



# BUSINESS TRUST

Together, we will.

**PROGRESS REPORT SEPTEMBER 2003**



## **IN THIS REPORT**

<b>TOURISM GROWTH FIGURES TESTED .....</b>	<b>3</b>
<b>TOURISM TRAINING RESULTS CONSOLIDATED DESPITE DIFFICULTIES .....</b>	<b>4</b>
<b>ENTERPRISE PROGRAMME TO LEVERAGE CLOSE ON R1BN TRANSACTIONS .....</b>	<b>5</b>
<b>NEED FOR PRIMARY SCHOOL LITERACY CAMPAIGN TESTED. ....</b>	<b>6</b>
<b>LESSONS LEARNED FOR SCHOOL DISTRICT DEVELOPMENT.....</b>	<b>7</b>
<b>MINISTER OF EDUCATION SUPPORTS COLLEGE PARTNERSHIPS .....</b>	<b>8</b>
<b>MINISTER OF SAFETY &amp; SECURITY ACKNOWLEDGES BUSINESS SUPPORT .....</b>	<b>9</b>
<b>MALARIA CONTROL MOVES FROM SMALLEST TO LARGEST PROGRAMME .....</b>	<b>10</b>
<b>MANAGEMENT COST MAINTAINED AT LESS THAN 5% OF CONTRACT VALUE .....</b>	<b>11</b>
<b>PRESIDENT ENDORSES CONTINUATION OF THE TRUST .....</b>	<b>11</b>
<b>ABOUT THE TRUST .....</b>	<b>12</b>

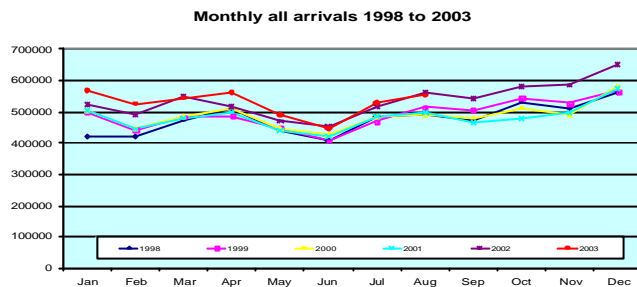
## Tourism Growth figures tested

Partner	54 Months Project	R200m Trust funding	R1000m Total funding
SA Tourism	Launched Jan 2000 Elapsed 45 Months	Budget R200m To Date R180m	R650m DEAT R150m TBCSA

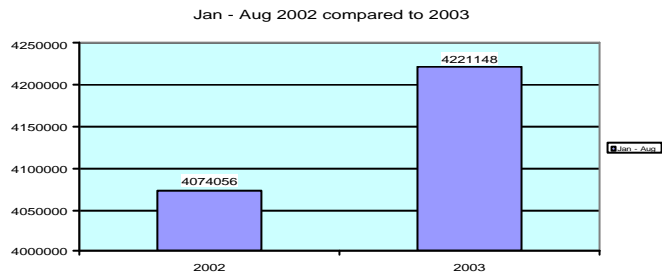
A profit warning by tourism group TOURVEST has raised questions about South Africa's ability to maintain the tourism growth rates seen last year

### Arrivals

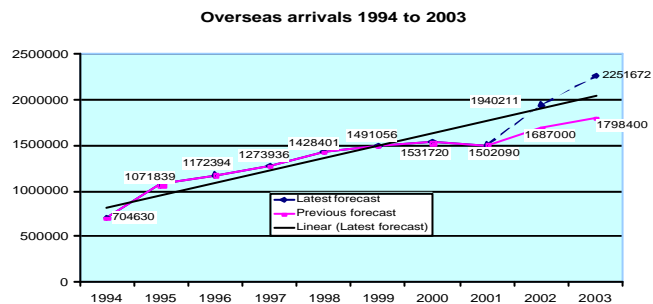
The first two graphs depicted on this page show that while the August figures for all arrivals to SA were slightly down (3%) on the same month last year, the cumulative number of arrivals for the period January to August 2003 is still ahead of the figure for 2002 (by about 150000). This remains encouraging as 2002 was an extraordinary year for a number of reasons.



The aftermath of Sept 11 2001, SARS and the weak Rand combined to make South Africa an unusually attractive destination in 2002. The caution raised by tourism firms in the second half of 2003 may point to reduced spending because of the reduced purchasing power of foreign currencies in Rands rather than a substantial reduction in the number of tourists attracted to South Africa. This will be taken up in a forthcoming newsletter.



The achievement of the Business Trust target of 2,2m foreign arrivals by 2004 will depend on how close the Arrival figures get to the 1,9m target by the end of 2003. The plan approved for the 2003 / 04 year focuses attention on four portfolios of markets – America, Asia & Australia, Europe and Africa. The arrival target to December 2003 is 6,860,365 visitors, an overall year increase of 6.7%



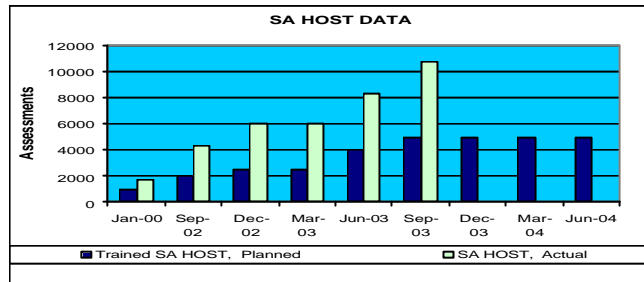
## Tourism Training results consolidated despite difficulties

Partner	54 Months Project	R80m Trust funding	R133m Total funding
THETA	Launched Jan 2000 Elapsed 45 months	Budget R80m To Date R52m	R35 m DOL R18m THETA

THETA has experienced operational difficulties in the development of the systems and procedures required of the new SETAs (Sectoral Education and Training Authorities). This has been compounded by a dispute between their board and the CEO. At its last meeting the Business Trust suspended funding for the Tourism learnership Programme pending a resolution of these issues. THETA has moved to improve administrative procedures, upgrade the quality assurance system and resolve the dispute with the CEO. The Trust has had its project audited. A senior consultant has been appointed to ensure the project stays on track to achieve its targeted objectives and the Trusts finance manager has joined the THETA audit committee. As indicated below the key deliverables are being achieved. It is anticipated that funding will be resumed by the end of November.

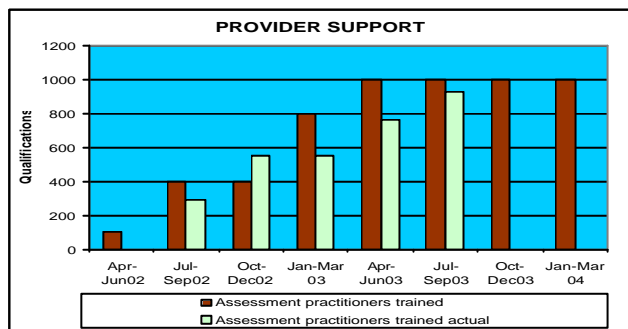
### Welcoming guests to SA

The SA Host programme has continued at a steady pace with just over 570 participants for the quarter. The programme has built up a training programme and a core of providers in all 9 provinces. As the project comes to an end, the future location of the SA Host programme will be discussed with key stakeholders in the tourism industry and the DEAT.



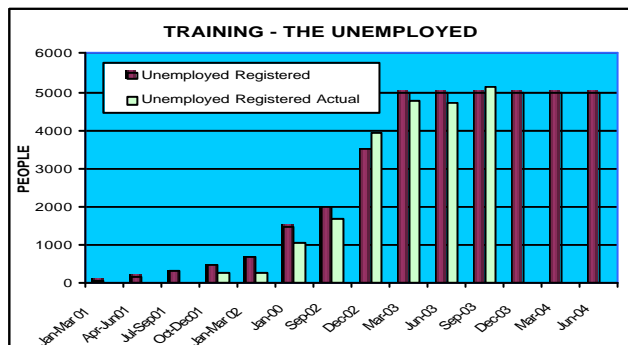
### Supporting training providers

The Independent Examination Board (IEB) has accredited 929 people to train, assess and mentor trainees and moderate training sessions. This together with the previously reported approval of 35 qualifications on the National Qualifications Framework has put in place two of the key requirements for sustained skills improvement.



### Training –the unemployed

The number of unemployed learners registered for training exceeded the 5000 target during the quarter and visits were conducted to verify the quality of training provided. While many areas for improvement have been identified, learners, remain overwhelmingly positive about their experiences.



## Enterprise Programme to leverage close on R1bn transactions

Partner	48 months Project	R60m Trust funding	R129m total funding
ECl	Launched July 2000 Elapsed 39 months	Budget R60m To Date R43m	R69m Various

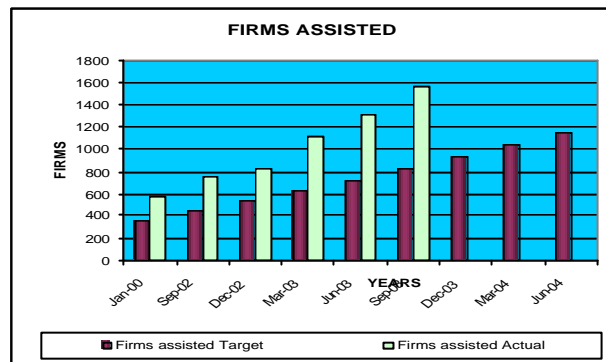
With over 1500 small firms having been assisted to conclude more than R750m worth of transactions and support the equivalent of 13680 jobs, the Tourism Enterprise Project has exceeded all of its targets. The project now operates in all nine provinces with technical assistance being provided by sub contractors who are themselves entrepreneurs. Extended "stretch targets" have now been set to take the project to support R948m worth of transaction (more than doubling the original target of R450m) and the full time equivalent of over 18000 jobs by June 2004. A process to determine the potential for replicating the programme has been initiated with the Trust partners Ebony Consulting International who is due to report the results of research into the replication potential at the end of the quarter.

### Facilitating market access

# 30 crafters in the Free State were helped to open their own shop, attend the Grahamstown festival and launch a web site. They now have an average turn over of R100 000 per month.

# a bed & breakfast establishment in Kwa Zulu Natal was helped to get a star grading and develop a web site.

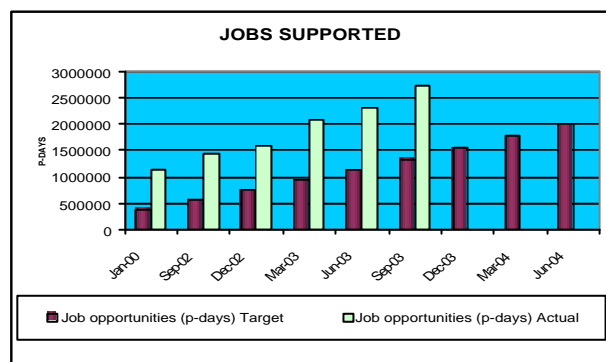
# A linkage was forged between Ukamba designs and the managers of the World Parks Congress in Durban which resulted in an order of R560 000.



### Providing access to finance & improving operations

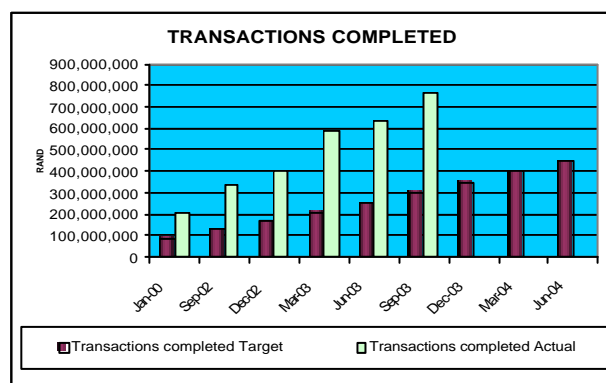
# TEP supported an entrepreneur to secure an IDC loan to purchase a hotel in the Limpopo province from the Land Bank.

# In another instance a motel owner was enabled to install a computerised accounting system and to secure grading for his motel. This client won the Tourism Entrepreneur of the Year Award and will travel to the World Tourism Market in London in November.



### Providing training support

TEP has assisted the establishment of a number of tourism franchises and procured training for the staff of the franchisees. Four of these franchises have secured over R7m turnover in the last quarter.



## Need for primary school literacy campaign tested.

Partner	59 month project	R153m Trust funding	R153m Total funding
READ	Launched Aug 99 Elapsed 50 Months	Budget R153m To Date R133m	

### Teachers Trained

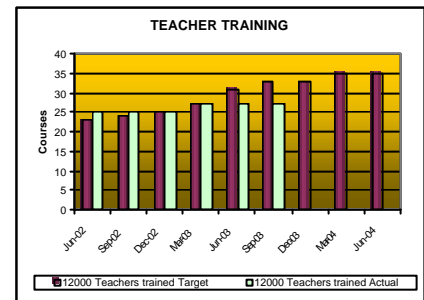
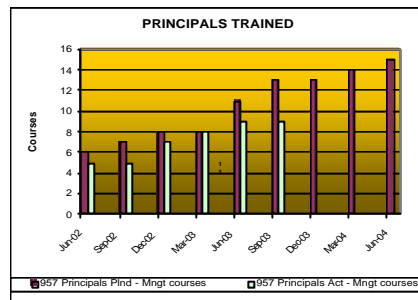
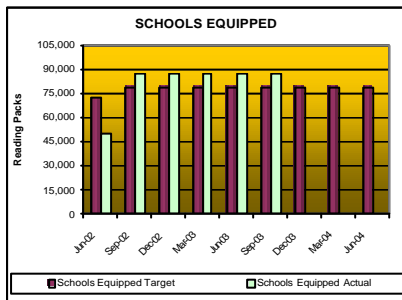
In this quarter teachers were trained in continuous assessment of the writing and reading ability of pupils. As the fourth year of the project drew to a close, three courses each for the foundation and intermediate phase respectively remained to be completed.

### Principals Trained

Principals have been provided with a School Managers Handbook that details the delivery mechanisms of the project. This will help to sustain the project once the programme withdraws from the schools in 2004.

### Materials Provided

A collection of books, 90% of which has been written, developed or illustrated in SA and teacher guides which comply with Revised National Curriculum Statements will be implemented in foundation phase schools as of 2004.



### Sustaining & replicating the project

Now in its 5<sup>th</sup> year the Primary School learning for living Project has demonstrated remarkable results. 12000 teachers have been trained, some 3m books have been provided and the reading ability of a million pupils in over 950 schools has been improved. The Read Education Trust is now working to consolidate the gains and ensure that they can be sustained in the schools where the programme has operated. READ is also working to ensure that the model is properly documented so that it will be available for wider replication.

In support of this the Business Trust has initiated discussions with the Department of Education on what would be required to accelerate improvements in reading and writing nationally. A review of programmes in 36 countries undertaken for the Business Trust shows

- Improvements in primary school literacy must be achieved through the state education system
- Even in the most developed countries this requires a special campaign
- For such a campaign to succeed the following has been found to be necessary
  1. A clearly articulated strategy
  2. A high profile usually with backing from the head of state
  3. Clear, publicly announced targets
  4. The stimulation, through regular publicity, of a wave of public opinion in support of the campaign
  5. Committed teachers who are recognised for their contribution.
- A range of teaching methodologies has been shown to be effective
- Different models for delivering school literacy programmes from the highly centralised, uniform procedures to decentralised provision have been successful in different countries depending on the circumstances.

These results together with a review of the current state of literacy teaching in SA are being discussed with the Department of Education with a view to identifying what it would take to secure wide spread improvements in primary school literacy over the next decade.



## Lessons learned for school district development

Partner	54 month project	R139m Trust funding	R139m total funding
JET education Services	January 2000 Elapsed 45 months	Budget R139m To Date R103m	

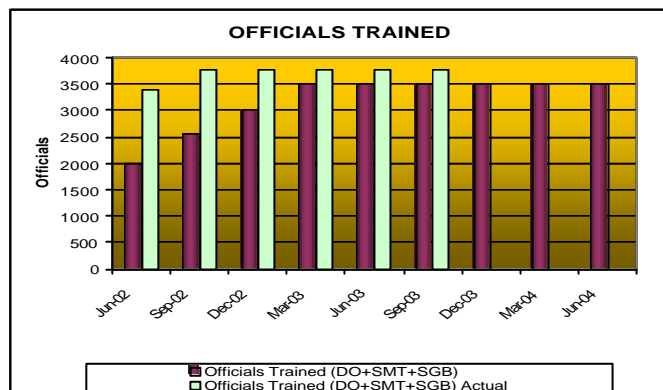
Education districts link schools and provincial offices. They should be the major source of external support for schools and a primary means of sustained education improvement. However, they are often weak and subject to frequent change. A study recently published by the Trust shows that if districts are to be effective there is a need to:

- Clarify the role of the district office.
- Ensure that programmes of improvement are coordinated and aligned with policy and strategy.
- Avoid a one size fits all approach to improvement. Develop different models for different contexts.
- Develop partnerships between service providers and district offices that make it possible to internalise external support.
- Improve the use of accurate information to guide systematic change.
- Match external support with demands for improved performance.
- Hold district offices accountable for performance.
- Improve the theoretical underpinning of capacity building.
- Enhance the capacity of service providers.

### Officials Trained

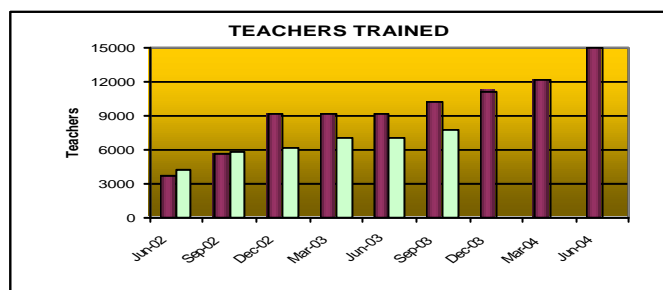
The training of district officials has now been completed.

Districts are however undergoing restructuring in many provinces. In 2003, the Mpumalanga, Limpopo and KZN provinces have largely been affected. The process has resulted in relocation of officials and changed the accountability lines and responsibilities carried by these offices. This restructuring compromises work on job descriptions, organograms and district plans. An assessment is being made of how the project can respond to this challenge.



### Teachers Trained

The number of teachers trained rose to 7711 during the quarter. This figure includes 1277 Mathematics teachers. As reported last month, steps have been taken to accelerate this training. In an important development R13M has been procured from the ETPD SETA through which the University of Port Elizabeth will accelerate training and provide accredited qualifications for the teachers.



## Minister of Education supports college partnerships

Partner	60 month project	R85 Trust funding	R85m Total funding
National Business Initiative	Launched July '99 Elapsed 51 months	Budget R85m To Date R58m	

"The Role of FET Colleges in delivering quality economic and social education opportunities for all in the 21<sup>st</sup> Century" was the theme of the 3<sup>rd</sup> National FET Convention held at the Eskom Convention Centre during October 2003. The 375 college managers, national and provincial officials and other stakeholders heard a presentation from Minister Asmal, who challenged colleges to attract more learners and offer them a good quality of education; senior officials shared their expectations of the sector and colleges shared their experiences.

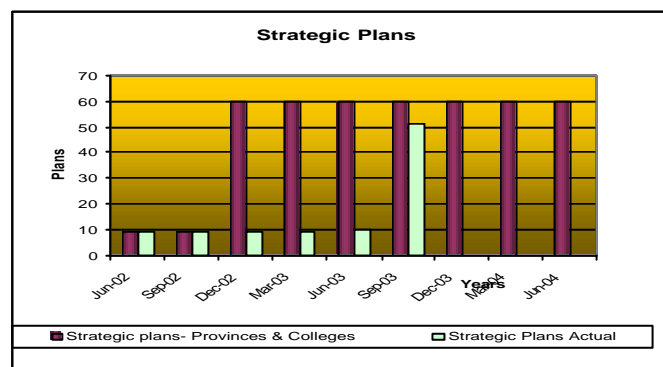
The first set of Ministerial awards, for improved student support, curriculum innovation and college industry links were made to 9 colleges at a dinner during the convention. The minister thanked the Business Trust for its support and encouraged colleges to build effective partnerships. He said

- "A good partnership is sustained through commitment on the part of both parties. It requires a sense of passion for the joint enterprise.
- There must be reciprocity and clarity of purpose. A college and its business partner must both achieve objectives from the partnership and these should be explicit.
- Worthwhile partnerships develop best around innovatory projects and learning. ... We are all capable of creative and imaginative initiatives".

### Strategic Plans

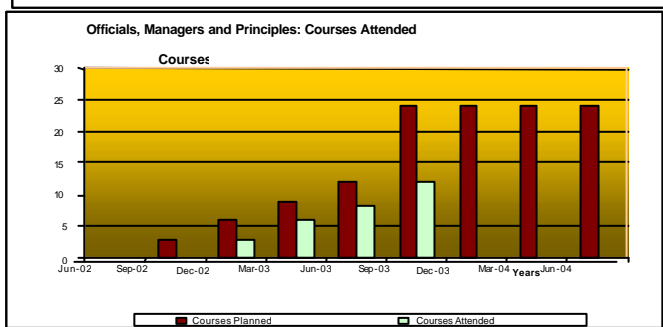
Following on preparatory work of the production of a strategic planning manual, training of managers and the financial audit and update on quantitative data on each of the 50 colleges, strategic plans were completed for each of the colleges during this quarter.

On the basis of these plans colleges will be provided with grants to improve financial systems, develop programmes and support students.



### Training Courses

In a further important development, the training provided to officials, managers and principals will now be accredited on the National Qualifications Framework as a certificate in Business management.





## Minister of safety & security acknowledges business support

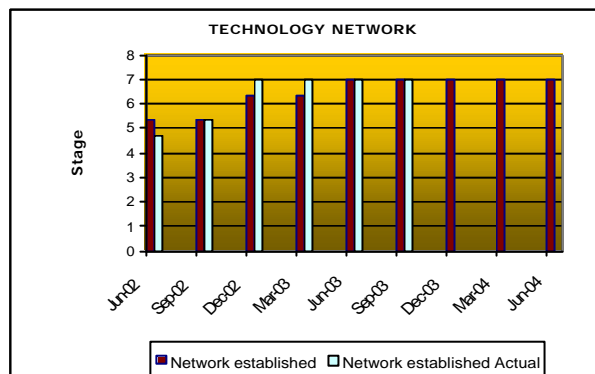
Partner	Timing 58 months	R30m Trust funding	Total funding
Business Against Crime	Launched Sept '99 Elapsed 49 months	Budget R30m To Date R26m	R30M

At a chief executives lunch organised by the Business Trust, the minister of Safety and Security acknowledged the role played by business through the Business Trust and Business Against Crime in support of the Justice Cluster. The Minister also said that he intended to meet with Business Against Crime to discuss further strategic cooperation between business and government in the fight against crime.

Over the last four years the Business Trust has funded the project office, managed by Business Against Crime. It has provided support to the departments involved to: establish a technology network that links the departments; install a criminal identification system; develop a case flow management system; and improve the operations of the courts. The projects typically move through 7 stages: project identification; specification approval; tender issue; tender award; pilot initiation; roll out initiation; and roll out completion.

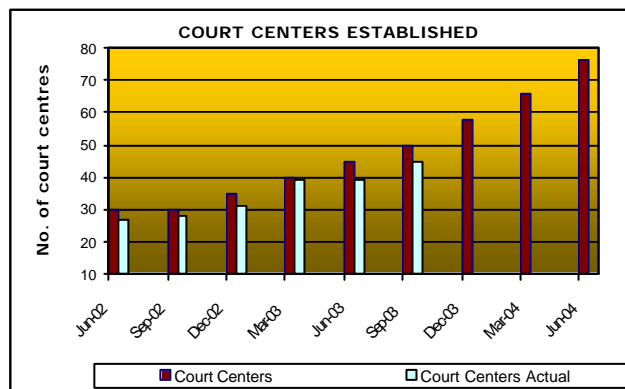
### Technology Systems

Establishment of high technology projects including identification systems have been completed and is being rolled out by departments. Departments are also at a stage of developing necessary internal competencies and capacity to ensure proper maintenance and improvement of systems



### Court Centers

The IJS Court Centers (IJSCC) were rolled out to a further six sites, now totaling 45. Further roll out has been put on hold by DoJ so as to allow institutionalisation and formal procurement of the case roll management system. This delay however provides ample opportunity to consolidate, reinforce and audit the current arrangements. Although DoJ's plan is to prioritize big courts, smaller courts that are 'ready' will be allowed to establish IJSCC.



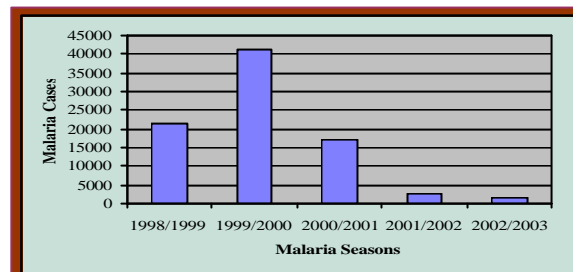
## Malaria Control moves from smallest to largest programme

Partner	60 month project	R18m Trust funding	R52m total funding
Medical Research Council	July 1999 Elapsed 51 months	Budget R18m To Date R11m	SA Gov R14,0m Mozambique Gov R 4,4m Mozal R15,0m Global Fund R26,9m

The Business Trust initially contributed R18m over a five-year period to the project. With a further contribution of the SA and Mozambique governments, Mozal and the Global Fund, the project is now valued at R216,4 M. The area covered has increased from 7592 km<sup>2</sup> to 20500 km<sup>2</sup>. Tourist facilities covered by the programme increased from 88 to 400.

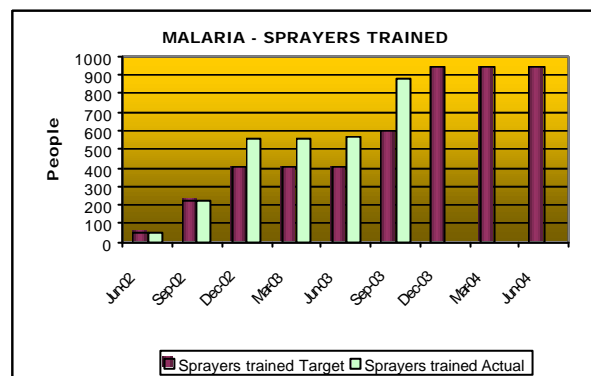
By July 2003, the average infection rates, in the zones covered since 2000, had been reduced by:

- 96% in KwaZulu Natal
- 75% in Mpumalanga
- 91% in Swaziland
- 86% in Southern Mozambique



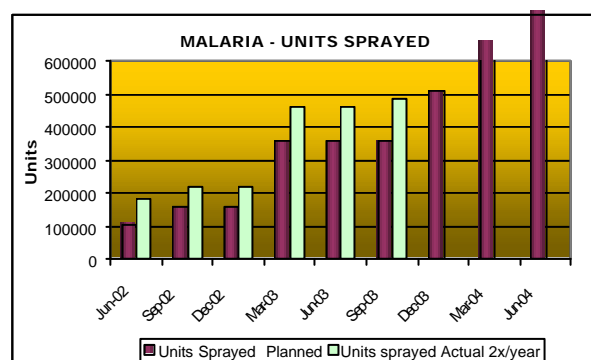
The accumulative number of Spray Operators that have received training and given seasonal employment since 2000 is 944. 145 of these jobs went to women.

Spray Operators are re-trained before each spraying season commences. Amongst others, the training covers topics on environmental hazards, toxicity, first aid, safe handling and disposal of insecticide to emphasize safety of the workforce.



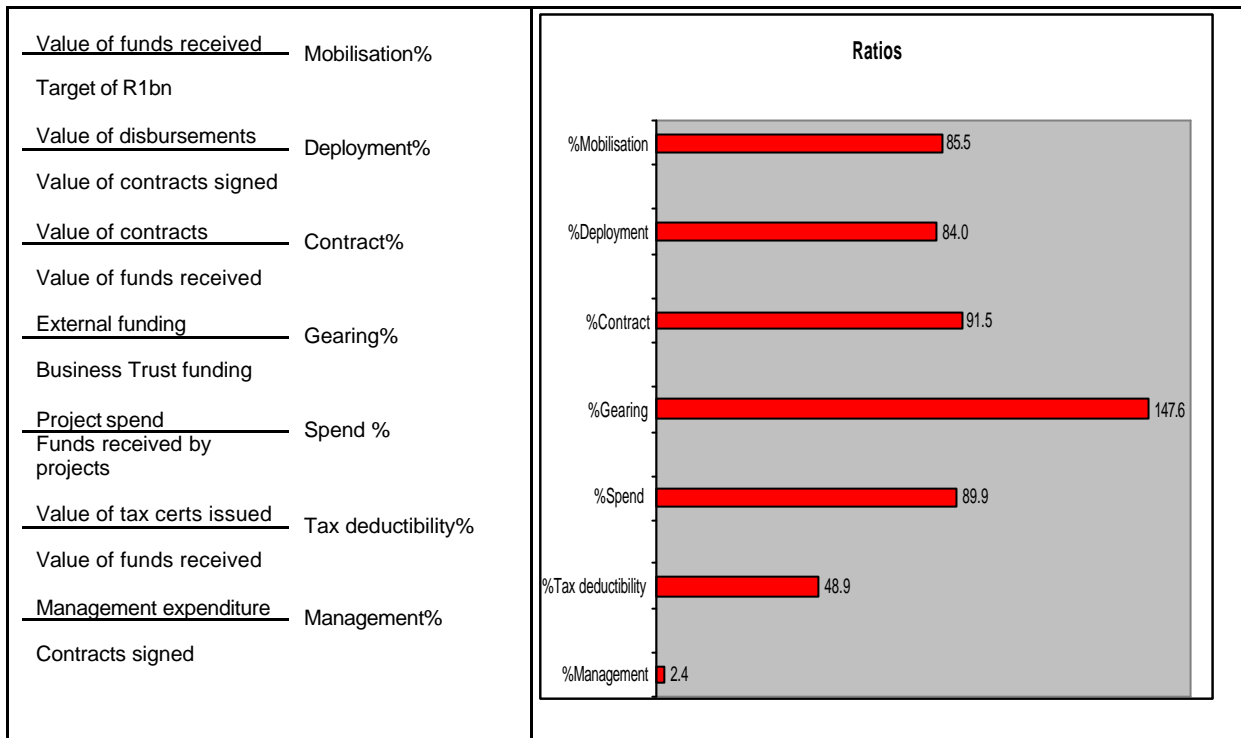
The numbers of household units sprayed continue to increase as the programme grows into new areas. All units in a household are sprayed twice a year using approved insecticides and by September 2003, the cumulative figure stands at 486 893.

The programme continues to monitor insecticide resistance in the three countries. The pyrethroid and carbonate resistance was found in Northern Mozambique and this has confirmed the need to use rotational insecticide in the region.



## Management cost maintained at less than 5% of contract value

With the Trust now in its 5<sup>th</sup> year, it has done what it said it would do; Funds have been raised and deployed, programmes implemented, the lives of millions of South Africans improved and relationships built. The key management ratios have been maintained



## President endorses continuation of the Trust

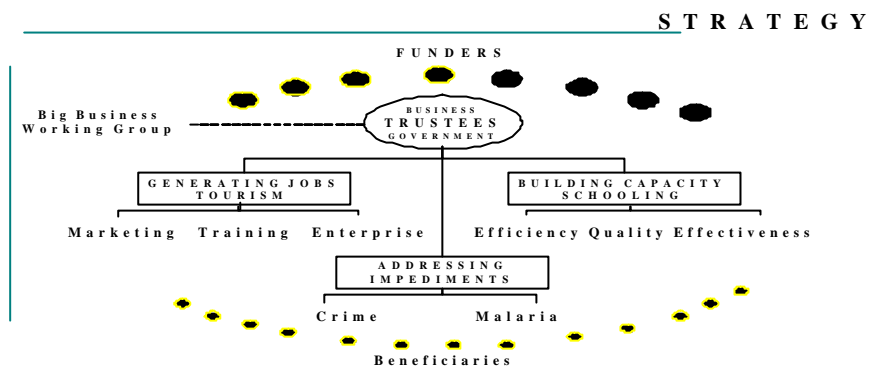
At a meeting of the Presidents Big Business Working Group held on 13 November 2003, chaired by the President and attended by a number of cabinet members and business leaders, the unique contribution the Business Trust has made to South Africa was acknowledged. Ministers remarked on what they saw as a well balanced partnership under joint business and government leadership that had helped to achieve national objectives. President Mbeki said that it was the government's view that the Business Trust should continue as part of the process of reconciliation, reconstruction and nation building.

A sub-committee of business leaders and cabinet ministers was established to define the parameters and consider the options for the continuation of the Trust.

## About the Trust

**The Trust** The Business Trust is an initiative of companies in South Africa working in partnership with government. It undertakes targeted job creation and capacity building programmes, while the economy is put on a growth path that will provide sustained improvements in the lives of the majority of South Africans.

**Strategy** The strategy is to focus on tourism for job creation and schooling for capacity building. It is underpinned by support for programmes that address critical impediments to job creation in the tourism sector: crime and malaria. A parallel consultative body has been established to assist business Government interaction on national issues.



**An equitable contribution** Companies committed to South Africa become funding partners by contributing 0.15% of the company's total market capitalisation or 2% of after-tax earnings in the case of companies not listed on the JSE. The contribution to the Business Trust is over and above the normal social responsibility funding of private companies. To date, co funding mainly from government, has matched that of the corporate funders. The list of funders is shown at the end of the report.

**Trustees** **Trustees:** DC Brink (Co-chair), SJ Macozoma (Co-chair), G Aboobaker, K Asmal, DE Baloyi, ER Bosman, DE Cooper\*, TA Ddiza, LL Dippenaar, K Döring\*, K Kalyan\*, C Köpke\*, AJ Lamprecht\*, RP Menell, MV Moosa, S Mthembi-Mahanyele, ML Ndlovu, J Newbury, JJ Ord\*, FT Phaswana, JT Radebe, R Ramashia, FJ Robertson, JP Rupert, CML Savage\*, T Sexwale\*, SS Skhosana, MW Spicer, T van Wyk (\*Alternate)

**Advisors:** NP van Heerden (SA Foundation), GZ Malele (Black Business Council)

**Management:** BD Whittaker (Chief Operating Officer), M Ndlovu (Deputy Chief Operating Officer)

**Further Information** For further information see [www.btrust.org.za](http://www.btrust.org.za)  
Or contact the Business Trust at 011 482 5317  
Email [Rochelle@btrust.org.za](mailto:Rochelle@btrust.org.za)

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 VENFIN LIMITED  
 VOLKSWAGEN OF SA (PTY) LIMITED  
 WALTONS STATIONERY  
 WBHO CONSTRUCTION (PTY) LTD  
 WESTERN AREAS LIMITED