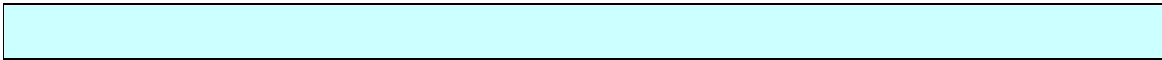


# Progress Report - June 2000



## FUNDS MOBILISED

Funds transferred to the Trust increased from R256-million to R338-million during the final quarter of the first operating year. The bulk of this figure is made up by second year contributions paid in advance.

The funds committed over the five-years of R800-million cover the value of business plans approved. At the end of the first operating year, the Business Trust had secured commitments for 80% of its targeted R1-billion for deployment over five-years.

The fund mobilisation campaign focuses on major companies not yet in the Trust and aims to secure their participation on the originally agreed formula of 0.15% of market capitalisation as at November 1998 or 2% of after-tax earnings in the case of non-listed companies. Direct approaches to these companies are being supported by an intensified marketing and communication campaign.

## FUNDS MANAGED AND CONTROLLED

The audit of the Business Trust operating entities, three Section 18(A) Education Trusts and a Section 21 non-profit company was initiated and the results will be published as part of the year-end report and financial statements.

Rand Merchant Bank and Standard Corporate Merchant Bank continued as Asset Managers and African Harvest was appointed as a third Asset Management Company for the Trust.

Deloitte & Touche in association with Gobodo continue to provide internal audit support. A due diligence test was completed on the eighth strategic partner appointed by the Trust: Ebony Consulting International. Internal audits were undertaken on the NBI Colleges Collaboration Fund and the Joint Education Trust Quality Learning Project during the quarter. This work completed the round of due diligence tests and internal auditing for the year which included a due diligence test on all strategic partners and at least one internal audit in each case.

## FUNDERS RECOGNISED

During the quarter President Thabo Mbeki wrote to all contributors to the Business Trust thanking them for their contribution.

Report-back meetings were held to funders in Johannesburg, Cape Town, Durban, East London and Port Elizabeth. The chairman of the Business Trust Funding Committee has initiated a report-back programme for funders requiring direct reports to their boards and management committees.

## INTERNATIONAL MARKETING PROGRAMME

The Trust disbursed the final tranche of its first year funding during the last quarter.

The largest ever South African marketing campaign was launched in USA, UK, Germany, France, Italy and the Netherlands in January 2000.

**The programme objective** to raise awareness of SA in the primary markets was achieved.

**A high quality advertising** campaign generated a generally positive response:

- 17500 responses to the campaign were recorded.
- 20% of those interviewed saw the ads.
- 75% commented positively.
- 42% would probably consider SA for a holiday.
- 24% would definitely consider SA for a holiday.

A cooperative marketing campaign was very successful:

- The R8m invested was catalyst to a further R8m investment from tour operators.
- The R16m campaign is projected to result in R141m visitor spend in SA.
- The launch of the market segmentation was delayed.
- The approach to segmentation is being reviewed.
- The satellite accounts are not due till November.

The marketing programme target to increase international tourist arrivals to 1,7-million by the end of 2000 has been adjusted to 1,6m on the basis of the latest available figures for 1999.

## **TOURISM TRAINING PROGRAMME**

Work continued on the most comprehensive training programme ever launched in South Africa.

Eighteen new national qualifications are being developed and will be submitted to the South African Qualifications Authority (SAQA) by December 2000.

- 3 285 people (up from 1 782 in March) have been assessed against hospitality unit standards. This exceeds the target of 3 000 for the year.
- 2 730 people have satisfied the hospitality unit standards.

The programme remains on target for the assessment of 3 000 employees against hospitality unit standards by the end of 2000.

## **MALARIA CONTROL PROGRAMME**

A base-line study of malaria in SA, Swaziland and Mozambique was completed during the quarter.

- 50 spray men have been trained.
- 80 tourist facilities have been visited to test owner and tourist response to the malaria threat.
- Malaria risk maps have been produced to provide information to facility owners, tourists and the media.

The Harvard Business School has agreed to participate in an evaluation of the programme. The Medical Research Council has proposed that the Business Trust extend its one year funding to three years.

## **INTEGRATED JUSTICE SYSTEM**

By the end of June the Integrated Justice System Project office had been established.

- Specifications were developed for the electronic exchange of data between SAPS and Correctional Services. Implementation in selected sites and headquarters of both departments is due for completion by December 2000.
- Specifications were developed for the National Photo Identification system to capture images of offenders and make them available to all departments. Implementation is due for completion by December 2000.
- A proposal to schedule resources and work-flow for magistrates and prosecutors was completed and will be implemented in selected sites by December 2000.

### **TOURISM CRIME REDUCTION**

A review panel was assembled to consider a project to reduce the incidence of tourism related crime. A proposal will be submitted to the

### **SCHOOLING PROGRAMMES**

#### **PRIMARY SCHOOL REPEATER REDUCTION**

By the end of the fourth quarter, the READ primary school repeater reduction programme had agreed the schools in which the project will be launched with the provincial authority:

- The number of schools participating in the programme has increased over the quarter from 856 to 946 and the number of districts reduced from 73 to 59.
- The number of READ trainers in the programme has increased from 35 to 51. All have undergone a training programme covering a total of some 937 contact days.
- 8 881 teachers have undergone two three-day training courses.
- 13 604 resource packs have been provided to schools.
- Funds disbursed amount to R13,4m

#### **COLLEGES COLLABORATION FUND**

The process of restructuring and building a world-class college sector in South Africa has continued.

- **Situational analyses** have now been completed in all nine provinces.
- **Introductory training** has been completed for 600 senior managers and 600 college councillors.
- **The first** group of 25 college managers from South Africa has been sent to the UK on an exchange programme.

#### **QUALITY LEARNING PROJECT**

The first funding was transferred to this project in March. It is targeted to achieve the following by December 2000:

- 18 school districts involved in the project with consolidated district development plans, improved organisational systems and trained officials.
- 500 schools committed to the project with draft school development plans and trained school governing bodies and management teams.

## PROGRAMMES PORTFOLIO

### PROGRAMME PORTFOLIO

**Target:**

- Value R1bn
- Gearing 30%
- Tax deductibility 50%

The Trust has agreed to invest R750-million in eight projects over five years subject to performance and the availability of funds.

The total value of projects supported now exceeds R1,5bn following the substantial increase in government funding for the international marketing programme. The other primary investors are the Department of Environmental Affairs and Tourism, the Department of Labour and international aid agencies.

The Trust has contracted with its strategic partners for the first year to a value of R151-million, R92-million was disbursed to eight strategic partners by 30 June 2000.

### COMMUNICATION

An intensified communication programme has been launched. It aims to demonstrate business commitment and the value of the business government partnership. The campaign started on 11 September and will be run on national TV, in the press and through events.

### MANAGEMENT

Managing agency: National Business Initiative

**TARGET:** Expenditure <5% of project expenditure

The Business Trust management unit showed a saving of just over R1-million on the budget for the first half-year. Delaying the appointment of programme managers brought this about. These have now been appointed.