CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

CCT FILM STRATEGY

23 July 2020

Making progress possible. Together.

Contents

DEFINITIONS

"Blockchain based technologies"	means a decentralized, distributed, and oftentimes public, digital ledger used to record transactions across many computers so that any involved record (block) cannot be altered retroactively, without the alteration of all subsequent blocks. This allows participants to verify and audit transactions independently and relatively inexpensively
"Car detailers"	means the act of performing a thorough cleaning, restoration, and finishing of a motor vehicle, to produce a show-quality cleanliness and polish
"City"	means the City of Cape Town, a municipality established by the City of Cape Town Establishment Notice No. 479 of 22 September 2000, issued in terms of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998), or any structure or employee of the City acting in terms of delegated authority
"Disruptive innovation"	means an innovation that dramatically changes the way a structure or industry functions, creates a new market and value network and eventually disrupts an existing market and value network, displacing established market-leading firms, products, and alliances
"Film Office"	means a specialised City of Cape Town Branch or Unit with the prime purpose of promoting and developing Cape Town's Film Industry
"Film industry"	" includes feature films, television series, documentaries, commercials, stills photography and so-called 'new media', such as animation and interactive computer gaming. It also includes direct film-related services such as pre and post-production, procurement of cast and crew, set design and construction, equipment hire, camera work, electrical installations and sound equipment, special effects, musical composition, computer graphics (CG) and editing
"Technology"	means machinery, equipment and processes developed from the application of scientific knowledge for practical purposes which are employed in the film industry value chain
"Wesgro"	means the official, trade and investment promotion agency for Cape Town and the Western Cape

ABBREVIATIONS

AI	Artificial Intelligence
CAGR	Compound Annual Growth Rate
CGI	Computer-generated imagery
CCT	City of Cape Town
DCAS	Department of Cultural Affairs and Sport – Western Cape Government
DSAC	Department of Sports, Arts and Culture – National Government
DTI	Department of Trade and Industry
EODB	Ease of Doing Business
GDP	Gross Domestic Product
LHD	Left Hand Drive
NFVF	National Film and Video Foundation
PDI	Previously Disadvantaged Individual
SACIA	South African Communications Industries Association
SWOT	Strengths, Weaknesses, Opportunities and Threats
UNCTAD	United Nations Conference on Trade and Development

INTRODUCTION

Cape Town is world renowned for her natural beauty, and year on year is voted as one of the most beautiful cities globally. This natural beauty, coupled with good infrastructure and a City government that is supportive of the film industry has made Cape Town a world renowned, popular film destination. Over the last five decades, Cape Town has successfully positioned itself as a significant film destination attracting a host of local and international productions. However, over the last 5 years the local industry lost some momentum as a result of a number of factors including increased global competition, the global economic downturn, the drought in 2017 and most recently, the COVID-19 pandemic.

Given the ever changing context, it is critical that a bold strategy for the film industry is created to guide the City of Cape Town, along with all the relevant film stakeholders, in collectively building a thriving and resilient film industry in the region.

CONTEXT- CHALLENGES AND OPPORTUNITIES

The United Nations Conference on Trade and Development (UNCTAD) suggests that the creative industries are the lifeblood that adds depth to the economy. As an important economic, social and cultural sector, the film industry is uniquely poised to drive economic growth as well as reflect the social context of the country and world.

According to the National Film and Video Fund (NFVF), the Film and Media Sector has contributed approximately R5.4 billion to the total South African GDP in 2016/17, making the film industry an important contributor to the country's economy (NFVF, 2017). Popular films can promote and transform a region as an attractive destination, increasing tourist visits and attracting investment in many forms. As one of the main cultural industries, the film sector creates cultural and economic value for countries, regions and cities, further influencing the policy environment.

The Cape Town film industry, like many other industries has been negatively impacted by a number of **external factors**. In particular, the 2017/18 drought brought significant challenges impacting most industries, especially those relying on inbound business, and the film industry was no exception.

There are also **chronic challenges** facing the film industry within the Cape Town context. Increasing global competition coupled with rising production costs in terms of services and location, decreases the attraction of Cape Town as a filming destination, and the industry has seen a significant decline over the last few years. The **limited resources and capacity** of local government and other supportive organisations also inhibits growth in the industry.

The **fourth industrial revolution**[1] is already presenting many challenges and opportunities for companies, cities and countries around the globe. As industries are reshaped and disrupted globally, it has become imperative that appropriate strategies are developed to adapt to the changing environments. The film industry is not exempt and is going through significant changes globally - and the local industry needs to be able to adapt. Recent trends and changes affecting the current landscape of the film industry include the demand for video streaming. Internet streaming companies like Netflix and Amazon have changed the face of the film industry.

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[1] Fourth Industrial Revolution is the digital revolution that has been occurring since the middle of the last century. It is characterized by a fusion of technologies that is blurring the lines between the physical, digital, and biological spheres- https://www.weforum.org/agenda/2016/01/the-fourth-industrial-revolution-what-it-means-and-how-to-respond/

The City has recently experienced a severe shock event- **Covid-19 pandemic.** The social and economic global impacts the pandemic has had are unprecedented. The restrictions on both internal and international travel and movement combined with worsening economic conditions and job losses has, and will continue to have, a negative impact on traditional film industry. The City of Cape Town, and the film industry will need to embark on a recovery plan to deal with the new and ongoing challenges and possible opportunities as a result of the pandemic. As an important economic sector of the Cape Town economy, the film industry will need to leverage its existing resilience and rely on innovation to stabilise and grow the sector.

The Film Industry has demonstrated an ability to recover more rapidly than many other sectors, as was evident in its recovery after the 2017 drought. During the current Covid-19 pandemic, the film industry value chain has shown that it can produce and retain jobs in times of economic shock. The City has worked closely with the industry to support its adaptation to the new way of working required during the pandemic.

The adoption of this Film Strategy will enable the industry to access greater support to drive its rapid recovery and regain its important contribution to the Cape Town economy.

PURPOSE

The purpose of this strategy is to guide the CCT film industry stakeholders and to enable government organisations to work towards common goals that will build a thriving, inclusive, diversified and resilient film industry. It aims to harness the enormous potential within this industry to grow jobs and help build the local economy.

This film strategy will inform and guide the revised CCT Film Policy document, which will be developed on approval of this strategy. These two documents will help stakeholders to collectively cut red tape, develop infrastructure, transform the local industry and ensure the development of the right skill-sets to build an industry that is able to adapt to technological changes and work harmoniously with residents and local business. It should also ensure that the environmental impact of any business conducted within the film industry is managed in an environmentally responsible and sustainable manner

VISION

Build a thriving, innovative, resilient and transformed film industry, positioning Cape Town as the leading film hub in Africa.

The four pillars to achieve the vision are:

1. **Champion ongoing skills development;**
2. **Drive marketing and sales;**
3. **Promote transformation within the industry; and**
4. **Facilitate the development of infrastructure.**

DEVELOPMENT OF THE STRATEGY

Stakeholder Engagement:

Due to the complexity of the industry and the myriad of ancillary sectors affected, it was important to gain insights from a broad spectrum of stakeholders throughout the film and media value chain. A series of industry stakeholder engagements and consultations was held to gain insight into the challenges currently faced by the industry, as well as the opportunities that the CCT and industry could potentially leverage to significantly grow the sector. Face-to-face interviews were held with key industry stakeholders across all the segments within the film industry to develop a SWOT analysis that would help us shape the strategy. A description of these engagements is included in Annexure 1.

Film Industry analysis:

Key industry reports, such as the 2017 Grant Thornton Cape Town & Western Cape Film & Media Sector Study, along with other industry reports and national film strategies, were utilised to formulate key areas of focus within the strategy. Recent film industry strategies published by Government institutions such as the National Department of Arts and Culture were also utilised to inform the context and policy environment for the CCT Film Strategy. Research on international film trends and how technology is helping to shape the future of the industry was also taken into consideration. A description of these key informants in building the evidence in support of this strategy is included in Annexure 2.

Furthermore, a SWOT analysis was conducted for the Cape Town Film industry based on a 2017 study by Grant Thornton, as well as further research conducted in 2018. This analysis is included in Annexure 3.

STRATEGIC ALIGNMENT

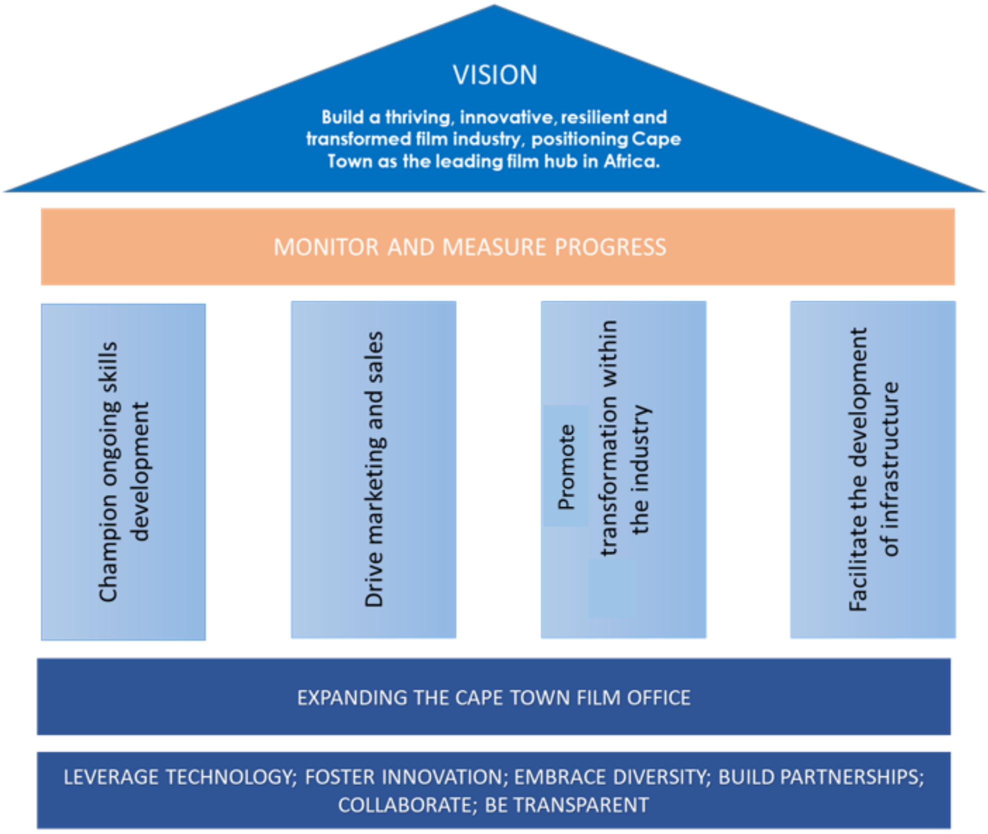
IDP:

Strategic Focus Areas	Priorities
• The Opportunity City • The Inclusive City	• Positioning Cape Town as a forward-looking, globally competitive city • Leveraging technology for progress • Economic Inclusion • Building integrated communities

Links to other Strategies:

Strategy	Alignment
Inclusive Economic Growth Strategy	The economic growth strategy for the City of Cape town is currently under review. This strategy focuses on inclusivity. The film industry is an important economic sector, which can be used to drive economic inclusion and provide opportunities and stimulate investment by positioning Cape Town as world-class city. The film strategy is also vital for the recovery phase of the pandemic, both economically and socially.
Social Development Strategy	The film strategy seeks to empower excluded individuals to participate in the industry through support and promoting transformation within the industry. Additionally, film has the power to improve social cohesion and this is a core aspect of the strategy.
Resilience Strategy	This strategy furthers the **Capable, job-creating city** and **Collaborative, forward looking City** pillars of the CCT Resilience Strategy. Overall, the social and economic gains that come from an inclusive, diverse and stable film industry ultimately strengthen resilience and the City's ability to deal with shocks and alleviate stresses.

The key components of the film strategy are illustrated below:



THE FOUNDATION

Both the international and domestic industry stakeholders have indicated that the lack of a dedicated Film Commission office in Cape Town and the broader Western Cape Film and Media Sector, has been detrimental to the growth of the industry in the region. The former Cape Film Commission has not operated optimally for the last 5 years and this has been a major stumbling block in promoting the industry to national and international clients.

Taking into account what could be learnt from international best practice, the need to further develop and promote the Film Industry in Cape Town, and given the size and economic importance of the film industry in the city, it is recommended that the Cape Town Film Office be expanded within the City.

The following are key activities relating to the expansion of the Film Permit Office into the CCT Film Office. These activities are unpacked further within Annexure 4 and will form the basis of the development of a business plan for the office, which outlines its resource requirements in relation to its desired functions and objectives.

Activities
– Scope mandate and responsibilities of the CCT Film Office – Develop the brand, structures, frameworks and protocols to give effect to the CCT Film office's objectives – Conduct an analysis of the financial and human resource requirements for the CCT Film Office to be able to deliver on its objectives – Motivate for the funding and resource allocation for the expansion of the CCT Film office – Develop a policy to support the functions of the CCT Film office

STRATEGIC PILLAR 1- CHAMPIONING SKILLS DEVELOPMENT

Cape Town has a reputation for producing high quality film and media personnel, from film crews to technicians, actors and film support staff and services. Unfortunately, due to recent challenges within the industry, some of these skills have been lost to other countries. It is therefore necessary to assess the skills gaps in the industry to determine where and in what investment is needed.

For the City to achieve its vision, there is a need to develop, forward focussed, world-class skills across all the segments that make up the film industry. And as for most industries that have been disrupted by the fourth industrial revolution, training and skills development should become a continuum rather than a periodic intervention.

The 2017 Grant Thornton study notes that current training programmes are conducted at tertiary level and are unaffordable to most students from previously disadvantaged communities wishing to enter the film industry.

In addition, there is a disconnect between current educational providers and the industry, with practical skills development needed at different employment levels. In order for us to grow and transform the industry, we will need to ensure that there are enough appropriately skilled resources entering the market. Due to ongoing digital disruptive innovation within the industry, we need to ensure that the right blend of future-orientated skill-sets are bought into the industry, such as AI and blockchain technologies.

ACTIONS FOR SKILLS DEVELOPMENT

	Actions	Reason	Outcome	Implementation
1	Conduct an industry skills baseline assessment to identify gaps in the local film industry	It is important to have a starting point to track skills development progress over the next 3 – 5 years. The NFVF has also shown interest in gaining insight into Cape Town's transformation status.	Focus on developing key skills for the local industry to assist the Cape Town film industry in being more competitive.	When: Year 1 - 2 Who: Film Office
2	Partner with industry to grow mentorship, bursary and training programmes	There are pockets of training and mentorship that should be supported.	Establishment of partnerships with industry, training bodies, institutions to assist future-fit skills and capabilities are built to create a more sustainable industry.	When: Year 2 - 3 Who: Film Office, Industry stakeholders
3	Bridge the gap between training institutions and industry	Feedback from industry indicates that graduates are not "work ready" and that some of the training might not be appropriate for where the industry is shifting towards.	Establishment of partnerships with training institutions and industry to assist with the provision of appropriate type and level of training to make graduates immediately employable.	When: Year 2 - 3 Who: Film Office, Industry stakeholders, training institutions
4	Work with the industry to address the critical mid to senior skills gaps within the industry	For improved inclusivity and transformation within all levels of the industry there needs to be a concerted effort to empower	A transformed leadership corps to assist with the diversity of ideas and solutions, enriching the film product within the region.	When: Year 2 - 3 Who: Film Office, Industry stakeholders

	Actions	Reason	Outcome	Implementation
		previously disadvantaged persons at a mid and senior level.		
5	Work with industry to develop Masterclass sessions for upskilling	Cape Town and the Western Cape is blessed with many industry icons and tremendous experience. Sharing that with the rest of the industry can only strengthen Cape Town's capabilities and position as a film region.	Growth in depth, resilience and skills within the local film industry and the transfer of skills from a transformational perspective.	When: Year 2 - 3 Who: Film Office, Key Industry icons
6	Work with NFVF and national government to create funded training opportunities	Along with the NFVF and government funded entities, ensure training opportunities for the local industry are maximised	Creation of growth opportunities for new and existing talent and enterprises.	When: Year 2 - 3 Who: Film Office, NFVF and National Government
7	Support the development of a long-form and television conceptual/writing skills for local content creation, through partnership with big production houses and production facilities and Multichoice, eTV and SABC initiatives	Nurture the story tellers of the future. Creating original content should be a key long-term sustainability aim of the industry.	Interventions and partnerships aimed at creating and enhancing the skills for telling African stories with global appeal and stories that will create long term opportunities for the entire industry.	When: Year 2 - 3 Who: Film Office, Industry stakeholders, key media distributors

	Actions	Reason	Outcome	Implementation

STRATEGIC PILLAR 2- MARKETING AND SALES

As the film landscape embraces new technologies and distribution platforms, it will become more accessible to a broader range of international audiences. The international market has however also become more competitive as countries and cities realise the opportunities that film can bring to their economies.

It is important to develop new and appropriate marketing and sales strategies that will look to secure current and future markets. Each segment within our film industry needs to develop sales and marketing strategies that will ensure that they reach their target audiences successfully.

Although these will be market-led strategies appropriate for each segment's audience, the message about Cape Town should be consistent when applicable. In other words, promoting that Cape Town offers great value; a highly skilled workforce; a great film office; long hours of light; favourable time zones for Europe; world-class facilities; integrated and high-quality value chain services and products; unique and diverse locations; film-friendly tariffs; and a city that clearly supports the film industry.

Cape Town has one of the highest concentrations of film industry companies and resources in the country. From animation and gaming companies to long form and commercials, Cape Town is well represented, yet currently the industry still does not market itself optimally. The lack of a collective representation (by an appropriately co-ordinated film office) means the region is missing opportunities to maximise new business development.

It is also important to collectively market the film industry to the residents of Cape Town. Greater awareness needs to be created around how much the film industry value chain contributes towards the local economy and job creation, and through this, get their buy in and support.

Given the increasing global competition for content and production budgets, there is a need for more collaboration and support within the local film industry aimed at ensuring Cape Town has a presence at key international film festivals, new media exhibitions and gaming conventions within key markets. By aligning our sales and marketing drive, we can position Cape Town as the film hub of Africa.

ACTIONS FOR MARKETING AND SALES

	Actions	Reason	Outcome	Implementation
1	Co-promote the region with each segment but with a shared vision Creative city, tech hub, great city to live/work/play, film friendly, best light etc.	Be more consistent with Cape Town's Film Industry brand narrative across the different segments, highlighting strengths and relevant value propositions. Rather make a bigger impact in fewer select places.	This will create a strong, internationally recognized film brand for Cape Town. Everyone in the industry will benefit by creating a stronger Cape Town film brand.	When: Year 1 - 2 Who: Film Office, Industry stakeholders
2	Work with industry to establish key growth areas for each segment (long-form, stills, animation, etc.)	Each segment within the industry has different key clients and therefore requires a different marketing strategy and plan.	More effective marketing in the right markets for each segment with a consistent a Cape Town Film golden thread running through all communications.	When: Year 1 - 2 Who: Film Office, Industry stakeholders
3	Work with industry to identify short, medium and long term target audiences (market-led) per segment	There might be short-term wins within the different segments but ultimately, the longer term goal is to become the primary film city on the continent.	Effective and efficient marketing strategies with attainable goals to attain the longer-term vision and facilitate provision of funding.	When: Year 1 - 2 Who: Film Office, Industry stakeholders
4	Conduct an industry audit of all the	Choose fewer activation and promotional	Development of strategic targeted marketing	When: Year 2 - 3

	Actions	Reason	Outcome	Implementation
	important film festivals and events	opportunities but make a bigger impact.	campaigns to be more effective in the right areas of the market.	Who: Film Office, Industry stakeholders
5	Leverage partnerships with other cities, BrandSA, SA Tourism, NFVF, DSAC	Create efficiencies by leveraging partnerships with other government institutions who enable film and all other national and African film organisations.	Build the Cape Town Film brand equity faster and smarter in markets that might not have been attainable.	When: Year 1 - 2 Who: Film Office, Industry stakeholders. Government organisations
6	Work with the industry to identify film tourism opportunities to build the region's film halo	It has been proven in countries like New Zealand with Lord of the Rings and Cities like New York with Sex and the City.	Development of a Film Tourism strategy to build a strong film profile for the region.	When: Year 2/3 Who: Film Office, Industry stakeholders
7	Work with industry to develop a focussed marketing plan and budget for: a. Marketing to City leadership, departments and officials b. Marketing to residents of Cape Town c. Marketing globally at selected	There are three different communication campaigns required. These are 3 important target audiences that require different propositions to help enable film in the city move towards the vision.	Creation of an enabling and film-friendly city where all spheres of government recognise the importance of the film industry. Where residents welcome production companies into their communities and even see the industry as a potential career opportunity.	When: Year 1 - 3 a. Who: CCT, Film Office, b. Who: Film Office, Industry stakeholders. c. Who: Film Office, Industry stakeholders.

	Actions	Reason	Outcome	Implementation
	events and conferences			
8	Support the development of a strong Film Festival culture for Cape Town for both local and international films	It is important to create an environment for networking, collaborations and for the industry and to showcase the great work that the City and South Africa has produced.	Support world-class film events that attracts industry players from all over the world to amplify the progress being made in Cape Town.	When: Year 1 - 2 Who: Film Office, Industry stakeholders, CoCT

STRATEGIC PILLAR 3- TRANSFORMATION IN THE INDUSTRY

It is broadly accepted that greater inclusivity and diversity within an industry builds resilience, increases creativity, enhances problem-solving capabilities and strengthens product development.

There is a need for increased inclusivity within the film industry, whereby barriers to entry for small and medium sized enterprises are reduced, to ensure that new entrants can gain traction and grow and that a diversity of players can enjoy the participate in the industry.

One of Cape Town's strengths is its diversity. However, our film industry has not yet fully grasped the opportunities inherent to embracing diversity. These opportunities need to be realised to encourage people of all genders, races, nationalities, cultures, religions etc. to enter the industry in order to truly realise collective potential inherent in diversity.

In a creative industry it is even more beneficial to companies to realise the potential of a diverse work force.

In the DSAC SWOT analysis, the Grant Thornton Sector Study 2017, the NFVF and the Animation Industry Strategy 2014, the lack of inclusivity and transformation was listed as a weakness and a key area of concern within the industry that needs to be addressed.

The mandate of the NFVF, as set out in section 3 of the NFVF Act[2], is to: (amongst other points)

- Provide and encourage the provision of opportunities for persons especially from disadvantaged communities to get involved in the film and video industry.
- Address historical imbalances in infrastructure and distribution of skills and resources in the film and video industry.

In the Cape Town film industry stakeholder engagements during 2018, this topic was raised as an issue that required attention on numerous occasions.

In order for the film industry to create African stories, we need to embrace a more diverse talent pool. Diversity needs to become one of our strengths from which we draw inspiration, create innovative solutions and overcome challenges.

ACTIONS FOR TRANSFORMING THE INDUSTRY

	Actions	Reason	Outcome	Implementation
1	Conduct an annual assessment of the industry to assess current level of transformation	Metrics are required to understand how transformed the industry is so that transformation can be driven in the right areas of the industry	Clear understanding of which segments of the industry require transformation and the ability to track progress over the next 3 – 5 years.	When: Year 1 - 2 Who: Film Office,
2	Work with the industry to set goals and timelines for transformation	It is imperative to have targets and timelines to ensure that change happens.	A clear plan and roadmap to drive and measure transformation across the industry.	When: Year 1 - 2 Who: Film Office, Key Industry stakeholders
3	Work with the industry to identify organisations already invested in transformational training.	There are organisations that are further along the journey than others, these companies should be supported	Create areas of success to shine a light on and use to illustrate diversity and transformation in action.	When: Year 1 - 3 Who: Film Office, Industry stakeholders

[2] National Film and Video Foundation Act, 1997 (Act No. 73 of 1997)

	Actions	Reason	Outcome	Implementation
		and their efforts amplified.		
4	Assisting training organisations in collaborating with industry stakeholders a. Facilitating the development of appropriate skill-sets for future film industry b. Drive apprenticeship programmes for new entrants	The transformation survey in point 1 will indicate where further skills development is needed. A transformed vision for future skills in the industry is required Industry is required to create mentorship programmes to accelerate transformation in the right areas. Only once the road into the industry is transformed, can the industry itself become transformed	A transformed training and mentorship "feeder system" for incoming skills.	When: Year 2 - 3 Who: Film Office, Training institutions, Industry stakeholders
5	Support the development of transformational mentorship programmes for middle to upper management	Research showed a deficit of transformation at middle to upper management. This included race and gender. By fixing leadership you encourage change throughout the system.	A transformed management tier within the industry that will perpetuate the diversified and transformed nature of the industry.	When: Year 1 - 2 Who: Film Office, Industry stakeholders. Government organisations
6	Assist in creating bursaries and training opportunities for new entrants to	Previously disadvantaged people do not have the resources to gain the requisite skills to	Attract new entrants into the industry who would not have had the means or opportunity to have	When: Year 1 - 2 Who: Film Office, Key Industry stakeholders

	Actions	Reason	Outcome	Implementation
	accelerate the transformation of the industry	enter the industry. A concerted effort needs to be made to rectify this.	entered the industry without assistance, and to upscale existing previously disadvantaged individual's (PDI) businesses already operating.	

STRATEGIC PILLAR 4- FACILITATE INFRASTRUCTURE DEVELOPMENT

Cape Town has some of the best studio facilities on the African continent. The city has great city infrastructure with a well-established tourism industry. Cape Town also boasts a diversity of talent and a rich variety of locations within Cape Town and the surrounding area.

However, there is still a need invest in infrastructure to expand the industry and enhance competitiveness.

It is suggested that developmental film facilities be created within the CCT to assist emerging film talent and businesses. The NFVF has proposed the development of the "Film Cities" concept that is currently in pilot phase in other parts of the country.

To achieve the strategy vision and the objectives set out in NFVF Act, there is a need to increase infrastructure across the film industry value chain, from training and tuition to production facilities.

The CCT could contribute to increasing production infrastructure by allocating available underutilised municipal facilities for film production purposes, the film industry should maintain and develop these facilities and pay a rental for them. The CCT can identify criteria for underutilised municipal facilities that would be suited to film and construct a mechanism for the industry to apply to rent CCT owned facilities.

The Department of Arts and Culture suggests in their 'Sallywood' strategic document that it is important to:

- Support the development of Infrastructure that takes advantage of existing capital and facilitates the transition to digital production and distribution; and
- Develop an institutional structure at provincial and national level that takes into account existing clusters, develops new ones, and incorporates public and private sector stakeholders

ACTIONS FOR DEVELOPMENT OF INFRASTRUCTURE

	Actions	Reason	Outcome	Implementation
1	Work with the industry to create an infrastructure audit to assess industry infrastructure capacity and short-falls	Understand the film industry's infrastructure supply and demand forces to develop evidence led solutions.	Information to guide strategic decision-making in terms of the utilisation of facilities for future projects.	When: Year 1 - 2 Who: Film Office, Key Industry Stakeholders
2	Work with partners to create sufficient developmental infrastructure for clustering film industry production, technology, innovation and other services.	Work with DSAC, DAC, DTI, NFVF and private sector to create a hub for film in the city that encourages the growth of the next generation of film makers.	Create a hub for new skills and innovation to realise opportunities for film within the fourth industrial revolution.	When: Year 1 - 3 Who: Film Office, DSAC, DAC, DTI, NFVF and private sector
3	Access DSAC funding through NFVF for Film City development	There were funds allocated to the development of Film Cities. Lobby for access to the funding to get a Film City going on in Cape Town.	Access to funding for film infrastructure development	When: Year 1 - 3 Who: Film Office, Industry stakeholders

	Actions	Reason	Outcome	Implementation
4	Work with all spheres of government to open up new locations and infrastructure	By partnering with industry, locations can be identified hat would attract the right type of investment into the region and expand infrastructure.	Create increasing infrastructure capacity to drive market growth	When: Year 1 - 3 Who: Film Office, CoCT, Industry stakeholders
5	Work with the industry to identify 4th Industrial revolution infrastructure (production and distribution) opportunities	Don't simply build more of the same. Build an industry of the future.	Create infrastructure that ensures future-fit and not infrastructure dinosaurs.	When: Year 2 - 10 Who: Film Office, Industry stakeholders, CoCT
6	Encourage public-private partnerships for growth in infrastructure	Identify potential investors and ensure they are talking to the right Industry leaders and the right components of government.	Create investment opportunities that will sustain industry growth into the future.	When: Year 2 - 10 Who: Film Office, Industry stakeholders, CoCT
7	Develop a database of support services for the film industry (lawyers, accountants, etc.)	The industry will require support services with specific skills that are unique to the film industry. Connect the needs of industry with the right service providers.	Create a growing list of service providers who have a skillset applicable within the film industry.	When: Year 2 - 3 Who: Film Office,

MONITORING AND EVALUATION

An Implementation and M&E framework will be developed in support of this strategy, which will include more explicit reference to the specific roles and responsibilities of the City's Film Office in relation to the strategy pillars.

This framework will seek to establish high level indicators relevant to the industry which could assist in tracking its development in terms of the vision and pillars of this strategy.

ANNEXURE 1- DEVELOPING THE STRATEGY: STAKEHOLDER ENGAGEMENT

Due to the complexity of the industry and the myriad of ancillary sectors affected, it was important to gain insights from a broad spectrum of stakeholders throughout the film and media value chain.

A series of industry stakeholder engagements and consultations was held to gain insight into the challenges currently faced by the industry, as well as the opportunities that the CCT and industry could potentially leverage to significantly grow the sector. Face-to-face interviews were held with key industry stakeholders across all the segments within the film industry to develop a SWOT analysis that would help us shape the strategy.

Industry engagements:

1. 12 June 2018 at Cape Town Stadium
2. 25 July 2018 at the CTICC
3. 3 October 2019 at the CTICC

Film Task Team Meetings:

1. 11 July 2018 at the Ray Alexander, Civic Centre
2. 15 October 2019 at 10th Floor, Civic Centre

Interviews were conducted with the following film industry personnel.

1. Sakkie Ferreira – Atlantic Studios
2. Rudi Riek – Consultant for the Commercial Producers' Association and stills production
3. Belinda Johnson – Film Afrika
4. Nico Dekker – CEO, Cape Town Film Studios
5. Janette De Villiers – CPA and Groundglass producer
6. Anton Rollino – One Step Beyond Productions
7. Monica Rorvik and Lisa Mini – Film Commissioners at Wesgro
8. Jannie van Wyk – Ex CEO, Media Film Services (MD ARRI rental UK, London) Telecon
9. Skip Margetts – CEO, Farm Films
10. Shannon Stride – Shanstride Set Designs (NZ insights)
11. Lance Gibbons – CallSheet
12. Glen Gillis – Seamonster (gaming and animation)

An online survey went out to 384 industry people from which we received 113 responses.

Key industry reports, such as the 2017 Grant Thornton Cape Town & Western Cape Film & Media Sector Study, along with other industry reports and national film strategies, were utilised to formulate key areas of focus within the strategy. Recent film industry strategies published by Government institutions such as the National Department of Arts and Culture were also utilised to inform the context and policy environment for the CCT Film Strategy

Research on international film trends and how technology is helping to shape the future of the industry was also taken into consideration.

ANNEXURE 2- DEVELOPMENT OF THE STRATEGY: FILM INDUSTRY ANALYSIS

Introduction

The promotion of social and economic development in the Constitution of the Republic of South Africa, 1996 (the Constitution) is identified as one of the objects of local government [section 152(1)(c)] as well as a developmental duty of municipalities [section 153(a)]. Local government, in seeking to promote social and economic development when fulfilling its various functions should provide the necessary regulatory framework and facilitative environment within which social and economic development can be promoted.

The film industry affords Cape Town an excellent opportunity to realise significant economic and social benefits for the City and within the broader region.

It is an industry that is valued by many countries and cities around the world for its ability to help stimulate economic growth and boost employment. Besides generating direct short term employment opportunities, the catalytic nature of this industry stimulates a myriad of other interrelated industries such as inbound tourism, hospitality, catering, travel and the creative industries to mention a few.

This ever growing industry also has the ability to promote social cohesion, build communities and capture stories of cultural importance that are unique to a region. This is extremely important in the South African context. Cape Town has an admirable track record in terms of film production and boasts the largest film studio in Sub-Saharan Africa, Cape Town Film Studios. Cape Town and the surrounding region has long been recognised for its creative and highly skilled film personnel. It is equally well known for its extensive array of incredible film locations. As well as being a premier film destination for international commercials, the local industry has directly contributed to many high profile international movies.

The advent of the 4th industrial revolution has created some headwinds for the traditional film industry worldwide with new companies and streaming services like Netflix, Showmax, Amazon and Google disrupting established production and distribution networks and enjoying meteoric growth in a relatively short space of time. Along with blockchain based technologies and artificial intelligence (AI), the industry is evolving throughout the entire value chain, allowing new players into the market. Additionally, as smartphones become more widely affordable, new opportunities in previously untapped markets will open up both for content creation and distribution.

There is also a broader value chain within the industry that has yet to be fully optimised, from content conceptualisation to developing new distribution channels. There are also further opportunities within new media, such as gaming and animation, which are currently the fastest growing segments within the broader global industry. The video gaming segment is expected to be the fastest-growing of all, at a compound annual growth rate (CAGR) of 14.95% during the forecast period of 2019 to 2030.[3]

With the right strategy we believe the local film industry has the ability to remain competitive, show much improved growth and, through its catalytic nature, continue to generate and facilitate a variety of direct and indirect employment opportunities across a myriad of other interrelated industries over the next few years.

The potential of the film industry

The United Nations Conference on Trade and Development (UNCTAD) suggests that the creative industries are the lifeblood that adds depth to the economy. They are considered an important source of commercial and cultural value as this sector creates jobs, spurs imagination, taps into new technologies and has the potential to promote social cohesion within communities.

The creative economy is the sum of all the parts of the creative industries, including trade, labour and production. Today, the creative industries are among the most dynamic economic sectors in the world, providing new opportunities for developing countries to leapfrog into emerging high-growth areas of the global economy.

Within the South African context, the National Development Plan (NDP) 2030 puts forward that, "the creative and cultural industries can contribute substantially to small business development, job creation, and urban development and renewal." In addition, a recent South African Cultural Observatory study from 2017 states that in 2014, the creative economy in S.A. contributed 2.9% of GDP, amounting to R90.5bn – greater than the contribution of agriculture. At the same time it employed more than 440,000 people – making it a larger provider of jobs than mining.[4]

Clearly, it is a powerful industry of the future, particularly as increasing automation is driving job-shedding in other traditionally important labour intensive sectors.

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[3] World Gaming Market Report, December 2019

[4] Prof. Richard Haines, CEO of the South African Cultural Observatory (SACO) at the Nelson Mandela Metropolitan University. Ref article https://www.fin24.com/Economy/tapping-into-sas-golden-creative-opportunity-20170614

The film industry is also seen as a catalytic industry supporting a broad set of downstream and upstream sectors like tourism, security, catering, fashion, beauty and car hire, to mention but a few.

It also has the ability to generate significant local and international visitor traffic to the recognisable geographic contexts in which films were shot and produced - a phenomenon known as "film tourism". In countries like New Zealand, film tourism has help increase tourism figures by 40% over 5 years post the filming of the Lord of the Rings series there, and in Northern Ireland, visitor numbers attributed to the Game of Thrones series added $61 million to the local economy in 2018 alone.

According to statistical data published by the National Film and Video Fund (NFVF), the Film and Media Sector has contributed approximately R5.4 billion to the total South African GDP in 2016/17, making the film industry an important contributor to the country's economy (NFVF, 2017).

The NFVF Study recognises the film industry as a creative, stimulating and informative sector that not only generates massive returns but one that can also promote the countries, regions and cities in which the films are shot. Popular films can promote and transform a region as an attractive destination, increasing tourist visits and attracting investment in many forms. As one of the main cultural industries, the film sector creates cultural and economic value for countries, regions and cities, further influencing the policy environment.

Cape Town remains a globally competitive film destination, with local and international film makers using its excellent locations, facilities and services. The city has a variety of world class locations, studios, facilitation companies and specialised crew. But in recent years there have been certain headwinds that have put the local film industry under pressure.

Some recent headwinds

- The COVID-19 global pandemic in 2019 and 2017/18 drought had a significant negative impact on all sectors of the inbound business/tourism services economy of Cape Town and the Western Cape. The local film industry was no exception.
- A rise in local production costs alongside an increasingly competitive international film industry (in terms of both location and services costs) further contributed to the Cape Town film industry seeing a significant decline in business during 2017 and 2018.
- The Cape Film Commission has not operated optimally for the last 5 years and this has been a major stumbling block in promoting and facilitating the local industry to national and international clients.

- Competition from other local and international cities as well as countries like Mauritius, Portugal, Estonia and Lithuania, who have displayed a renewed focus on realising the catalytic potential that the film industry can provide for their economies.
- The local film and media office within Wesgro has operated on a relatively small budget compared with the Gauteng Film Commission, which, along with the Kwa-Zulu Natal Film Commission have each secured funding of circa R50 million to promote and facilitate the growth of film within their respective domains.
- It is an industry in a phase of disruptive innovation. A 2014 Accenture report*, Bringing TV Back to Life*, notes that the "speed and magnitude of the disruptive change of digital video is forcing companies to evolve business models rapidly and at scale". This is relevant to any film strategy in that it too needs to be dynamic and flexible in the face of rapid technological change.
- Transformation within the industry has been relatively slow and there are challenges that need to be addressed to ensure that the benefits of this industry are shared by all South Africans into the future.
- Challenges exist with the film industry incentives at the Department of Trade and Industry (DTI).

Finding the best way forward

- Cape Town was recently voted "Best Tech City in Africa" (Savills Top Tech Cities Report) and was recognised as World Design Capital a few years ago. Cape Town is also part of the UNESCO Creative Cities Network. With this mix of technology, design and creative flair, Cape Town is perfectly positioned for developing into a leading film hub on the African continent.
- Cape Town's excellent track record within the global film industry, our natural assets and our quality of infrastructure and services, provide a solid foundation to support collective efforts to become the leading film hub on the African continent.
- Notwithstanding the above "bankable" strengths and assets, it will take a significant collective effort to realise the full potential of the region, with local and national government, industry stakeholders and business all needing to play their respective parts. However, it is safe to say that the required effort and investment, if harnessed correctly, has the potential to generate a massive return in terms of regional job creation and economic growth.
- The CCT seeks to create a strong and supportive environment for the creative industries. To achieve this with film in particular, the CCT will engage with government departments such as the Department of Trade and Industry (DTI) and NFVF to build mutually beneficial relationships and to advocate on behalf of the local film industry.

National government has an important role to play in promoting the country and more specifically the South African film industry. Growing the creative industries throughout the country will contribute towards a more resilient and robust local industry.

- A supportive and nurturing context needs to be created within which the companies that provide services to the entire film value chain can easily access available incentives from the DTI and the NFVF to help grow their businesses. Furthermore, national government must be lobbied for additional support of local businesses throughout the film industry, from those involved with feature films to documentaries, animation and gaming.
- As the film industry grows, there will need to be an increasing focus on the establishment and support of skills development programmes designed to generate sufficient numbers of appropriately qualified and equipped technicians and creatives to support this growth. It goes without saying that such programmes must directly contribute to the establishment of a suitably transformed and representative industry within the region.
- Film tourism is a growing phenomenon worldwide, fuelled by both the growth of the entertainment industry and the increase in international travel. The development of the CCT Film Industry Strategy provides excellent opportunities for leveraging film tourism marketing possibilities through identifying marketing factors that encourage film tourists to visit destinations that appear or are depicted in movies. Such factors include marketing activities in which destinations promote film tourism, proactive efforts to encourage producers and studios to film at local locations and studios, the generation of media publicity around a film and its location, marketing activities that promote film locations after production, as well as peripheral marketing activities that leverage film tourism potential.

Support from the CCT

The CCT currently supports the film industry through the provision of access to locations and various industry-related services delivered by various CCT departments. These are largely facilitated by the City's Film Permit Office located within the Events Department.

The CCT also provides financial support to Wesgro's Film and Media Unit, which provides Investment Facilitation and Promotion for the local industry. The contract with Wesgro is managed by the City's Catalytic Sectors Unit, part of the Enterprise and Investment Department. The CCT funds film events and also offers investment facilitation and enterprise development assistance.

The CCT's Events Department also plays an enabling role in terms of industry engagement, facilitation, promotion and ease of doing business, by means of unlocking facilities and cutting red tape.

The support offered by the CCT is informed and directed by the CCT Film Policy and Protocol, 2004, the CCT Integrated Development Plan (IDP), CCT Inclusive Economic Growth Strategy (EGS) and the CCT Social Development Strategy (SDS).

The City is committed to working with all industry stakeholders to see the region's film industry take its rightful place on the continent and significantly add to job creation and the local economy.

This Film Strategy outlines the four strategic pillars to achieve this vision to attain the desired outcomes for Cape Town and the surrounding region:

1. Champion ongoing skills development
2. Drive marketing and sales
3. Facilitate transformation within the industry
4. Facilitate the development of infrastructure

It is of critical importance to expand the film office within the City to facilitate the partnership between government (all spheres) and the Film industry in order to enable the industry to reach its full potential. It has proved critical in other successful film regions and all research points to the need for a dedicated and well-resourced film office.

This growth can only be realised if government and industry work closely together, executing a strategy that will move the Cape Town film industry towards a bold vision of building a thriving, innovative, resilient and transformed film industry that positions Cape Town as the leading film hub in Africa.

International trends

Film is a dynamic sector. A mere 8 years ago there was no Netflix. Today Netflix has 158 million active subscribers alone and, along with Amazon, Apple, Disney and other content providers, has changed the way the world consumes media. Combine this with the fall in data prices around the world and the growth in cost-effective smartphones and it is easy to see why the film industry is in such a state of change.

According to the 2018 Theatrical and Home Entertainment Market Environmental Report, consumer spending in this sector was up 9% from 2017 to $96.8billion worldwide. Interestingly, digital and home entertainment grew by 16%, whereas box office theatrical releases grew by just 1%.

Cable Television still remains the highest revenue platform globally. And the number of global subscriptions to online video grew by an impressive 27%.

There was a 7% increase in cinema screens globally to 190 000. It is important to note that Asia grew at 13% due to China's aggressive theatre building programme that saw them go from 1 000 cinemas to 50 000 cinemas in just a decade.

In the 2019 Nostradamus Report (a Nordic film report) that canvasses film industry stakeholders for industry insights, there were some interesting macro trends:

1. Due to political populism, climate change, an increase in defense spending and instability in the global economy, public funding for films was shrinking.
2. The 4th industrial revolution, and specifically video streaming, was predicted to change the industry landscape.
3. Traditional cinema remains under threat and will need to reinvent itself if it is to survive.
4. Those who view new technologies like blockchain as an opportunity instead of a threat will win.

The 2020 Deloitte US Media and Entertainment Industry Outlook has predicted augmented reality and virtual reality apps will finally live up to their hype as the industry finds new ways of integrating them into their devices, applications and services.

Another category expected to continue its rapid growth is "eSports", a form of organized, online multiplayer video game sport competitions. Deloitte's most recent Digital Media Trends Survey revealed that professional gaming events are gaining serious traction, with 40 percent of gamers watching eSports events at least once a week. By 2020, the global e-sports market alone is expected to generate $1.5 billion in annual revenues.

The Global Games Report of 2019 predicts the total global games market will generate revenues of $152.1 billion, a 9.6% year-on-year increase.

A large proportion of this growth will come from smartphone games. And just as mobile gaming expands the market by making games accessible to billions of people across the globe, cloud gaming has the potential to expand the market for premium games beyond the current console and PC audience.

As the gaming industry adjusts to changes we can also expect to see challenges and innovations in business models, game development, content discovery, engagement options, and even shakeups to gameplay itself. The past year has seen some key players like Microsoft and Google unveiling cloud gaming platforms. Faster Internet and the imminent release of 5G make the technology feasible in more markets than ever, and companies are striking while the iron is hot.

Emerging markets are predicted to contribute most to the segment's growth. However, a range of other factors will also contribute, including more cross-platform titles, more smartphone users, and improvements in hardware and infrastructure.

It is a very capital intensive industry when competing at a global games level. Locally there is also an opportunity within the corporate gamification space for the development of educational and informative games.

Highlights from Africa

In a report commissioned by 234 Media in Nigeria called *Framing the Shot,* it was suggested that African counties take advantage of initiatives like the Continental Free Trade Agreement to grow the continent's film industry. The report also suggests that "Africa is the final frontier for film, with a large young population and prime consumers of film who have embraced technology and its potential for film production and consumption".

There is a great need right now to tell African stories to this new audience and there is a fear that if we do not plan, invest and collaborate today, the trade deficit around content consumption will widen and the opportunity to shape the content consumption tastes of future generations of Africans will be lost.

The report also suggests that digital platforms such as Netflix have democratised access to film but have narrowed the range of content that consumers are likely to see.

The report concluded that the 3 Key issues effecting film growth in Africa are **effective distribution**, **business skills and capacity** and **access to finance.**

Film and media South Africa

The Department of Sports, Arts and Culture (DSAC) and the National Film and Video Foundation (NFVF) have published documents and devised strategies to develop and drive the film industry forward.

It is important for the CCT to align with these strategies and work in partnership with many of the national initiatives like the NDP to deliver effectively at a metropolitan and regional level.

The Department of Arts & Culture's report, 'The Establishment of the Film Sector as a Catalyst for Economic Growth in South Africa: Toward a Sallywood – Framework", sets out a vision of creating a prosperous and inclusive South African film and television industry. Its mission: To support, develop, transform, promote and stimulate a distinctly South African film and television industry across the production cycle.

The primary goal of the DSAC in this respect is to create the *enabling environment* for the emergence of a transformed 'Sallywood' that contributes to national socio-economic goals. It is the state where South African and international audiences consume South African developed and produced audio-visual content, which features mainly South African actors, has largely been scripted by South African authors, and generates revenue that stimulates South African economic growth, transformation, development and job creation. Sallywood should also contribute to nation building and effective social cohesion and will build the skills and capacity of the sector to ensure its ongoing development and responsiveness.

The Sallywood document outlines the following key strategic objectives:

- A transformed film and television industry;
- An effective and efficient institutional Sallywood framework;
- A well-funded and resourced Sallywood;
- A highly skilled Sallywood;
- State of the art film and television infrastructure;
- An equitable geographic spread of film and television;
- Audience development to nurture local and international Sallywood fans; and
- Promotion and marketing of Sallywood products.

The DSAC has also mandated the National Film and Video Foundation, the agency responsible for the film industry in South Africa, to deliver on the following objectives:

- Promote and develop the film industry;
- Provide and encourage the provision of opportunities for persons 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; and

- Address historical imbalances in infrastructure and distribution of skills and resources in the film and video industry.

The NFVF fulfils its mandate by providing funding at the development, production and distribution phases of filmmaking and also offers training opportunities to both emerging and experienced filmmakers.

The NFVF also strives to fulfil the following objectives:

- Increase the number of South African films produced by Black South Africans, women and people with disabilities;
- Increase audience access to South African films;
- Increase the number of people trained in the industry, particularly in areas of scarce skills;
- Promote the South African Film Industry locally and internationally; and
- Promote social cohesion and the expression of the nation's stories through film.

The NFVF's 2014 National Film Strategy was developed to give guidance to the many departments such as Communications, Economic Development and Home Affairs, who help enable the film industry in some way. The strategy also seeks to encourage private sector investment which is seen as critical to the long-term success of the industry.

The strategy focusses on the following four strategic pillars:

1. HUMAN CAPITAL DEVELOPMENT AND TRANSFORMATION
   - Ensuring the equitable growth and development of the film Industry.
2. INSTITUTIONAL FRAMEWORK AND FINANCE MODELS
   - Ensuring that adequate funding models are in place to grow and sustain the film industry.
3. MARKETS FOR SOUTH AFRICAN CONTENT
   - Ensuring that South African content is accessed by the local and global markets.
4. INFRASTRUCTURE DEVELOPMENT
   - Ensuring that the appropriate infrastructure is developed to enable and support a growing film industry.

The CCT strategy should seek synergies with and leverage points contained within these national strategies to maximise delivery at a local level.

Cape Town and the Western Cape

The Grant Thornton Cape Town & Western Cape Film & Media Sector Study 2017, is a comprehensive document that provides insight into the local film industry as at 2017.

The study made the following recommendations:

1. Develop Western Cape Film Commission;
2. Establish skills development programmes;
3. Increase production infrastructure;
4. Develop a more inclusive Cape Town Permit Office website;
5. Establish an Academy of Excellence;
6. Promote Audience development;
7. CCT locations permit tariffs;
8. Stimulate Government training on film and media sector; and
9. Lobby for film incentives.

Some of these recommendations have been partly addressed such as the Cape Town Permit Office website and the CCT Locations Permit Tariff but the other suggestions still require action.

This study included a SWOT analysis as at 2017. During our 2018 industry research and interviews we added further data to the SWOT analysis that follows.

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ANNEXURE 3 - SWOT ANALYSIS

<table>
<tr><th>STRENGTHS</th><th>WEAKENESSES</th></tr>
<tr><td>GRANT THORNTON STUDY 2017
The Western Cape and Cape Town are rated highly as tourism destinations with world class infrastructure and amenities.
Diverse landscape and variety of locations within close proximity of city centre.
Competitive production cost rates when compared to major film markets and competing destinations.
Growing demand from international production companies to work in the Western Cape and Cape Town.
Highly skilled service industry has developed within the film industry.
High quality of crew and technical talents present in the film industry.
Innovative Post-Production service of international standards and level.
Internationally recognised film studio and facilities/backlogs available at the Cape Town Film Studio.
</td><td>GRANT THORNTON STUDY 2017
Lack of communication/collaboration between COCT departments during permitting process.
Access to locations such as city centre and beaches during peak season due to conflict with tourism industry.
Limited to weekend shooting in the city.
Lack of Film Commission or centralised organisation representing and promoting the industry on an international level.
Industry is not fully represented at international festivals and marketing efforts are currently limited.
Service driven industry with a lack of development in local content.
Limited training and development programmes.
Commercials and still photography is very strong in Cape Town however these forms of production are not included in DTI rebates.
Disconnect between industry and training providers.
</td></tr>
</table>

• Industry is well supported through government agencies such as Wesgro and industry associations. • Availability of DTI Incentives. **2018 RESEARCH** • International film business is built on strong client relationships. • The Cape offers great production value to clients. • Seen as second in the world to Los Angeles in production skills. • Excellent special effects, construction and car detailers. • Bandwidth, banking, infrastructure, light and crews are world-class.	**2018 RESEARCH** • The current CoCT Filming Policy and Protocol, adopted during May 2004, does not offer clear or contemporary direction in relation to the current Film Industry. • The CoCT does not have a Film and New Media Strategy and Policy. • The CoCT's bylaws that have an impact on Film and New Media, need to be reviewed. • Negative perception or under-appreciation of the film industry by internal CoCT departments, due to their lack of understanding of the impact and importance of the film industry to the local economy. • Incentives not as good as other film and media countries/cities. • Day Zero and the drought hurt the Western Province film industry, and not just in the short term - allowed other territories to step into the gap and retain this position. • Cape Town is not as strong on TV production as Johannesburg. • Greed (as expressed through rapid and substantial price increases by local service providers) has eroded our competitive advantage. • Lack of transformation in the industry. • Too much red tape – which adds to effort and cost. • No industry advisory task team. • Wesgro underfunded and under resourced. • Unnecessary red tape with regards to shooting on the WC roads has resulted in Cape Town losing car shoots to Portugal. • Our crews are 20% bigger than in Europe (bad for budget/good for employment). • Councillors are perceived as not being helpful in enabling film shoots.

	• Line departments within the CoCT are the biggest stumbling block for the ease of doing business (EODB). • Visas still an issue (too much effort for international directors). • CoCT's Permit Office needs more resources (but they do their best!). • Technology: Lack of integrated booking system for CoCT facilities. • Technology: Lack of online system to messaging residents so that they can be informed of any road closures or disruptions.
OPPORTUNITIES	**THREATS**
GRANT THORNTON STUDY 2017 • Creation of a Film Commission. • Improvement of Cape Town film office which houses the CoCT's permitting office. • Increase production infrastructure and storage of backlogs in the COCT. • Simulation and implementation of South African Communications Industry Association (SACIA) Mentorship programme to encourage skills transfer at higher levels. • Implement tariff system for films permits to address capacity issues at CoCT Film Permit Office. • Audience development to stimulate demand for local content and provide distribution channels and access to communities. • Collaboration between public and private sector to create an Academy of Excellence which addresses current training needs and gaps in the industry. • Training of government departments regarding film.	**GRANT THORNTON STUDY 2017** • Industry is dominated by a handful of production companies and individuals creating a barrier to entry for small production companies. • Exchange rate volatility. • Flight access from international destinations. • Visa and work permits regulations. • Due to an inconsistent work flow, the industry is seen as unstable. • DTI incentives are under review, which has created uncertainty in foreign investment opportunities. • Low return on investment when producing local content as there is limited demand from international markets for South African content. • Industry is seasonal and largely project-based, which detracts from its attractiveness as a viable employment option. • Development of post-production activities is reliant on access to high speed broadband internet, which is expensive.

2018 RESEARCH	2018 RESEARCH
• Win more TV production for the Cape (not as seasonal as film). • Conceptualise and develop our own local content. • FILMSA - South African Film Academy - have great transformation case studies. • Create a city that is "open for shooting" ("Film-friendly"). • We need to collaborate with business to create film-friendly packages - hotel offers, car hire offers, studio offers etc. • We need an independent film commissioner that has good industry experience (International best practice). • Organise location marketing at expos around the world to promote the region. • Let residents know how much the film industry contributes towards the local economy and job creation. • Let residents know what the FILM FUND (Film Industry collects % of profits) does for local communities. • Use industry icons to bring business back to Cape Town and South Africa. • Use radio to announce daily film shoots like in L.A. • Create a COCT incentive for Film. • Open L.A. and/or London-based Cape Film Office. • Open new locations – Department of Defense. • Build Film Tourism (Frozen - 37% increase in tourism to Norway, The Beach – 22% increase to Thailand, Lord of the Rings - 50% increase to NZ). • Cape Town should be the gateway to filming in Africa. • Leveraging Brand SA and other local marketing bodies.	• The global film industry is being disrupted by Netflix, Amazon, Google. • Johannesburg TV productions are using smaller crews – Cape Town film crews are bigger (cost implications). • Locations (and some crews) have been overcharging. • Perception of NFVF being corrupt. • Political instability at the CoCT has been affecting international perceptions of Cape Town. • The region not focusing on the right 3 local industries - currently Oil, Agriculture, Tourism (Film should be included). • We are losing skills to other countries. • Big commercial budgets have been cut globally. • Local shop owners extort money out of producers on set. • Crime issues and risk – should an incident with a high profile actor occur, the reputational damage could be significant. • International market perception that we are making things more difficult in order to charge more for productions. • Perception amongst locals that the film industry makes an absurd amount of money. • Perceived threat of listeriosis and ebola (America). • Left hand drive (LHD) vehicles having difficulty entering the country. • Growing alienation of locals due to disruptions caused by road closures due to film shoots, perceived exclusion from benefits (along with inadequate communication and buy-in efforts).

• Tactically leverage Cape Town's consistent award-winning performance as one of the best global fun/entertainment/party/experiential destinations - International film crew also like to work in a beautiful and enjoyable place.	

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ANNEXURE 4- KEY ACTIVITIES TO EFFECT THE EXPANSION OF THE CCT FILM OFFICE

Taking into account what could be learnt from international best practice, the need to further develop and promote the Film Industry in Cape Town, and given the size and economic importance of the film industry in the city, it is recommended that the Cape Town Film Office be expanded within the City. The below table unpacks important considerations for each of the key activities associated with effecting the expansion of the CCT film office. These activities will form the basis of the development of a business plan for the office, which outlines its resource requirements in relation to its desired functions and objectives.

	ACTIVITIES	CONSIDERATIONS
1.	Scope mandate and responsibilities of the CCT Film Office	– Work with the industry to promote Cape Town to local, national and international clients. – Work with internal CCT service departments and other government spheres to cut red tape and promote the value of film within CCT. – Promote the film industry to the residents and businesses of Cape Town (create a film-friendly city). – Nurture and grow local skills and talent. – Work to assist with accelerating transformation within the film industry. – Grow the capacity to develop local content and tell African stories. – Develop and grow the local film audience. – Assist the local film industry with funding and incentives. – Work with NFVF, DTI, the Provincial Department of Cultural Affairs and Sport (DCAS), DSAC and other government bodies to promote the region (Film City). – Establish measurement mechanisms for the ongoing monitoring of progress.

	ACTIVITIES	CONSIDERATIONS
		– Assist with the development of infrastructure that would build filming capacity. – Develop and extend co-production treaties and partnerships.
2.	Develop the brand, structures, frameworks and protocols to give effect to the CCT Film office's objectives	Create the right framework for the expanded Film office. Establish a task team comprising industry role-players selected from the public and private sectors, academia and interest groups. Develop an office that is focused on delivering of the film office mandate. Develop a transparent process for the facilitation of new business into the region. Ensure the film office can influence other local as well as provincial and national government. Develop the appropriate brand identity for the office. Create a structure to grow a thriving, innovative, resilient and transformed local film industry by delivering on the following pillars: – Champion ongoing skills development – Drive marketing and sales – Transformation of the industry – Development of film infrastructure
3.	Conduct an analysis of the financial and human resource requirements for the CCT Film Office to be able to deliver on its objectives	– What skill-sets are required of the persons who will form part of the expanded office? – What are the collective skill-sets required to deliver on the mandate? – What resources are required to run and manage the office expanded office? – What are the tasks required by each position? –
4.	Motivate for the funding and resource allocation for the expansion of the CCT Film office	– Draw up a budget for the office. – Motivate for the requisite funding through the various CCT processes for the office. – Is there a private/industry funding mechanism for ongoing capacity building?

	ACTIVITIES	CONSIDERATIONS
5.	Develop a policy to support the functions of the CCT Film office	– Ensure that the appropriate policy is drawn up to guide/support the new film office. – Look at the learnings from the past to create clarity and certainty.