



# **Film and Publication Board's Strategic Plan 2013/14 – 2017/18**



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# 1. BACKGROUND

# FPB MANDATE

- FPB established through statute in the form of Films and Publications Act 1996 as amended
- Act mandates FPB to:
  - Provide consumer advice to enable adults to make informed viewing, reading and gaming choices both for themselves and children in their care
  - Protect children from exposure to disturbing and harmful materials and from premature exposure to adult experiences
  - Makes the use of children in and the exposure of children to pornography punishable by law

# FPB MANDATE CONT....

- FPB regulatory tools to assist in attaining mandate include:
  - Content classification making use of guidelines
  - Consumer Education programmes
  - Compliance Monitoring
  - Child protection hotline



# VISION

Previous : “A leading and credible regulator of the content of films, games and certain publications to protect adults and children.”

Proposed : “*A leading and credible regulator of the content of films, games and certain publications to **inform** and protect adults and children*”

*DM’s office contribution: Protecting through Informing*



# Principles central to the FPB Regulation

- Protection of children from early exposure to adult material and use in child pornography productions – child pornography punishable by law
- Provide consumer advice on media content – ‘we inform, you choose’
- Provide designated areas for distribution of adult material (pornography)



# FPB Values

- Accountability
- Fairness
- Integrity
- Transparency
- Professionalism





## **2. ENTERTAINMENT AND MEDIA INDUSTRY ANALYSIS** (ADAPTED FROM THE PWC ENTERTAINMENT AND MEDIA OUTLOOK 2012 – 2016)

‘content is no longer confined to traditional distribution channels and audiences, it can now be expressed, disseminated and manipulated digitally’

## Global context

- The industry globally is faced with the challenge of embracing technology i.e. to harness the demands and opportunities presented by technological developments.
- Digital technologies and technology convergence present formidable challenges to industry as they erode traditional revenue ad business model.
- The industry has experienced technological advances over years, however digitisation of content, disruption of consumption models and ease of access to technology are by far the most far reaching.
- Consumers and the fact that the E&M industry is in the business of entertaining consumers remain constant.
- Digital technology is expanding the consumer base, but representing the sector with unrecognisable consumer behaviours to the traditional content providers.



- Such behaviours attract legal consequences, as media providers are faced with uncertainty as to how traditional laws apply in the digital age.
- Content is no longer confined to traditional distribution channels and audiences, it can now be expressed, disseminated and manipulated digitally.
- Copyright law is the overarching legal consideration for the sector. Content creators have to continuously ensure that their content is secure and the risk of online publishing is considered.
- Media and entertainment law takes into account the changing market dynamics and offers solutions that transcend traditional business models by clarifying burdens to innovative players and protecting those already in the market.

- The global entertainment and media (E&M) rose by 4.9% in 2011, faster than 4.5% recorded in 2010.
  - Internet access was the main driver of growth, rising from 10% increase recorded in 2010, to 15.1% in 2011.
  - End user spending fell by 2.3% , significantly down from the 33.7% recorded in 2010. Decrease in sports advertising recorded at 39.7%, following the extra ordinary increase of 84.7% gain (FIFA 2010 world cup) in 2010 was the main contributor to the decrease in end user spending.

## South African context:

- The **Internet** was the fastest growing in 2011, with a 27.3% increase, boosted by growth in broadband, mobile access and advertising. Internet growth is expected at compound annual increase of 20.3% in the next 5 years. Broadband, mobile access and internet advertising will drive the internet growth.

*Shift to digital content distribution reduces costs of production of material. VoD boom expected in SA – Currently only Multichoice is active in space but four other players are looking at entering the market space. TopTV adult Channels – digital adult content*

*Online distribution of films expected to contribute to the increase, as some industry players (local and international) are engaging with the FPB regarding their intentions.*

- **Television** recorded a 13.4% in 2011; and is projected at 10.3% compound annual increase. Continued growth in subscription spending and steady growth in advertising will be key drivers.
- **Out of home advertising** (digital billboards, digital networks, mobile advertising) is expected to grow at 9.3% compounded annually, boosted by an increase in digital screens.

**Radio** is expected to grow at 6.5% compounded annually, as a result of expansion of community radio and new commercial stations.

- **Video games** is expected to grow at 6.4%, and will be boosted by large growth in online games.

*Higher performance is expected with the possible introduction of an online SA Apps Store by Apple. Other industry players are expected to aggressively participate in the local Apps development and distribution space.*

- **Consumer Magazines and newspapers** are projected to average around 5% growth compounded annually during the next 5 yrs.



# 3. IMPLICATIONS FOR FPB

- Global and local industry collaborations
- Regulation of mobile and online platforms
- Capacity building : industry specific skills and legal
- Industry and consumer awareness
- Improved governance and efficiencies
- Partnerships
- Automation of FPB processes for effective service delivery and accurate statistics
- Improve FPB profile continuously and repositioning of FPB
- Diversification of funding sources
- Continue with cyber safety education programs amongst children as well as adults
- Performance information management (accuracy of stats & reports)
- Information security and management
- Development of a monitoring and evaluation system for the organization





# **4. STRATEGIC OUTCOMES (13/14 – 17/18)**

STRATEGIC OUTCOME	PROGRAM	STRATEGIC OBJECTIVES	STRATEGIC INITIATIVES
<p><b>1. Effective and visible monitoring of films games and certain publications throughout the entire value chain (content creators, producers and distributors of fpgs) to protect children and inform the general public</b></p>	<p>Industry Regulation and Compliance</p>	<p>1. Implement a Content regulation framework that ensures 100% classification and labelling of classifiable material submitted; whilst ensuring broad convergence with societal norms and values</p>	<p>1. To implement a content classification and labelling initiative  2. To Review, gazette &amp; implement classification guidelines  3. To continuously evaluate the convergence of societal norms and values to FPB classification ratings  4. To review Films and publications Act to appropriately regulate the FPGs industries</p>

STRATEGIC OUTCOME	PROGRAM	STRATEGIC OBJECTIVES	KEY INITIATIVES
<p><b>1. Effective and visible monitoring of films games and certain publications throughout the entire value chain (content creators, producers and distributors of fpgs) to protect children and inform the general public</b></p>	<p>Industry Regulation and Compliance</p>	<p>2. To implement relevant initiatives geared towards ensuring at least 75% industry compliance throughout the value chain by 2017.</p>	<p>1. Distributor identification and registration  2. Conduct Compliance Inspections and industry audits  3. Implement initiatives to ensure Cyber safety / Child Online Protection</p>

STRATEGIC OUTCOME	PROGRAM	STRATEGIC OBJECTIVES	KEY INITIATIVES
SO1	Industry Regulation and Compliance	3. To form and maintain national and international partnerships for improved regulation and positioning	1. To develop and implement Strategic partnerships and stakeholder relations  2. To establish regional partnerships and ensure regulatory alignment  3. To pursue International Regulatory Alignment

STRATEGIC OUTCOME	PROGRAM	STRATEGIC OBJECTIVES	INITIATIVES
<p><b>2. Consumers, general members of the public and industry informed about the mandate of the FPB</b></p>	<p>Public awareness and Education</p>	<p>To inform consumers, society and industry about the FPB mandate and create a positive public image</p>	<ol style="list-style-type: none"> <li>1. Regulatory Repositioning/ Public Relations</li> <li>2. Outreach and awareness, adequately segmenting target audiences with relevant messaging for the audience</li> </ol>

STRATEGIC OUTCOME	PROGRAM	STRATEGIC OBJECTIVES	KEY INITIATIVES
<b>3. Effective and efficient management of FPB operations</b>	Organisational Capacity and Capability enhancement	<ol style="list-style-type: none"> <li>1. Develop and maintain organisational capacity through implementation of the turnaround strategy</li> </ol>	<p>To implement the following initiatives:</p> <ol style="list-style-type: none"> <li>1. Turnaround Project Implementation</li> <li>2. HR Management and Improvement</li> <li>3. Customer Care skills development</li> <li>4. Internal Communications</li> </ol>
		<ol style="list-style-type: none"> <li>2. Increase the FPB revenue base by 20% through exploration of potential revenue generation streams and implement cost saving measures</li> </ol>	<ol style="list-style-type: none"> <li>1. To amend regulatory fee Structure</li> <li>2. To identify and pursue diverse / new Revenue Generation</li> <li>3. To review tariffs periodically</li> <li>4. Realign budget to SOs</li> </ol>

STRATEGIC OUTCOME	PROGRAM	STRATEGIC OBJECTIVES	KEY INITIATIVES
<b>3. Effective and efficient management of FPB operations</b>	Organisational Capacity and Capability enhancement	3. To adopt and apply advanced ICT Technologies for the automation of the core functions of the organisation	<ol style="list-style-type: none"> <li>1. To ensure Sound IT Governance</li> <li>2. To implement initiatives geared towards improved IT value &amp; performance</li> </ol>
		4. Conduct Industry research to enhance regulation.	<ol style="list-style-type: none"> <li>1. Annual research plan</li> <li>2. Online child protection</li> <li>3. Regular trend assessments</li> <li>4. Impact of films &amp; visuals on child development</li> <li>5. Seamless content regulation strategy</li> </ol>

STRATEGIC OUTCOME	PROGRAM	STRATEGIC OBJECTIVES	KEY INITIATIVES
	Administration and Governance	To ensure effective and efficient administration of the FPB and ensure compliance with applicable legislative and other requirements	<ol style="list-style-type: none"> <li>1. To develop and implement an Organisational Compliance and Risk Management</li> <li>2. To implement organisational performance planning management and reporting initiatives including automation of the process</li> </ol>



STRATEGIC OUTCOME	PROGRAM	STRATEGIC OBJECTIVES	KEY INITIATIVES
	Administration and Governance	To ensure effective and efficient administration of the FPB and ensure compliance with applicable legislative and other requirements	<ol style="list-style-type: none"> <li>1. To implement relevant Finance and Supply Chain management initiatives</li> <li>4. To develop and implement information security measures</li> <li>5. To strengthen the role of legal support, client and operations support and facilities management units</li> </ol>

STRATEGIC OUTCOME	PROGRAM	STRATEGIC OBJECTIVES	KEY INITIATIVES
<p>4. Ensure effective and innovative regulation of the content distributed on online, mobile and related platforms to protect children and inform the general public.</p>	<p>Online and mobile content regulation</p>	<p>1. Development and implementation of a content regulation framework that ensures 100% classification</p> <p>2. Labelling of classifiable content distributed on online, mobile and related platforms, by 2017.</p>	<p>Develop and implement an Internet content regulation strategy and framework.</p> <p>Electronic content labelling</p> <p>Online child protection</p>

STRATEGIC OUTCOME	PROGRAM	STRATEGIC OBJECTIVES	KEY INITIATIVES
5. Expand FPB footprint through effective partnerships	Partnerships and collaborations	<ol style="list-style-type: none"> <li>1. Initiate partnerships with existing industry players</li> </ol>	<ol style="list-style-type: none"> <li>1. Strategic Partnerships and stakeholder relations</li> <li>2. International Regulatory Alignment</li> </ol>



# **KEY STRATEGIC PRIORITIES IN NEXT 5 YRS**

## Mandate related

- Online Content Regulation
- Community Outreach and awareness
- Partnership /Stakeholder Management
- Enforcement & collaboration
- Research and Development
- Africa/ SADC Partnership
- Legislative review

## Capacity Enhancement

- Resourcing
- Revenue Generation
- Human Capital
- Monitoring and Evaluation
- Corporate Governance
- Project Management



# **BUDGET (3 YR & 1 YR)**

## ALLOCATION FOR THE MTEF

	2013/14 R	2014/15 R	2015/16 R	2016/17 R
Grant from department of home affairs	82,675,000	77,373,000	89,056,710	100,857,136
Classification fees	8,500,000	9,000,000	9,400,000	9,900,000
Registration fees	1,400,000	1,800,000	2,000,000	2,300,000
Annual renewal of registration certificate	750,000	762,500	854,000	976,554
Interest received	302,000	342,000	380,000	420,000
<b>Total revenue</b>	<b>93,627,000</b>	<b>89,277,500</b>	<b>101,690,710</b>	<b>114,453,690</b>



# 13/14 BUDGET



<b>Projected revenue</b>	<b>R</b>
Grant subsidy	74 175 000
Additional funding from treasury (for on-line cm)	8 500 000
Classification fees	8 500 000
Registration fees	1 400 000
Annual renewal of registration certificate	750 000
Interest received	302 000
<b>Total</b>	<b>93 627 000</b>

<b>Projected expenditure per Strategic Outcome</b>	<b>R</b>
1. Effective and visible monitoring of industry throughout the entire value chain	28 446 584
2. Consumers, general members of the public and industry are informed about the mandate of fob	10 152 844
3. Effective and efficient management of fpb	27 672 772
4. Effective and innovative regulation of content distributed on-line	8 500 000
5. Expand fpb footprint through partnerships and stakeholder relationship	5 653 158
Operating expenditure	9 551 642
Capital expenditure	3 650 000
<b>Total</b>	<b>93 627 000</b>



**Thank You**