

ANNUAL REPORT

2016/2017

GOVERNMENT
PRINTING
WORKS



government
printing

Department:
Government Printing Works
REPUBLIC OF SOUTH AFRICA



home affairs

Department:
Home Affairs
REPUBLIC OF SOUTH AFRICA



The background features a light blue gradient with abstract pink and purple paint splashes on the left side. In the top right corner, there are colorful geometric shapes in blue, yellow, and pink, including triangles and circles. A green horizontal band is positioned across the middle of the page.

ANNUAL REPORT

2016/2017

GOVERNMENT
PRINTING
WORKS



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PROF HB MKHIZE

MINISTER OF HOME AFFAIRS

I have the honour of submitting the Annual Report of the Government Printing Works for the period 1 April 2016 to 31 March 2017



MS N MOYO


ACTING CHIEF EXECUTIVE OFFICER



CHAPTER 1

OVERVIEW

GOVERNMENT PRINTING WORKS



The Honourable Minister of Home Affairs, Prof Hlengiwe Mkhize gives an outline on the innovations, achievements and progress made by the Government Printing Works (GPW) in achieving its objectives, while the Acting Chief Executive Officer, Ms N Moyo provides further information on how the organisation is transforming into a modern print and media company.

FOREWORD BY THE MINISTER

Preface by Honourable Professor Hlengiwe Mkhize, MP and Minister of Home Affairs.

The Government Printing Works (GPW) has had a successful year in delivering on its mandate of printing security documents (such as passports and Smart ID cards) and general printing services for the Department of Home Affairs and other government departments at national, provincial and local government levels.

The mission of GPW is to provide:

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

GPW continues as a key partner in the roll out of Home Affairs' modernisation programme, producing Smart ID cards and passports at its World Class High-tech Production Facility.

In the fiscal year 2016/17 GPW produced a total of 883 891 passport booklets, which are highly secure, with the best possible resistance against criminal attack. Furthermore, GPW developed a new Refugee Passport for the Department of Home Affairs, in compliance with United Nations Human Rights Commission's directives and International Civil Aviation Organization standards for security. Other core documents produced by GPW during the reporting period are as follows:

- 349 137 Green Identity Books;
- 2 699 047 ID Smart Cards;
- 26 750 543 Examination Papers (various departments of education); and
- 2 256 editions of the Government Gazette.

Pertaining to other new products and services, the South African Police Service has mandated the GPW to begin development and testing





of Firearm Licenses & related permits for purposes of production. This work is currently in progress.

It should be noted that the GPW did not receive any voted funds since 2012. It operates on regular business principles, which implies that all its operations are self-funded through revenue, which exceeded 1.4 billion rand during the 2016/17 financial year.

GPW's profits are being invested into its Spatial Development and Asset Recapitalisation Programmes. In this regard GPW has initiated the final phase of construction and renovation of the GPW Precinct, which includes new Headquarters and Production facilities, scheduled for completion in 2021.

In the coming years, GPW will continue with pursuit of the passing of the conversion into a State Owned Company and Security Printer legislations, strengthening of the current institutional framework and governance mechanisms. It will also focus on expansion of its footprint nationally, internationally, partnering with our counterparts in SADC and other regions as part of fostering the African agenda, as exhibited by our hosting of SADC Home Affairs ministers in March.

GPW remains resolute in its efforts to the state's Security Printer of choice, reliably delivering innovative, high quality products and services to the government and people of South Africa.

PROF HLENGIWE MKHIZE, MP
MINISTER OF HOME AFFAIRS

CHIEF EXECUTIVE OFFICER'S REPORT

The year 2016/17 has witnessed achievement of objectives as set out in the Government Printing Works (GPW) Strategic Plan and Annual Performance Plan. This Annual Report outlines GPW's performance in relation to the 28 targets set for the 2016/17 financial year, spread across the various strategic priorities. A total of 22 of the 28 set targets were achieved translating to 79% performance.

GPW is the State's mandated security printer of choice. It continues to provide this critical security printing service to all government departments and its agencies in all spheres of government. It utilizes internationally trusted, sophisticated and most secure printing equipment to produce security documents such as smart ID Cards, travel documents, gazettes, examination scripts and essential government forms and documentation.

The three strategic objectives of the GPW for the 2017 — 2021 periods are:

- To further develop the Government Component to become a Government Business Enterprise (State Owned Enterprise).
- To optimize processes and facilities to increase operational effectiveness and improve customer service.
- To have an efficient, effective and well-trained/developed workforce

The modernization of printing equipment has enabled GPW to be able to incorporate some security features to ensure that the documents cannot be forged or altered in any way without detection.

The year under review was characterized by strong efforts by management and corporate governance structures working together to ensure the strengthening of internal controls where identified, performance management system, accountability and stakeholder engagements.

The company received an unqualified audit opinion from the Auditor General of South Africa for the 2016/17 financial and will continue to work towards a Clean Audit in the coming years. The improvements recorded are evidence





of management's commitment to good governance and compliance with legislation and regulations.

GPW is financially stable with turnover of over a billion rand, and this is set to double within the next 5-7 years with the conversion of the company into a Government Business Enterprise. In the 2016/2017 financial year, significant progress was recorded relating to the implementation of conversion into Government Component established in 2009. Ongoing work is underway to reposition Government Printing Works (GPW) as a secure state, of the Art government printer and convert into a National Government Business Enterprise (Schedule 3B).

We look forward to completing this process by tabling the legislation to Cabinet and Parliament in the 2017/18 financial year for processing by Parliament during 2018. This will enshrine in legislation GPW's corporate position as Government's Security Printer with greater operational flexibility and competitiveness in the market. This is necessary if the GPW is to complete its transformation from a state printer, using ink and paper, to a "print and media company", printing on 'a variety of media such as paper and polycarbonate; and using secure ICT in both its internal business and production process, as well as the external products and processes it provides.

The productivity of the Operations and Production Branch remained high and the quality of its work excellent. In 2015/16 a total of 2 413 929 smart ID cards were produced bringing the total to 4 209 076 cards since production began in October 2013. In the 2016/17 year, GPW produced 2 699 047 smart ID cards, 349 137 ID books, 883 891 passports, 537 000 gazette notices and 26 750 543 examination scripts.

One hundred per cent of examination papers were produced according to clients specification, and within the specified timeframes. A mission to automate the printing and boxing of examination papers is now operational reducing the chances of leakage of examination papers.

All smart ID cards and most passports are now produced by live capture in enabled Home Affairs offices, minimizing the risk of fraud or error. The plan is to replace all 38 million green ID books in circulation with smart ID cards over the next 5 years.

From the end of 2017, dispatch of the smart ID cards is done directly to the courier on GPW's factory floor.

There were no serious security breaches and no loss or theft of smart ID cards or passports. There were no breaches of ICT security and ICT systems attained 99,8 per cent availability. Two pieces of security printing equipment were procured leaving the GPW on target to complete its 10-year R 800 million asset recapitalization programme by 2020.

GPW management remains highly committed and resolute to ensure that both the company strategic goals and annual performance plans are realised.

CHIEF EXECUTIVE OFFICER'S REPORT



MS THANDI MOYO

ACTING CHIEF EXECUTIVE OFFICER GOVERNMENT PRINTING WORKS

STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

To the best of my knowledge and belief, I confirm the following:

All information and amounts disclosed in the annual report is consistent with the annual financial statements audited by the Auditor General.

The annual report is complete, accurate and is free from any omissions.

The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.

The Annual Financial Statements (Part E) have been prepared in accordance with the generally accepted accounting practice standards applicable to the government component.

The accounting authority is responsible for the preparation of the annual financial statements and for the judgments made in this information.

The accounting authority is responsible for establishing, and implementing a system of internal control has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The external auditors are engaged to express an independent opinion on the annual financial statements.

In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the public entity for the financial year ended 31 March 2017.

Yours faithfully,



MS THANDI MOYO

ACTING CHIEF EXECUTIVE OFFICER





CHAPTER 2

ABOUT GPW

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ABOUT GPW

The Government Printing Works, often referred to as GPW, is a government component reporting to the Minister of Home Affairs; with oversight by the Parliamentary Portfolio Committee for Home Affairs. The organisation specializes in the printing and development of security media, including passports, visa, birth certificates, educational certificates, smart identity documents, examination materials, and a wide range of other high security printed documents.

Security documents are documents containing embedded security features to protect the document against criminal attacks.

Based in Pretoria, Gauteng, the GPW boasts a rich history spanning 128 years' experience in the printing industry. The GPW has adhered to the goals of security printing, which is to prevent forgery, counterfeiting and tampering which may lead to identity theft. Today, the GPW ranks as one of the most progressive security printing specialists in Africa, boasting a high-tech production facility with world leading technologies.

The GPW's Mission and Vision

The market for security printed matter is constantly growing, due to the need for modern security documents that incorporate biometric features. At present, the GPW - which operates based on the core values of reliability, integrity, accuracy and stakeholder satisfaction - is well positioned to benefit from these developments, both within South Africa and further afield across the African continent.

The GPW's vision, mission and its business model, are governed by this market demand, its core values and its key purpose of providing state departments with high security printed matter, thus enabling it to eliminate counterfeiting of key documents and maintain state security.



Vision

To be the State mandated security printer.

Mission

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

Values

- Reliability
- Integrity
- Accuracy
- Stakeholder satisfaction

Service Offerings

Having invested in modern and world-class printing and data management technology, the GPW is fully equipped to meet its customers' printing needs, offering a comprehensive suite of standard printing, security printing and publishing services to the South African government. The GPW also supports the dissemination of government information to the public.

As the editor 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.

The GPW's wide range of products and services comprises printing services, security printing and consulting services, gazette services, publications, and government stationery services.

ABOUT GPW

Security printing services

With advances in technology in modern printing equipment becoming increasingly available to the general public, including small printing, presses, computers and photographic equipment, document security and solutions to eliminate the criminal attack of key documents of the state are topical issues in the war against crime and state security. The rise of identity theft, which occurs when someone unlawfully obtains another's personal details without their knowledge, to commit fraud, has left many a country vulnerable to criminal activities.

Document security features generally function on three levels:

First level security consists of overt 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, both locally and internationally, in particular as the GPW encompasses international best practice standards.

Passport production

The GPW offers an end-to-end passport production solution, incorporating ICAO compliant booklets in any configuration, with personalised polycarbonate data pages, using advanced laser engraving technology.

Should it be required by the customer, the GPW can also produce blank ICAO compliant booklets in any configuration, including the incorporation of polycarbonate data pages, for personalisation by the customer.



Card media development

The GPW can develop card type documents -smart cards with integrated circuits, such as identification cards and drivers licences, as well as regular cards, including access control 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.

Document securitization

Breeder documents, such as birth certificates, have high value in validating the holder's citizenship and supporting the population control measures. The GPW has sophisticated laser technology to create high value security features in such documents. This technology is applied according to customers' preference, for instance in logos, special images and numbering. The GPW also uses other various security elements to secure documents, such as UV inks, optically variable devices (OVDs), security foils and more, based on customers' needs.

Rubber stamps production

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

Non Security products and services

Government stationery

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

This division does not print, but supports the procuring of stock, warehousing and distributing the orders to customers. The business unit operates from a 10,000 square metre warehouse in Zandfontein, Pretoria, and has regional support offices in Mmabatho, Polokwane and East London.

Government publications

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. Also included among publications are the Government Gazettes, which are available electronically on the GPW's website – www.gpwonline.co.za

ABOUT GPW

Customer Support

The GPW team consists of 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.

The Printing Services process

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

Origination

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

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

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



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 such as certificates and more.

Finishing

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

- Sheeted
- Fan folded packs
- Sprocketed continuous stationery (also multipart)
- Multipart snapsets
- Folded forms
- Perfect bound books
- Multipart
- Reel-to-reel format
- Books (side stitched and saddle stitched)
- Full-bound books (including genuine leather)
- Foil blocking

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





CHAPTER 3

GPW'S INFRASTRUCTURE PROJECTS

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GPW'S INFRASTRUCTURE PROJECTS

GPW Modernisation

The GPW embarked on a program towards the development and modernisation of its facilities, with the current phase being the construction of Pavilion 3. Upon completion, which is expected during the 3rd quarter of 2017, it will enable the GPW to commission new technologies and processes, which will include, amongst others:

- a secure examination production facility;
- an extension to the existing high security printing facility; and
- a mechanised travel and identity document sorting and dispatch centre.

The construction progressed satisfactorily during the reporting period and the estimated cost of the project remains at R320 million.

In addition to the Pavilion 3 phase, the modernisation project includes the establishment of GPW's new headquarters and the realisation of the final Master Plan which includes the outstanding campuses of the GPW Precinct. The programme consists of the following two main developments:

New Headquarters

GPW previously procured a vacant, six-level office block adjacent to the current Visagie Street campus, with the vision of consolidating it to serve as GPW's Headquarters as from 2018.

During the next period the GPW will endeavour to design and refurbish this building into modern and suitable office accommodation for its senior management and administration personnel.



Master plan project

The GPW Precinct will, upon completion in 2020, comprise the remaining development of the Visagie Street site, and incorporate the adjacent vacant land known as the Minnaar Street site. This will fulfil the total spatial requirements of the GPW, allowing it to consolidate its entire operation in one precinct, and will enable the transition from the legacy Bosman Street site.

The envisaged GPW Precinct will consist of a number of designated, function-oriented campuses, made up of self-contained and product-oriented processing centres, which will allow for secure, efficient and high quality business operations.

The estimated cost associated with the Master Plan project was revised to R 1.2 billion by the appointed professional services team, and is presently being executed by the Department of Public Works on behalf of the GPW.

Equipment modernisation programme

The GPW intends to continue with the equipment modernisation programme in support of its strategic plan. In this regard, the following is highlighted:

New dispatch centre

Once the Pavilion 3 construction project has been completed, the GPW plans to implement a mechanised dispatch centre within the building, targeting the distribution of both smart ID cards and travel documents. The automated process will allow the GPW to promptly sort products for direct delivery to the courier service provider, thereby efficiently supporting the Department of Home Affairs to improve on its turnaround time and its service delivery to citizens.

Expansion of examination production facility

The GPW has commissioned modern and technologically advanced script sorting and packaging equipment. This mechanised line has reduced the risk associated with manual sorting and packaging operations. The line will be incorporated into the greater examinations production facility in the next year, following the completion of the Pavilion 3 facility.

Current demand for examination services exceeds the existing capacity and requires an expansion. The acquisition of two low-capacity production lines will allow for increased flexibility and redundancy within the system.

GPW'S FLAGSHIP PROJECTS

Standard Printing

GPW presently operates a kraft web-fed press for the production of high-volume standard stationery. This includes, amongst others, file folders utilised for document administration at all government institutions. The current unit, being in a dilapidated state, will be replaced with a modern, high-speed printing press.

The background of the entire page is a close-up, slightly blurred image of various colored paint cans. In the top right corner, there is a stylized, colorful logo consisting of geometric shapes like triangles and circles in shades of blue, yellow, and magenta. The text 'CHAPTER 4' is centered in the upper half of the page in a bold, dark blue font. A vertical dotted line separates the chapter title from the subtitle.

CHAPTER 4

HISTORY AND MILESTONES

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HISTORY AND MILESTONES

Originally founded in 1888, the GPW boasts a rich, illustrious - and sometimes challenging - history. In this section, we describe its evolution through the passages of time. During its rule of the Western Cape region of South Africa from 1652 to 1799, the Dutch East Indian Company did not allow the operation of printing facilities until its final years of existence in the region.

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. The resultant shortage of money left the governor with no other option but to produce primitive banknotes on a parchment substrate, as an interim measure.

In 1784, Johann Christian Ritter, a Bavarian born in Bayreuth in 1755, was appointed by the Dutch East Indian Company to assume duties as an artisan bookbinder in the Cape. On a small printing press, he successfully produced a variety of maps for the organisation over the year, leading to the establishment of the first printing plant in the Cape in 1785. Ritter was also appointed as the first printing superintendent. It is thus widely accepted that Ritter is the founder of the printing industry in the Republic of South Africa. A number of other artisans joined Ritter's printing company in the following years and, although a variety of printed matter -such as government notices, handbills and other documents – was produced, printing facilities remained limited until 1800 when Walker & Robertson, a prominent slave trading company, imported a complete set of printing machines and support equipment.

This was installed in February 1800 at the company's premises situated at 35 Plein Street in Cape Town. Subsequently, the company was appointed by Governor Yonge as the sole supplier of government printed matter in the Cape colony. Yonge also authorised the company to produce a weekly gazette, which commenced circulation with effect from 1 August 1800, known as the "Kaapsche Stads Courant".



This publication was the predecessor to what is known as today's "Government Gazette". Following his appointment as the new governor of the Cape colony during 1801, Major-General Dundas monopolised all government and commercial printing and subsequently issued an order of attachment on the printing facility of Walker & Robertson. On 8 October 1801, the entire printing works was moved to the Castle and the first Government Printing Works (GPW) was established under the supervision of Sir John Barrow, a government official who also served as accounts auditor of the Cape colony. Barrow retained this position until the British reoccupied the Cape during 1806, when George Ross was appointed the superintendent of printing.

The first apprentice to learn and complete a printing trade in South Africa was BJ van der Sandt, who enrolled at the printing facility during 1811 and remained there until retirement age, eventually also being appointed as the superintendent of printing. The year of 1824 saw a fierce battle break out between the governor, Lord Charles Somerset, and a group of determined Scotsmen, comprising George Greig, a printer who originated from the King's Printing Office in Shacklewell, Thomas Pringle, who was an 1820 settler, and John Fairbairn, a prominent South African journalist. The struggle was an attempt by the group to break the government's monopoly on printing and establish a free press, one that continued for the next five years, which culminated in Sir Lowry Cole's 1829 declaration of a free press in South Africa.

The declaration saw an immediate increase in the number of commercial printers, with printing facilities being established in places such as Grahamstown, Port Elizabeth, Bloemfontein and Durban, among 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 10-year government contract for the production of the Gazette. During 1847, Saul Solomon & Company purchased Bridekirk's printing facility and remained the government's main printing supplier until 1881, when a new company, WA Richards & Sons, obtained the majority of all the government contracts. During this period, printing establishments also expanded to other areas with the northbound movement of pioneers and the establishment of the Republic of Transvaal.

When Marthinus Wessel Pretorius became the president of the Republic of Transvaal in 1856, he invited 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 Cornelis Moll also utilised the gazette to publish his own editorial viewpoints in opposition to the government's opinion, the president was forced to place the printing facility under direct government control, purchasing it 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



HISTORY AND MILESTONES

moved its capital from Potchefstroom to Pretoria in 1860, he relocated the entire printing works to Pretoria. Here, it was modernised to the extent that 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 the government. He then established the plant as a private printing works with contracts to produce printed matter for government, operating from his premises in Church Street, Pretoria, under the name Cilliers and Rous. This position remained unchanged until the annexation of the Republic of Transvaal by the British Empire during 1877, when the British confiscated the printing works and utilised the facility for the provision of local government printed matter. However, when the war broke out, Cilliers managed to lay his hands on old, dilapidated machines, which he repaired sufficiently to continue with the printing of private documents and newsletters. General Piet Joubert continuously collected donations and utilised the funds for upgrading Cilliers' existing rundown machines and to purchase new equipment, thus allowing him to maintain a printing facility of reasonable proportion throughout the war.

From 1888

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. 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 of two clerks, six typesetters and two machine operators.



On the afternoon of 14 March 1891, the building was struck by lightning and subsequently caught fire. Whilst the GPW staff attempted to put out the fire, the chief of local police and the fire chief could not agree on who was in charge of the limited firefighting equipment. The disagreement quickly turned ugly and the two officials became involved in a fistfight - one that lasted several minutes – in the middle of Church Street. By the time the fire chief finally managed to put the police chief down, the entire GPW building had been completely incinerated. Government decided to rebuild the building and the new structure was completed on 29 May 1891

Continuous expansion of printing operations during the following years, led to government seeking out alternative premises to house the printing works, with eight stands, located in Koch Street, Pretoria (today Bosman Street), 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 distinctive red-brick head office of the GPW until this day.

From 1976 to 2008

In 1976, the GPW was established as a trade account. This meant that it had to operate on regular business principles and since then, financial viability of the institution thus depended entirely on the GPW's ability to generate sufficient revenue from services rendered to defray all its operational and capital expenditure. Being functionally charged with the rendering of inter-departmental services, the National Treasury directed the trade account's operations within the following framework; meeting its mandate required the GPW to make a 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, the National Treasury directed that government institutions be obliged to source all of their printing related services only from the GPW. This 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 of them, resulting in 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 Department of Home Affairs submitted a cabinet memorandum with recommendations that certain printing facilities, such as the Umtata



HISTORY AND MILESTONES

Printing Works, be closed down, whilst others be restructured to serve as provincial offices of the GPW. The restructuring process resulted in the GPW's head office in Pretoria with regional offices in Polokwane, Mmabatho, East London and Cape Town respectively.

From 2008 to present day

During 2008, the GPW prepared a business case to propose its conversion to a government component. During September 2008, this business case was presented to a joint panel (the National Treasury, Department of Public Service and Administration and the Department of Home Affairs), which was then 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).



time

1888

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

1894

The GPW's continuous expansion leads to the purchase of eight stands on today's Bosman Street in Pretoria.

1891

The GPW is struck by lightning and burns to the ground, but is rebuilt by government.

1994

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

1976

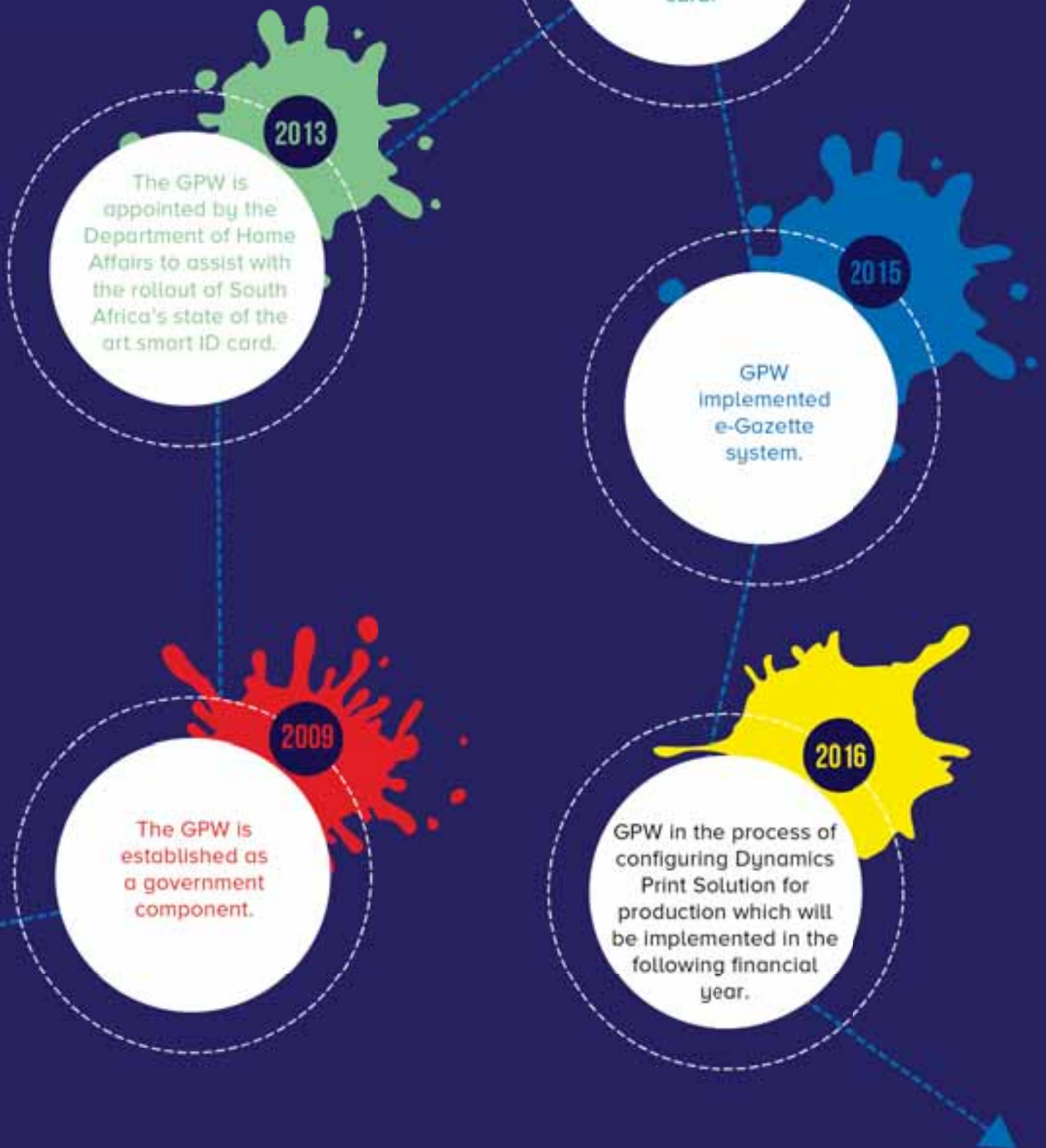
The GPW is established as a trade account.

1996

The GPW is restructured.

line

Government Printing Works







CHAPTER 5

CAREERS AT THE GPW

GOVERNMENT
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CAREERS AT THE GPW

The 2016/17 financial year saw a proactive effort placed on human resources development, illustrated by 110 employees trained during the period.

The GPW acknowledges that people play a critical role in the organisation's growth and fulfillment of its vision. It therefore places a strong focus on training and development while striving to be an employer of choice in the printing industry.

The organisation has developed a harmonious work environment, created by a workforce that adheres to its core values. Employee turnover was only at 5.8 percent, which is below the industry norm.

As far as possible, strategic positions in the organisation were filled, most notably the position of general manager: strategic management and other senior positions in human resources, production and operations departments. However, as per the previous year under review, one of the major challenges experienced by the GPW was the recruitment and retaining of scarce skills. New alternatives are nevertheless continuously being investigated.

Focus was placed on the improvement on the application of performance management and good progress in this regard has been made. Further demonstrating its focus on employees, the GPW continuously revisits its human resources policies and procedures in order to achieve its strategy of becoming an 'employer of choice' in the printing industry.

The employee 'Wellness Day', founded in April 2013, is now firmly established and managed by the employee wellness officer. All employees are encouraged to take part in health and risk assessments and to fully make use of the services offered. Further to the GPW's goals of managing human resources in totality, all objectives set for 2016/17 were fully achieved, and the human resources business unit continues to render solid services to each GPW department.



CHAPTER 6

PERFORMANCE REPORT

GOVERNMENT
PRINTING
WORKS

GOVERNMENT PRINTING WORKS – ANNUAL PERFORMANCE REPORT FOR THE FISCAL YEAR 2016-2017

1. OVERALL PERFORMANCE

Government Printing Works had a total of 28 planned targets for the 2016/17 financial year. It has achieved 22 targets representing a 79% achievement rate and 06 targets representing 21% were not achieved. The summary is as follows:

GPW ANNUAL PERFORMANCE: 2016/17			
Total planned targets		Achieved	Not Achieved
28		22	6

2. GPW'S ANNUAL COMPARATIVE ANALYSIS AGAINST THE ANNUAL PERFORMANCE PLAN

Below is a comparative annual performance analysis based on the past 3 financial years:

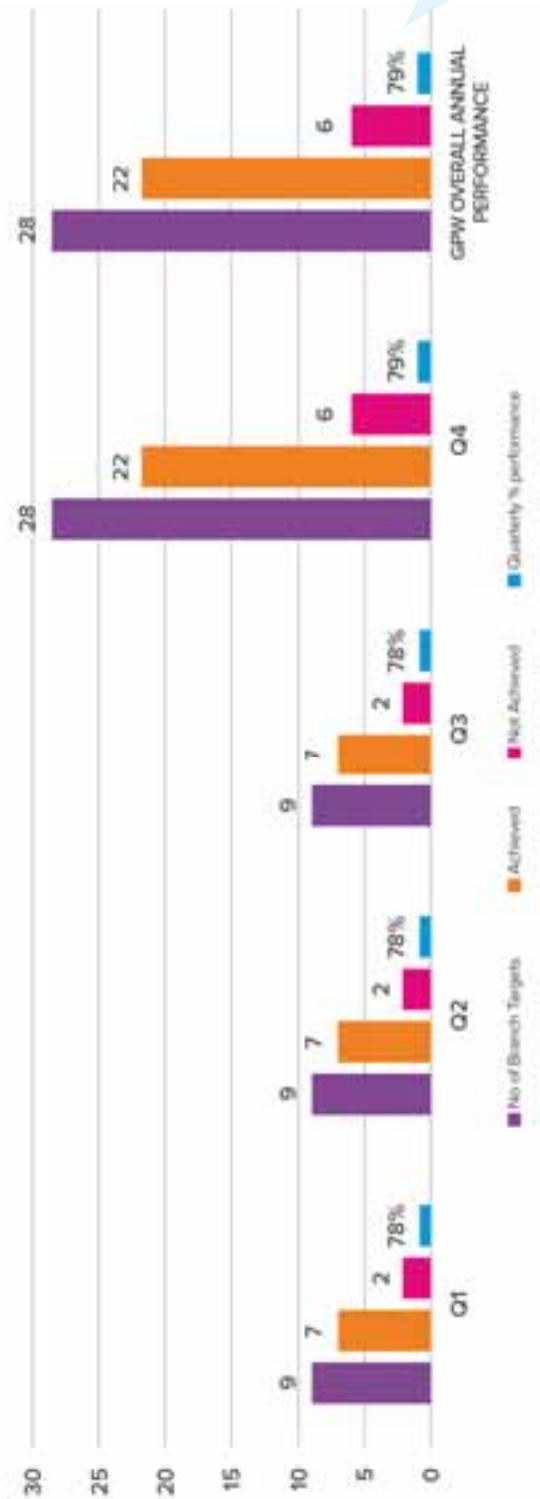
ANNUAL COMPARATIVE ANALYSIS AGAINST ANNUAL PERFORMANCE PLANS				
GPW OVERALL ANNUAL PERFORMANCE				
Financial Year	No of Branch Targets	Achieved	Not Achieved	Annual % performance
2014/15	45	40	5	89%
2015/16	26	23	3	88%
2016/17	28	22	6	79%

3. EXECUTIVE SUMMARY

An annual analysis of GPW's performance against targets indicates a 79% achievement rating, which demonstrate an elaborate effort made towards attainment of all set targets. This performance outcome reflects that 21% of targets planned for implementation in the 2016/17 financial year were not achieved. A breakdown of the 2016/17 annual performance is as follows:

QUARTERLY COMPARATIVE ANALYSIS AGAINST ANNUAL PERFORMANCE PLAN				
SUMMARY: 2016/17 TARGETS				
Quarter	No of Branch Targets	Achieved	Not Achieved	Quarterly % performance
Q1	9	7	2	78%
Q2	9	7	2	78%
Q3	9	7	2	78%
Q4	28	22	6	79%
GPW OVERALL ANNUAL PERFORMANCE	28	22	6	79%

Comparative analysis against Annual Performance Plan



4. SUMMARY OF ANNUAL PERFORMANCE PER BRANCH: 2016/17

A breakdown of GPW's performance per Branch is highlighted below. The total planned targets per Branch are: Branch: Production and Operations has 4; Branch: Strategic Management has 9; Branch: Financial Services has 10 and Branch: Human Resources has 5 targets. A summary table below demonstrates all targets and performance status as follows:

TABLE 04: SUMMARY OF ANNUAL PERFORMANCE PER BRANCH

BRANCH	TARGETS: 2016/17	STATUS
PRODUCTION AND OPERATIONS	Total targets= 4	
	3 new equipment items procured according to the Recapitalization plan	☹️
	100% of Identity Documents/ Cards distributed must conform to the client's specifications	😊
	100% of Travel Documents delivered must conform to the client's specifications	😊
	100% of examination papers delivered must conform to the client's specifications	😊
BRANCH	TARGETS	STATUS
STRATEGIC MANAGEMENT	Total targets= 9	
	>99% security vulnerabilities mitigated as detected by security assessments	😊
	>99% system availability	😊
	>80% ICT service offerings identified implemented	😊
	Refine E-Gazette system as per user specifications	😊
	1 targeted platform used to raise and increase awareness of GPW	😊
	Three new security products developed	😊
	Implement security risk management according to approved plan	☹️
	90% of annual internal audit plan, as approved by the Audit Committee, implemented	☹️
	100% of annual risk & compliance plan as approved by the Risk Committee, implemented	😊

BRANCH	TARGETS	STATUS
FINANCE	Total targets= 10	
	Maintain clean audit opinion for 2015/16	☹️
	174% operating cost as percentage of revenue reached	😊
	26.8% gross profit margin achieved	😊
	80 days debtor collection period decreased	😊
	10:1 positive working capital ratio achieved	😊
	3 inventory turnover ratio achieved	😊
	Conclude SLA's with 10 additional external customers and 10 suppliers	☹️
	23% return on capital investment	😊
HUMAN RESOURCES	Construction of pavilion 3 at 70% completed. Approved site development plan for remainder of secured facilities. Submit all the required and identified documentation for the establishment of a State Owned Company to Parliament for approval.	😊
	TARGETS	STATUS
	Total targets= 5	
	Revised Human Resource staffing plan approved by CEO	😊
	Revised job descriptions and job evaluations approved by General Manager HR	😊
	Fill 80% of posts/position identified in accordance with HR staffing plan (only requisitions approved positions)	😊
	Revised learning and development plan in line with skills matrix approved by General Manager HR	😊
	3 average training days per person	😊

Performance highlights: An overview of the performance per Branch indicates that Branch: Human Resources achieved all 5 targets set for the financial year 2016/17. Branch: Strategic Management achieved 7 out of 9 targets. Branch: Operations and Production achieved 3 out of 4 set targets, whilst Branch: Financial Services achieved 7 out of the 10 set targets. All 6 targets make up 21% of the targets that were not achieved by GPW in the 2016/17 financial year.

Branch: Operations and Production's performance indicate that they managed to produce 100% of high quality products in a form of identity cards and travel documents, which conformed to client specifications. The target on examinations scripts delivered according to quality specifications was also achieved, and this is owed to the intervention plan the Branch had successfully implemented to mitigate all risks experienced during the performance period.

Branch: Strategic Management achieved 7 targets set in the functional areas of ICT, marketing and risk management. Internal audit could not conduct all planned audits for the financial year as they have only achieved 71% of the planned 90%. Security management's targets were also not fully achieved as they only implemented 80% of planned targets. ICT unit managed to secure GPW's ICT assets through regular assessments which were conducted to mitigate security vulnerabilities. Monthly software updates and security patches were applied and external threats with a potential to attack GPW's IT systems were prevented through perimeter firewalls. The unit continuously measured systems availability to ensure uptime of the servers hosting GPW applications, and this resulted in minimal service delivery disruptions and system downtime. Some of the service offerings included an upgrade of CRM from 2013 to 2016; implementation of dynamics print and Bitlocker; further development of GPW enterprise architecture; deployment of Ms Lync voice enterprise to Zandfontein and Polokwane offices as well as installation of WAN link with high capacity between Bosman and Visagie street offices. Marketing of GPW was optimized through the implementation

of the eGazette system which saw the introduction of quotation module to facilitate online application of gazettes, thereby minimizing paper based applications. Business rules relating to the quotation module were enforced. Three platforms (3) were utilized to raise awareness of GPW including new/improved production capabilities, which include exhibitions, customer demonstrations and tender bid documents submitted for student ID to Malawi examination. This financial year witnessed the introduction of 3 security products in a form of SAMSA licence books and stamps, Ghana Embassy emergency certificate and liquor licence for Gauteng Department of Economic Development. The security risk management plan and risk and compliance plan were fully implemented and achieved, however the internal audit plan was partially achieved.

Branch: Financial Services achieved a total of 7 out of 10 set targets. The Branch managed to reach 11.7% operating cost as percentage of revenue against the planned 17.4%. A 50.2% gross profit margin was achieved against the planned 26.8%, exceeding expectation by 23.4%. The 80 days debtor collection period was down managed to 60.7 days, while the planned 101 positive working capital ratio achieved at 11.7. Current liabilities were lower than those used in the target, but in preparation for year end, creditors were paid within a shorter timeframe than anticipated when calculating the target. The 3 inventory turnover ratio was achieved at 8.9 in this financial year, which denotes a healthy ratio. Only 9 SLA's/ agreements were concluded with external customers/suppliers, resulting in this target not being achieved. Return on capital investment was achieved at 75.3%, against the planned 23%, which is a vast improvement. Progress with regards to the construction of Pavilion 3 indicates a 71.3 % achievement, a milestone that demonstrates that the project is on track. On the conversion of GPW to an SOC, the Business Case was developed and approved by the Executive Authority in 2016; Socio-Economic Impact Assessment (SEIA) approved by Department of Performance Monitoring and Evaluation (DPME) in January 2017; Draft SOC Bill had been developed and consulted with relevant stakeholders

for input, and approved by the Minister of Home Affairs in January 2017; Consultation both internal and external stakeholders will continue until the SOCA Act is enacted. However, due to challenges beyond GPW's control, the required and identified documentation could not be submitted to Parliament for approval as anticipated. This target will be carried through to the next financial year. The GPW received an unqualified audit report with emphasis of matter paragraph (irregular expenditure). GPW is working with National Treasury to obtain a condonation with regard to irregular expenditure

Branch: Human Resources achieved all 5 planned targets for the financial year. It managed to revise the draft Human Resource staffing plan. The recruitment plan was developed and status reports produced monthly. All the identified critical posts to be filled were presented to MANCO and EXCO and approved. 84% (205) of posts/position identified in accordance with HR staffing plan were filled. For the full reporting period there were 244 requests of which 205 was filled. For the reporting period a total of 34 job descriptions were revised. They managed to revise the learning and development plan in line with skills matrix, and against this, a target of 629 training days was planned, but a total of 1768 training days were presented to GPW officials.

Challenges: Performance related challenges, including those identified from this quarterly review, were tabled and discussed at MANCO and EXCO. Performance improvement decisions are taken and action plans put in place to address them.



5. BRANCH PERFORMANCE AGAINST TARGETS

5.1 BRANCH: PRODUCTION AND OPERATIONS

Targets for 2016/17

Planned target	Actual Achievement	Achieved	Not achieved	Deviation/ Comments
3 new equipment items procured according to the recapitalization plan	2 x equipment items procured		Not achieved	Target not fully achieved Tender process for 3rd equipment, Kraft Press completed but not awarded due to quote by bidder not accepted as it was three times above the allocated budget
100% of Identity Documents/ cards distributed must conform to the client's specifications	100% of 2 699 047 Identity Cards distributed conformed to the clients specifications	Achieved		Tender has been readvertised -
100% of Travel Documents delivered must conform to the client's specifications	100% of 883 891 Travel Documents delivered conformed to the clients specifications	Achieved		-
100% of examination papers delivered must conform to the client's specifications	100% of 26 750 543 examination papers delivered conformed to the client's quality and delivery specifications.	Achieved		-

5.2 BRANCH: STRATEGIC MANAGEMENT

Targets for 2016/17

Annual target	Actual Annual Performance	Achieved	Not Achieved	Deviation/ Comments
>99% security vulnerabilities mitigated as detected by security assessments	99.9% security vulnerabilities mitigated as detected by security assessments	Achieved		-
>99% system availability	99.18% system availability	Achieved		-
>80% ICT service offerings identified implemented	81.8% ICT service offerings identified implemented	Achieved		-
Refine E-Gazette system as per user specifications	E-Gazette system refined through the implementation of the quotation module Business rules relating to the quotation module enforced	Achieved		-
1 targeted platform used to raise and increase awareness of GPW	3 platforms were utilized to raise awareness of GPW services	Achieved		-
Three new security products developed	The following products were developed: SAMSA license books and stamps; Ghana Embassy emergency certificate and Liquor license for Gauteng Department of Economic Development	Achieved		-

Annual target	Actual Annual Performance	Achieved	Not Achieved	Deviation/ Comments
Implement security risk management according to approved plan	80% of approved Security Risk Management Plan implemented		Not achieved	Target not fully achieved 80% of the activities contained in the approved security risk management plan have been addressed, while only 19% was not achieved in the financial year under review. It should be noted that out a total of 19 activities that were not achieved, a decision was taken by management to defer implementation of 11 activities as they formed part of GPW Masterplan and Head office.
90% of annual internal audit plan, as approved by the Audit Committee, implemented	71% of the annual audit plan implemented.		Not achieved	Target not fully achieved Construction, eGazette and ICT audits were not achieved due to lack of internal skills. Target deferred to next financial year Audit for Business continuity could not be conducted as the plan is not finalised Audit for transport and logistics completed, awaiting management's approval of report.
100% of annual risk & compliance plan as approved by the Risk Committee, implemented	Annual risk and compliance plan as approved by the Risk Committee implemented	Achieved		-

5.3 BRANCH: FINANCIAL SERVICES

Targets for 2016/17

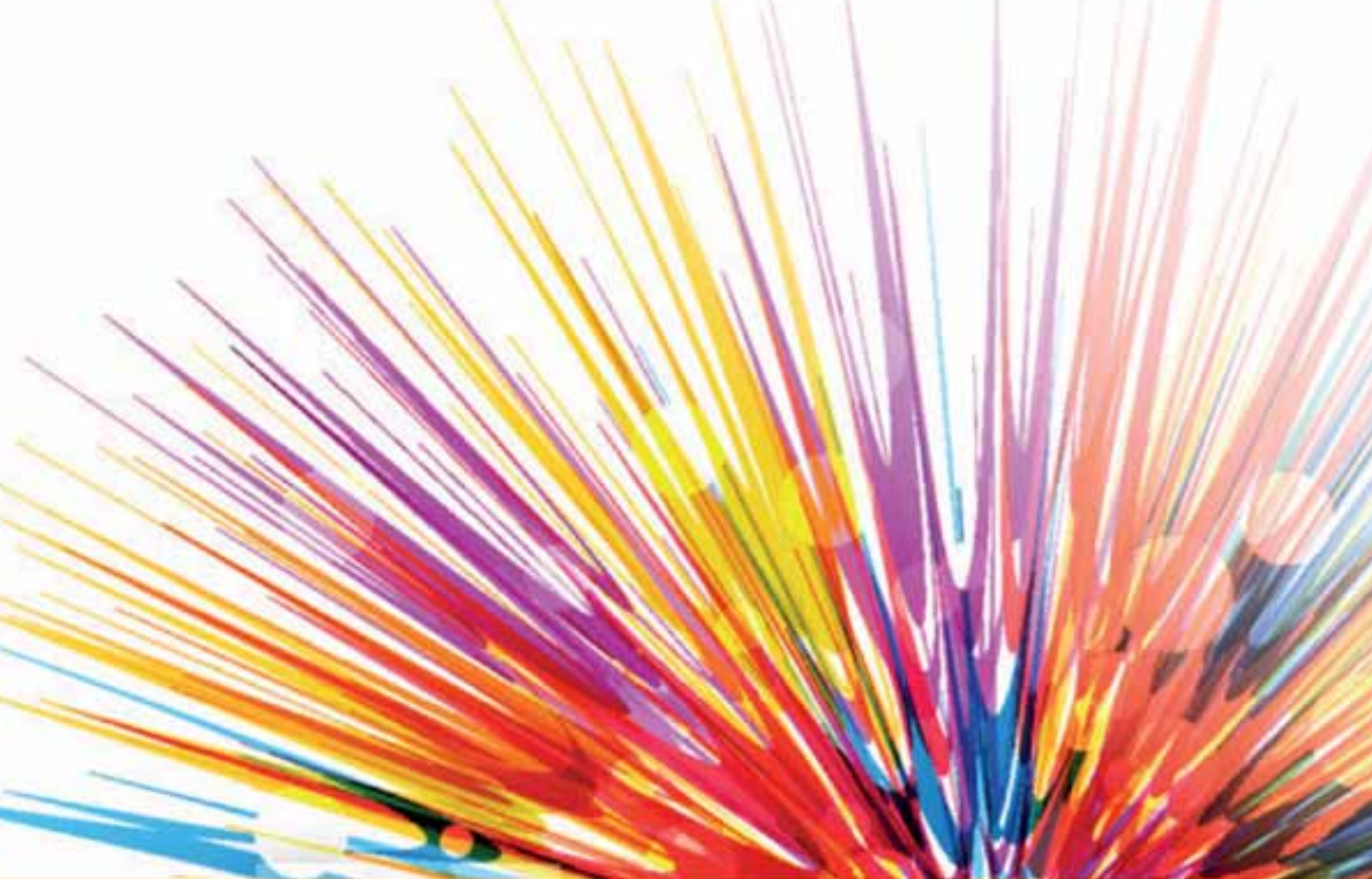
Annual target	Actual Annual Performance	Achieved	Not Achieved	Deviation/ Comments
Maintain clean audit opinion for 2015/16	The GPW received an unqualified audit report with matters of emphasis		Not achieved	Target not fully achieved GPW incurred R36 million irregular expenditure for construction of Pavilion 3 and for SCM processes. Application for condonation submitted to National Treasury.
17.4% operating cost as percentage of revenue reached	11.7% Operating cost as percentage of revenue	Achieved		-
26.8% gross profit margin achieved	50.2% gross profit margin	Achieved		-
80 days debtor collection period decreased	60.7 days debtor collection period decreased	Achieved		-
10.1 positive working capital ratio achieved	11.7 positive working capital ratio achieved	Achieved		-

Annual target	Actual Annual Performance	Achieved	Not Achieved	Deviation/ Comments
3 inventory turnover ratio achieved	8.9 inventory turnover ratio achieved	Achieved		-
Conclude SLA's with 10 additional external customers and 10 suppliers	9 SLA's concluded with external customers 10 SLA's concluded with suppliers		Not achieved	Target not fully achieved 9 SLA's concluded with external customers
23% return on capital investment	75.3% return on capital investment	Achieved		-
Construction of pavilion 3 at 70% completed. Approved site development plan for remainder of secured facilities	Construction of pavilion 3 at 71.3% completed	Achieved		-
Submit all the required and identified documentation for the establishment of a State Owned Company to Parliament for approval	Target partially achieved and to be tabled to Parliament in 2017		Not achieved	Target not fully achieved The Business Case, Socio-Economic Impact Assessment (SEIA) were approved. Draft GPW SOC Ltd Bill approved by the Minister and on route to Cabinet for gazetting for public comment

5.4 BRANCH: HUMAN RESOURCES

Targets for 2016/17

Annual target	Actual Performance	Achieved	Not Achieved	Deviation/ Comments
Revised Human Resource staffing plan approved by CEO	Draft Revised Human Resource staffing plan approved	Achieved		-
Revised job descriptions and job evaluations approved by General Manager HR	34 job descriptions revised	Achieved		-
Fill 80% of posts/position identified in accordance with HR staffing plan (only requisitions approved positions)	205 (84%) positions of 244 requests received from line management were filled	Achieved		-
Revised learning and development plan in line with skills matrix approved by General Manager HR	Revised learning and development plan in line with skills matrix approved	Achieved		-
3 average training days per person	1768 training days achieved versus 1629 targeted	Achieved		-





CHAPTER 7

HUMAN RESOURCES

GOVERNMENT
PRINTING
WORKS



1. HUMAN RESOURCES

1. 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
Printing	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-capitalization 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 the-Gazette solution to be fully effective in 2015/2016.	All Public Service Departments and South African citizens.	Not applicable.	Direct consultation, workshops and information sessions.

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. Implementation of new 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. Hotline at the Department of Home Affairs and Public Service Commission.	Was not used to the maximum of potential for new suggestions and improvements.

2. EXPENDITURE

The Government Printing Works 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 Government Printing Works.

TABLE 2.1 – PERSONNEL COSTS

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Personnel Cost as % of Total Expenditure	Average Personnel Cost per Employee (R')	Employment as at 31 March 2017
Government Printing Works	921 926	201 411	2 295	39 962	21.8	349 066	577
Total	921 926	201 411	2 295	39 962	21.8	349 066	577

TABLE 2.2 – PERSONNEL COSTS BY SALARY BAND

Salary Bands	Personnel Expenditure (R'000)	Percentage of Total Personnel Cost	Average Personnel Cost per Employee (R')
Lower skilled (Levels 1-2)	1 751	0.87	175 123
Skilled (Levels 3-5)	78 513	38.98	267 539
Highly skilled production (Levels 6-8)	57 430	28.51	348 063
Highly skilled supervision (Levels 9-12)	31 914	15.85	679 020
Senior management (Levels 13-16)	13 652	6.78	975 139
Contract Lower skilled (Levels 1-2)	11	0.01	101 000
Contract Skilled (Levels 3-5)	9 288	4.61	232 202
Contract Highly skilled production (Levels 6-8)	700	0.35	233 436
Contract Senior management (Levels 9-12)	1 641	0.81	1 640 746
Contract Senior management (Levels 13-16)	5 358	2.66	15 266
Periodical Remuneration	1 153	0.57	66 026
Total	201 411	100	349 066

TABLE 2.3 – SALARIES, OVERTIME, HOME OWNERS ALLOWANCE AND MEDICAL AID

Programme	Salaries		Overtime		Home Owners Allowance		Medical Assistance	
	Amount	Salaries as % of Personnel Costs	Amount	Overtime as % of Personnel Costs	Amount	HOA as % of Personnel Costs	Amount	Medical Ass. as % of Personnel Costs
	(R'000)		(R'000)		(R'000)		(R'000)	
Government Printing Works	127 834	63.5	18 643	9.3	6 280	3.1	10 303	5.1
Total	127 834	63.5	18 643	9.3	6 280	3.1	10 303	5.1

TABLE 2.4 – SALARIES, OVERTIME, HOME OWNERS ALLOWANCE AND MEDICAL AID BY SALARY BAND

Salary Bands	Salaries		Overtime		Home Owners Allowance		Medical Assistance	
	Amount	Salaries as % of Personnel Costs	Amount	Overtime as % of Personnel Costs	Amount	HOA as % of Personnel Costs	Amount	Medical Ass. as % of Personnel Costs
	(R'000)		(R'000)		(R'000)		(R'000)	
Lower skilled (Levels 1-2)	988	56.4	181	10.3	144	8.2	220	12.5
Skilled (Levels 3-5)	40 973	58.1	9 343	13.2	3 737	5.3	6 243	8.8
Highly skilled production (Levels 6-8)	37 258	64.9	5 097	8.9	2 084	3.6	3 159	5.5
Highly skilled supervision (Levels 9-12)	24 400	76.4	1 067	3.3	236	0.7	635	2.0
Senior management (Levels 13-16)	11 100	81.0	0	0.0	78	0.6	46	0.3
Contract Lower skilled (Levels 1-2)	0	0.0	11	100	0	0.0	0	0.0
Contract Skilled (Levels 3-5)	6 277	67.6	2 926	31.5	2	0.0	0	0.0
Contract Highly skilled production (Levels 6-8)	683	97.6	11	1.6	0	0.0	0	0.0
Contract Senior management (Levels 9-12)	1 605	97.8	0	0.0	0	0.0	0	0.0
Contract Senior management (Levels 13-16)	4 132	76.9	0	0.0	0	0.0	0	0.0
Periodical Remuneration	419	98.1	7	1.6	0	0.0	0	0.0
Total	127 834	63.5	18 643	9.3	6 280	3.1	10 303	5.1

3. EMPLOYMENT AND VACANCIES

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

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

TABLE 3.1 – EMPLOYMENT AND VACANCIES, 31 MARCH 2017

Programme	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Government Printing Works	711	577	18.9	15
Total	711	577	18.9	15

TABLE 3.2 – EMPLOYMENT AND VACANCIES BY SALARY BANDS, 31 MARCH 2017

Salary Band	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Lower skilled (Levels 1-2)	25	19	24.0	9
Skilled (Levels 3-5)	374	325	13.1	0
Highly skilled production (Levels 6-8)	223	168	24.7	3
Highly skilled supervision (Levels 9-12)	62	48	22.9	1
Senior management (Levels 13-16)	27	17	37.0	2
Total	711	577	18.9	15

TABLE 3.3 – EMPLOYMENT AND VACANCIES BY CRITICAL OCCUPATION, 31 MARCH 2017

Critical Occupation	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Compositors & related printing workers	10	5	50.0	1
Printing management and supervisory personnel	46	33	28.3	0
Lithographic and related workers	18	12	33.3	1
Binding and related workers	37	25	32.4	0
Total	111	75	32.4	2

TABLE 3.4 - FILLING OF SMS POSTS

The tables in this section provide information on employment and vacancies as it relates to members of the Senior Management Service by salary level. It also provides information on advertising and filling of SMS posts, reasons for not complying with prescribed timeframes and disciplinary steps taken.

TABLE 3.4.1 SMS POST INFORMATION AS ON 31 MARCH 2017

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Senior Management Service Band A	16	9	56.3	7	43.8
Senior Management Service Band B	6	5	83.3	1	16.7
Senior Management Service Band C	4	3	75.0	1	25.0
Senior Management Service Band D	1	0	0.0	1	100
Total	27	17	63.0	10	37.0

TABLE 3.4.2 SMS POST INFORMATION AS ON 30 SEPTEMBER 2016

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Senior Management Service Band A	16	7	44.0	9	56.0
Senior Management Service Band B	6	6	100	0	0.0
Senior Management Service Band C	4	3	75.0	1	25.0
Senior Management Service Band D	1	0	0.0	1	100
Total	27	16	59.3	11	40.7

TABLE 3.4.3 ADVERTISING AND FILLING OF SMS POSTS FOR THE PERIOD 1 APRIL 2016 AND 31 MARCH 2017

SMS Level	Advertising	Filling of Posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months of becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Senior Management Service Band A	1	0	2
Senior Management Service Band B	1	0	0
Senior Management Service Band C	1	0	1
Senior Management Service Band D	0	0	0
Total	3	0	3

TABLE 3.4.4 REASONS FOR NOT HAVING COMPLIED WITH THE FILLING OF FUNDED VACANT SMS POSTS - ADVERTISED WITHIN 6 MONTHS AND FILLED WITHIN 12 MONTHS AFTER BECOMING VACANT FOR THE PERIOD 1 APRIL 2016 AND 31 MARCH 2017

Reasons for vacancies not advertised within six months
Identified vacancies have been advertised during the financial year.
Reasons for vacancies not filled within twelve months
Posts identified to be filled in the 2017 / 2018 financial year.

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	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)	25	0	0	0	0	0	0
Skilled (Levels 3-5)	374	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	223	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	62	0	0	0	0	0	0
Senior Management Service Band A	16	0	0	0	0	0	0
Senior Management Service Band B	6	0	0	0	0	0	0
Senior Management Service Band C	4	0	0	0	0	0	0
Senior Management Service Band D	1	0	0	0	0	0	0
Total	711	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 1.V.C.3]

Total number of Employees whose salaries exceeded the upgrades determined by job evaluation in 2016/2017	0
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TABLE 4.4 -- PROFILE OF EMPLOYEES WHOSE SALARY LEVEL EXCEEDED THE GRADE DETERMINED BY JOB EVALUATION [I.T.O. PSR 1.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 Government Printing Works.

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)	14	7	2	14.3
Skilled (Levels 3-5)	321	3	11	3.4
Highly skilled production (Levels 6-8)	145	18	11	7.6
Highly skilled supervision (Levels 9-12)	43	2	4	9.3
Senior Management Service Band A	5	3	0	0.0
Senior Management Service Band B	6	0	1	16.7
Senior Management Service Band C	2	2	1	50.0
Senior Management Service Band D	1	0	1	100
Total	537	35	31	5.8

Seasonal Contact Employment

Salary Band	Employment at Beginning of Period	Appointments	Terminations	Turnover Rate
Contract Skilled (Levels 3-5)	23	155	140	90.0
Total	23	155	140	90.0

Note 1: A total of 155 contract employees (levels 3 – 5) were appointed for periods of 3 months or shorter during the financial year to assist with special projects. These appointments and service terminations are not reflected in the above-mentioned information (Table 5.1), however is indicated separately.

Note 2: The above-mentioned appointment information does not include the appointment of 3 employees in permanent capacity who were initially employed on contract.

TABLE 5.2 – ANNUAL TURNOVER RATES BY CRITICAL OCCUPATION

Occupation	Employment at Beginning of Period	Appointments	Terminations	Turnover Rate
Compositors & related printing workers	5	2	0	0.0
Printing management and supervisory personnel	38	2	1	1.3
Lithographic and related workers	14	2	0	0.0
Bookbinding and related machine operators	21	0	1	4.8
Total	78	6	2	2.6

TABLE 5.3 – REASONS WHY STAFF ARE LEAVING GOVERNMENT PRINTING WORKS

Termination Type	Number	Percentage of Total Resignations	Percentage of Total Employment
Death	2	6.5	0.4
Resignation	11	35.5	2.0
Expiry of contract	4	12.9	0.4
Discharged due to ill health	0	0.0	0.0
Dismissal-misconduct	2	6.5	0.4
Retirement	9	29.0	1.6
Transfer to another institution	3	0.0	0.5
Total	31	100	5.8

Resignations as % of Permanent Employment

5.8%

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
Compositors typesetters & related printing workers	5	0	0.0	2	40.0
Printing management and supervisory personnel	38	2	5.3	24	63.2
Lithographic and related workers	14	0	0.0	9	64.3
Binding and related workers	21	1	4.8	16	76.2
Total	78	3	3.9	51	65.4

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), Permanent	14	0	0.0	1	7.0
Skilled (Levels 3-5), Permanent	321	0	0.0	260	81.0
Highly Skilled Production (Levels 6-8), Permanent	145	3	2.1	119	82.1
Highly Skilled Supervision (Levels 9-12), Permanent	40	3	7.5	32	80.0
Senior Management (Levels 13-16), Permanent	11	3	27.3	6	54.6

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
Contract Skilled (Levels 3-5)	23	0	0.0	5	21.7
Contract Highly Skilled Supervision (Levels 9-12)	3	0	0.0	1	33.3
Senior Management (Levels 13-16)	3	0	0.0	0	0.0
TOTAL	560	9	1.6	424	75.7

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	5	0	2	7	2	7	0	0	7	1	17
Professionals	10	0	0	10	0	8	0	1	9	2	21
Technicians and associate professionals	34	3	1	38	12	32	2	3	37	12	99
Clerks	32	1	0	33	1	57	3	1	61	15	110
Service and sales workers	14	1	0	15	1	4	0	0	4	0	20
Craft and related trades workers	45	4	3	52	23	18	0	0	18	7	100
Plant and machine operators and assemblers	58	3	0	61	26	63	6	0	69	23	179
Elementary occupations	15	0	0	15	4	11	0	0	11	1	31
Total	213	12	6	231	69	200	11	5	216	61	577

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
Employees with disabilities	2	0	0	2	4	1	0	0	1	3	10

TABLE 6.2 - TOTAL NUMBER OF EMPLOYEES (INCL. EMPLOYEES WITH DISABILITIES) PER OCCUPATIONAL BAND

Occupational Band	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Top Management	0	0	0	0	0	0	0	0	0	0	0
Senior Management	4	0	1	5	2	6	0	0	6	1	14
Professionally qualified and experienced specialists and mid-management	18	0	3	21	6	15	0	3	18	2	47
Skilled technical and academically qualified workers, junior management, supervisors	66	5	1	72	19	53	1	0	54	23	168
Semi-skilled and discretionary decision making	107	7	0	114	40	85	10	2	97	35	286
Unskilled and defined decision making	2	0	0	2	0	8	0	0	8	0	10
Contract (Top Management)	0	0	0	0	0	0	0	0	0	0	0
Contract (Senior Management)	1	0	1	2	0	1	0	0	1	0	3
Contract (Professionally qualified)	2	0	0	2	1	0	0	0	0	0	3
Skilled technical and academically qualified workers, junior management, supervisors	0	0	0	0	1	5	0	0	5	0	6
Contract (Semi-skilled)	13	0	0	13	0	27	0	0	27	0	40
Total	213	12	6	231	69	200	11	5	216	61	577

TABLE 6.3 – RECRUITMENT

Occupational Band	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Top Management	0	0	0	0	0	0	0	0	0	0	0
Senior Management	2	0	0	2	0	2	0	0	2	0	4
Professionally qualified and experienced specialists and mid-management	1	0	0	1	0	1	0	0	1	0	2
Skilled technical and academically qualified workers, junior management, supervisors.	11	1	1	13	1	5	0	0	5	0	19
Semi-skilled and discretionary decision making	1	0	0	1	0	2	0	0	2	0	3
Contract (Senior Management)	0	0	0	0	0	0	0	0	0	0	0
Contract (Professionally qualified and experienced specialists and mid-management)	0	0	0	0	0	0	0	0	0	0	0
Contract (Skilled technical and academically qualified workers, junior management, supervisors, foremen)	0	0	0	0	0	0	0	0	0	0	0
Interns	3	0	0	3	0	4	0	0	4	0	7
Total	18	1	1	20	1	14	0	0	14	0	35

Special project appointments, short term appointments less than six months

Occupational Band	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)	52	1	0	53	1	96	2	0	98	3	155
Total	52	1	0	53	1	96	2	0	98	3	155

TABLE 6.4 – PROMOTIONS

Occupational Band	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Top Management	0	0	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialist	2	0	0	2	0	0	0	0	0	0	2
Skilled technical and academically qualified worker	3	0	0	3	0	0	0	0	0	0	3
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	1	0	0	1	0	0	0	0	0	0	1
Total	6	0	0	6	0	0	0	0	0	0	6

TABLE 6.5 – TERMINATIONS

Occupational Band	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 Managers	0	0	0	0	2	0	0	0	0	0	2
Professionally qualified and experienced specialists and mid-management	1	0	1	2	0	1	0	0	1	1	4
Skilled technical and academically qualified workers, junior management, supervisors.	1	2	0	3	2	5	0	0	5	1	11
Semi-skilled and discretionary decision making	1	0	0	1	2	3	1	0	4	3	10
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0	0	0
Contract (Skilled technical and academically qualified workers, junior management, supervisors)	1	0	0	1	0	0	0	0	0	0	1
Interns and Apprentices	1	0	0	1	0	1	0	0	1	0	2
Total	6	2	1	9	6	10	1	0	11	5	31

Special project contract expiry, short term less than six months

Occupational Band	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)	53	0	0	53	1	81	2	0	83	3	140
Total	53	0	0	53	1	81	2	0	83	3	140

TABLE 6.6 - DISCIPLINARY ACTION

Occupational Band	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Total	13	2	2	17	1	0	1	0	1	1	20

TABLE 6.7 - SKILLS DEVELOPMENT

Occupational Band	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	2	3	4	2	0	0	2	1	10
Professionals	24	0	0	24	0	8	0	1	9	2	35
Technicians and associate professionals	33	3	1	37	9	32	3	2	37	15	98
Clerks	22	0	0	22	1	45	3	0	48	14	85
Service and sales workers	16	1	0	17	1	4	0	0	4	0	22
Craft and machine operators and assemblers & other	47	4	2	53	23	27	0	0	27	12	115
Plant and machine operators and assemblers	52	4	0	56	26	48	8	1	57	27	166
Elementary occupations	14	0	0	14	4	10	0	0	10	1	29
Total	209	12	5	226	68	176	14	4	194	72	560

7. SIGNING OF PERFORMANCE AGREEMENTS BY SMS MEMBERS

All members of the SMS must conclude and sign performance agreements within specific timeframes. Information regarding the signing of performance agreements by SMS members, the reasons for not complying within the prescribed timeframes and disciplinary steps taken is presented here.

TABLE 7.1 - SIGNING OF PERFORMANCE AGREEMENTS BY SMS MEMBERS AS ON 31 MAY 2016

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Senior Management Service Band A	16	9	8	60.0
Senior Management Service Band B	6	5	5	83.3
Senior Management Service Band C	4	3	2	50.0
Senior Management Service Band D	1	0	0	0.0
Total	27	17	15	88.2

TABLE 7.2 - REASONS FOR NOT HAVING CONCLUDED PERFORMANCE AGREEMENTS FOR ALL SMS MEMBERS AS ON 31 MAY 2016

Reasons
Nature of appointment and appointments in last quarter of the financial year

8. PERFORMANCE

To encourage good performance, the department has granted the following performance rewards during the year review. The information is presented in terms of race, gender and disability (Table 8.1), critical occupations (Table 8.3) and salary bands for SMS (Table 8.4).

TABLE 8.1 - 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	63	199	31.7	689	10 943
African, Male	67	211	31.8	836	12 480
Asian, Female	3	5	60.0	30	10 125
Asian, Male	1	6	16.7	74	74 799
Coloured, Female	9	11	81.8	62	6 968
Coloured, Male	5	12	41.7	27	5 536
Total Blacks, Female	75	215	34.9	782	10 434
Total Blacks, Male	73	229	31.9	938	12 858
White, Female	34	58	58.6	442	13 007
White, Male	23	65	34.9	442	19 250
Employees with a disability	1	10	10.0	5	5 536
Total	206	577	35.7	2 611	12 678

TABLE 8.2 - 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)	2	10	20.0	9	4 689
Skilled (Levels 3-5)	102	285	35.8	710	6 961
Highly skilled production (Levels 6-8)	69	165	41.8	754	10 934
Highly skilled supervision (Levels 9-12)	28	47	59.6	8 925	31 887
Contract Lower skilled (Levels 1-2)	0	9	0.0	0	0
Contract Skilled (Levels 3-5)	1	40	2.5	4	4 760
Contract Highly skilled production (Levels 6-8)	0	3	0.0	0	0
Contract Highly skilled supervision (Levels 9-12)	1	1	100	20	20 283
Total	203	560	36.3	2 391	11 782

TABLE 8.3 - PERFORMANCE REWARDS BY CRITICAL OCCUPATION

Critical Occupation	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)'
Compositors typesetters & related printing workers	1	5	20.0	8	8 124
Printing management and supervisory personnel	16	33	48.5	388	24 262
Lithographic and related workers	6	12	50.0	129	21 638
Binding and related workers	10	25	40.0	155	15 534
Total	33	75	44.0	680	17 575

TABLE 8.4 - 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)'
Senior Management Service Band A	1	9	11.1	71	71 899	1.0	7 083
Senior Management Service Band B	2	5	40.0	148	74 053	2.3	6 412
Senior Management Service Band C	0	3	0.0	0	0	0.0	4 596
Senior Management Service Band D	0	0	0.0	0	0	0.0	980
TOTAL	3	17	17.6	220	73 335	1.2	19 073

9. FOREIGN WORKERS

The tables below summarized the employment of foreign nationals in the Government Printing Works in terms of salary bands and major occupations. The table also summarized changes in the total number of foreign workers in each salary band and by each major occupation.

TABLE 9.1 - FOREIGN WORKERS BY SALARY BAND

Major Occupation	Employment at Beginning Period	Percentage of Total	Employment at End of Period	Percentage of Total	Change in Employment	Percentage of Total
Highly skilled production (Levels 6-8)	0	0.0	2	0.4	2	0.4
Senior Management Salary Band A	1	0.2	1	0.2	0	0.2
Total	1	0.2	3	0.6	2	0.6

TABLE 9.2 - FOREIGN WORKERS BY MAJOR OCCUPATION

Major Occupation	Employment at Beginning Period	Percentage of Total	Employment at End of Period	Percentage of Total	Change in Employment	Percentage of Total
Skilled technical and academically qualified worker	0	0.0	2	0.4	2	0.4
Senior Management Salary Band A	1	0.2	1	0.2	0	0.2
Total	1	0.2	3	0.6	2	0.6

10. LEAVE UTILIZATION FOR THE PERIOD 1 JANUARY 2016 TO 31 DECEMBER 2016

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 10.1) and disability leave (Table 10.2). In both cases, the estimated cost of the leave is also provided.

TABLE 10.1 - SICK LEAVE 1 JANUARY 2016 TILL 31 DECEMBER 2016

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 days with medical certificates
Lower skilled (Levels 1-2)	154	59.6	18	3.1	13.6	75	86
Skilled (Levels 3-5)	4 043	61.2	299	51.4	13.5	2 860	2 472
Highly skilled production (Levels 6-8)	1 849	53.2	158	27.2	11.7	2 183	984
Highly skilled supervision (Levels 9-12)	367	48.2	47	8.1	7.8	862	177
Senior management (Levels 13-16)	46	30.4	8	1.4	8	181	14
Contract Skilled (Levels 3-5)	92	19.6	45	7.7	2	54	18
Contract Highly skilled production (Levels 6-8)	1	0.0	1	0.2	1	1	0

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 days with medical certificates
Contract Highly skilled supervision (Levels 9-12)	4	0.0	2	0.3	2	7	0
Contract Senior management (Levels 13-16)	12	75.0	4	0.7	3	56	9
Total	6 568	57.3	582	100	11.3	6 279	3 760

TABLE 10.2 - DISABILITY LEAVE (TEMPORARY AND PERMANENT) 1 JANUARY 2016 TILL 31 DECEMBER 2016

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
Lower skilled (Levels 1-2)	97	100	1	8.3	97	50	97	12
Skilled (Levels 3-5)	190	100	8	66.7	23.8	151	190	12
Highly skilled production (Levels 6-8)	89	100	3	25.0	29.7	128	89	12
Total	376	100	12	100	31.3	329	376	12

TABLE 10.3 - ANNUAL LEAVE 1 JANUARY 2016 TILL 31 DECEMBER 2016

Salary Band	Total Days Taken	Average per Employee	Employment
Lower skilled (Levels 1-2)	340	17	20
Skilled (Levels 3-5)	7 318	22.8	321
Highly skilled production (Levels 6-8)	3 790	21.6	175
Highly skilled supervision (Levels 9-12)	965	20.1	48
Senior management (Levels 13-16)	232	17.9	13
Contract Skilled (Levels 3-5)	349	3.5	99
Contract Highly skilled production (Levels 6-8)	2	1	2
Contract Highly skilled supervision (Levels 9-12)	54	18	3
Contract Senior management (Levels 13-16)	61	12.2	5
Total	13 111	19.1	686

TABLE 10.4 - CAPPED LEAVE, 1 JANUARY 2016 TILL 31 DECEMBER 2016

Salary Band	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at end of period	Number of Employees who took Capped leave	Total number of capped leave available at end of period
Lower skilled (Levels 1-2)	0	0	4.8	0	14.4
Skilled (Levels 3-5)	31	10.3	22.6	3	2 902.8
Highly skilled production (Levels 6-8)	2	1	30.9	2	2 261.6
Highly skilled supervision (Levels 9-12)	4	2	45.8	2	549.9
Senior management (Levels 13-16)	0	0	92.4	0	277.2
Total	37	5.3	27.4	7	6 005.8

TABLE 10.5 - LEAVE PAY-OUTS FOR THE PERIOD 1 APRIL 2016 TO 31 MARCH 2017

Reason	Total Amount (R'000)	Number of Employees	Average Payment per Employee (R)
Leave payout for 2016/17 due to non-utilisation of leave for the previous cycle	724	22	32 925
Capped leave payouts on termination of service for 2016/17	244	9	27 104
Current leave payout on termination of service for 2016/17	78	3	26 057
Total	1 046	34	30 778

11. HIV/AIDS & HEALTH PROMOTION PROGRAMS

TABLE 11.1 - STEPS TAKEN TO REDUCE THE RISK OF OCCUPATIONAL EXPOSURE

Government Printing Works participated in several initiatives to address it.

TABLE 11.2 - 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 the Public Service Regulations, 2016	✓		General Manager 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 the Public Service Regulations, 2016	✓		Health & Safety Committee

12. LABOUR RELATIONS

TABLE 12.1 - COLLECTIVE AGREEMENTS, 1 APRIL 2016 TO 31 MARCH 2017

None

TABLE 12.2 – MISCONDUCT AND DISCIPLINARY HEARINGS FINALISED

Outcomes of disciplinary hearings	Number	Percentage of Total
Corrective counseling	2	11.8
Verbal warning	1	5.9
Written warning	3	17.6
Final written warning	5	29.4
Suspended without pay	4	23.5
Dismissal	2	11.8
Total	17	100

TABLE 12.3 - TYPES OF MISCONDUCT ADDRESSED AND DISCIPLINARY HEARINGS

Type of misconduct	Number	% of total
Poor and improper conduct	8	40.0
Negligence	2	10.0
Unauthorized absenteeism and late coming	6	30.0
Illegal possession of state property	1	5.0
Fraud	2	10.0
Theft	1	5.0
Total	20	100

TABLE 12.4 - GRIEVANCES LODGED

Number of grievances addressed	Number	% of total
Resolved	21	91.3
Not resolved	2	8.7
Total	23	100

TABLE 12.5 - DISPUTES LODGED

Number of disputes addressed	Number	% of total
Upheld	0	0.0
Dismissed	1	100
Settlement	0	0.0
Total	1	100

TABLE 12.6 - STRIKE ACTIONS

Strike Actions	(R'000)
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 12.7 - PRECAUTIONARY SUSPENSIONS

Precautionary Suspensions	Total
Number of people suspended	4
Number of people whose suspension exceeded 30 days	4
Average number of days suspended	96
Cost (R'000) of suspensions	365

13. SKILLS DEVELOPMENT

TABLE 13.1 - TRAINING NEEDS IDENTIFIED 1 APRIL 2016 TO 31 MARCH 2017

Occupational categories	Gender	Number of employees as at 1 April 2016	Training needs identified at start of reporting period			
			Learnership & Internships	Skills Programmes and Other Short Courses	Other Forms of Training	Total
Legislators, senior officials, managers and skilled technicians	Female	89	0	85	0	85
	Male	135	0	130	0	130
Clerks and lower skilled	Female	161	14	155	0	155
	Male	175	14	168	0	168
Total		560	28	538	0	538

TABLE 13.2 - TRAINING PROVIDED 1 APRIL 2016 TO 31 MARCH 2017

Occupational categories	Gender	Number of employees as at 1 April 2016	Training provided		
			Learnership & Internships	Skills Programmes and Other Short Courses	Total
Legislators, senior officials, managers and skilled technicians	Female	89	0	37	37
	Male	135	0	39	39
Clerks and lower skilled	Female	161	6	9	15
	Male	175	10	9	19
Total		560	16	94	110

TABLE 13.3 – INTERNSHIP & APPRENTICE PROGRAMME 1 APRIL 2016 TO 31 MARCH 2017

Government Printing Works Internship and Learner programme details are as follows:-

Unit	No of interns		
	Male	Female	Total
Learner Programmes	5	2	7
Internship Programmes	4	5	9
Total	9	7	16

TABLE 13.4 – STUDY BURSARIES GRANTED 1 APRIL 2016 TO 31 MARCH 2017

Occupational category	Male	Female	Total
Legislators, Senior officials and managers	2	1	3
Professionals	3	5	8
Technicians and associate professionals	2	3	5
Clerks	5	12	17
Service and sales workers	2	0	2
Craft and machine operators and assemblers & other	0	2	2
Plant and machine operators and assemblers	1	0	1
Elementary occupations	3	1	4
Total	18	24	42

14. INJURY ON DUTY

The following table provides basic information on injury on duty.

TABLE 14.1 - INJURY ON DUTY

Nature of injury on duty	Number	% of total
Required basic medical attention only	26	100
Temporary Total Disablement	0	0.0
Permanent Disablement	0	0.0
Fatal	0	0.0
Total	26	100

15. UTILIZATION OF CONSULTANTS

TABLE 15.1 - REPORT ON CONSULTANT APPOINTMENTS

Project title Total	Total number of consultants that worked on project	Duration	Amount (R'000)
Intervate Solutions	12	365 days	19 341
DAC Systems	7	365 days	21 521
KPMG	2	When required	2 390
Muelbauer Germany	3	365 days	4 445
Gijima	1	When required	64
Total	25		47 761







CHAPTER 8

FINANCIALS

GOVERNMENT
PRINTING
WORKS





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The reports and statements set out below comprise the annual financial statements presented to the accounting officer:

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REPORT OF THE AUDIT COMMITTEE

We are pleased to present our report for the financial year ended 31 March 2017

Audit Committee Members and Attendance:

During the year under review, there were no new appointments and no resignations. The committee consists solely of independent members who are financially literate.

Four (4) meetings took place during the year under review where attendance of the members was as follows:

Name of the Member	Position	Number of meetings held	Number of meetings attended
Mr. S.A.H. Kajee	Chairperson	4	4
Mr. A. Amod	Member	4	4
Ms. A.P.C. Mangoma	Member	4	4
Mr. D. Fredericks	Member	4	4

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, and Treasury Regulation 27.1.1. We further report that we conducted our affairs in compliance with this charter and have discharged all our responsibilities as contained therein.

The Audit Committee Charter is reviewed annually and complies with principles of good governance and with the requirements of the abovementioned Act and Regulations.

The effectiveness of internal control

Our review of the findings of the Internal Audit work, which was based on the risk based audit plan approved by the Committee, revealed certain weaknesses in some areas.

Based on our review of the reports of the Internal Auditors, the Audit Report on the Annual Financial Statements and the Management Report of the Auditor-General of South Africa (AGSA), we can conclude that the system of internal control as applied over financial and non-financial matters and enterprise risk management at GPW is satisfactory except for internal control within the Supply Chain Management (SCM) and the Human Resources Management (HRM) processes. The Committee noted the irregular expenditure of R135 million, for which management had submitted a request for condonation from the National Treasury, comprised one tender and contract awarded irregularly rather than a multitude of process failures. Management of the GPW will table respective corrective action plans at the next Audit Committee meeting and the Committee will be monitoring management's progress in resolving these issues on a quarterly basis going forward.

Internal audit

We are satisfied that the internal audit function has operated effectively, that it has addressed the risks pertinent to the GPW in its audits and has assisted the GPW with value adding services to ensure that both financial and operational objectives are achieved.

Evaluation of financial statements

We have reviewed the financial statements and the report of progress made against pre-determined objectives and recommended them to the Accounting Officer for approval.

We further have:

- Reviewed the Auditor-General South Africa's management report and management's 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.
- Reviewed the GPW's processes for compliance with legal and regulatory provisions.

In-Year Management and Monthly/Quarterly Reporting

The Audit Committee is satisfied with the content and quality of quarterly in year management and performance reports issued during the year under review by the Accounting Officer of the Government Printing Works in terms of the National Treasury Regulations.

AGSA's Report

We have on each sitting reviewed the Government Printing Work's implementation plan for audit issues raised in the prior year. The Audit Committee has met with the AGSA to ensure that there are no unresolved issues that emanated from the regulatory audit. Corrective actions on the detailed findings raised by the AGSA will continue to be monitored by the Audit Committee on a quarterly basis.

The Audit Committee concurs and accepts the AGSA's opinion regarding the Annual Financial Statements, and proposes that the Audited Annual Financial Statements be accepted and read together with the report of the Auditor-General of South Africa.

Appreciation

The Audit Committee wishes to acknowledge the dedication and work performed by the Accounting Officer, Management and Officials of the GPW.

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



MR. SAH KAJEE
CHAIRPERSON OF THE AUDIT COMMITTEE
MONDAY, JULY 31, 2017

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 maintain 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 her responsibility 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 period then ended, in conformity with South African Statements of Generally Accepted Accounting Practice. The external auditors are engaged to express an independent opinion on the Annual Financial Statements.

The Annual Financial Statements are prepared in accordance with South African Statements of Generally Accepted Accounting Practice except where it is directed by National Treasury (NT) and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Accounting Officer acknowledges that she is ultimately responsible for the system of internal control established by the entity and places considerable importance on maintaining a strong control environment. The Accounting Officer sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the entity and all employees are required to maintain the highest ethical standards in ensuring the entity's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the entity is on identifying, assessing, managing and monitoring all known forms of risk across the entity. While operating risk cannot be fully eliminated, the entity endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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 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, 2018 and, in the light of this review and the current financial position, she is satisfied that the entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

The Annual Financial Statements set out on pages 92 to 117, which have been prepared on the going concern basis, were approved by the Accounting Officer on May 31, 2017.



MS THANDI MOYO

ACTING CHIEF EXECUTIVE OFFICER
WEDNESDAY, MAY 31, 2017



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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

1. I have audited the financial statements of the Government Printing Works set out on pages 50 to 75, which comprise the statement of financial position as at 31 March 2017, the statement of profit or loss and other comprehensive income, statement of changes in net assets, and statement of cash flows for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Government Printing Works as at 31 March 2017, and its financial performance and cash flows for the year then ended in accordance with South African Statements of Generally Accepted Accounting Practice (SA Statements of GAAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
4. I am independent of the government component in accordance with the International Ethics Standards Board for Accountants' Code of ethics for professional accountants (IESBA code) together with the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter

6. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Financial reporting framework

7. As disclosed in accounting policy 1, presentation of annual financial statements, the government component obtained a departure in terms of section 79 of the PFMA from preparing the annual financial statements in accordance with the Modified Cash Standards prescribed by National Treasury.

Responsibilities of the accounting officer for the financial statements

8. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Statements of GAAP and the requirements of the PFMA and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
9. In preparing the financial statements, the accounting officer is responsible for assessing the government component's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless there is an intention either to liquidate the government component or cease operations, or there is no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

10. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. A further description of my responsibilities for the audit of the financial statements is included in the annexure to the auditor's report.

REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

Introduction and scope

12. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
13. My procedures address the reported performance information, which must be based on the approved performance planning documents of the government component. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
14. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the government component for the year ended 31 March 2017:

Programmes	Pages in the annual performance report
Branch – operation and productions	46
Branch – strategic management	47 - 48
Branch – finance	49 - 50

15. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
16. I did not identify any material findings on the usefulness and reliability of the reported performance information for the following programmes:
- Branch – operations and production
 - Branch – strategic management
 - Branch – finance

Other matters

17. Although I identified no material findings on the usefulness and reliability of the reported performance information for the selected programmes, I draw attention to the following matters:

Achievement of planned targets

18. Refer to the annual performance report on pages 79 to 121 for information on the achievement of planned targets for the year and explanations provided for the under- or overachievement of a number of targets.

Adjustment of material misstatements

19. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of branch – finance and branch – strategic management. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

REPORT ON THE AUDIT OF COMPLIANCE WITH LEGISLATION

Introduction and scope

20. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the government component with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
21. The material findings in respect of the compliance criteria for the applicable subject matters are as follows:

Expenditure management

22. Effective steps were not taken to prevent irregular expenditure amounting to R148 738 000 as disclosed in note 27 to the financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1.
23. I was unable to obtain sufficient appropriate audit evidence that all money had been spent with the approval of the accounting officer, as required by treasury regulation 8.2.1. No written delegation of authority was in place at the government component for the year under review.

Procurement and contract management

24. Goods and services with a transaction value below R500 000 were procured without obtaining the required price quotations, contrary to treasury regulation 16A6.1.
25. Goods and services with a transaction value above R500 000 were procured without inviting competitive bids, as required by treasury regulation 16A6.1. Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of treasury regulation 16A6.4.

OTHER INFORMATION

26. The government component's accounting officer is responsible for the other information. The other information does not include the financial statements, the auditor's report thereon and those selected programmes presented in the annual performance report that have been specifically reported on in the auditor's report.
27. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
28. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed on the other information obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

INTERNAL CONTROL DEFICIENCIES

29. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the annual performance report and the findings on compliance with legislation included in this report.

Financial and performance management

Regular, accurate and complete financial and performance reports

30. The internal controls implemented were inadequate and ineffective to ensure that complete, relevant and accurate information was accessible and available to support the actual achievements reported on branch – finance and branch – strategic management in the annual performance report.

Compliance monitoring

31. The review processes implemented were inadequate to monitor compliance with laws and regulations applicable to the government component, which resulted in non-compliance relating to expenditure management as well as procurement and contract management.

Auditor General

PRETORIA
MONDAY, JULY 31, 2017



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

ANNEXURE – AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected programmes and on the government component's compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in the auditor's report, I also:
 - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - obtain an understanding of internal control relevant to the audit 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 government component's internal control.
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer.
 - conclude on the appropriateness of the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the government component's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of the auditor's report. However, future events or conditions may cause the government component to cease to continue as a going concern.
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

	Note(s)	2017 R '000	2016 R '000
Revenue	2	1,432,037	1,138,249
Cost of sales		(713,445)	(632,460)
Gross profit		718,592	505,789
Other income	3	81,846	71,446
Operating expenses	4	(208,481)	(195,464)
Operating profit		591,957	381,771
Interest received	5	-	1,363
Surplus for the year		591,957	383,134
Total comprehensive income for the year		591,957	383,134

STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2017

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

	Note(s)	2017 R '000	2016 R '000
Assets			
Non-Current Assets			
Property, plant and equipment	7	794,034	682,541
Intangible assets	8	35,914	33,158
		829,948	715,699
Current Assets			
Inventories	9	192,724	227,771
Trade and other receivables	10	278,900	309,125
Cash and cash equivalents	11	1,875,569	1,411,006
		2,347,193	1,947,902
Total Assets		3,177,141	2,663,601
Net Assets and Liabilities			
Net Assets			
Capital fund	12	1,822,688	1,439,554
Surplus distributable to National Treasury		591,957	383,134
		2,414,645	1,822,688
Liabilities			
Non-Current Liabilities			
Deferred income	13	561,755	633,641
Current Liabilities			
Trade and other payables	14	196,153	202,901
Provisions	15	4,588	4,371
		200,741	207,272
Total Liabilities		762,496	840,913
Total Net Assets and Liabilities		3,177,141	2,663,601

STATEMENT OF CHANGES IN NET ASSETS

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

	Capital fund	Surplus distributable to National Treasury	Net assets
	R '000	R '000	R '000
Balance at April 01, 2015	1,134,738	304,816	1,439,554
Profit for the year	-	383,134	383,134
Transfer of treasury approved surplus to capital fund	304,816	(304,816)	-
Total Changes	304,816	78,318	383,134
Balance at April 01, 2016	1,439,554	383,134	1,822,688
Profit for the year	-	591,957	591,957
Transfer of treasury approved surplus to capital fund	383,134	(383,134)	-
Total Changes	383,134	208,823	591,957
Balance at March 31, 2017	1,822,688	591,957	2,414,645

STATEMENT OF CASH FLOWS

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

	Note(s)	2017 R '000	2016 R '000
Cash flows from operating activities			
Cash receipts from contributors and other sources		1,668,080	1,340,982
Cash paid to suppliers and employees		(992,857)	(920,866)
Cash generated from operations	16	675,223	420,116
Interest income		-	1,363
Net cash from operating activities		675,223	421,479
Cash flows from investing activities			
Acquisition of property, plant and equipment	7	(197,783)	(314,911)
Acquisition of intangible assets	8	(12,877)	(11,792)
Net cash from investing activities		(210,660)	(326,703)
Total cash movement for the year		464,563	94,776
Cash at the beginning of the year		1,411,006	1,316,230
Total cash at end of the year	11	1,875,569	1,411,006

ACCOUNTING POLICIES

ANNUAL FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

1. Presentation of annual financial statements

The Government Printing Works (GPW) is established as a Government Component in terms of the Public Services Act and as such is required to prepare the annual financial statements in accordance with Modified Cash Basis.

The GPW has obtained a departure from the Accountant-General from Modified Cash Basis and hence the annual financial statements have been prepared in accordance with South African Statements of General Accepted Accounting Practice, and the Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999) (as amended by Act No. 29 of 1999). The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below.

The Government Printing Works (GPW) concluded that the annual financial statements present fairly the entity's statement of financial position, statement of profit or loss and other comprehensive income and statement of cash flow.

These accounting policies are consistent with the previous year, except where specified otherwise.

1.1 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.

1.1.1 Cost or revaluation

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

1.1.2 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.

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 recognized in the statement of profit or loss and other comprehensive income in the period in which they occur.

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

Item	Years
Land	Indefinite
Buildings	20 years



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

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

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

1.1.3 De-recognition

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

1.2 Intangible assets

An intangible asset is recognised when:

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

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

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

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

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

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

Intangible assets are amortised on a straight-line basis over its anticipated useful life. Amortisation of an intangible asset commences when the asset is ready for its intended purpose.

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

1.2 Intangible assets (continued)

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

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

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

Item	Useful life
Computer software	5 years

1.3 Financial assets and liabilities

1.3.1 Initial recognition

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

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

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

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

1.3.2 Profit and losses and fair value adjustments

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

1.3.3 De-recognition

A financial asset is de-recognised when the entity loses control over the contractual rights that compromises 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 profit or loss and other comprehensive income.

1.3.4 Interest

Interest income is recognised in the statement of profit or loss and other comprehensive income 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.

1.3.5 Trade and other receivables

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

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of profit or loss and other comprehensive income 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 profit or loss and other comprehensive income.

Trade and other receivables are classified as loans and receivables.

1.3.6 Trade and other payables

Trade payables are initially and subsequently measured at fair value.

1.3.7 Cash and cash equivalents

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

1.4 Operating Leases

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

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

1.5 Inventories

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

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

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

1.5 Inventories (continued)

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.

1.6 Impairment of assets

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

If there is any indication that assets 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.

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

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

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

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

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

1.7 Retirement Benefits

1.7.1 Pension funds

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

1.7.2 Medical benefits

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

1.7.3 Termination benefits

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

1.8 Provisions, commitments and contingencies

1.8.1 Provisions

Provisions are recognised when:

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

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

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

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation.

1.8.2 Commitments

A commitment is an agreement between two or more parties that is binding on those parties to the degree that to renege on the agreement will be costly.

Commitments represent orders issued to suppliers that have been approved, but where no delivery has taken place as at year-end, and contractual commitments.

The GPW discloses the amount of contractual commitments for the acquisition of property, plant and equipment, and intangible assets.

1.8.3 Contingent Liabilities

A contingent liability is a possible obligation that arises from past events, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events that are beyond the control of the GPW.

Alternatively, a contingent liability is a present obligation that arises from past events, but which is not recognised because:

- it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised but are included in the disclosure notes.

1.8 Provisions, commitments and contingencies (continued)

1.8.4 Contingent assets

Contingent assets arise from unplanned or other unexpected events that are not wholly within the control of the GPW and give rise to the possibility of an inflow of economic benefits or service potential to the entity. Contingent assets are not recognised.

1.9 Conditional grants and receipts

Government grants are recognised when there is reasonable assurance that:

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

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

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

1.10 Revenue recognition

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

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

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

1.11 Interest income

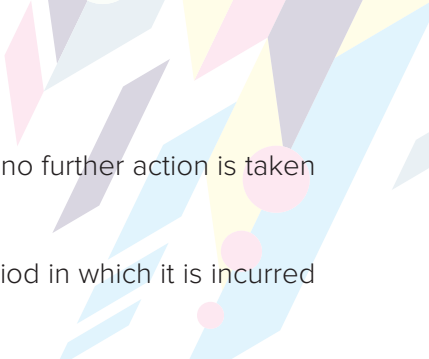
Interest is recognised on a time-proportion basis using the effective interest method.

1.12 Irregular expenditure

Irregular expenditure, as defined in section 1 of the PFMA, is expenditure other than unauthorised expenditure, incurred in contravention of, or that is not in accordance with, a requirement of any applicable legislation, including any one the following:

- the Public Finance Management Act (Act No. 01 of 1999),
- the Treasury Regulations issued in terms of the Act.

National Treasury Practice Note No 4 of 2008/09, which was issued in terms of sections 76(1) to 76(4) of the PFMA, requires that from 1 April 2008, irregular expenditure that was incurred and identified during the current financial year and that was condoned before year end and/or before finalisation of the financial statements



is recorded appropriately in the irregular expenditure register. In such an instance, no further action is taken except that the note to the financial statements is updated.

All irregular expenditure is recognised in the annual financial statements in the period in which it is incurred and disclosed separately.

Irregular expenditure is accounted for as expenditure in the statement of profit or loss and other comprehensive income and where recovered, it is subsequently accounted for as revenue in the statement of profit or loss and other comprehensive income.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements is updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by National Treasury or the relevant authority is recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account is created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the Accounting Officer may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto remains against the relevant expenditure item, and is disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

1.13 Fruitless and Wasteful Expenditure

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

1.14 Related parties

The entity operates in an economic sector dominated by entities directly or indirectly owned by the South African Government. Only controlling entities are considered to be related parties.

1.15 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 profit or loss and other comprehensive income.

1.16 Significant judgements, estimates and assumptions

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

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

	2017 R '000	2016 R '000
2. Revenue		
Revenue	1,432,037	1,138,249
3. Other income		
Bad debts recovered	2,490	327
Discount received	2,832	2,405
Deferred income	71,886	68,714
Gain on exchange differences	4,612	-
Other recoveries	2	-
Profit on disposal of assets	24	-
	81,846	71,446
4. Operating expenditure		
Administration and management fees	27,755	27,669
Auditors remuneration	4,330	4,966
Bad debts written off	145	20
Depreciation and amortisation	6,670	6,447
Employee costs	101,350	84,096
Loss on disposal of assets	-	2
Loss on exchange differences	-	846
Other operating expenditure	68,573	63,442
Provision for impairment of trade and other receivables	(342)	7,976
	208,481	195,464
5. Interest received		
Purchase price of building, held in attorney's trust account	-	1,363
6. Surplus for the year		
The following items have been charged in arriving at surplus for the year		
Depreciation	86,290	83,282
Amortisation	10,121	8,517
Auditors' remuneration	4,330	4,966
	100,741	96,765

	2017 R '000			2016 R '000		
	2017			2016		
7. Property, plant and equipment	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Land	20,129	-	20,129	20,129	-	20,129
Buildings	29,239	(2,913)	26,326	29,129	(1,456)	27,673
Plant and equipment	983,860	(557,115)	426,745	944,307	(489,673)	454,634
Office furniture	20,976	(16,854)	4,122	19,110	(15,635)	3,475
Motor vehicles	880	(880)	-	880	(880)	-
Computer equipment	100,701	(80,595)	20,106	88,018	(69,733)	18,285
Leasehold improvements	107,193	(24,478)	82,715	107,193	(19,169)	88,024
Capital - Work in progress	213,891	-	213,891	70,321	-	70,321
Total	1,476,869	(682,835)	794,034	1,279,087	(596,546)	682,541

Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Depreciation	Total
Land	20,129	-	-	20,129
Buildings	27,673	110	(1,457)	26,326
Plant and equipment	454,634	39,553	(67,442)	426,745
Office furniture	3,475	1,867	(1,220)	4,122
Computer equipment	18,285	12,683	(10,862)	20,106
Leasehold improvements	88,024	-	(5,309)	82,715
Capital - Work in progress	70,321	143,570	-	213,891
	682,541	197,783	(86,290)	794,034

Reconciliation of property, plant and equipment - 2016

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Land	-	20,129	-	-	-	20,129
Buildings	-	29,129	-	-	(1,456)	27,673
Plant and equipment	330,946	188,832	-	-	(65,144)	454,634
Office furniture	4,057	787	(2)	-	(1,367)	3,475
Computer equipment	15,820	13,200	-	-	(10,735)	18,285
Leasehold improvements	100,091	17,228	-	(24,715)	(4,580)	88,024
Capital - Work in progress	-	45,606	-	24,715	-	70,321
	450,914	314,911	(2)	-	(83,282)	682,541

	2017	2016
	R '000	R '000

7. Property, plant and equipment (continued)

Capital commitments

The GPW is committed to incur capital expenditure of R 87 502 thousand (2016: R 221 542 thousand) with regard to leasehold improvements and R 91 187 thousand (2016: R 31 517 thousand) with regard to plant and equipment.

	2017			2016		
8. Intangible assets	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software, internally generated	57,366	(29,260)	28,106	44,474	(19,139)	25,335
Intangible assets under development	7,808	-	7,808	7,823	-	7,823
Total	65,174	(29,260)	35,914	52,297	(19,139)	33,158

Reconciliation of intangible assets - 2017

	Opening balance	Additions	Transfers	Amortisation	Total
Computer software, internally generated	25,335	-	12,892	(10,121)	28,106
Intangible assets under development	7,823	12,877	(12,892)	-	7,808
	33,158	12,877	-	(10,121)	35,914

Reconciliation of intangible assets - 2016

	Opening balance	Additions	Transfers	Amortisation	Total
Computer software, internally generated	26,733	-	7,119	(8,517)	25,335
Intangible assets under development	3,150	11,792	(7,119)	-	7,823
	29,883	11,792	-	(8,517)	33,158

	2017 R '000	2016 R '000
9. Inventories		
Raw materials, components	150,470	190,930
Work in progress	2,819	2,457
Finished goods	39,278	31,373
Consumables	5,649	4,738
Subtotal	198,216	229,498
Inventories (write-downs)	(5,492)	(1,727)
	192,724	227,771

Inventories are valued consistent to previous years as stated in note 1.5. During the year under review an increase in the provision for slow moving and obsolete stock amounting to R 3 764 thousand (2016: decrease of R 28 thousand) was passed. Slow moving and obsolete stock amounting to R 557 thousand (2016: R 716 thousand) were written off during the current financial year.

10. Trade and other receivables		
Trade receivables	271,447	273,739
Other receivables	7,453	35,386
	278,900	309,125

Included in other receivables are the following: Incapacity leave of R 189 thousand (2016: R 27 thousand) and VAT of R nil (2016: R 10 779 thousand).

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 2017 trade and other receivables in the amount of R 21 778 thousand was considered to be impaired and a decrease in the provision for doubtful debts of R 342 thousand was passed in the current financial year.

Reconciliation of provision for impairment of trade and other receivables

Opening balance	22,120	14,968
Provision adjustment	(342)	7,976
Less: Utilised	-	(824)
	21,778	22,120

The creation and release of provision for impaired receivables have been included in operating expenditure in the statement of profit or loss and other comprehensive income (note 4). Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

	2017 R '000	2016 R '000
11. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	71	62
Bank balances	36,698	32,320
Paymaster General	1,838,800	1,378,624
	1,875,569	1,411,006

12. Capital fund		
Balance at the beginning of the year	1,439,554	1,134,738
Transfer of the National Treasury approved surplus	383,134	304,816
	1,822,688	1,439,554

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 and capital expenditure of the GPW.

13. Deferred income		
For the financial year under review, the GPW did not receive any contribution from National Treasury. The deferred income relating to previous years' contributions towards the transformation of the GPW, including the procurement of new production equipment, will be credited to the statement of profit or loss and other comprehensive income over the useful life of the asset starting when the asset is brought to use.		

Opening balance	633,641	702,355
Deferred income realised through depreciation and appropriation	(71,886)	(68,714)
Closing balance	561,755	633,641

14. Trade and other payables		
Trade payables	141,798	147,256
Other payables	48,788	50,268
Accrued expense - capped leave pay	5,567	5,377
	196,153	202,901

Included in other payables are the following: Unallocated deposits of R 4 198 thousand (2016: R 37 348 thousand), VAT of R 12 240 thousand (2016: nil) and Debtors with credit balances of R 1 251 thousand (2016: R 1 266 thousand).

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

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

Accrued capped leave pay		
Opening balance	5,377	5,115
Movement	190	262
	5,567	5,377

		2017 R '000	2016 R '000
15. Provisions			
Reconciliation of provisions - 2017			
	Opening balance	Movement	Total
Service Bonus	4,371	217	4,588

Reconciliation of provisions - 2016			
	Opening balance	Movement	Total
Service Bonus	3,851	520	4,371

The service bonus payable is based on an employee's monthly salary on date when the bonus is due. 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.

16. Cash generated from operations			
Surplus for the year		591,957	383,134
Adjustments for:			
Depreciation and amortisation		96,411	91,799
(Profit) /loss on sale of assets		-	2
Interest		-	(1,363)
Movements in provisions		217	520
Changes in working capital:			
Inventories		35,048	(31,320)
Trade and other receivables		30,225	40,179
Trade and other payables		(6,749)	5,879
Deferred income		(71,886)	(68,714)
		675,223	420,116

17. Operating leases

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

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

R'000 Up to 1 year	R'000 1 to 5 Years	R'000 More than 5 years
R 5 019	R 2 733	R 862

	2017 R '000	2016 R '000
18. Depreciation - Operating expenditure		
Plant and equipment	87	101
Office furniture	549	585
Computer equipment	1,632	1,597
	2,268	2,283

Amortisation - Operating expenditure		
Computer software, other	4,402	4,164

Total depreciation - Operating expenditure	2,268	2,283
Amortisation - Operating expenditure	4,402	4,164
	6,670	6,447

19. Employee benefits		
Salaries and wages	169,935	137,065
Employer contributions:		
Pension	14,850	12,998
Housing	6,280	5,945
Medical	10,303	9,614
Public Service Co-ordinate Bargaining Council	8	7
General Public Service Bargaining Council	35	31
	201,411	165,660

Employee benefits included in operational expenditure	101,350	84,096
Employee benefits included in cost of sales	100,061	81,564
	201,411	165,660

20. Emoluments		
Chief Executive Officer		
Basic	166	994
Flexible portion of package	140	858
Compensation allowance	675	-
	981	1,852

The previous Chief Executive Officer left the service of the GPW on the 30th of April 2016. An Acting Chief Executive Officer joined the services of the GPW on the 1st of May 2016.

Acting Chief Executive Officer		
Basic	834	-
Flexible portion of package	475	-
Leave discounting	53	-
Acting allowance	342	-
	1,704	-

	2017 R '000	2016 R '000
20. Emoluments (continued)		
General Manager: Production and Operations		
Basic	971	942
Flexible portion of package	416	404
Long service award	25	-
Leave discounting	62	49
	1,474	1,395

General Manager: Financial Services		
Basic	488	807
Flexible portion of package	342	557
Leave discounting	44	-
Settlement payment	758	-
	1,632	1,364

The General Manager: Financial Services left the service of the GPW on the 31st of October 2016. The Chief Director: Financial Management acted in the absence of a General Manager.

General Manager: Human Resources		
Basic	873	494
Flexible portion of package	395	201
	1,268	695

The General Manager: Human Resources was appointed on the 1st of September 2015. The Director: Policy and Planning acted in the absence of a General Manager.

General Manager: Strategic Management		
Basic	130	-
Flexible portion of package	141	-
Leave discounting	2	-
	273	-

The General Manager: Strategic Management was appointed on the 16th of January 2017.

Chief Director: Production		
Basic	762	730
Flexible portion of package	407	321
Leave discounting	-	15
Performance bonus	75	-
	1,244	1,066

	2017 R '000	2016 R '000
20. Emoluments (continued)		
Chief Director: Operations		
Basic	753	730
Flexible portion of package	337	272
	1,090	1,002

Chief Director: Financial Management		
Basic	873	835
Flexible portion of package	390	357
Performance bonus	73	-
Acting allowance	25	-
	1,361	1,192

Chief Director: Marketing and Stakeholder Relations		
Basic	764	730
Flexible portion of package	342	313
	1,106	1,043

Chief Information Officer		
Basic	387	730
Flexible portion of package	174	269
Leave discounting	81	-
	642	999

The Chief Information Officer left the service of the GPW on the 4th of October 2016. The Director: Information and Communication Technology acted in the absence of a Chief Director.

Chief Audit Executive		
Basic	594	542
Flexible portion of package	409	365
	1,003	907

Director: Operations		
Basic	645	608
Flexible portion of package	293	260
	938	868

Director : Operations Planning		
Basic	635	555
Flexible portion of package	284	229
	919	784

The Director: Operational Planning was appointed on the 1st of May 2016.

	2017 R '000	2016 R '000
Director: Supply Chain Management		
Basic	748	713
Flexible portion of package	334	313
	1,082	1,026

Director: Organisational Development and Talent Management		
Basic	262	-
Flexible portion of package	143	-
	405	-

The Director: Organisational Development and Talent Management was appointed on the 1st of November 2016.

Director: Policy and Planning		
Basic	654	604
Flexible portion of package	304	271
Leave discounting	-	28
Performance bonus	72	-
	1,030	903

The Director: Information and Communication Technology		-
Basic	521	-
Flexible portion of package	167	-
Performance bonus	34	-
Acting allowance – Director ICT (1 June 2016 – 30 September 2016)	15	-
Acting allowance – CIO (10 October 2016 – 31 March 2017)	81	-
	818	

The Deputy Director: Information and Communication Technology acted in this position from the 1st of June until the 30th of September 2016. He was appointed as Director: Information and Communication Technology on the 10th of October 2016.

Director: Security		
Basic	420	-
Flexible portion of package	176	-
	596	-

The Director: Security was appointed on the 1st of August 2016.

	2017 R '000	2016 R '000
21. Remuneration of Audit Committee Members		
Audit committee members	374	484

22. Contingencies

In terms of the PFMA, all surplus funds as at year end may be forfeited to National Treasury should an application for retention of surplus funds be denied. The GPW will submit an application to National Treasury for the retention of the surplus funds for the year 31 March 2017. As in previous years the GPW expects that National Treasury will approve the retention of the surplus funds.

23. Related parties		
Related party balances		
Amounts included in Trade receivable regarding related parties		
The Department of Home Affairs (DHA)	176,921	151,739
Related party transactions		
The following transactions pertaining to the major related parties to the GPW are disclosed:		
The Department of Home Affairs (DHA)		
Sales	788,786	631,174

24. Prior period errors

Related party transactions - The Department of Home Affairs (DHA) sales

The sales figure disclosed for related party transactions with DHA was incorrect. The figure disclosed for 2016 included VAT. The comparative disclosure figure for 2016 has been adjusted from R 719 539 thousand to R 631 174 thousand.

Only the disclosure note was affected by this error and not the statement of profit or loss and other comprehensive income or the statement of financial position.

25. Events after the reporting period

Events that occurred after the reporting date, but before the financial statements were authorized 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.

26. Rental of buildings

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

	2017 R '000	2016 R '000
27. Irregular Expenditure		
Opening balance	32,329	-
Add: Irregular Expenditure - current year	148,738	32,329
Less: Amounts condoned	-	-
	181,067	32,329

Less than three quotations obtained and reason for deviation not justifiable	394	1,005
Less than three quotations obtained and no reason for deviation	127	-
Goods not procured through competitive bidding	12,717	5,464
Request for quotation did not include a specific condition indicating the minimum threshold for local production and content	338	-
Quotations not evaluated using the prescribed preferential points system	-	911
B-BBEE points awarded without verification of supporting documentation	135,162	24,949
Irregular Expenditure - current year	148,738	32,329

The GPW is working with National Treasury to obtain condonation with regard to irregular expenditure.

28. Fruitless and wasteful expenditure
There was no fruitless and wasteful expenditure during the period.

29. Gifts and Donations
No gifts and donations were made during the period.

30 Ex-gratia payments			
Payments made during the period.		16	8

31. 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.

Categories of financial instruments		
Financial Assets		
Cash and bank balances	1,875,569	1,411,006
Trade receivables	271,447	273,739
Financial liabilities		
Trade payables	141,798	147,256

2017
R '000

2016
R '000

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 2017, 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. At year end the GPW had an exposure to the EURO, Yen and Swiss Franc, due to agreements for the maintenance and supply of machinery, which contracts were concluded in EURO.

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

Liquidity risk

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

NOTES

GENERAL INFORMATION

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 Service Act (No. 103 of 1994) as amended, The Government Printing Works (GPW) is established as a Government Component.

Registered office

149 Bosman Street Pretoria 0001

Business address

149 Bosman Street Pretoria 0001

Postal address

Private Bag X 85 Pretoria 0001

Auditors

The Auditor-General of South Africa

Bankers

ABSA
Reserve Bank

Accounting Officer

Ms N Moyo

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