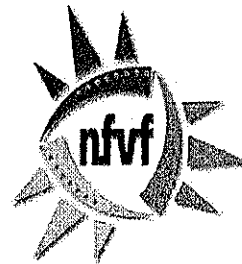


# NFVF PRESENTATION TO PORTFOLIO COMMITTEE

11 NOVEMBER 2014

national film and video foundation  
SOUTH AFRICA



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an agency of the  
**Department of Arts and Culture**

# Contents

- Strategic Overview
- Governance & Support Structure
- NFF Organisational Structure
- Annual Report 2013/14 Highlights
- 2013 – 2016 Key Strategic Objectives
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- State of The Industry
- The Future
- Human Capital Development & Transformation
- Institutional Framework & Funding Model
- Infrastructure Development
- Markets for SA Content
- Challenges



# STRATEGIC OVERVIEW

## *Enabling Legislation*

- The National Film and Video Foundation Act No 73, 1997
- The Act has not been amended substantially since 1997.



# STRATEGIC OVERVIEW

*The mandate of the NFVF, as set on in s3 of the NFVF Act is:*

- Promote and develop the film industry;
- Provide and encourage the provision of opportunities for persons, especially from disadvantaged communities, to get involved in the film and video industry;
- Encourage the development and distribution of local film and video products;
- Support the nurturing and development of and access to the film and video industry;
- Address historical imbalances in infrastructure and distribution of skills and resources in the film and video industry;



# STRATEGIC OVERVIEW

## *Vision*

A viable film industry that represents the nation's aspirations and celebrates our diversity

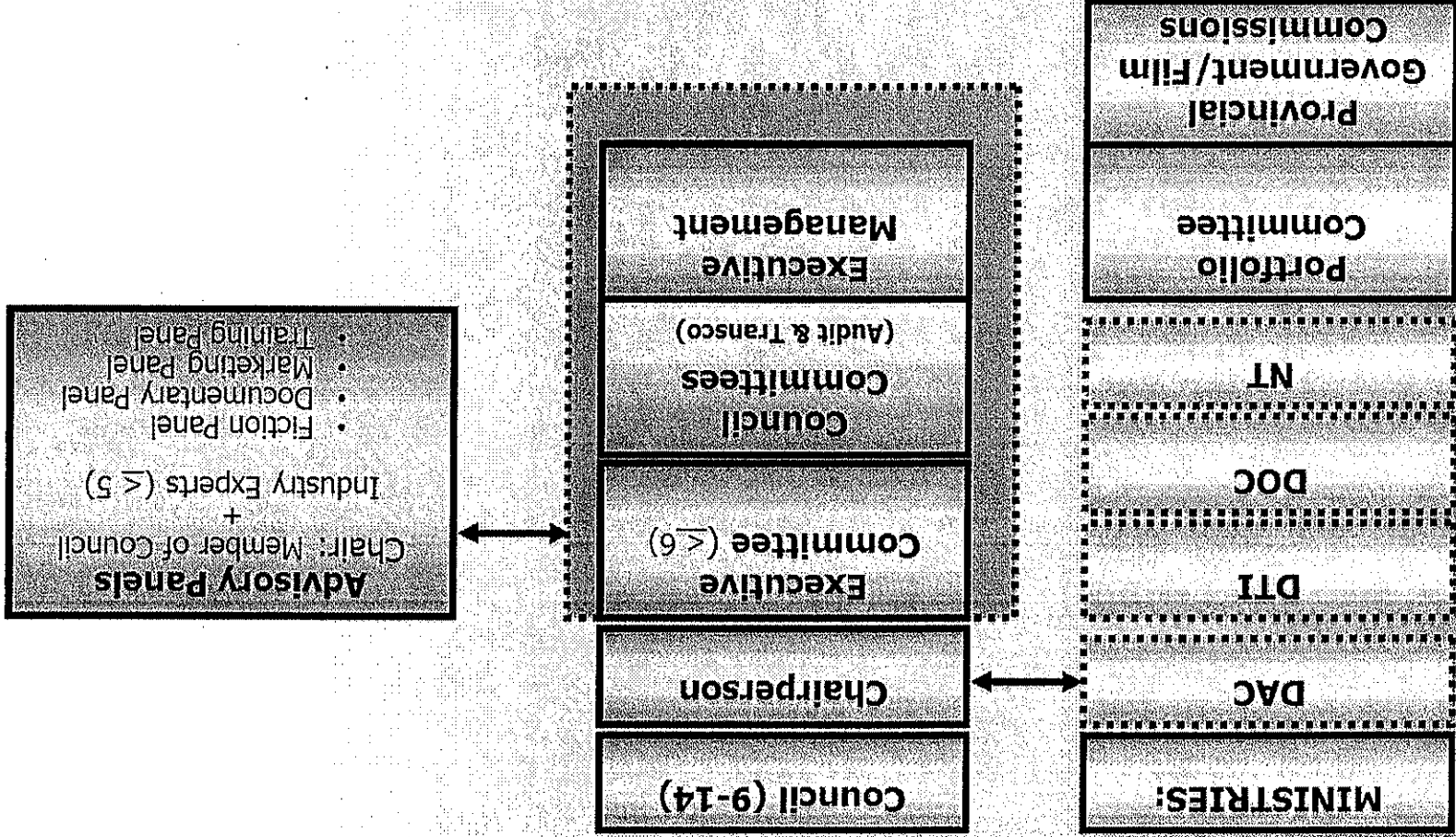
## *Mission*

Collaborate with all stakeholders in supporting the development and promotion of a thriving South African film industry.



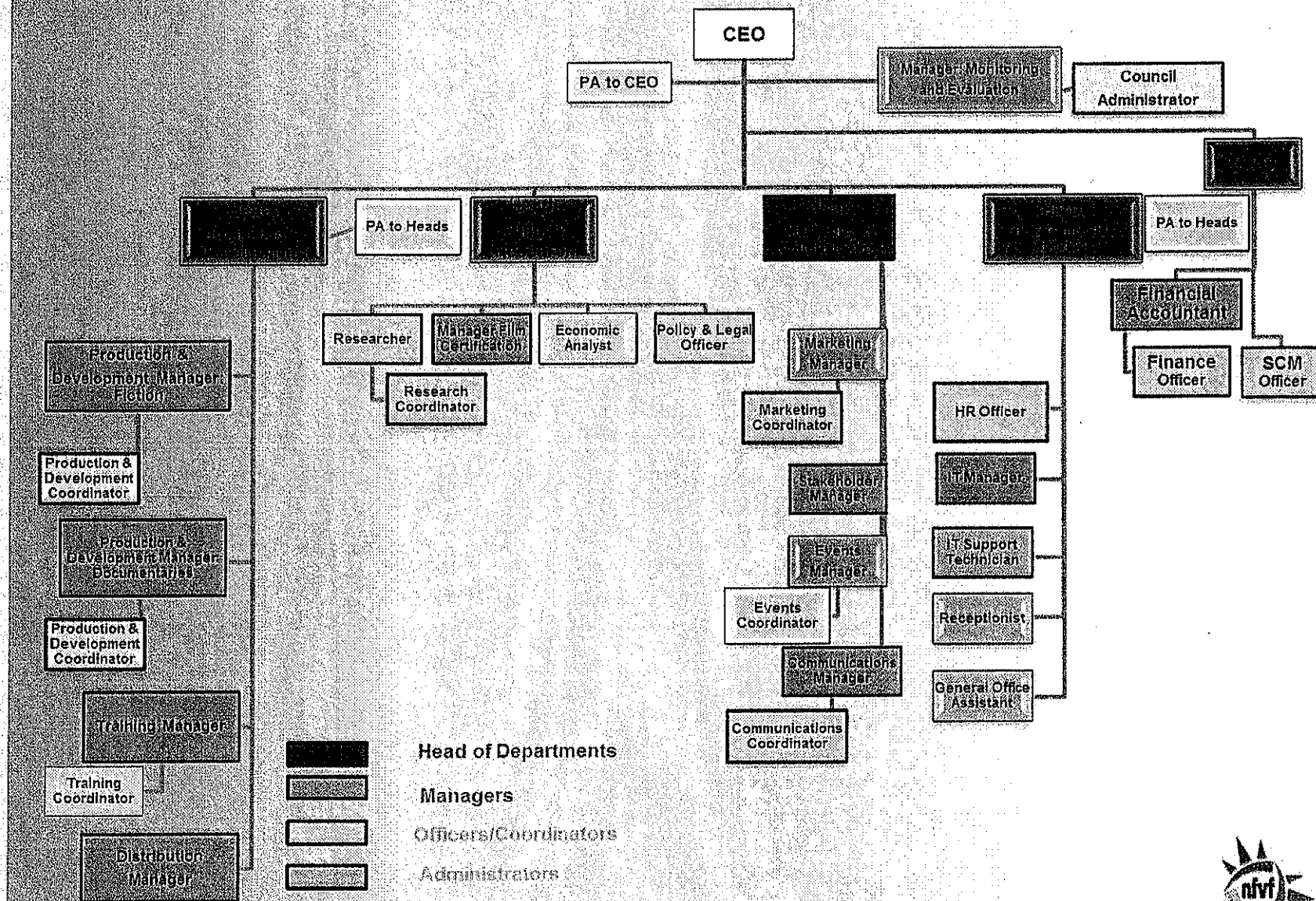
# Governance & Support Structure

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# NFVF Organisational Structure

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# Annual Report 2013/14 - Highlights

## *Auditor General's Report*

### *Unqualified and Clean Audit*

- Financial Statements fairly presented and free from misstatements
- No findings on Pre-determined Objectives
- No instances of non-compliance with Legislation
- Effective internal control systems





# Annual Report 2013/14 - Highlights

## *Financial Results*

### *Revenue*

	Actual	Budget	Variance
	R'000	R'000	R'000
DAC	107 847	105 223	2 624
Partnerships	11 192	-	11 192
Recoupments	1 395	-	1 395
Investment income	<u>2 906</u>	960	1 946
Total Revenue	<u>123 340</u>	<u>106 183</u>	<u>17 157</u>

# Annual Report 2013/14 - Highlights

## *Financial Results*

### *Explanation Of Variance - Revenue*

- Partnerships with MICT – Seta (bursaries and internship programme)
- Partnerships with SABC, FPB, MNET, IDC for 2014 SAFTAS
- Partnerships with Film Commissions for Cannes and AFICI
- Recoupment of “Zambezia”



# Annual Report 2013/14 - Highlights

## *Financial Results Expenditure*

	Actual	Budget	Variance
	R'000	R'000	R'000
Training & bursaries	19 197	11 550	7 647
Script development	8 351	8 500	(149)
Production	30 323	29 500	823
Research projects	3 760	2 500	1 260
Audience Development & Global Positioning	33 066	27 609	5 457
Administration	28 488	27 502	986
<b>Total Expenditure</b>	<b>123 185</b>	<b>106 161</b>	<b>17 024</b>

# Annual Report 2013/14 - Highlights

## Financial Results

### *Explanation Of Variance - Expenditure*

- Training & Bursaries – Partnership income from with MICT – Seta resulted in awarding of an additional 56 bursaries and placement of 30 interns
- Research Projects – infrastructure research project in partnership with DAC
- Audience Development & Global Positioning – partnerships on SAFTA's, Cannes and AFICI



Promote social cohesion and the expression of the nation's stories through film

# 2013 – 2016 Key Strategic Objectives

Increase number of SA Films produced and PDI's producing them

- Fund development & production of SA Films
- Slate Funding
- Women & Youth Filmmaker's project

Increase number of people trained in the industry, particularly in areas of scarce skills

- NEVF in-house training (producers, scriptwriters & editors)
- NEVF funded 3<sup>rd</sup> party training
- Bursaries (Local & International)
- Internship Programme

Promote the SA Film Industry locally and internationally

- Local & global positioning initiatives
- Co-production treaties
- Film festivals & other platforms

Increase audience access to SA Films

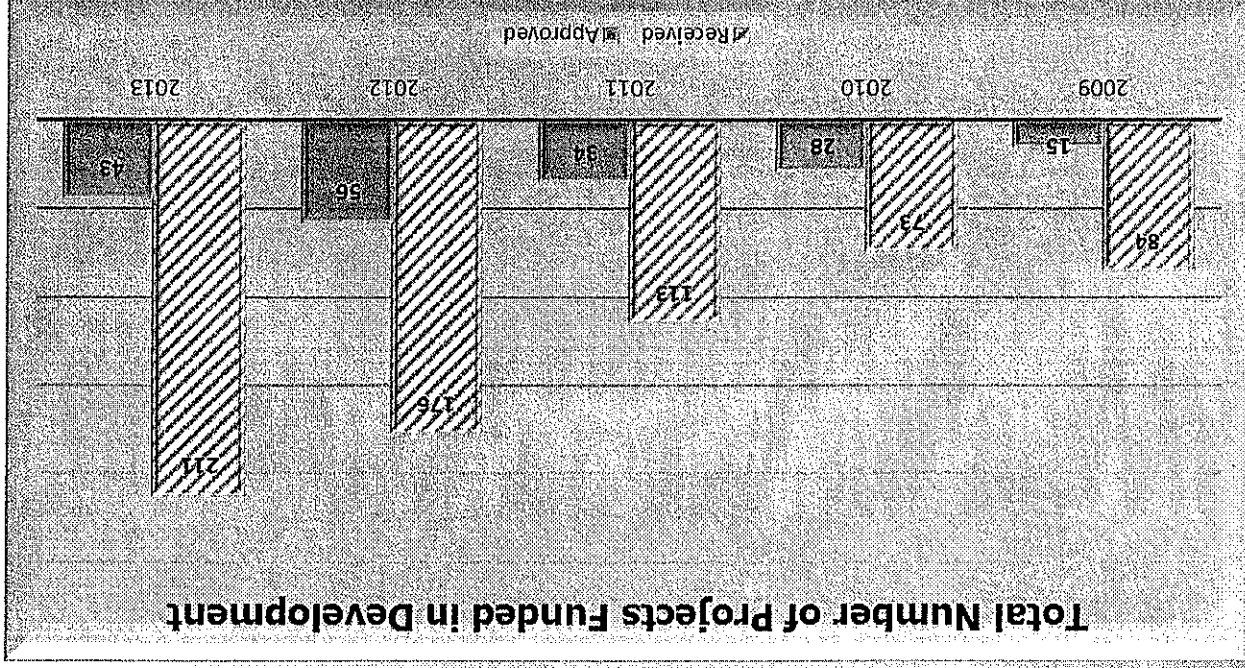
- Partnership with local film festivals & platforms
- Fund direct marketing & distribution of SA films
- Film Centres project

- Indigenous language films
- South African stories that resonate with South African Audience



# 2009 - 2013 Performance Overview

- GOVT. Priority**  
Job Creation
- DAC Strategic Goal**  
Increased economic development and empowerment
- NVF Strategic Goal**  
Increase number of SA films and PD's producing them



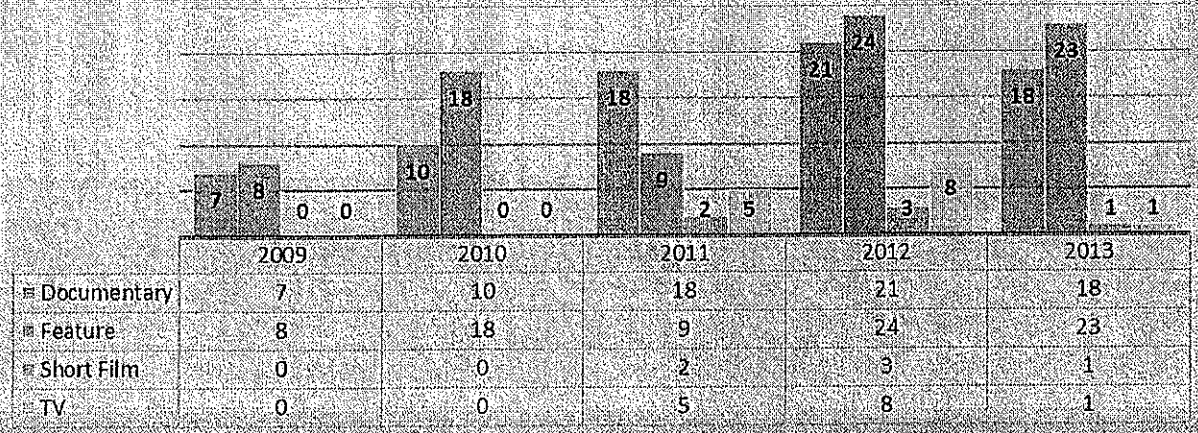
# 2009 - 2013 Performance Overview

**GOVT. Priority**  
Job Creation

**DAC Strategic Goal**  
Increased economic development and empowerment

**NFVF Strategic Goal**  
Increase number of SA films and PDI's producing them

**Projects funded in Development by Film Category**

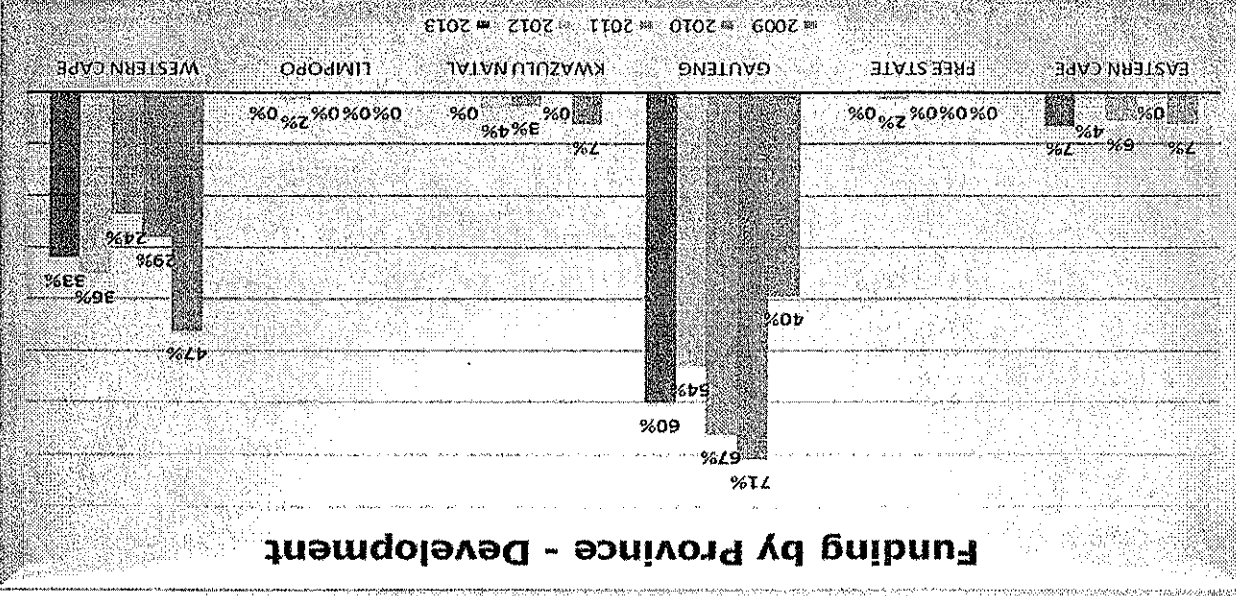


# 2009 - 2013 Performance Overview

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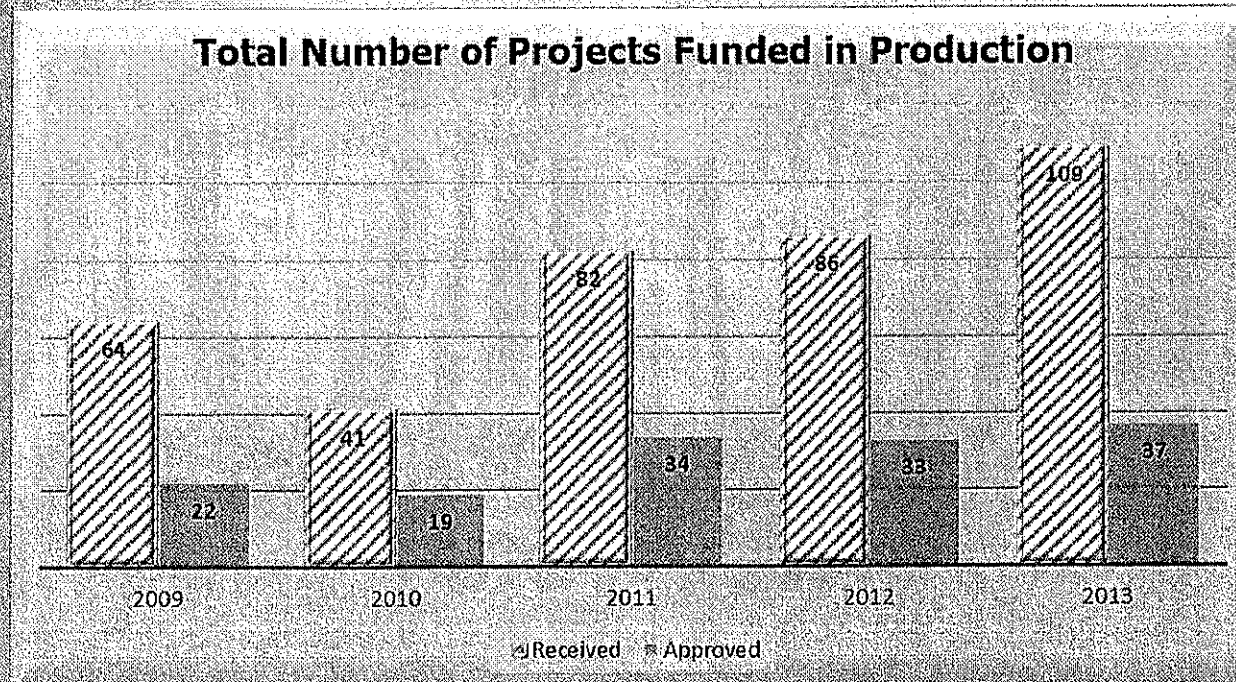


# 2009 - 2013 Performance Overview

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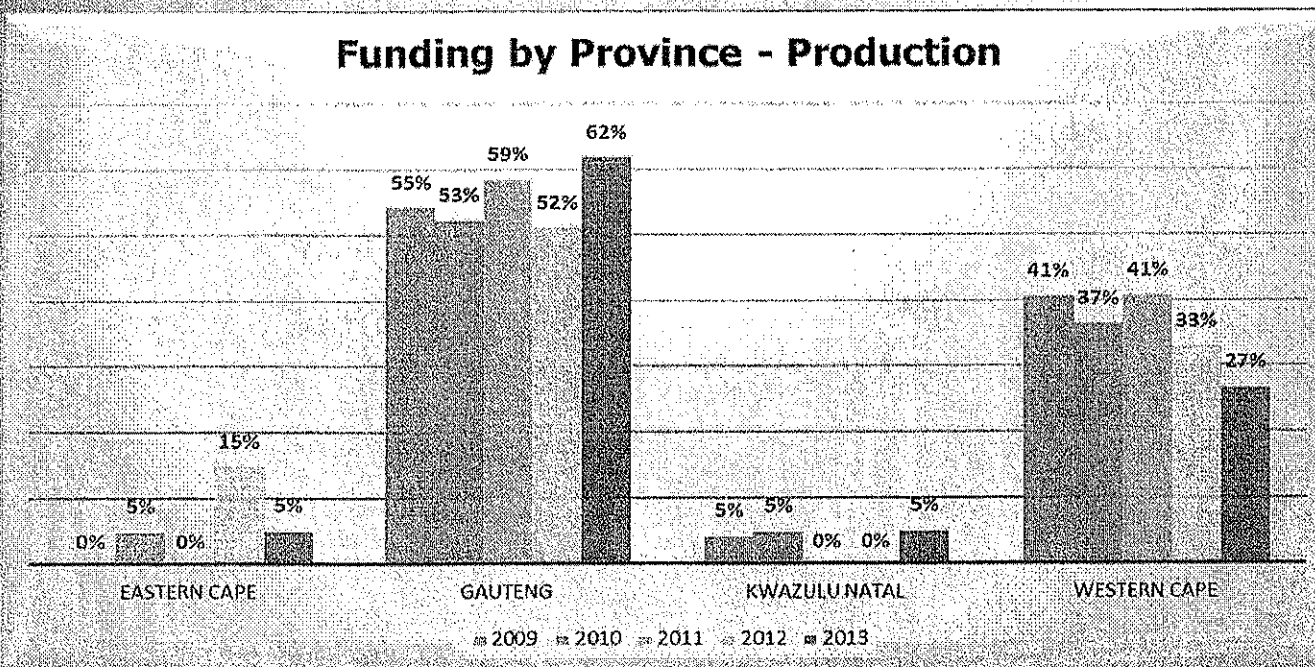
# 2009 - 2013 Performance Overview

**GOVT. Priority**  
Job Creation

**DAC Strategic Goal**  
Increased economic development and empowerment

**NFVF Strategic Goal**  
Increase number of SA films and PDI's producing them

**Funding by Province - Production**



# 2009 - 2013 Performance Overview

**GOVT. Priority** Skills Development  
 Increased economic development and empowerment

**DAC Strategic Goal**  
 Increase number of people trained in the industry particularly in areas of shortage of skill

**NVF Strategic Goal**  
 Increase number of people trained in the industry particularly in areas of shortage of skill

Sediba Programmes	2009		2010		2011		2012		2013	
Spark Narrative Programme	34	34	20	20	94	49	105	40	120	40
Spark Documentary Programme	0	0	9	0	11	11	12	12	0	0
Spark Script Editors Programme	11	11	13	13						
Masters Programme					53	12	85	21	90	25
Producers Programme	28	13	46	41	37	33	26	21	30	20
Training Providers	4	3	6	2	3	1	8	3	12	3



# 2009 - 2013 Performance Overview

## GOVT. Priority

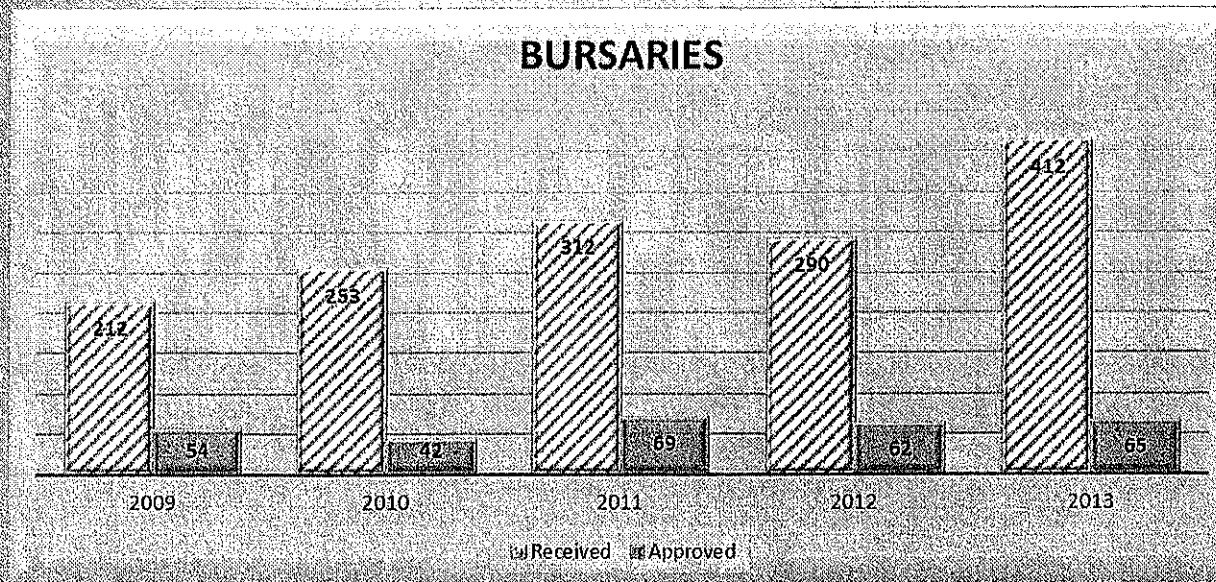
Skills Development

## DAC Strategic Goal

Increased economic development and empowerment

## NFVF Strategic Goal

Increase number of people trained in the industry particularly in areas of shortage of skill

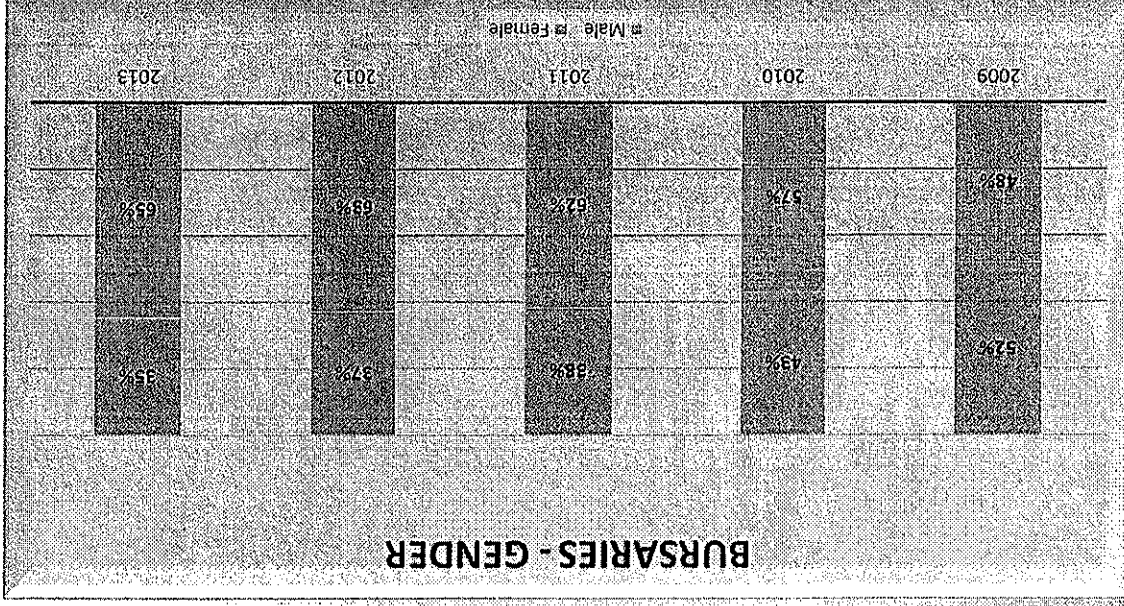


# 2009 - 2013 Performance Overview

***GOVT. Priority***  
Skills Development

***DAC Strategic Goal***  
Increased economic development and empowerment

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# 2009 - 2013 Performance Overview

## GOVT. Priority

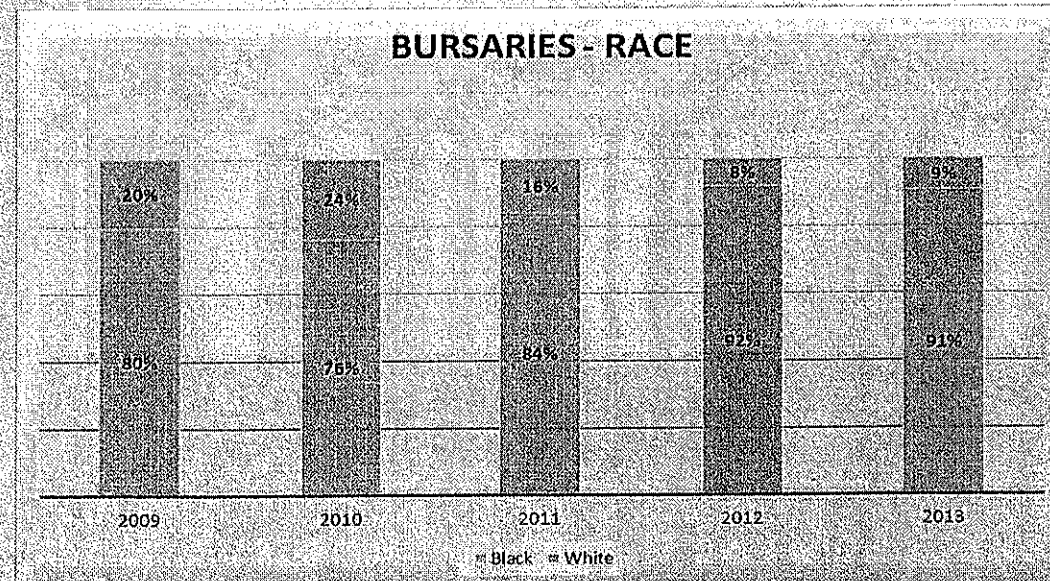
Skills Development

## DAC Strategic Goal

Increased economic development and empowerment

## NFVF Strategic Goal

Increase number of people trained in the industry particularly in areas of shortage of skill



# 2009 - 2013 Performance Overview

## GOVT. Priority

Economic  
Development

## DAC Strategic Goal

Enhanced development  
protection, preservation  
and promotion of arts,  
culture & heritage

## NFVF Strategic Goal

Promote SA film  
industry locally and  
internationally

Marketing & Distribution	2009		2010		2011		2012		2013	
	Received	Approved	Received	Approved	Received	Approved	Received	Approved	Received	Approved
Filmaker Support				21	11	114	52	168	54	
Festival	17	6	9	4	11	7	19	9	14	5
Markets & Distribution	7	0	1	0	7	6	10	10	13	7



# NFVF JOB CREATION STATS

## *2013/14 Financial Year*

- Average film budget R6m
- NFVF funding constitutes 20% of budget
- 50 full time equivalent jobs created for every feature film funded



# KEY PROGRAMMES

## *Informing Principles*

- A number of programmes have been developed to realise the 5 strategic objectives.
- NNFV actively represented to influence policy that impacts on the film industry through strategic relationships with DAC, DTI and DOC.
- Regular policy and strategic engagement with industry representative body (SASFED).
- Partnerships with local & international stakeholders have been leveraged to ensure the organisation meets its strategic objectives and delivers on mandate.
- A Provincial Engagement Strategy has been adopted to inform intergovernmental stakeholder relations with provincial structure in order to decentralize film opportunities outside Gauteng and Western Cape provinces.
- Bilateral film co-production treaties with 8 countries are in place to enable co-production and access to markets for South African films.



# KEY PROGRAMMES

## *Informing Principles*

- Key focus on relations with Nigeria and Kenya, the leading film industries in West and East African region to enable co-productions.
- Treaty negotiations have been ongoing for a film co-production with Algeria in North Africa where there is a MOU in place with NFVF equivalent.



# KEY PROGRAMMES

## NFVF Local & International Film Festival Activations

### Local Film Festivals

- Durban International Film Festival (DIFF)
- Grahamstown National Arts Festival
- Bojanala Film Week
- Macufe Film Week (Bloemfontein)
- Mpumalanga Film Week
- Limpopo Film Week
- KwaMashu Film Festival
- Encounters Documentary Festival (CT & JHB)
- Tri Continental Film Festival
- Gay & Lesbian Film Festival

### International Film Festivals

- Hot Docs Documentary Festival - Canada
- Toronto Film Festival (TIFF) - Canada
- Cannes Film Festival - France
- Pan African Film Festival (PAFF) – USA
- Pan African Film & Television Festival: Fespaco - Bukina Faso
- Rio Content Market - Brazil
- Anney Animation Festival - France
- Sunnyside Documentary Festival - France
- Independent Feature Project - USA

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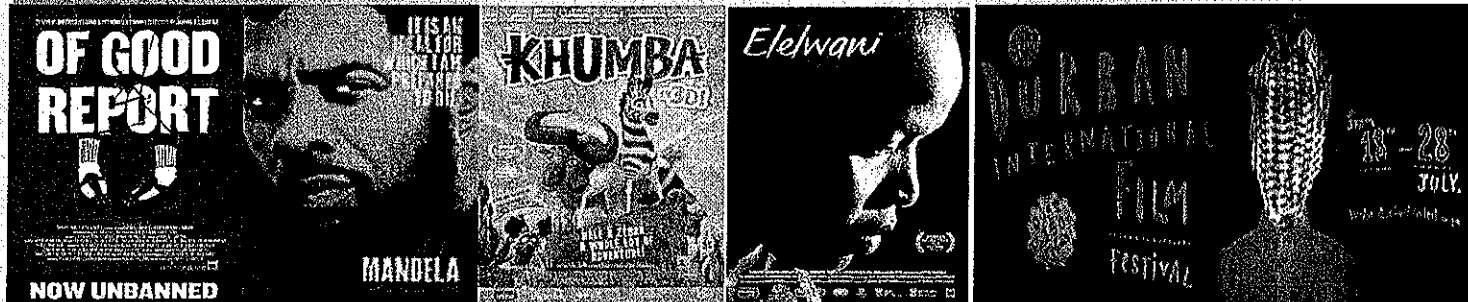


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# KEY PROGRAMMES

## *Durban International Film Festival (DIFF)*

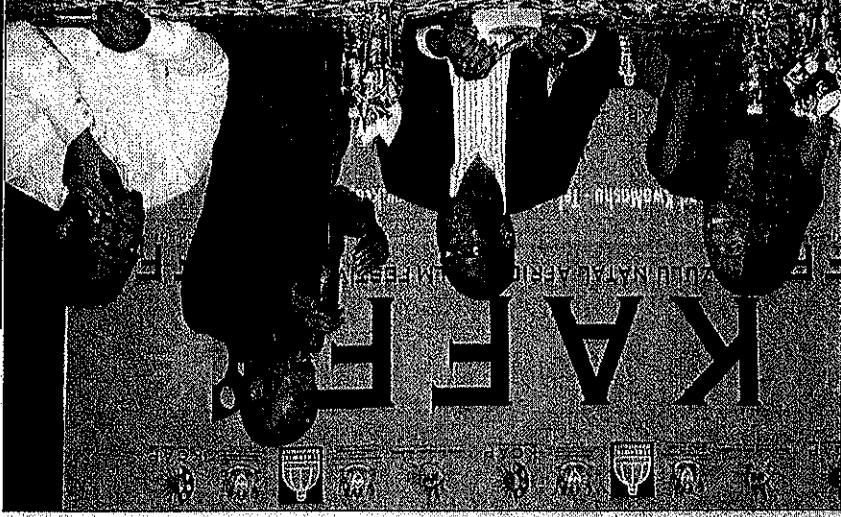
- South Africa's longest-running annual film festival, 35 years in 2014;
- Recognised as one of the leading film festivals on the African continent and on the International Film calendar;
- In 2013 the festival reached an audience of over 29 546 people, including free screenings for schools and township locations;
- NFVF hosts industry workshops and training sessions;
- 2014 Co-production forums, Kenya, Nigeria and New Zealand
- The opening film is usually an NFVF funded film



# KEY PROGRAMMES

## *KwaMashu Film Festival (KAFF)*

- The Kwa-Mashu Film Festival is held annually at the Kwa-Mashu's Ekhaya Centre
- It is one of the programmes that reaches out to marginalised communities in South Africa
- The NFVF hosts industry workshops with local filmmakers and the community in order to introduce film activity to the region



# KEY PROGRAMMES

## *Eastern Cape Province, Grahamstown*

- NFVF partners with Grahamstown National Arts Festival annually
- Africa's largest cultural event offering indigenous and imported talent
- NFVF hosts and manages the film section of the festival

Eastern Cape Province,  
Grahamstown: July 2014



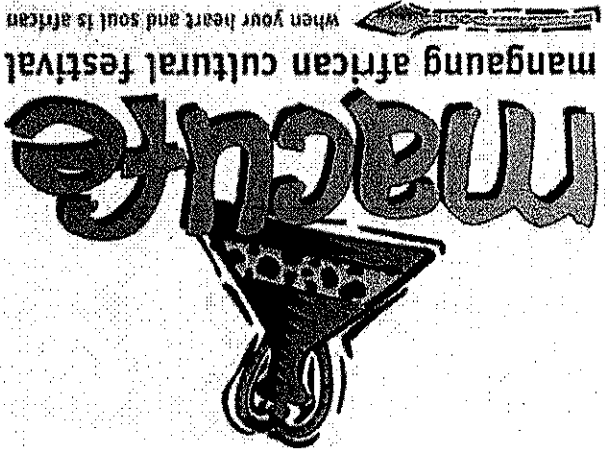
3 - 13 JULY 2014



# KEY PROGRAMMES

**Free State Province (Bloemfontein), Macufe Mangungu African Cultural Festival:**

- Annual African and Cultural 10 day event
- NFVF hosts and manages the film section of the festival
- The festival attracts an international audience





# KEY PROGRAMMES

## *Mpumalanga, Nelspruit*

- The NFVF hosts industry workshops in Nelspruit, Mpumalanga
- This is a partnership with the Provincial Department of Arts and Culture.
- There is low film activities in the Province, therefore the NFVF workshops aim to introduce film activity to the region .



# KEY PROGRAMMES

## *Polokwane, Limpopo Province*

- The workshops were made possible by a partnership between the NFVF, National Youth Development and Capricorn FM's Ashifa Shabba.
- This event garners big support from the local Municipality.
- There is low film activities in the Province, therefore the NFVF workshops aim to introduce film activity to the region .



# KEY PROGRAMMES

## ***North West Province : Bojanala Film week - Rustenburg***

- Since 2011, the NFVF has partnered with Bojanala Municipality to host film related workshops at the film week
- The film week has since grown and has seen Bojanala Platinum District Municipality, North West Department of Sports, Arts and culture and Sterkinekor come on board as a partners

## **Highlights**

- Student produced short films are screened during the opening of the film week
- More black youth entering the film industry (increased applications for film support)



# KEY PROGRAMMES

## *Northern Cape Province*

- In 2013, the NFVF granted funding for the Kalahari Desert Indigenous Film Festival, however the Festival organisers cancelled the festival
- Apollo Film Festival: The NFVF was a main funder of the Apollo Film Festival until the festival closed down



# KEY PROGRAMMES

## *South African Film & Television Awards (SAFTAS)*

- SAFTAS promote quality and excellence in South African film and television products.
- The awards are the only Awards that recognize TV & Film talent (75 categories).
- NFVF collaborates with key industry stakeholders and all broadcasters for the filtration, judging and production of the 2 day awards events.
- Number of entries received for SAFTAS awards has doubled from 233 in 2012, to 432 in 2014.
- Judging takes place in 3 provinces



# KEY PROGRAMMES

## *Pan African Film and Television Festival Ouagadougou (FESPACO)*

- NFF leads a South African delegation to participate in the FESPACO; the African continent's biggest and most renowned film festival;
- FESPACO has been around for over 45 years the festival aims to bring together and showcase African films and those of the Diaspora to the global community; Held Bi-Annually, in Ouagadougou, Burkina Faso, the NFFV participates with the objectives of:
- Engaging with key industry role players on the continent;
- Positioning South Africa as a co-production partner of choice for other African filmmakers;
- Creating networking forums for South African delegates to generate a broad network of contacts on the continent;
- Introducing up and coming producers to the international film arena more especially encouraging interaction with filmmakers from other African;
- Next FESPACO is in February 2015



# KEY PROGRAMMES

## *Cannes International Film Festival*

- The Cannes International Film Festival is one of the world's oldest (67 years) and most prestigious film festivals.
- It is held annually (in May) at the Palais de Festival in Cannes, France. The NFVF facilitate and lead South Africa's presence at this festival. (2014, OVER 180 SA film practitioners)
- NFVF hosts a SA Line Up to present South African projects in order to raise finance and secure distribution;
- The targeted audience is sales agents, distributors, festival programmers, and territorial buyers.
- During Cannes, the NFVF and its respective partners (Provincial, Municipal and Industry) host business forums targeted at the SA 8 Co-production Treaty partners and potential new international partners.



# Definitions: Value Chain



World	Definition	Value & Cost
Pre-Production	The cost of development, funding and shoot preparations for the film.	11%
Production	The costs incurred to shoot the film, including stock footage. In the case of animation, the actual animation and programming costs incurred to complete the film.	73%
Post-production	The costs incurred to transform the footage (digital or film stock) into the finished film.	14%
Distribution	The costs incurred to release and promote the finished film across cinema, DVD, CD, video-on-demand ("VOD"), mobile, online and TV platforms.	2%

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# State of The Industry

## *The South African Film Industry (SAFI) Economic Baseline Study 2012*

- SAFI contributed R3.5 billion to the GDP;
- Created over 25 175 full time equivalent jobs;
- Delivered a multiplier effect of 2.89 (every R1 spent in industry generates another R1.89);
- Encompassed over 2 500 direct service providers;
- In terms of government support, it more than pays for itself with a delivery back to the SARS of more than R670 million (R420 million more than an estimated Film Incentive of R250 million paid out in 2012);
- 84% growth over past 6 years;



# State of The Industry

- 6.5% of the population going to cinema;
- +/-750 screens

Year	SA Films Released	Foreign Films Released	Total
2010	25	174	197
2011	24	180	204
2012	19	165	184
2013	25	179	204

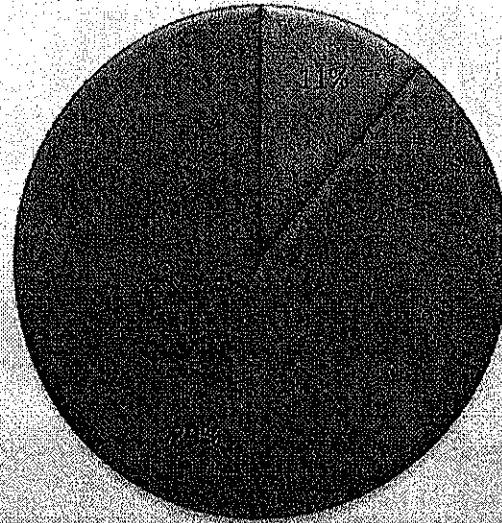
Year	SA Films Released	% Growth	Foreign Films Released	% Growth	Total
2010	R 86 267 523	0%	R 686 720 985	0%	R 772 988 508
2011	R 97 502 656	127%	R 771 336 206	12%	R 808 838 862
2012	R 82 661 462	120%	R 703 224 782	9%	R 785 886 244
2013	R 98 395 304	19%	R 780 691 626	11%	R 879 086 930



# State of The Industry

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Market Share by Box Office



Local Films

Foreign Films



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# The Future

*A Macro Film Strategy to position and focus the film sector for future growth impacting the following pillars:*

- Human Capital Development and Transformation
- Institutional Framework and Funding Models
- Infrastructure Development
- Markets for SA Content



# Human Capital Development & Transformation

## *Ensuring equitable growth & development of the film industry by:*

- Transforming ownership of means of production and Intellectual Property Rights;
- Improving skills capacity & promoting graduate absorption;
- Monitoring and Evaluating of Impact of government incentive interventions;
- Develop & capacitate the film industry enterprises for growth and sustainability

## *Key Tools to address the above:*

- SA Film Criteria
- Transformation Charter
- Skills Audit

# Institutional Framework & Funding Models

*Ensuring that appropriate institutions are established to deliver on the needs of the industry and viable funding models are in place to grow and sustain the film industry:*

- Extend the mandate and scope of the NFVF;
- Create and capacitate provincial film structures linking to national structures;
- Increase sources & amounts of sector funding available;
- Secure additional funding for other stages of film value chain e.g. development & distribution;
- Attract private funding into the sector;
- Better coordination within the existing funding sources.

*Key Tools to address the above:*

- Resources for Film Facilitation Services
- Funding less in number but more per project



# Infrastructure Development

***Ensure that the appropriate infrastructure is developed to enable and support a growing film industry:***

- Increase access to means of production, i.e. location and costs thereof;
- Invest in expansion of exhibition infrastructure;
- Support the establishment and sustainability of enterprises distributing SA content;
- Invest in accessible government subsidised production facilities

***Key Tools to address the above:***

- NFVF Film Center Project
- Film Entities Incubation programme



# Markets for SA Content

*Ensuring that South African content is accessed by the local & global*

*market:*

- Increase penetration of SA content in local market;
- Review the role of broadcasters, distributors and exhibitors;
- Exploit opportunities provided by technology;
- Audience research to inform content creation and marketing;
- Facilitate market opportunities across the African continent and its diaspora.

*Key Tools to address the above:*

- MOU's / Co-production Treaties with Kenya, Nigeria, and BRICS countries
- Audience Research Study
- On line digital platform for SA content





# Challenges & Opportunities

## NFVF Budget Allocation & 25% Operational Cap:

- Fund up to 20% of budget per project - 50% projects not funded
- Limited participation in development phases - poor quality and weak pipeline;
- Unable to provide Film Commission Services - filmmaking opportunities limited to established provinces driven by the resourced private sector;
- Unable to intervene in the distribution part of film value chain - low investment in marketing of local content, non-existent alternative platforms for distribution of local content (distribution companies, exhibition screens and digital platforms)
- Unable to democratise the highest returns and growth potential areas for industry - animation not transformed and exploited for the benefit of wider sector of South Africans.



# Challenges & Opportunities

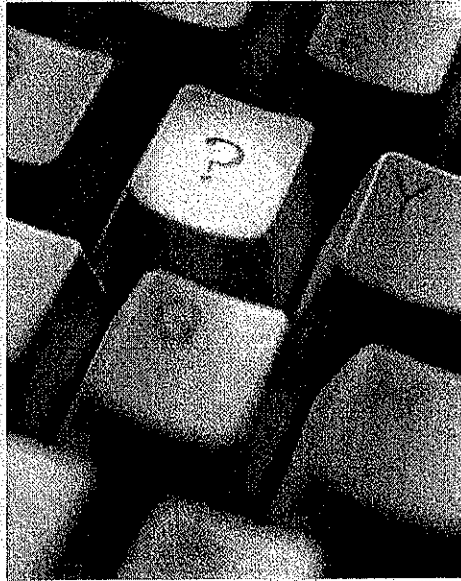
## FILM INDUSTRY GAME CHANGERS

- Additional R100m on NFVF Budget allocation;
- 30% operational cap;
- Introduction of Quota system for cinemas on exhibiting local content.
- Definition of SA Film Criteria adopted and implemented for all government film funders;



# QUESTION & DISCUSSION

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