

FILM AND PUBLICATION BOARD'S PRESENTATION TO PC OF HOME AFFAIRS

ANNUAL REPORT 2009/10



Film and Publication Board

We inform. You choose.



Overview of presentation

1. FPB Mandate
2. Key issues from 08/09 AR
3. Highlight of achievements in 09/10
4. Key challenges in 09/10
5. Performance information
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 - 5.2 SO2
 - 5.3 SO3
 - 5.4 SO4
6. Allocation of financial resources



1. OUR MANDATE

Child Protection with a compliance monitoring classification of films

2. Key issues from 2008/9 AR

- Challenges reported to Committee included:
 - leadership gaps & lack of accountability leading to instability
 - Poor relations with industry and stakeholders
 - Lack of compliance, weak internal controls
 - Systems and policy gaps
 - Capacity challenges at management level
- Received a qualified audit opinion due to:
 - Incorrect assessment and reporting on assets
 - Inaccurate calculate of the lease
 - Irregular expenditure

3. Highlight of achievements

- Passing of FPB Amendments (Film and Publication Amendment Act, 3 of 2009)
- Improvement of internal control environment = Clean Audit opinion for Auditor General
- Reduction of budget deficit (from R8,249,449 to R2,997,994)
- New Strategic Plan, resulting in improved focus and strategic engagements
- Focus on FPB stakeholder – leading to improved relations with industry, other regulators and relevant government departments
- Focus on organisational risk management

...Highlight of achievements

- Strengthened compliance and accountability
- Improved reporting on performance information
- Increased presence and visibility in cyberspace
- Increased awareness campaign and visibility of FPB (reached 160, 292 members of the public directly, more than 5 million SAs heard a positive story about FPB through media)
- Classified all films, games and films submitted
- Increased raids and compliance visits through partnership with SAPS
- Improvement in employee relations

4. Key challenges

- Delay in appointment of Council – challenge overcome with appointment of Council in 2010/11 F/Y.
- Registration and compliance of ‘Problematic Distributors’ (Bollywood; and Nollywood)
- Regulation of New Media environment
- Performance reporting (capturing of accurate statistics)
- Inadequate resources (financial and human)
- Alignment of structure to the strategic plan



5. PERFORMANCE INFORMATION



5.1 Strategic Objective 1

Enhance, integrate and implement a constitutionally sound regulatory framework

5.1.1 Classification

- Classified 6080 movies
 577 games
 24 publications
- Challenge with limited number of Classifiers – new Council working on appointment
- 2 Appeals lodged with the Review Board

Classification of films and games

- Click to edit the outline text format

Movies

Games

Level

– Sixth Outline

Level

– Seventh

Outline Level

Level

– Sixth

– Sixth Outline

Level

– Seventh

Outline Level

5.1.2 Compliance Monitoring

- Compliance monitoring strengthened through partnerships with SAPS and Industry; resulting in:
 - 7096 compliance visits
 - 241 annual raids
 - 248 cases reported
 - 165 454 illegal material confiscated
 - 1231 new distributor registrations
 - 2173 unregistered distributors identified
- Annual engagements undertaken with distributors



Improved monitoring of compliance with the Act

Visitations

New Registrations

Cases

Raids

Confiscations

5.1.3. Child Protection

- Outreach programmes in rural and urban communities – reached 60, 292 members of the public.
- ‘Train the Trainer’ programme (reached 51 Principals; 280 Life Orientation Practitioners; 692 Learners; 110 Pastors)
- Internet Hotline – 72 Cases of child pornography reported – 6 confirmed
- Provisional membership of INHOPE

5.1.4. Research

- Confederation Cup Intercept Survey – assessing public awareness on possible exploitation of children during major sporting events
- Research on impact of different kinds of media on the youth – study showed the new media is more widely used by the youth in comparison to traditional media. Highlighting for need to improve regulating mechanisms of new media.



5.2 Strategic Objective

**“Develop and maintain
organisational capacity and
capability”**

5.2.1 People at FPB

- Reviewed and updated all HR policies
- All staff signed contracts and Balanced Scorecard adopted as a system to plan, track and monitor individual performance
- Establishment of the Union – MWASA (38 Members)
- Performance assessments completed for 2009/10 FY – All employees signed performance contracts

... People at FPB

- **Contracts of employment :**

- contract review process was undertaken to ascertain status of contracts with all employees in 09/10 and all contracts were regularized accordingly.

- **CCMA & Disciplinary hearings - 3 cases at CCMA involving:**

- Former HR Manager whose services were terminated due to a number of charges involving mismanagement and fraud.

- Former CFO who resigned and filed for constructive dismissal (case concluded and decision in favor of FPB)

- Some Managers (under the banner of Mwasa) took FPB to CCMA as a result of the decision not to pay bonuses to management for 08/09.

....People at FPB

- **Job evaluations** – all jobs were evaluated and comparisons were made with market remunerations
- All staff afforded an opportunity for training,
- All members of management participated in 1) Advanced Risk Management Training 2) PFMA
- CEO and Executives enrolled in a coaching and mentorship program in order to enhance their leadership abilities; program to be rolled out to deserving managers & staff in the 11/12 FY

5.2.2 IT Enhancements and Relevance Strategy

- Undertook an IT Governance Review – identified a number of shortcomings in IT – these being responded to in 2010/11
- Approval of IT policies
- Upgrading of infrastructure
- Business Mapping project
- Implementation of mobile connectivity project through VPN and APN solution

5.2.3 Financial management

- Government grant and regulation fees - main source of funding
- Government grant increased over years; revenue collected through revenue declining
- Contributors to the decline include 1) exemptions and outdated tariffs – not reviewed in 3 financial years.
- New tariffs approved and being implemented in 10/11; new governance mechanisms put in place to scrutinise application for exemptions
- Financial management systems strengthened resulting in accurate financial reports and annual financial statements



Strategic Objective 3 –

‘Form and maintain international Partnerships and co-ordination initiatives that support the business of FPB’

5.3.1 New Media Engagement

- A number of programmes in this strategy not implemented due to resource limitation and are prioritised in 10/11 FY
- Developed new regulations for social networking sites as per amendments



5.4 Strategic Objective 4:

“Position the FPB as a visible, credible and professionally run organisation”

5.4.1 Public Relations Improvement

- 900 media mentions received, 90 % positive reporting on work of FPB - significant increase from 250 mentions reported in 08/09
- Major highlights contributing to the above:
 - Provisional membership to INHOPE
 - Adult shop raid and closure in East London
 - Passing of Amendments
 - FPB response/ campaign against the proposed DSTV 24 hr adult channel
 - MXIT announcement re. Mechanism to monitor their website.

5.4.2 Outreach and Awareness

- The FPB embarked on a number of outreach and awareness activities, these include;
 - Spar Marathon
 - SEXPO
 - SABC Careers Fair
 - DTI Consumer Protection Outreach and Conference
 - International Film Festivals hosted in SA
 - JHB Easter Festival; CT Family Expo
- more than 100 000 members of the public estimated to be reached through exhibitions

FPB in action



FPB in action



FPB in action



FPB in action




FPB in action



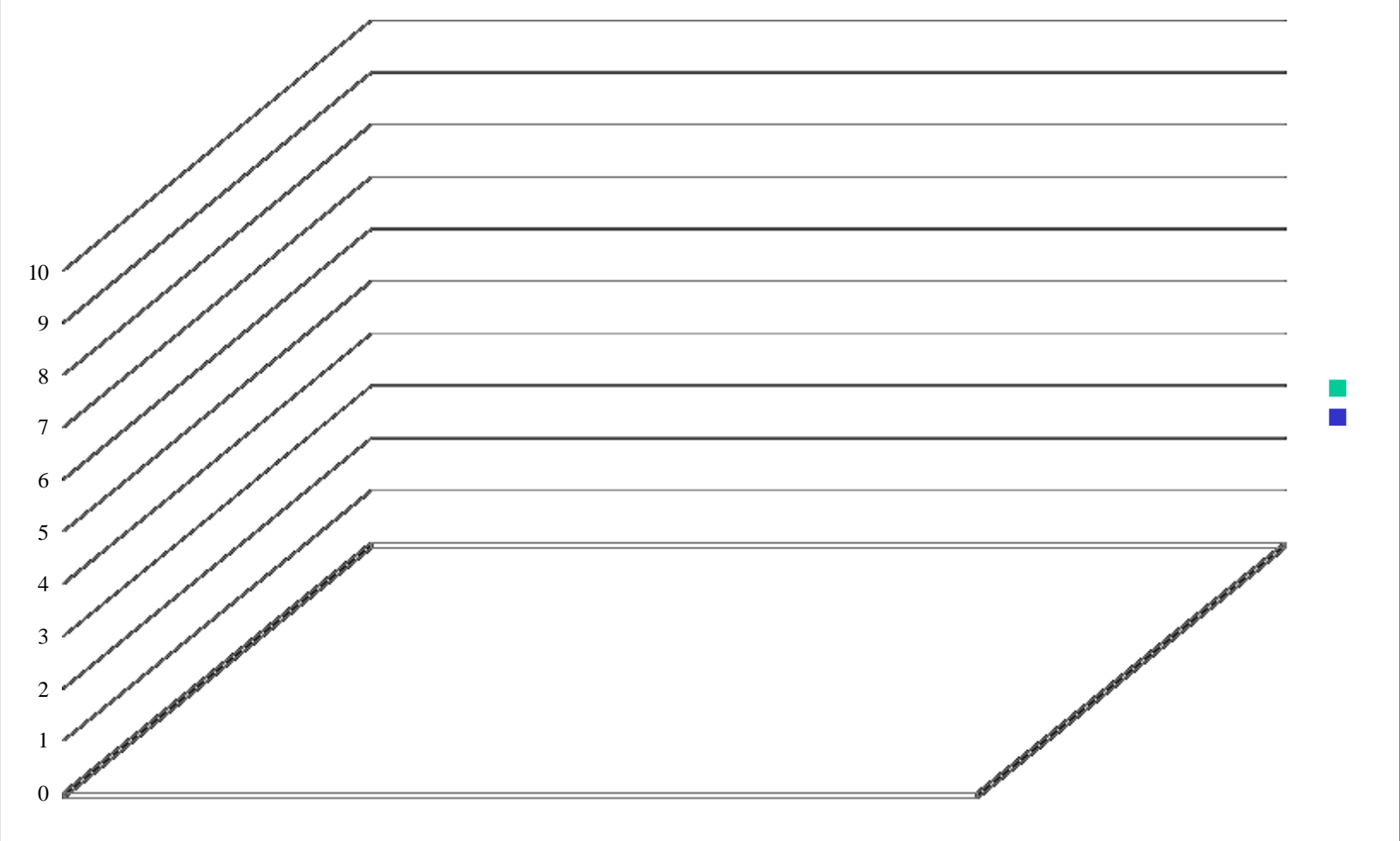
FPB in action





6. Allocation of financial resources (last 3 FYs)

INCOME



Notes to the Income Chart

- A Grant Subsidy of R39,797,000 (2009 - 2010) was received from the Department of Home Affairs during the financial year. The Grant Subsidy has increased by 18.7 % as compared to R33,519,000 (2008 - 2009) received in the previous financial year. R19,206,000 was received in 2007 - 2008.
- Regulation fees of R7,738,538 were generated during the financial year as compared to R10,234,314 in the previous financial year. The regulation fees continues to decline over the three financial years as a result of fewer materials being submitted for classification. The regulation fees declined by 32% from a 14.9% decline in the previous financial year.

Expenditure



Notes to the Expenditure Chart

- The personnel costs increased during the current financial year mainly due to the 7.5% annual salary increase effected during the financial year and filling of some positions which were vacant in the previous financial year.
- Operating costs decreased by 5.7% due to cost saving measures introduced within the organisation mainly on travel, staff development and training, workshops and fewer research conducted during the financial year. Non payment of performance incentives to managers and executives also contributed to costs reduction.

Revenue generated insufficient to cover costs



Increasing Staff Costs, declining regulation fees





Thank you