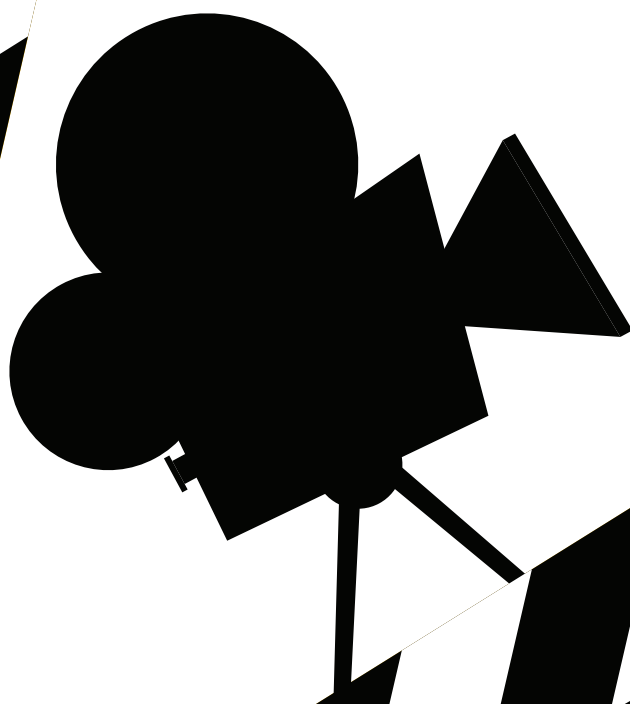




national film and video foundation
SOUTH AFRICA
an agency of the Department of Sport, Arts and Culture

NFV Transformation Report

BULLETIN 2022



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TAKE

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APPROACH

The National Film and Video Foundation (NFVF) has commissioned research to understand the extent of transformation within the film and TV industry in South Africa, with a focus on conditions 'behind the camera'. This means it does not directly include actors, actresses and other frontline elements. It is rather focused on the many facets of taking a film or television show from initial development, through production and all the various elements of making a film or television show, through marketing and distribution processes, and including financing, co-production, and servicing. This report is therefore important in offering an expanded and detailed understanding of the current state of racial, gender, age-based, disability-based, and provincially based social equity in the film and TV industry, thereby serving as a foundation on which to accurately track further changes over time.

SIGNIFICANCE OF THE STUDY

This report builds on previous data gathering and specific insights studies on transformation commissioned by the NFVF by expanding the framework of the research and developing a strong base of key statistical data. The material presented here therefore has a strong quantitative emphasis, to begin collating detailed data sets to enable an assessment of the transformation of the industry over time. This expanded framework means that not all the data collected in the present study can be meaningfully compared against the narrower research carried out in the past.

STUDY LIMITATIONS

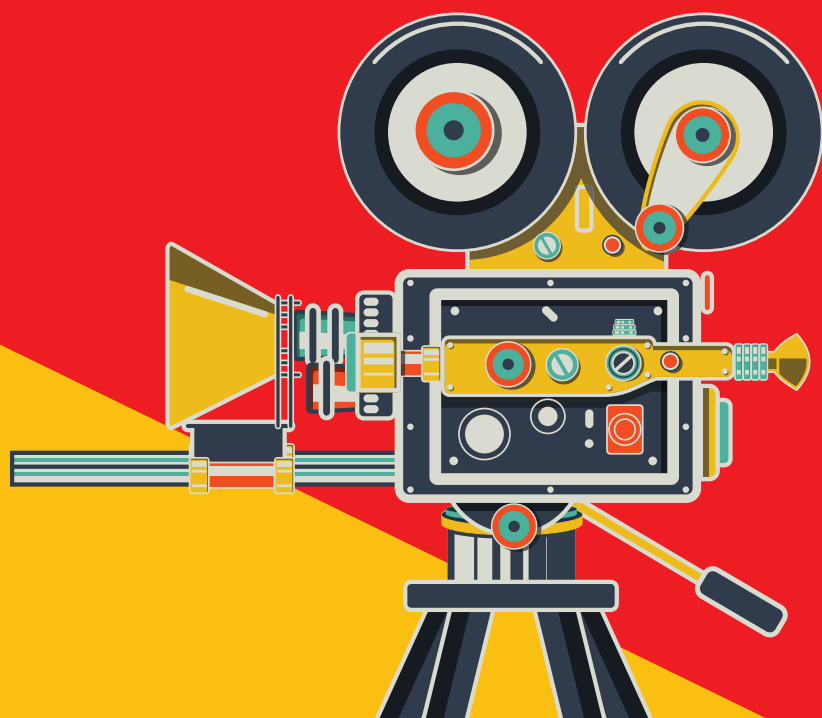
There are some limitations to the research that shape the way in which data should be read and inferred, but also illuminate potential for future research and in-depth consideration of key areas, which lay beyond the scope of the present research.

- ▶ The first noteworthy constraint is the inability to conduct comparative analyses over time. This arises from the absence of a consistent methodology being applied across the range of disparate research undertakings regarding demographic data and transformation issues specifically for film and TV.
- ▶ Within the primary data collated directly for this research (from surveys and interviews) there have been some additional limitations to data gathering. We have not, for example, been able to access detailed data from all government agencies. The NFVF's data is predominantly non-servicing industry film and television sector participants. We were unable to obtain data from the Department of Trade, Industry and Competition (DTIC), which would have enabled greater access to this part of the industry.

METHODOLOGY

The research methodology presented here has a quantitative emphasis aimed at developing a rigorous data set for statistical analysis. This approach is entirely new, as previous research into transformation has not looked to developing a broad-based understanding of the prevailing status of transformation in the industry. The data set is supplemented by in-depth interviews with industry stakeholders from enablers (funders, associations, and other support functions), key players and companies across genres and roles in the value chain, in addition to transformation lobbying bodies.

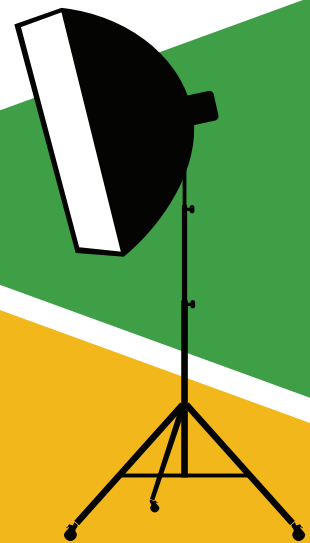
This report gathers a wider set of demographic data, extends across all nine provinces, and engages a broader set of research questions. Surveys were distributed through representative organisations and their communications networks, through social media targeting and through the NFVF database. Interview subjects were identified through a mapping of key players in the literature review (see below), in transformation lobbying associations, as well as through 'snowballing'. Key individuals and companies within the film and television sector were interviewed, with a focus on established black-owned companies. The research worked from a database of approximately 1000 individuals identified as black, from which 295 questionnaires were garnered from all nine provinces. A total of 40 in-depth interviews were undertaken.



STUDY KEY FINDINGS

- ▶ Transformation remains a somewhat murky intention with little to no consensus within the film and TV industry in South Africa.
- ▶ True transformation should enable companies and people of previously disadvantaged backgrounds to move beyond survival and dependence to a space of thriving independence.
- ▶ Employment access of black individuals has grown by approximately 300% from data available on the film and TV industry from 2004.
- ▶ Black individuals have gained ground in achieving decision making roles within the creative arena. However, this does not apply in the case of business and economic decision making such as crewing and finance. Access is further limited by gender, with women trailing behind men in all decision-making areas.
- ▶ Non-black companies appear to have far greater resilience than black owned companies.
- ▶ Black owned companies are more likely to hire larger numbers of black practitioners and, additionally, are more likely to hire women and youth. This trend continues for women and youth owned companies. This indicates that transformation is self-reinforcing and has a multiplier effect.
- ▶ Black owned companies end up dependent on government funding and on accessing the various levels of government funding offered for film and TV projects.
- ▶ The market has shifted to a recognition of the worth of content from the African continent and thus the potential of greater market access. This serves as a unique moment of opportunity for market capture and requires targeted and strategic responsiveness.

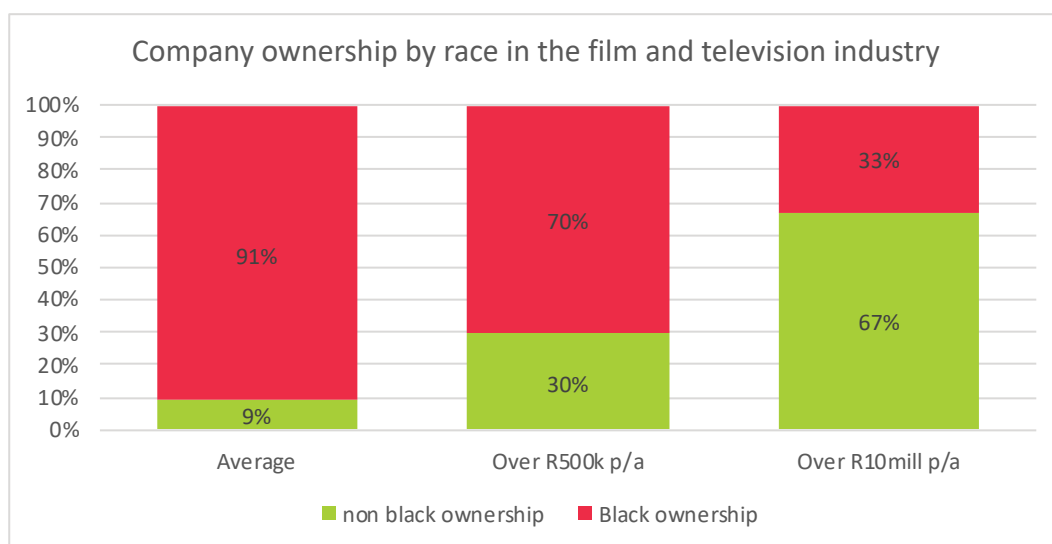
Black individuals have gained ground
in achieving **decision making roles**



Current Industry Dynamics

The survey results point to a significant proportion of black owned companies in the film and TV industry when compared to white ownership. As noted, the term black is identified by the terms of BBEE and includes Indian/Asian and coloured ownership. Ownership is identified based on 51% title holding, while turnover is listed at pre-pandemic averages. While the data provides a sense of the emergence and development of black start-ups and ownership of companies, the results should be considered considering the limited response received from the services industry. Furthermore, the ratio of black: white ownership decreases among companies earning over R500 000 per annum, indicating that black ownership is not interchangeable with transformation or living wage levels in the film and television industry. The data moreover suggest variances of access and participation within the industry itself, and the range of companies that are enablers such as the NFVF seek to develop and support. This in turn influences how the notion of transformation is understood.

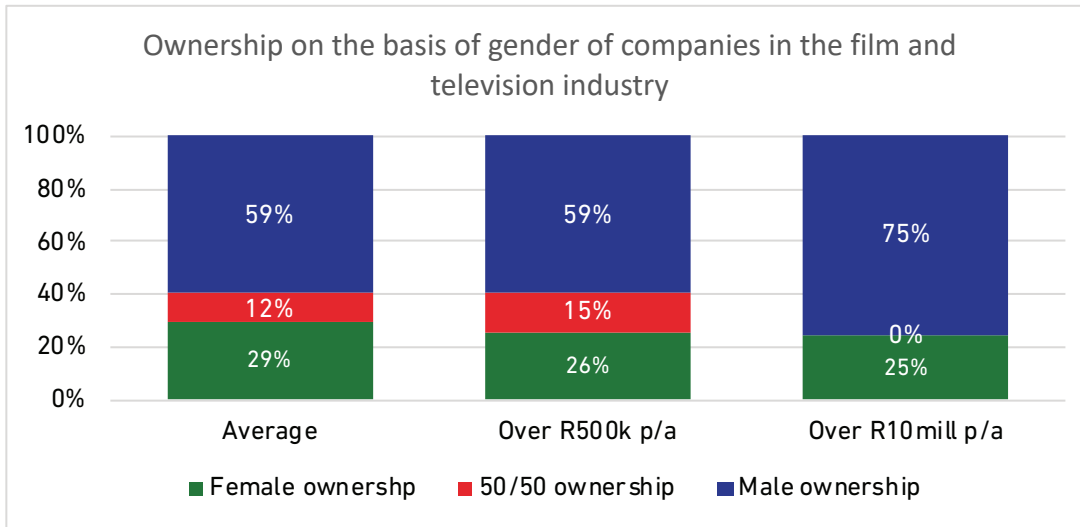
Figure 1: Company ownership measured against turnover



- Source: Data from 2021 Survey

Corresponding patterns emerge for female ownership of companies as with black owned companies, though a notable decrease appears at the point of companies earning more than R10 million. In the case of respondents to this survey, no companies earning more than R10 million were recorded as having black female ownership. This points to both race and gender as a compounded barrier to transformation at the intersection of participation and access to the sector. Again, we see that female ownership of companies is not the same as meaningful participation of women in the industry, and this is particularly the case for black women.

Figure 2: Ownership based on gender measured against turnover



Source: Data from 2021 Survey

Function Expertise and Experience

By large the film and television industry demand highly educated practitioners, and this trend is visible in the education levels surveyed among previously disadvantaged individuals. For example, 61% of black respondents indicated they have completed a diploma or higher tertiary education programme.

- 18–24 years** → 18–24-year-olds dominated the category of only matric.
- 25–35 years** → 25–35-year-old dominated certificate and degree education levels.
- 36–45 years** → 36–45-year-olds dominated the diploma category.
- 45 years & older** → The post graduate category was dominated by those 45 and older.

Levels of education among black practitioners in film and television

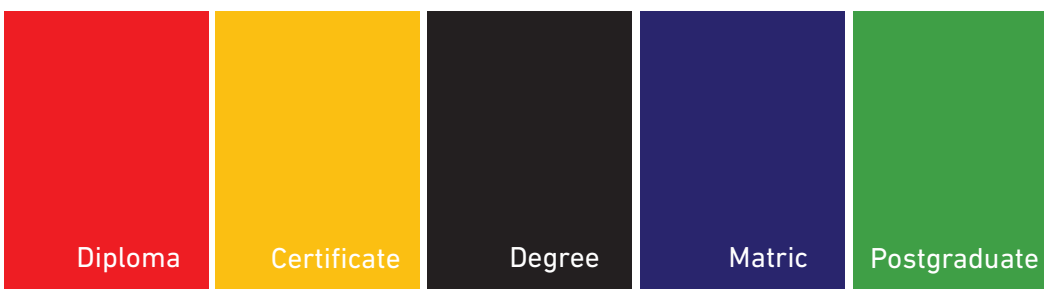


Figure 3: Black practitioners' education levels

Source: Data from 2021 Survey

Though the industry is relatively well educated, interviewees lamented that business, financial and distribution skills were rare among practitioners from previously disadvantaged backgrounds, a feature they felt constrained growth and transformation in the sector. Educational specialisation remained focused on creative capacity and did not address the business, finance, marketing, and distribution requirements of the industry. This observation is consistent with the State of Skills report (NFVF, 2016), which found that education programmes focused on building creative capacity rather than on enhancing business and industry operational skills, with 72% of employers/industry players indicating they felt that education institutions did not adequately equip young people to function in the industry. Furthermore, interviewees said that while some skills might be ordinarily accessible across the industry, it was difficult to find a black or female person with appropriate qualifications. Specialist roles identified as trailing behind from a transformation perspective included Directors of Photography, 1st Artistic Directors, Composers and Line Producers. Interviewees pointed to black women as being especially underrepresented in these professional areas.

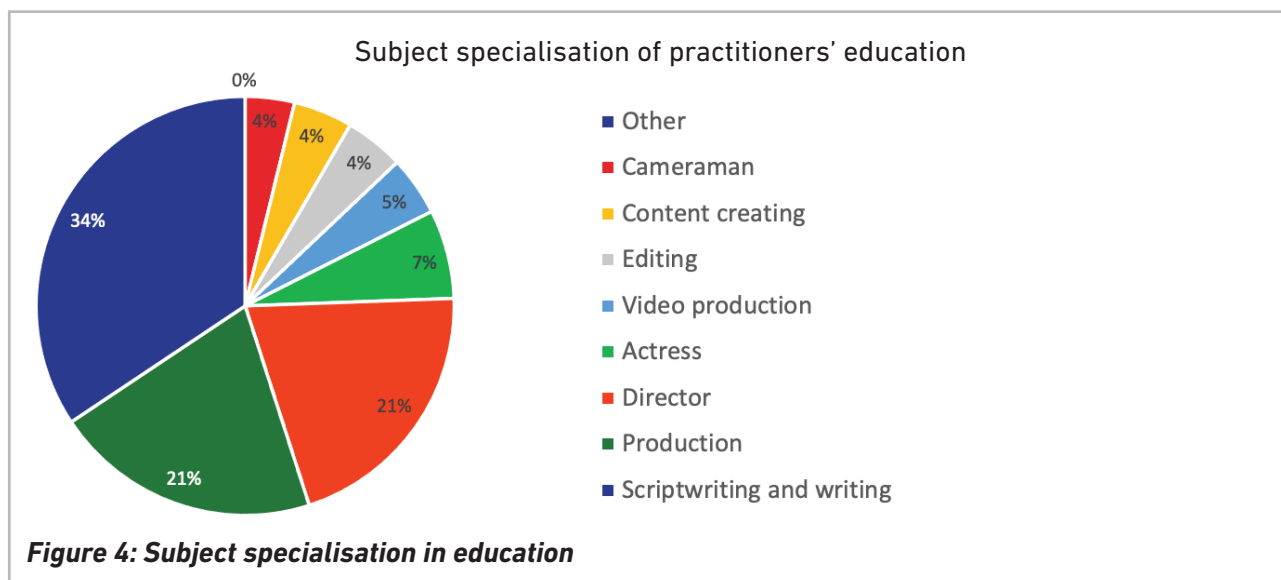


Figure 4: Subject specialisation in education

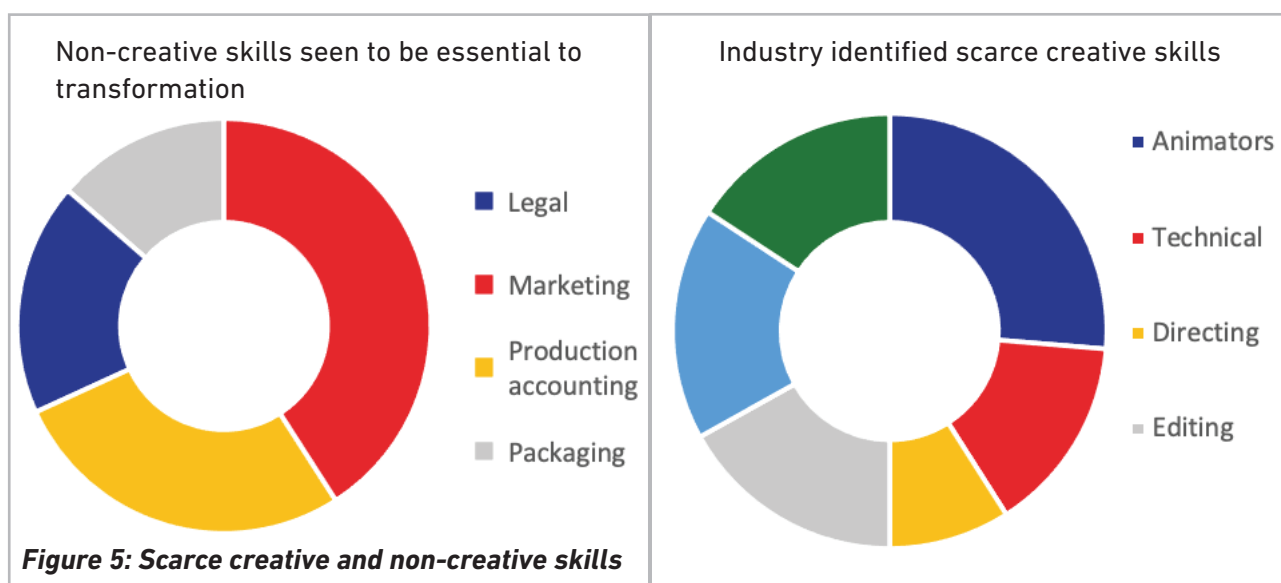


Figure 5: Scarce creative and non-creative skills

Source: Data from 2021 Survey

Representation in decision making

In these areas we see that black individuals have gained substantial ground in reaching decision making roles within the creative arena. However, this is not the case when it comes to decision making in business and economic planning roles such as crewing and financial management. This situation is acute in relation to gender, where women trail behind men in all decision-making areas. This result echoes the established pattern showing greater representation by black individuals in creative decision making, and much less representation regarding financial management.

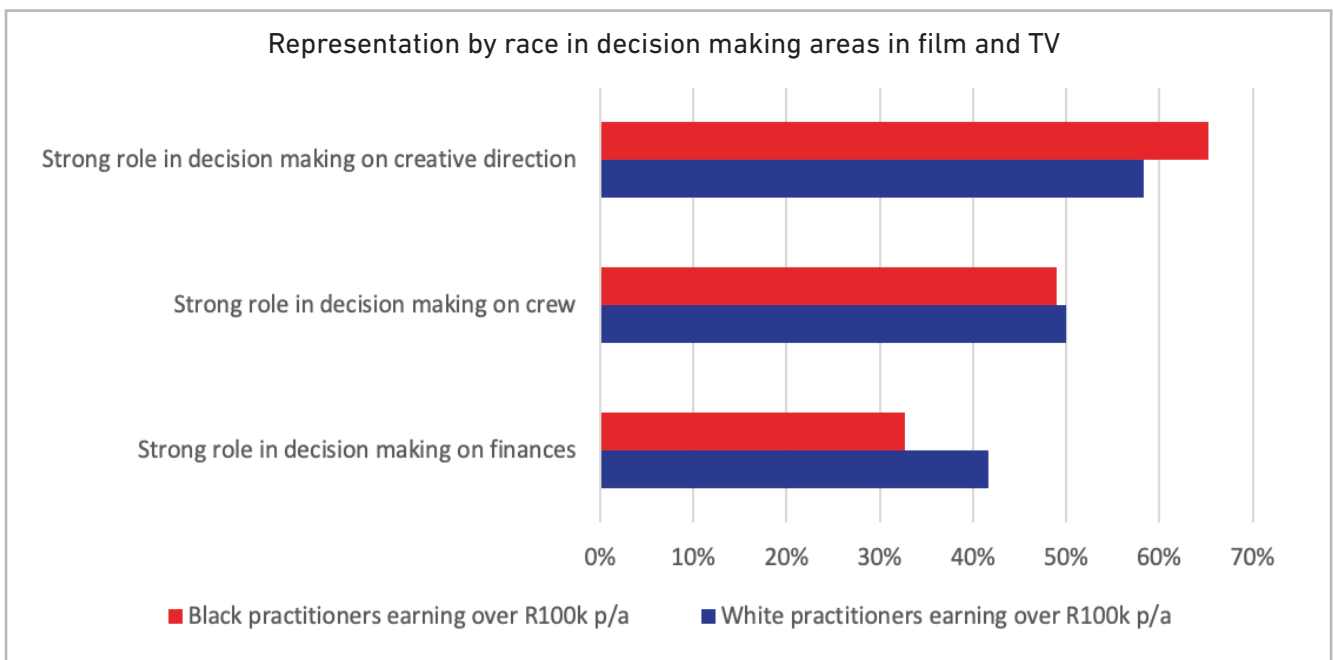


Figure 6: Representation in decision making by race

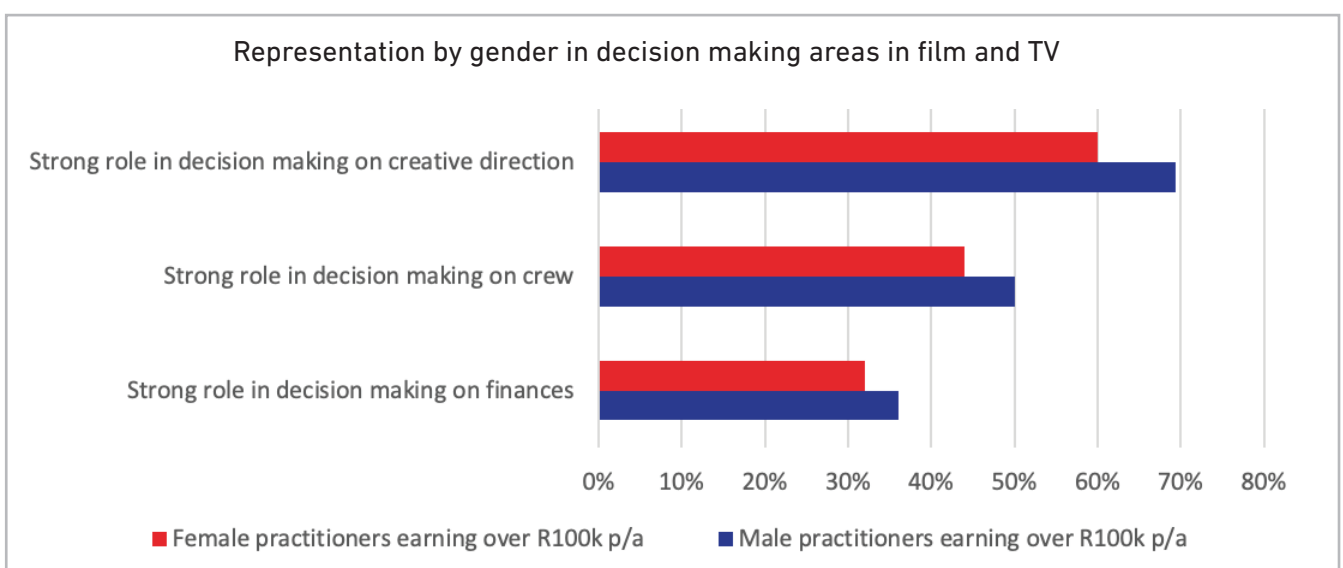


Figure 7: Representation in decision making by gender

Barriers for companies 'growth

While considerable effort has been made through funding and financing instruments to ensure opportunities and access for black owned companies, there remain barriers that obstruct sustainability and growth. A total of 80% of survey respondents cited lack of access to finances and funding as an issue, followed by 44% noting cashflow challenges and 43% naming constrained access to the market. Interviewees pointed to administrative challenges posed by DTIC processes, where businesses had to wait for years before they were reimbursed through incentive schemes. Most businesses reported being unable to float these unpaid amounts because of limited reserves. Respondents noted that most black owned businesses were operating on a survival model, with no resources to allocate to business development strategies such as financial planning nor funding for equipment and business growth. SPVs have been noted as hinderance to the sustainability of black owned companies. Respondents further articulated that individual companies needed recurring financing programmes in order sustain and grow black owned business.

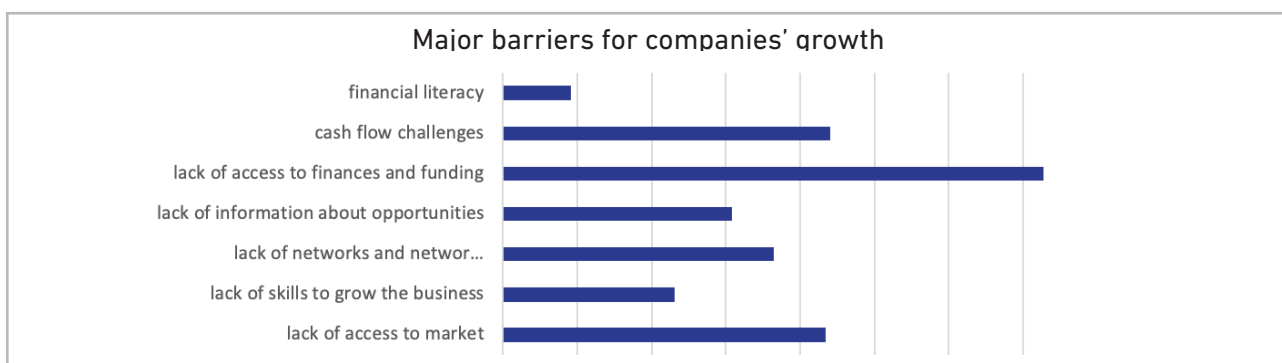


Figure 8: Barriers to growth

STUDY RESULTS

- The current climate in South African film and TV has unique promise which, if supported strategically through funding, can markedly increase meaningful participation in the industry for the majority. The expansion of markets for the film and TV industry – particularly internationally – is of vital importance to grow the industry. If addressed strategically, this growth can significantly impact transformation.
- Networks and gatekeepers remain sizeable hurdles to transformation in an industry appreciably based on relationships, referrals, and word of mouth. This is especially challenging in the context of geographies outside of the three leading film and TV cities. Mentorship, and support for companies owned by previously disadvantaged individuals, are two strategies identified to address this.
- The shifts in transformation over the past 27 years and in film and TV in the past five years require dynamic and responsive strategies towards transformation. These need to be changed from a focus on access to a focus on sustainability, especially for companies owned by previously disadvantaged individuals. This is particularly important as these companies show an outsized commitment to continued transformation within their orbits.

CONCLUSION AND RECOMMENDATIONS

In general, there is a clear moment of strategic potential for the South African film and TV sector, burgeoned by shifts in streaming, global interest in the African continent and surging opportunities offered by digital technologies. It is clearly necessary for the South African film and TV industry to drive a strategic agenda in the best interests of the industry, to ensure that growth and change has broad transformation impacts with long term potential.

There are several recommendations that might assist the industry to realise transformation and in so doing grow the industry. While there have been great strides taken through various transformation interventions to facilitate the access of black individuals, women and people living with disabilities to meaningful participation in the film and TV value chain, there is much that remains to be done. The following needs have emerged from the study:

Film Funding Coordination and Restructuring of Film Fund

There is a need to streamline film funding and to facilitate better coordination among funders in the sector. Film funding adjustments need to be made to better support the sustainability of black owned companies and to ensure greater access to international markets.

Towards a Film and TV Transformation Framework

There needs to be an industry wide definition of transformation as well as development of film transformation sector charters.

International Market Access Strategy

There needs to be a development of an international market access strategy that will ensure the South African film and TV industry takes advantage of the growing international market opportunities.

Further Research

Several research studies have been identified to enable a better understanding of the sector in relation to transformation. These include studies on international market opportunities, which would inform the international market access strategy. Further research is needed on SPVs.

