Skilled (Levels 3-5) | 367 | 11 | 3.0 | 14 | 43.8 | 0 | 0.0 |
| Highly skilled production (Levels 6-8) | 216 | 13 | 6.0 | 0 | 0.0 | 0 | 0.0 |
| Highly skilled supervision (Levels 9-12) | 64 | 15 | 23.4 | 0 | 0.0 | 0 | 0.0 |
| Senior management (Levels 13-16) | 30 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Total | 701 | 39 | 5.6 | 0 | 0.0 | 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 2011/12 | None |
|--|------|

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 | 0 | 0 |
| Skilled (levels 3-5) | 286 | 19 | 10 | 3.5 |
| Highly skilled production (levels 6-8) | 122 | 10 | 5 | 4.2 |
| Highly skilled supervision (levels 9-12) | 17 | 8 | 3 | 17.7 |
| Senior management service band A | 2 | 1 | 0 | 0 |
| Senior management service band B | 0 | 0 | 0 | 0 |
| Senior management service band C | 1 | 0 | 0 | 0 |
| Senior management service band D | 0 | 1 | 0 | 0 |
| Interns | 0 | 3 | 0 | 0 |
| Total | 444 | 42 | 18 | 4.1 |

| | | | | |
|-----------------------------------|-----------|-----------|-----------|-------------|
| Contract (levels 3-5), permanent | 28 | 13 | 11 | 39.3 |
| Contract (levels 6-8), permanent | 31 | 5 | 1 | 3.2 |
| Contract (levels 9-12), permanent | 9 | 5 | 2 | 22.2 |
| Contract (band A), permanent | 1 | 0 | 0 | 0 |
| Contract (band B), permanent | 0 | 0 | 0 | 0 |
| Contract (band C), permanent | 1 | 0 | 0 | 0 |
| Total | 70 | 23 | 14 | 20.0 |

Note 1: The abovementioned information includes the appointment of six employees in a permanent capacity, initially they were employed on contract. Their information is also reflected under the terminations of the contract employees' information.

Note 2: A total of 80 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 abovementioned information (Table 5.1).



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 | 1 | 1 | 5.0 |
| Compositors typesetters and related printing workers | 37 | 7 | 5 | 13.5 |
| Printing management and supervisory personnel | 23 | 6 | 3 | 13.0 |
| Finance and economics related managers | 8 | 1 | 0 | 0 |
| Human resources related, Permanent | 9 | 2 | 0 | 0 |
| Senior managers | 7 | 1 | 1 | 14.3 |
| Total | 104 | 18 | 10 | 9.6 |

Table 5.3 – Reasons why staff are leaving Government Printing Works

| Termination type | Number | Percentage of total resignations | Percentage of total employment |
|-----------------------------------|-----------|----------------------------------|--------------------------------|
| Death | 2 | 6.3 | 0.4 |
| Resignation | 17 | 53.1 | 3.3 |
| Transfer | 0 | 0.0 | 0.0 |
| Retirement early | 3 | 9.4 | 0.6 |
| Dismissal-misconduct | 0 | 0.0 | 0.0 |
| Retirement normal | 3 | 9.4 | 0.6 |
| Contract terminations (normal) | 1 | 3.1 | 0.2 |
| Converted to permanent employment | 6 | 18.8 | 1.2 |
| Total | 32 | 100 | 6.2 |

| | |
|---|-----|
| Resignations as % of permanent employment | 6.2 |
|---|-----|

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 | 20 | 4 | 20.0 | 17 | 85.0 |
| Compositors typesetters and related printing workers | 37 | 2 | 5.4 | 10 | 27.0 |
| Printing management and supervisory personnel | 23 | 3 | 13.0 | 1 | 4.4 |
| Total | 80 | 9 | 11.3 | 28 | 35.0 |

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) | 16 | 0 | 0 | 7 | 43.8 |
| Skilled (levels 3-5) | 315 | 3 | 1.0 | 217 | 68.9 |
| Highly skilled production (levels 6-8) | 151 | 4 | 2.6 | 80 | 52.9 |
| Highly skilled supervision (levels 9-12) | 27 | 5 | 18.5 | 3 | 11.1 |
| Senior management (levels 13-16) | 5 | 0 | 0 | 0 | 0 |
| Total | 514 | 12 | 2.3 | 307 | 59.7 |



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 | 2 | 0 | 0 | 2 | 3 | 1 | 0 | 0 | 1 | 1 | 7 |
| Professionals | 6 | 0 | 0 | 6 | 1 | 3 | 0 | 1 | 4 | 2 | 13 |
| Technicians and associate professionals | 29 | 3 | 2 | 34 | 14 | 26 | 4 | 1 | 31 | 10 | 89 |
| Clerks | 23 | 2 | 0 | 25 | 3 | 35 | 2 | 1 | 38 | 16 | 82 |
| Service and sales workers | 14 | 1 | 0 | 15 | 1 | 4 | 0 | 0 | 4 | 0 | 20 |
| Craft and related trades workers | 34 | 1 | 3 | 38 | 33 | 21 | 1 | 0 | 22 | 13 | 106 |
| Plant and machine operators and assemblers | 57 | 5 | 0 | 62 | 29 | 52 | 9 | 1 | 62 | 41 | 194 |
| Elementary occupations | 10 | 1 | 0 | 11 | 4 | 10 | 0 | 0 | 10 | 1 | 26 |
| TOTAL | 175 | 13 | 5 | 193 | 88 | 152 | 16 | 4 | 172 | 84 | 537 |

| | 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 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Senior management | 1 | 0 | 0 | 1 | 1 | 1 | 0 | 0 | 1 | 0 | 3 |
| Professionally qualified and experienced specialists and mid-management, | 9 | 0 | 2 | 11 | 5 | 3 | 0 | 1 | 4 | 3 | 23 |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen | 41 | 2 | 1 | 44 | 29 | 39 | 1 | 1 | 41 | 22 | 136 |
| Semi-skilled and discretionary decision making | 99 | 10 | 0 | 109 | 45 | 66 | 13 | 2 | 81 | 54 | 289 |
| Unskilled and defined decision making | 3 | 1 | 0 | 4 | 0 | 11 | 0 | 0 | 11 | 0 | 15 |
| Contract (top management), | 1 | 0 | 0 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 2 |
| Contract (senior management) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1 |
| Contract (professionally qualified) | 1 | 0 | 2 | 3 | 1 | 3 | 0 | 0 | 3 | 0 | 7 |
| Contract (skilled technical) | 3 | 0 | 0 | 3 | 3 | 4 | 0 | 0 | 4 | 2 | 12 |
| Contract (semi-skilled) | 17 | 0 | 0 | 17 | 2 | 25 | 2 | 0 | 27 | 2 | 48 |
| Total | 175 | 13 | 5 | 193 | 88 | 152 | 16 | 4 | 172 | 84 | 537 |



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 | 1 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Senior management | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Professionally qualified and experienced specialists and mid-management | 3 | 0 | 2 | 5 | 0 | 2 | 0 | 1 | 3 | 0 | 8 |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen | 6 | 0 | 0 | 6 | 0 | 2 | 0 | 0 | 2 | 0 | 8 |
| Semi-skilled and discretionary decision making | 14 | 1 | 0 | 15 | 0 | 5 | 1 | 0 | 6 | 0 | 21 |
| Contract (Professionally qualified and experienced specialists and mid-management) | 1 | 0 | 1 | 2 | 0 | 3 | 0 | 0 | 3 | 0 | 5 |
| Contract (Skilled technical and academically qualified workers, junior management, supervisors, foremen) | 2 | 1 | 0 | 3 | 0 | 3 | 0 | 0 | 3 | 1 | 7 |
| Contract (Semi-skilled and discretionary decision making) | 2 | 0 | 0 | 2 | 2 | 6 | 1 | 0 | 7 | 0 | 10 |
| Learners | 2 | 0 | 0 | 2 | 0 | 1 | 0 | 0 | 1 | 0 | 3 |
| Total | 31 | 2 | 3 | 36 | 3 | 22 | 2 | 1 | 25 | 1 | 65 |



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) | 30 | 2 | 0 | 32 | 2 | 39 | 5 | 0 | 44 | 2 | 80 |
| Total | 30 | 2 | 0 | 32 | 2 | 39 | 5 | 0 | 44 | 2 | 80 |

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 | 0 | 0 | 0 | 0 | 1 | 1 | 0 | 0 | 1 | 0 | 2 |
| Skilled technical and academically qualified worker | 3 | 0 | 0 | 3 | 2 | 2 | 0 | 0 | 2 | 2 | 9 |
| Semi-skilled and discretionary decision making | 1 | 0 | 0 | 1 | 0 | 0 | 1 | 0 | 1 | 0 | 2 |
| Unskilled and defined decision making | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 4 | 0 | 0 | 4 | 3 | 3 | 1 | 0 | 4 | 2 | 13 |



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 | 1 | 1 | 1 | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 3 |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen | 0 | 0 | 0 | 0 | 3 | 2 | 0 | 0 | 2 | 0 | 5 |
| Semi-skilled and discretionary decision making | 3 | 0 | 0 | 3 | 3 | 1 | 0 | 0 | 1 | 3 | 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 | 0 | 2 | 0 | 0 | 2 | 0 | 2 |
| Contract (skilled technical) | 5 | 1 | 0 | 6 | 0 | 2 | 0 | 0 | 2 | 1 | 9 |
| Contract (semi-skilled) | 1 | 0 | 0 | 1 | 0 | 2 | 0 | 0 | 2 | 0 | 3 |
| Total | 10 | 2 | 1 | 13 | 6 | 9 | 0 | 0 | 11 | 4 | 32 |

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) | 30 | 2 | 0 | 32 | 2 | 39 | 5 | 0 | 44 | 2 | 80 |
| Total | 30 | 2 | 0 | 32 | 2 | 39 | 5 | 0 | 44 | 2 | 80 |



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 | 3 | 0 | 1 | 3 | 1 | 0 | 0 | 0 | 0 | 1 | 5 |

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 | 1 | 1 | 0 | 0 | 1 | 1 | 4 |
| Professionals | 4 | 0 | 1 | 5 | 3 | 2 | 0 | 0 | 2 | 2 | 12 |
| Technicians and associate professionals | 30 | 1 | 1 | 32 | 12 | 22 | 2 | 1 | 25 | 14 | 83 |
| Clerks | 22 | 3 | 0 | 25 | 14 | 35 | 2 | 2 | 39 | 22 | 100 |
| Craft and machine operators and assemblers and other | 25 | 6 | 0 | 31 | 7 | 35 | 5 | 1 | 41 | 12 | 91 |
| Elementary occupations | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 2 |
| Total | 82 | 10 | 2 | 94 | 37 | 95 | 9 | 4 | 108 | 53 | 292 |



7. PERFORMANCE

To encourage good performance, the department has granted the following performance rewards during the year under 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 | 30 | 151 | 20 | 258 | 8,585 |
| African, male | 30 | 175 | 17.2 | 281 | 9,370 |
| Asian, female | 2 | 4 | 50 | 24 | 12,195 |
| Asian, male | 0 | 5 | 0 | 0 | 0 |
| Coloured, female | 4 | 16 | 25 | 30 | 7,515 |
| Coloured, male | 1 | 13 | 7.7 | 9 | 9,085 |
| Total blacks, female | 36 | 171 | 21.2 | 312 | 8,667 |
| Total blacks, male | 31 | 193 | 16.1 | 290 | 9,361 |
| White, female | 35 | 84 | 42.2 | 326 | 9,310 |
| White, male | 26 | 88 | 29.9 | 275 | 10,574 |
| Employees with a disability | 0 | 1 | 0 | 0 | 0 |
| Total | 128 | 537 | 24 | 1,203 | 9,398 |

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) | 3 | 13 | 23.1 | 13 | 4,333 |
| Skilled (levels 3-5) | 78 | 291 | 26.8 | 591 | 7,577 |
| Highly skilled production (levels 6-8) | 45 | 135 | 33.8 | 557 | 12,378 |
| Highly skilled supervision (levels 9-12) | 2 | 23 | 8.3 | 41 | 20,500 |
| Contract (levels 3-5) | 0 | 49 | 0 | 0 | 0 |
| Contract (levels 6-8) | 0 | 12 | 0 | 0 | 0 |
| Contract (levels 9-12) | 0 | 6 | 0 | 0 | 0 |
| Periodical remuneration | 0 | 1 | 0 | 0 | 0 |
| Total | 128 | 530 | 24.2 | 1,202 | 9,391 |



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 | 8 | 20 | 40 | 79 | 9,875 |
| Printing management and supervisory personnel | 3 | 26 | 11.5 | 36 | 12,000 |
| Compositors typesetters and related printing workers | 4 | 37 | 10.8 | 52 | 13,000 |
| Financial and related professionals | 2 | 8 | 25 | 41 | 20,500 |
| Total | 17 | 91 | 18.68 | 208 | 12,235 |

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 | 3 | 0 | 0 | 0 | 0 | 0 |
| Band B | 0 | 1 | 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 | 7 | 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 of 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 of 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 2011 TO 31 DECEMBER 2011

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 | January 2011 till 31 December 2011

| 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) | 138 | 87.7 | 13 | 2.7 | 11 | 34 | 490 | 121 |
| Skilled (levels 3-5) | 2,499 | 87.3 | 255 | 52 | 10 | 845 | 490 | 2,181 |
| Highly skilled production (levels 6-8) | 1,245 | 80.2 | 121 | 24.7 | 10 | 726 | 490 | 998 |
| Highly skilled supervision (levels 9-12) | 114 | 77.2 | 15 | 3.1 | 8 | 141 | 490 | 88 |
| Senior management (levels 13-16) | 5 | 100 | 1 | 0.2 | 5 | 14 | 490 | 5 |
| Contract (levels 3-5) | 313.5 | 78.5 | 67 | 13.7 | 5 | 113 | 490 | 246 |
| Contract (levels 6-8) | 56 | 53.6 | 11 | 2.2 | 5 | 32 | 490 | 30 |
| Contract (levels 9-12) | 28 | 92.9 | 4 | 0.8 | 7 | 57 | 490 | 26 |
| Contract (levels 13-16) | 13 | 46.2 | 3 | 0.6 | 4 | 45 | 490 | 6 |
| Total | 4,411.5 | 83.9 | 490 | 100 | 9 | 2,007 | 490 | 3,701 |

Table 9.2 – Disability leave (temporary and permanent) | January 2011 till 31 December 2011

| 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) | 105 | 100 | 11 | 68.8 | 10 | 36 | 105 | 16 |
| Highly skilled production (levels 6-8) | 90 | 100 | 5 | 31.3 | 18 | 56 | 90 | 16 |
| Total | 195 | 100 | 16 | 100 | 12 | 92 | 195 | 16 |

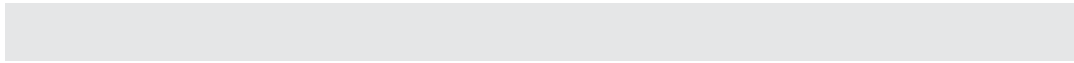


Table 9.3 – Annual leave, 1 January 2011 till 31 December 2011

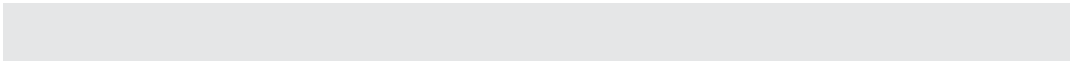
| Salary band | Total days taken | Average per employee | Employment |
|--|------------------|----------------------|------------|
| Lower skilled (levels 1-2) | 304 | 23 | 13 |
| Skilled (levels 3-5) | 6,657 | 22 | 297 |
| Highly skilled production (levels 6-8) | 3,116 | 24 | 132 |
| Highly skilled supervision (levels 9-12) | 432 | 19 | 23 |
| Senior management (levels 13-16) | 86 | 22 | 4 |
| Contract (levels 3-5) | 849 | 8 | 105 |
| Contract (levels 6-8) | 181 | 14 | 13 |
| Contract (levels 9-12) | 45 | 8 | 6 |
| Contract (levels 13-16) | 36 | 12 | 3 |
| Total | 11,706 | 20 | 596 |

Table 9.4 – Capped leave, 1 January 2011 till 31 December 2011

| Salary Band | Total days of capped leave taken | Average number of days taken per employee |
|--|----------------------------------|---|
| Skilled (Levels 3-5) | 70 | 4 |
| Highly skilled production (Levels 6-8) | 52 | 6 |
| Total | 122 | 5 |

Table 9.5 – Leave pay-outs for the period 1 April 2011 to 31 March 2012

| Reason | Total amount (R'000) | Number of employees | Average payment per employee (R) |
|---|----------------------|---------------------|----------------------------------|
| Leave payout for 2011/12 due to non-utilisation of leave for the previous cycle | 74 | 4 | 18,500 |
| Capped leave payouts on termination of service for 2011/12 | 203 | 18 | 11,278 |
| Current leave payout on termination of service for 2011/12 | 43 | 10 | 4,300 |
| Total | 320 | 32 | 10,000 |



10. HIV/AIDS & 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 Government Printing Works designated a member of the SMS to implement the provisions contained in Part VI E of Chapter I of the Public Service Regulations, 2001? | ✓ | | Executive Director Human Resources |
| Does the Government Printing Works 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 Government Printing Works established committees as contemplated in Part VI E 5(e) of Chapter I of the Public Service Regulations, 2001? | ✓ | | Health and Safety Committee |



11. LABOUR RELATIONS

Table 11.1 - Collective agreements, 1 April 2011 to 31 March 2012

None

Table 11.2 – Misconduct and disciplinary hearings finalised

| Outcomes of disciplinary hearings | Number | Percentage of total |
|-----------------------------------|----------|---------------------|
| Corrective counseling | 0 | 0 |
| Final written warning | 0 | 0 |
| Suspended without pay | 0 | 0 |
| Dismissal | 0 | 0 |
| Total | 0 | 0 |

Table 11.3 – Types of misconduct addressed and disciplinary hearings

| Type of misconduct | Number | Percentage of total |
|---------------------------------------|----------|---------------------|
| Poor performance/ direlection of duty | 3 | 60 |
| Unauthorised absenteeism | 2 | 40 |
| Total | 5 | 100 |

Table 11.4 – Grievances lodged

| Number of grievances addressed | Number | % of total |
|--------------------------------|-----------|------------|
| Resolved | 5 | 38.5 |
| Not resolved | 8 | 61.5 |
| Total | 13 | 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 | 0 |
| Number of people whose suspension exceeded 30 days | 0 |
| Average number of days suspended | 0 |
| Cost (R'000) of suspensions | 0 |



12. SKILLS DEVELOPMENT

Table 12.1 – Training needs identified | April 2011 to 31 March 2012

| Occupational categories | Gender | Number of employees as at 1 April 2011 | Training needs identified at start of reporting period | | | Total |
|--|--------|--|--|---|-------------------------|------------|
| | | | Learnerships\ RPL | Skills programmes and other short courses | Other forms of training | |
| Legislators, senior officials and managers | Female | 35 | 0 | 33 | 2 | 35 |
| | Male | 52 | 0 | 52 | 2 | 54 |
| Clerks and lower skilled | Female | 210 | 4 | 70 | 36 | 110 |
| | Male | 217 | 4 | 73 | 40 | 117 |
| Total | | 514 | 8 | 228 | 80 | 316 |

Table 12.2 – Training provided | April 2011 to 31 March 2012

| Occupational categories | Gender | Number of employees as at 1 April 2011 | Training needs identified at start of reporting period | | |
|--|--------|--|--|---|------------|
| | | | Learnerships | Skills programmes and other short courses | Total |
| Legislators, senior officials and managers | Female | 35 | 1 | 31 | 31 |
| | Male | 52 | 2 | 49 | 49 |
| Clerks and lower skilled | Female | 210 | 0 | 162 | 162 |
| | Male | 217 | 0 | 170 | 170 |
| Total | | 514 | 3 | 412 | 412 |

Table 12.3 – Internship and apprentice programme | April 2011 to 31 March 2012

The GPW Internship programme details are as follows.

| Occupational categories | Number of interns | | |
|--------------------------|-------------------|----------|----------|
| | Male | Female | Total |
| Operation and Production | 2 | 1 | 3 |
| Total | 2 | 1 | 3 |

Table 12.4 - Study bursaries granted | April 2011 to 31 March 2012

| Occupational categories | Number of interns | | |
|--|-------------------|----------|-----------|
| | Male | Female | Total |
| Legislators, senior officials and managers | 1 | 1 | 2 |
| Clerks and lower skilled | 6 | 6 | 12 |
| Total | 7 | 7 | 14 |

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 | % of total |
|---------------------------------------|-----------|------------|
| Required basic medical attention only | 56 | 78.9 |
| Temporary total disablement | 15 | 21.1 |
| Permanent disablement | 0 | 0 |
| Fatal | 0 | 0 |
| Total | 71 | 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
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0001

Postal address: Private Bag X 85
Pretoria
0001

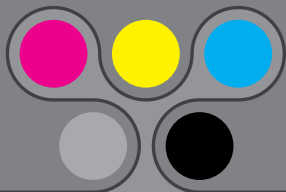
Auditors: The Auditor-General of South Africa

Bankers: ABSA
Reserve Bank

Accounting Officer: Prof AD Mbewu

RP: 978-0-621-41277-2

ISBN: 292/2012



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