

**Film and Publication Board**

**Annual Performance Plan**

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**for the**

**fiscal years**

**2012/13 – 2016/17**

**February 2012**

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## Foreword

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### Executive Authority of Film and Publication Board

#### Official Sign Off

It is hereby certified that this strategic plan:

- Was developed by the Council and Management of the Film and Publication Board under the guidance of the Minister of Home Affairs, Dr. Nkosazana Dlamini Zuma.
- Was prepared in line with the current Strategic Plan of the Film and Publications Board.
- Accurately reflects the performance targets which Film and Publication Board will endeavour to achieve given the resources made available in the budget for 2012 / 13

Mr. Jonas Phoshoko (Chief Financial Officer)

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Ms. Yoliswa Makhasi (Chief Executive Officer)

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Mrs. NTF Mpumlwana (Chairperson – FPB Council)

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Dr. NC Dlamini Zuma (Minister of Home Affairs)

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## Abbreviations and Definitions

### Definitions:

**Strategies:** These are elements that are unlikely to change even over a long period of time, except due to some sort of major external disruption (e.g. Cabinet decides that there will only be one regulator for multi-media content in South Africa) and define the key pillars of the Film and Publication Board's (FPB's) business.

**Strategic Outcomes:** Outcomes are results generated through the implementation of programmes, and should correspond to strategic objectives.

**Strategic objectives** are organisational intentions geared towards responding to the FPB's various challenges, aspirations and mandate.

**Key performance Indicators:** Indicators are quantitative/qualitative statements or measured/observed parameters that can be used to describe performance and measure changes or trends over time.

**Programme:** It is a collection of projects that together achieve a beneficial change for an organisation.

**Projects:** These are temporary structures designed to achieve certain specific objectives within a given budget and organisation, and within a specific period of time.

**Strategic initiatives** are broad actions the organisation will undertake to achieve its objectives.

### Abbreviations:

FPB - Film and Publications Board

PFMA - Public Finance Management Act

KPI - Key performance Indicator

IT - Information Technology

CCMA - Commission for Conciliation, Mediation and Arbitration

SO - Strategic Objective

ICT - Information and Communication Technology

DOC - Department of Communication

DHA - Department of Home Affairs

SARS - South African Revenue Services

SAPS - South African Police Services

BCCSA - The Broadcasting Complaints Commission of South Africa

SAFACT - South African Federation Against Counterfeit

INHOPE- International Association of Internet Hotlines

ECHOTL - Eastern Cape House of Traditional Leaders

ICASA - The Independent Communications Authority of South Africa

NPA - National Prosecuting Authority

MOU - Memorandum of understanding

HR - Human Resources

EA - Executive Authority

PEGI - Pan European Game Information

ESRB -The Entertainment Software Rating Board

FPGs - Films, games and publications

## **Introduction**

The Film and Publication Board (FPB); as a Schedule 3A entity in terms of the PFMA Public; is required to submit annually, on a rolling basis, a proposed strategic plan to the DHA.

This document is based on a review of the strategic direction of the FPB, carried out by management and Council during June/July 2011. The review took cognisance of the needs of the FPB's stakeholders and clients, its mandate, as well as the role that the organisation can play in meeting South African national objectives and priorities.

The plan includes multi-year projections of programmes and initiatives, and is based on the revised 5 year strategic plan.

## **1A. Part A: Strategic overview**

### **1A.1 Updated Situational analysis**

#### 1.1 Performance Delivery Environment

The core mandate of the FPB is to classify content of films, publications and games (fpgs), to inform consumers and protect children. For the past three to five years, the FPB has been classifying on average, just under 7000 fpgs annually, with minimal year on year growth. The FPB has however noticed a significant decline in submissions of material through traditional platforms, which is largely attributable to the fact that content is increasingly available on digital platforms, and is in the main unclassified.

The FPB will therefore focus on the classification and monitoring of content on digital platforms as per the technological trends highlighted in the strategic plan. These technological advancements allow for increased accessibility of content without strict monitoring / parental control; and allow for easy mass distribution, thereby increasing the need for the consumer to be educated in particular children, to prevent exposure to inappropriate content.

In essence the FPB services three industries, viz, films, games and publications. Significant technological advancements are evident in all three industries. The capacity and capability of the FPB needs to reflect these changes in order to better position itself to efficiently regulate this growing and technologically advanced industry. The FPB legislation needs to also be updated to match the changes in the environment.

More than ever, there is a greater need to educate parents, teachers and children in order to reinforce protection of children from harmful exposure to inappropriate content, in particular, the internet.

Significant challenges over the five year period for the FPB include:

- Inadequate or inappropriate capacity and capabilities (skills and systems, in particular IT, research, administration and industry specific expertise).
- Proliferation of content on various platforms (local and international), accessible to South African citizens, especially online.
- Proliferation of illegal content.

- Cyber safety as it relates to children.
- Increased emphasis on governance and compliance.
- Diversification of funding sources to meet an expanding mandate.
- Regulation of new media platforms.
- Management of performance information (ensure accuracy of stats and our performance information reports).
- Information security and management in the organisation.
- Buy in of certain industry players on amendments
- Staff issues (CCMA cases).
- Absence of an effective performance management system that ensures reward for good performers.

Although the FPB mandate has been widened to include cyber safety, there have been many challenges that have inhibited progress in this regard, while children continue to be exposed to danger on these platforms. The clandestine nature of child pornography continues to be a stumbling block and makes it very difficult for the general public to cooperate with FPB and other law enforcement agencies in reporting and taking action on these horrendous crimes against children. The exposure of children to potentially harmful content in the form of sexually explicit content is likely to also increase as paytv increasingly stretch the boundaries to attract customers with initiatives such as 24 hour pornographic channels, video on demand distribution platforms. The mushrooming of illegal content such as pornography on local websites is also a new problematic trend with consumers demanding more social, local and mobile content which is in the main user generated and at times illegal.

The FPB further recognises the need to ensure that the entire value chain of the production and distribution of films games and publications industry is educated and monitored to prevent creation and distribution of content that's outlawed by the FP Act.

To ensure convergence and explore mechanisms for a unified approach to classification of content in the country, the FPB continuously engages other content regulators. It is noted that a unified and consistent approach is necessary in this regard to ensure alignment on content regulation / classification throughout the country.

The FPB's 24 hour anonymous child pornography reporting facility for blowing the whistle on any child pornography uncovered on the internet is in place. The FPB has has partnered



with its international counterparts to ensure worldwide cooperation, making South Africa the 33<sup>rd</sup> country to join the global fight against the scourge of child pornography, and the first in Africa. There is now a greater need to enhance local and international partnerships to curb the scourge and protect children.

The FPB is guided by a Council, which provides strategic direction in line with the requirements of the Film and Publication Act of 65 of 1996, as amended, with relevant committees (Audit and Risk, HR and remuneration, and Operations) and complies with the National Treasury Risk Management Framework. Furthermore, it also has in place a fraud prevention and a business continuity plan and seeks to be fully compliant on governance issues in line with King III requirements.

The key FPB processes are mainly manual and paper based, and need automation and to be moved them from paper to electronics. The FPB, which is mainly funded from a government grant and regulation fees, has received an unqualified audit report for the past three years.

## **Conclusion**

Various partners in the form of regulators in the industry, consumer protection agencies, state departments, law enforcement agencies are very crucial to the work of the FPB from film content classification, distribution, consumer protection and law enforcement perspectives. Although there is no direct overlap of legal mandates between the FPB and some of them, for the FPB to achieve its objectives and play a role in the market in which it operates FPB needs to establish close working relations with the organizations identified above. It remains the prerogative of the FPB to identify the organizations with whom it can conclude formal Memoranda of Understanding and Standard Operating Procedures. The FPB operates in a rapidly changing environment which requires up to date, integrated and adaptable processes, strategies, systems and a skilled technologically savvy workforce complement. The technological advancements require a vigilant and well informed society as inappropriate content, produced and disseminated from both local and international sources, becomes readily available to children and generally not retractable from the public spaces. The proliferation of illegal content in the films and games industries in particular, and the proliferation of inappropriate content in publications especially, not only requires a skilled

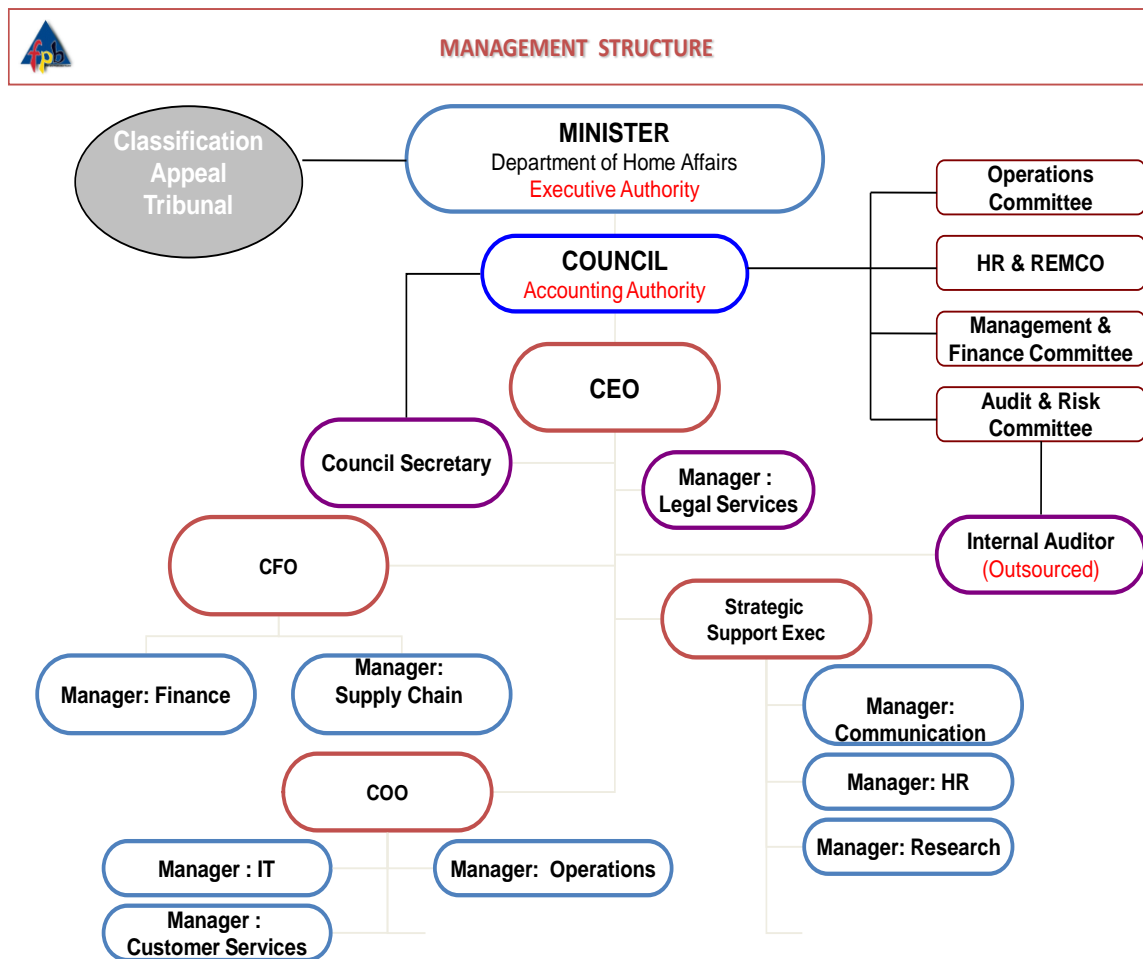
workforce but also requires a well capacitated / resourced regulator with appropriate and sufficient powers to ensure compliance and protection of children.

## 2. Revisions to legislative and other mandates

There have been no significant changes to the FPB’s legislative and other mandates. There is however a pending judgement, which may affect the work of the FPB if confirmed.

## 5.2 Organisational environment

The FPB Council has recently approved a turnaround strategy and proposed structure as follows:



Expenditure estimates

**Table A.2 Film and Publication Board: information**

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Research	2 024	432	280	567	421	719	6 062
Child Protection	1 829	2 343	2 521	11 854	12 214	14 128	14 976
Compliance	9 288	7 654	10 798	9 017	11 513	12 146	12 976
Classification	8 316	3 468	7 267	7 509	9 539	10 064	10 668
Governance	2 063	765	1 500	3 644	5 120	5 402	5 726
Other Objectives	30 021	37 437	42 151	38 868	36 111	37 108	39 334
<b>Total expense</b>	<b>53 541</b>	<b>52 099</b>	<b>65 517</b>	<b>75 459</b>	<b>79 918</b>	<b>84 567</b>	<b>89 641</b>

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
Statement of financial performance	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
<b>Revenue</b>							
<b>Tax revenue</b>	-	-	-	-	-	-	-
<b>Non-tax revenue</b>	<b>11 365</b>	<b>9 325</b>	<b>10 300</b>	<b>10 001</b>	<b>10 952</b>	<b>11 904</b>	<b>12 618</b>
Sale of goods and services other than capital assets	10	-	-	-	-	-	-
<i>of which:</i>							
<i>Admin fees</i>	-	-	-	-	-	-	-
<i>Sales by market establishments</i>	10	-	-	-	-	-	-
<i>Other sales</i>	-	-	-	-	-	-	-
<i>Other non-tax revenue</i>	11 355	9 325	8 968	10 001	10 952	11 904	12 618
<b>Transfers received</b>	<b>33 927</b>	<b>39 797</b>	<b>56 187</b>	<b>65 458</b>	<b>69 372</b>	<b>73 038</b>	<b>77 373</b>
<b>Total revenue</b>	<b>45 292</b>	<b>49 122</b>	<b>65 155</b>	<b>75 459</b>	<b>80 324</b>	<b>84 942</b>	<b>89 991</b>
<b>Expenses</b>							
<b>Current expense</b>	<b>53 541</b>	<b>52 100</b>	<b>61 534</b>	<b>75 459</b>	<b>79 918</b>	<b>84 567</b>	<b>89 641</b>
Compensation of	22 376	25 589	27 461	32 613	36 356	39 820	42 209

employees								
Goods and services	26 756	22 955	33 570	40 894	41 600	43 400	46 185	
Depreciation	4 332	3 498	460	1 952	1 962	1 347	1 247	
Interest, dividends and rent on land	77	58	43	-	-	-	-	
<b>Transfers and subsidies</b>	-	-	-	-	-	-	-	
<b>Total expenses</b>	<b>53 541</b>	<b>52 100</b>	<b>61 534</b>	<b>75 459</b>	<b>79 918</b>	<b>84 567</b>	<b>89 641</b>	
<b>Surplus / (Deficit)</b>	<b>(8 249)</b>	<b>(2 978)</b>	3 621	-	<b>406</b>	<b>375</b>	<b>350</b>	
				<b>65 517</b>				
<b>Acquisition of assets</b>	<b>3 443</b>	<b>996</b>	<b>1 518</b>	<b>2 445</b>	<b>1 700</b>	<b>370</b>	<b>392</b>	
<b>Statement of financial position</b>								
Carrying value of assets	6 530	3 926	4 423	4 916	4 654	3 677	2 822	
<i>of which:</i>								
<i>Acquisition of assets</i>	3 443	996	1 518	2 445	1 700	370	392	
Investments	-	-	-	-	-	-	-	
Inventory	-	-	-	-	-	-	-	
Loans	-	-	-	-	-	-	-	
Accrued Investment Interest	-	-	-	-	-	-	-	
Receivables and prepayments	1 888	833	355	147	245	521	521	
Cash and cash equivalents	1 001	47	2 956	1 073	2 262	4 478	5 648	
Non-Current assets held for sale	-	-	-	-	-	-	-	
Defined benefit plan assets	-	-	-	-	-	-	-	
Taxation	-	-	-	-	-	-	-	
Derivatives financial instruments	-	-	-	-	-	-	-	
<b>Total assets</b>	<b>9 419</b>	<b>4 806</b>	<b>7 734</b>	<b>6 136</b>	<b>7 161</b>	<b>8 676</b>	<b>8 991</b>	
Accumulated surplus/deficit	772	(2 206)	1 415	1 415	1 821	2 196	2 546	
Capital and reserves	-	-	-	-	-	-	-	
Capital Reserve Fund	-	-	-	-	-	-	-	
Borrowings	-	-	-	-	-	-	-	
Finance lease	454	287	512	542	702	1 220	1 185	
Accrued Interest	-	-	-	-	-	-	-	
Deferred income	-	-	-	-	-	-	-	
Trade and other payables	6 159	5 285	3 976	2 381	2 570	2 882	2 882	

Taxation	-	-	-	-	-	-	-	-
Provisions	2 036	1 440	1 830	1 798	2 068	2 378	2 378	
Managed funds	-	-	-	-	-	-	-	-
Derivatives financial instruments	-	-	-	-	-	-	-	-
<b>Total equity and liabilities</b>	<b>9 421</b>	<b>4 806</b>	<b>7 733</b>	<b>6 136</b>	<b>7 161</b>	<b>8 676</b>	<b>8 991</b>	
<b>Contingent liabilities</b>	-	-	-	-	-	-	-	-

## PART B: Programme and subprogramme plans

Consultation on programme performance indicators with oversight department and National Treasury is scheduled to happen in January 2012

Programme : there are no changes

### 4.1. Strategic Objective annual targets for 2012/13

- attached annexure A

### 4.2 Programme performance indicators and annual targets for 2012 / 13

- attached annexure A

### 4.3 Quarterly targets for 2012 / 13

- attached annexure A

## 4.4. Performance and Expenditure trends

Over the MTEF period, spending will focus on expanding activities aimed at preventing child pornography on the internet. These activities include: working closely with international organisations, researching human trafficking trends, classifying films, monitoring suppliers for compliance, and establishing working relations with international organisations.

The transfer from the Department of Home Affairs is the main source of revenue for the Film and Publication Board. Other revenue sources include fees for the classification of films and publications, registration fees for the registration of new distributors, and penalty fees for distributing illegal or unclassified material. The transferred amount is expected to increase from R33.9 million in 2008/09 to R77.02 million in 2014/15 to accommodate capacity building in human resources, compliance monitoring and financial management. Other revenue is expected to increase from R11.3 million in 2008/09 to R12.6 million in 2014/15.

The board's main expenditure items include salaries and staff development, travel and accommodation, workshops and meetings, communications and marketing, and research. Expenditure increased from R53.5 million in 2008/09 to R75.4 million in 2011/12 at an average annual rate of 29 per cent. This was mainly as a result of an increase in expenditure in the following categories: goods and services, which grew due to projects undertaken by

our child protection unit; and compensation of employees, which was due to an increase in the number of compliance monitoring personnel and classifiers as per our strategic plan.

Expenditure is expected to grow over the MTEF period at an average annual rate of 16 per cent to reach R89.6 million in 2014/15. This is due to increase in number of movies to be classified over the MTEF period and increase in number of projects to be undertaken by our child protection unit and compliance unit.

**Table X.X: Detail of approved establishment and personnel numbers according to salary level<sup>1</sup> (Table header)**

	Post status as at 30 September 2011			Number of posts filled/planned for on funded establishment						
	Number of posts on approved establishment	Number of funded posts (establishment)	Number of vacant posts	Actual			Mid year <sup>2</sup>	Medium-term estimate		
				2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Executive Board Members	9	9	-	6	6	9	9	9	9	9
Executive Management Senior	1	1	-	1	1	1	1	1	1	1
Executive Management Middle	3	3	3	3	3	3	3	3	3	3
Executive Management Professionals	12	12	2	12	12	9	12	12	12	12
Skilled	-	-	-	-	-	-	-	-	-	-
Semi-skilled	51	51	3	51	65	51	52	52	52	52
Very low skilled	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>76</b>	<b>76</b>	<b>8</b>	<b>73</b>	<b>87</b>	<b>73</b>	<b>77</b>	<b>77</b>	<b>77</b>	<b>77</b>
Compensation (R thousand)				22 376.0	25 589.0	27 461.0	32 613	36 613	39 820	42 209
Unit cost (R thousand)				306.5	294.1	376.2	423.5	472.2	517.1	548.2

1. Data has been provided by the entity

2. As at 30 September 2011

#### 1.1.1.1 Personnel information (H4)

The Film and Publication Board has a total establishment of 76 posts of which 65 are filled and 11 are additional to approved establishment. There are 9 vacancies within the FPB of which most of these vacancies are at management level. The number of filled posts is

expected to increase by 9 in 2011/12 in order to improve service delivery with in FPB. The ratio of support staff to line staff is currently 3:93 which the FPB believes is within acceptable norms.

Compensation of employees' expenditure increased from R22.3 million in 2008/09 to R32.6 million in 2011/12 at an average annual rate of 32 per cent. This was mainly as a result of an increase in the number of compliance monitoring personnel and classifiers as per our strategic plan.

Expenditure is expected to grow over the MTEF period at an average annual rate of 22 per cent to reach R42.2 million in 2014/15. This is due to increase in number of employees and salary packages over the MTEF period.