



# Research on the Status Quo and Socio-Economic Impact of Micro-Budget Filmmakers in KwaZulu-Natal



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**Composite Report**

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## Executive Summary

The KZN Film Commission (KZNFC) appointed Lumec (Pty) Ltd to undertake research on the micro-budget film sub-sector and obtain information that will assist in its planning and funding processes of micro-budget films. This sector has the potential to provide opportunities for historically disadvantaged individuals to enter into the film sector, and aid in the transformation of this sector. The overall objective of the study seeks to provide an analysis of the status quo of the micro-budget film sector and to measure the socio-economic impact of micro-budget films produced in KwaZulu-Natal in the past 10 years. The study utilises both primary and secondary research methodologies, which combines desktop information and data, key findings from stakeholder interviews, and results from a micro-budget filmmaker workshop and filmmaker questionnaire survey.

There was no agreed or set budget for micro-budget films until the first model was introduced by broadcasters (Mzansi Magic) in the range of R100,000. According to the South African Film and Television Awards (SAFTA), micro-budget films (full-length feature films with a running time of a minimum of 40 minutes) have a budget of less than R250,000. The KZN Film Commission's latest Funding Policy states that a micro-budget film is a film produced for under R1,2 million. From a general South African industry perspective, there is a broad consensus that to make a good quality micro-budget film would require a budget upwards of R350,000-R500,000.

As a result of South Africa's history of apartheid, most Africans were excluded from the mainstream film industry. Through the micro-budget model, historically disadvantaged and marginalised individuals are able to find their place within the film industry. It is a unique model and sub-sector of the broader film industry and should be viewed as an alternative model that exists independently, with its own market, and stimulates the creation of new jobs and development of skills. The micro-budget model provides an opportunity for the KZN province, and South Africa as a whole, to create a more sustainable, inclusive film industry where local stories are being told in local languages and are being consumed by local audiences.

Globally, there are numerous examples of institutions and programmes that provide support to micro-budget filmmakers. One of the most common findings across the various support institutions was that funding schemes are often coupled with incubation-style training, mentoring and skills development programmes. Training is often provided for the full spectrum of the value chain, from script development through marketing and distribution. Projects identified for training and funding programmes can be subject to a phased approach which essentially requires projects

to pass through a range of elimination steps that allows the most suitable and potentially viable projects to be prioritised.

Nationally, the key institutional support and funding mechanisms that exist are via the National Film and Video Foundation (NFVF), the Department of Trade and Industry (dti) and the Industrial Development Corporation (IDC). The NFVF is the primary institution mandated to support the film and television industry and it has a three-tiered funding approach that ensures that all levels of filmmakers are included. Funding is provided for development, production, post-production, marketing and distribution, and education and training. The NFVF also developed the National Film Strategy for South Africa (2014), which presents a number of plans aimed at ensuring that the industry continues to grow to become a sustainable source of economic development and transformation. The dti provides film-related incentives while the IDC's Media and Motion Pictures unit provides funding of up to R1 million for new or existing companies within the media and motion pictures sector.

Within KZN, the KZNFC is mandated to develop the provincial film industry through facilitation of support throughout the film value chain. The KZNFC offers a variety of services, most importantly funding and skills development and training. The KZN Film Fund specifically provides funding for micro-budget filmmakers (feature films under R1,2 million) and provides R120,000 for development and R400,000 for production. Training includes an on-going bursary programme, SMME incubation programme, and the KZN Film Industry Transformation Initiative (FITI). Regionally, eThekweni Metro and Ugu District are the only municipal areas with a dedicated film office. The Durban Film Office has been driving a micro-budget programme for the past 4 years, which offers a maximum of R150,000 for a feature length film production. Most other district and local municipalities do not have a formal film office, formal policy or support structures in place to facilitate and support filmmakers.

Filmmaker surveys undertaken assisted in the profiling of micro-budget filmmakers in KZN. Although only 20 respondents had produced micro-budget films, these responses provide a realistic view of the micro-budget filmmaker market segment. A total of 65% of filmmakers are under the age of 35 years and are therefore classified as 'youth', while another 30% were aged between 36 and 45 years. The gender profile of filmmakers comprises 75% male and 25% female, while the racial split is 92% African, and 5% Indian and 5% Coloured. In terms of place of residence, the majority of respondents who have made a film in KZN were from eThekweni (75%), followed by Newcastle with 15% and both Stanger and Port Shepstone with 5%.

The total number of films made by the 20 micro-budget filmmakers that responded to the questionnaire was 75. A quarter of filmmakers produced only 1 film, 15% produced 2 films, 30% produced 3 films, 20% produced 4 films, while only 1 filmmaker has made around 25 films. Drama is the most popular genre with 75%, followed by comedy with 30%, and action with 15%. Almost 95% of filmmakers play the role of both scriptwriter and producer in an average production, while almost 80% of filmmakers also play the role of director and 58% also act as the editor.

Understanding the education and training received and current employment status of micro-budget filmmakers assists to provide an idea of the type of skills filmmakers have, the training support they require. Over 40% of filmmakers have never received a formal education, while 24% had received a diploma (mainly DUT Video Technology), and 19% received a national certificate (Creative Arts College and Movie Tech). Most filmmakers have attended at least 1 training programme provided by the DFO, KZNFC and NFVF, of which 46% of total programmes attended were KZNFC programmes, 30% were provided by the DFO, and 24% were provided by NFVF. The most common programme was script development (30%) followed by 27% with micro-budget programmes (either funded by the DFO or KZNFC). A shortage of training in business skills and post-production was evident. In terms of employment, 70% of respondents are self-employed, another 10% are employed part-time, 15% are unemployed, and students comprise 5% of filmmakers. Of the 80% of filmmakers who were either self-employed or employed part-time, 76% are so within the film industry. Every filmmaker who has made a film in the past 5-10 years in KZN has a registered company (as this is a regulation in order to receive funding).

The primary driver to make micro-budget films is a lack of funding and resources, which limits access to cast and crew, reasonable equipment, locations, transportation, and other services such as catering, security, and insurance. A number of micro-budget filmmakers also noted that they are driven by a passion for film and storytelling and that they want to challenge perceptions about micro-budget films being low quality. Micro-budget filmmaking is also an entry point into film production, an employment opportunity, and develops and supports new talent.

Access to funding is the most identified challenge with almost 80% of all filmmakers stating this as a challenge. The challenge of marketing (68%) and distribution (63%) follows, along with access to quality cast and crew (52%) and access to equipment (47%). Access to locations, government and industry support, and transport all received 42% of filmmaker responses. Only about 16% of all filmmakers noted that managing their budgets is a challenge, although other industry stakeholders have identified this as a major challenge. Retention of intellectual property (IP) is a challenge for some filmmakers, particularly in relation to the Mzansi Magic model, which

purchases the IP along with the film. The broadcaster only allows filmmakers 2 years within which to sell DVDs before the IP is transferred to Mzansi.

Critical success factors were identified based on key findings from surveys and interviews, and are supplemented with inputs from global best practice where relevant. In line with the challenges and drivers above, adequate funding is an extremely important factor. Adequate funding goes hand-in-hand with proper management of budgets, which is a major constraint that many filmmakers face, given limited education and training. What is extremely important is ensuring that filmmakers produce multiple films per year to create critical mass. Other drivers of success include having a lean and experienced cast and crew, an experienced producer, good script-writing and storytelling, and reasonably good equipment. In addition, it is important to only use a few locations and have adequate transportation for cast and crew. Filmmakers also identified having sufficient mentorship and training support as critical, while post-production, and marketing and distribution support were also important for a successful production.

Most filmmakers utilise social media as a marketing channel, followed by 90% with word-of-mouth, and less than half of filmmakers use posters. A few filmmakers use print media (42%) or radio (36%), or have advertised on TV (only 10%). In terms of distribution, DVD was the most utilised platform with almost 70% of filmmakers having released at least 1 film via DVD. The majority of DVDs are distributed via word-of-mouth and direct sales at taxi ranks, train stations, car-boot sales, door-to-door sales, flea markets, and Film Festivals. Over 50% released at least 1 film at film festivals, followed by 43% via YouTube and 37% via television. No filmmakers released films via cinema or video-on-demand (VOD) platforms. Only 30% of filmmakers have received international exposure, while 35% have received awards for their films, including Simon Sabela Awards, EFA Awards, DIFF awards, and a SAFTA nomination.

The total value of films produced by the surveyed filmmakers is just less than R10 million, while the average film value is R164,500. Although 60% of films are under the value of R100,000 these only account for 16% of the total value of films produced. Films with a value of over R250,000 contribute 30% to the total number of films, but over 74% of total film value, which was R7,35 million. Given that the total annual turnover of the entire KZN film industry was R239 million in 2015 (KZNFC Baseline Study, 2015), the study estimates that the 60 identified micro-budget films contributed just under 1% of the total KZN film industry turnover over the 5-year period.

A total of 35% of filmmakers do not make any profit, with another 20% of filmmakers making between 1 and 5% profit. In terms of breakdown of budgets, no filmmakers paid nothing for cast

and crew – 82% pay up to 20% for cast while 71% pay up to 20% on crew. Equipment is the most expensive aspect of budget, with 60% of filmmakers paying up to 20% on equipment and another 35% paying more than 20% of their budget. In comparison, no filmmakers paid more than 20% of their budget on transport or location hire (although 88% of filmmakers do spend up to 20% on transport). Marketing, distribution and post-production predominately comprise less than 10% of the total budget, while 20% of filmmakers do not pay for marketing and distribution and a quarter do not pay for post-production. The least paid for items are insurance and security, with almost 70% not paying for security, 44% not paying for insurance, and no filmmakers paying more than 20% of their budgets on either.

In relation to leakages, 90% of filmmakers produce all their films in KZN, with the remaining 10% producing between 80-90% of their productions in KZN. In addition, 63% of filmmakers source all their cast and crew from within KZN, while another 27% source between 91% and 99% from within KZN. As such, there is only a very small leakage of funding and employment outside of KZN. Cast and crew are generally remunerated in cash although other remuneration includes being credited for their contribution, provision of food and transport money, and trade agreements.

In relation to work opportunities created, on an average production, between 12 and 18 work opportunities are created for cast members, 9-14 for crew members, and between 8 and 20 are created for indirect services such as catering, insurance, security, transport and post-production. Therefore, in total, between 30 and 52 work opportunities are created on an average micro-budget film production. A micro-budget production generally takes about 3 months to produce on average (according to more established micro-budget filmmakers).

The least accessed funding streams are dti film incentives (80% have never accessed incentives from dti), followed by 74% who have never had a film commissioned by Mzansi Magic, and 74% who have never taken a loan from a bank. Almost 70% of all filmmakers have never received funding from commercial sponsors, while 58% have never received funding via the DFO micro-budget programme and 47% have never received grant funding from the NFVF or KZNFC. Approximately 20% of filmmakers would fund 91-100% of an average film via personal funding while 42% would fund up to 10% from personal funding

In conclusion, based on the key findings from the research some recommendations are made so that micro-budget filmmakers can be supported to become more sustainable and develop into financially viable businesses that create employment, generate skills, and foster transformation within the industry. Recommendations include:

1. A change in the funding approach via coordination of funding sources, providing funding for post-production and marketing and distribution, and provided detailed feedback on applications;
2. Provision of training and support via a KZN micro-budget programme, co-ordination with other micro-budget programmes, a focus on business and skills, and mentorship through internship positions;
3. Filmmaker support via a micro-budget filmmaker forum, a production tool-kit, national-level micro-budget research, and engagement with Mzansi Magic to improve the current model; and finally,
4. Improving marketing and distribution via seeking alternative models for micro-budget films, strengthening relationships between KZNFC and broadcasters, encouraging a greater focus on micro-budget films at film festivals in KZN, and a standing micro-budget focus at the Durban FilmMart.

## 1 Introduction

### 1.1 Background to the Study

This project was initiated by the KZN Film Commission (KZNFC) to undertake research on the socio-economic impact of micro-budget films in KwaZulu-Natal (KZN) in order to assist the KZNFC in its planning and funding processes of micro-budget films. Micro-budget films address the mandate of KZNFC which is “to create space and a platform to address transformation and to provide opportunities for the historically disadvantaged individuals to enter into the film sector”. The rationale for this study is that the majority of films that are funded by the KZNFC are micro-budget films and currently, there is no research on the status quo of micro-budget films and the impact of this film sector. The challenges and opportunities facing micro-budget filmmakers need to be identified in order to grow this segment of the market. As such, the KZNFC requires an in-depth analysis of this category of film production within the province of KZN.

### 1.2 Objectives of the Study

The overall objective of the study is to **provide an analysis of the status quo of the micro-budget film sector and to measure the socio-economic impact of micro-budget films within KZN**. This study will assist the KZNFC to identify the challenges and constraints faced by micro-

budget filmmakers and the impact that the sector is having on the provincial film industry and broader KZN economy in order to ensure appropriate funding, training and other support structures to grow the micro-budget film sector.

The specific objectives of the study include:

1. Engaging micro-budget filmmakers and broadcasters and conducting intense research on this category of filmmaking;
2. Analysing the opportunities and challenges that exist within the micro-budget film sector;
3. Analysing and assessing the socio-economic impact of the micro-budget films on the KZN film industry and broader economy;
4. Profiling the micro-budget films that have been shot in KZN in the last ten years; and
5. Developing recommendations towards an improved model that will assist to support and grow the micro-budget film sector.

### 1.3 Research Methodology

This report is the final deliverable (Phase 4) of the study and provides a composite analysis of all the research undertaken to date. The report combines desktop information and key findings from stakeholder interviews gathered during Phase 2 (Literature Review), with results from the micro-budget filmmaker workshop, and a micro-budget filmmaker questionnaire survey, captured during the Phase 3 (Field Research).

The purpose of the Literature Review was to formulate a comprehensive understanding of the micro-budget film sector within the broader film industry in KZN through a review of the national and international micro-budget situation; identify the challenges and opportunities facing micro-budget filmmakers; review the policy and institutional (support) environment; and identify initial opportunities and recommendations towards growing micro-budget filmmakers.

The purpose of the Field Research was to engage with micro-budget filmmakers within KZN via a questionnaire survey and workshop session in order to profile these filmmakers; understand what drives their desire to make such films; identify major challenges and constraints experienced; determine the critical success factors for making a micro-budget film; identify

specific operational and financial details about the films produced; and investigate potential support and other interventions that can assist them to grow.

The findings from these phases are consolidated and presented in a format that addresses the objectives of the study as presented above. The methodologies utilised are identified below.

### *1.3.1.1 Desktop data and information*

Desktop analysis included a review of existing documentation on the South African and KZN film industry, such as the KZN and National Film strategies and KZN Funding Policy; a review of global online micro-budget resources such as filmmaker blogs and magazines, film festivals and film association/council websites; as well as a review of online resources from relevant South African institutions such as the National Film and Video Foundation (NFVF), Industrial Development Corporation (IDC), Department of Trade and Industry (dti), KZNFC and Durban Film Office (DFO).

### *1.3.1.2 Stakeholder interviews*

Interviews with numerous industry stakeholders were undertaken to unpack the micro-budget model in SA and KZN, identify challenges faced by institutions in supporting micro-budget films, the micro-budget funding model, identify challenges and constraints faced by filmmakers, and investigate potential interventions that assist support and grow micro-budget filmmakers in KZN. Interviews with the following stakeholders were conducted:

- NFVF
- SABC
- KwaZulu-Natal Film Commission
- Durban Film Office
- eThekweni Filmmakers Association
- Durban Motion Pictures
- Durban International Film Festival
- Ugu Film Festival
- Mzansi Magic

Interviews were also undertaken with the following municipalities to determine the industry support mechanisms that exist at a municipal level, film-related policy and strategy frameworks, their approach towards filmmaking within their municipal boundaries and any information about micro-budget filmmaking.

- Ugu DM
- Umzinyathi DM
- Abaqulusi LM
- Inkosi Langalibalele LM
- Ulundi LM
- Umshwathi LM

### *1.3.1.3 Micro-budget filmmaker workshop*

A filmmaker workshop was hosted at the KZNFC on 17<sup>th</sup> May 2018 in order to present the initial findings of the research, get input from filmmakers about critical issues, and specifically discuss some of the major issues identified in previous phases, such as funding, training, and marketing and distribution. A total of 18 people attended the workshop, which allowed for 2 breakaway groups to focus on unpacking the above-mentioned issues in detail. The key insights and feedback from the workshop are incorporated throughout this research.

### *1.3.1.4 Micro-budget filmmaker survey*

A micro-budget filmmaker survey questionnaire was rolled out in January 2018. The questionnaire was shared by both the KZNFC and DFO directly to their micro-budget stakeholder databases, while it was also shared via social media platforms by KZNFC, DFO, DIFF, EFA, and Ugu Film Festival. A total of 48 responses were received, of which 20 had made a micro-budget film. Although the number of responses could have been higher, the insights provides a good benchmark off which the status quo and impact of micro-budget filmmaking in KZN can be measured.

## 2 Status Quo of Micro-Budget Filmmaking

### 2.1 Understanding Micro-Budget Films

#### 2.1.1 Defining 'Micro-Budget'

A “micro-budget film is that which is made on an extremely low budget, sometimes as little as a few thousand dollars” (Wikipedia, 2017). MicroFimmaker Magazine notes that statistically, “80-90% of all independent films are made for less than \$30,000” (MicroFilmmaker, 2017). Globally, the term ‘micro-budget film’ varies widely from country to country. Both Telefilm Canada (TeleFilm, 2017) and Toronto Independent Film Festival (TIFF, 2017) classify a micro-budget film as a feature film made on a budget of less than \$250,000. Research undertaken for the UK Film Council noted that micro-budget film has a budget of £50,000 to £250,000 (UK Film Council, 2008), while Film London’s ‘Microwave’ programme caps these films at £150,000 (approximately \$200,000).

Within the South African context, there was no agreed or set budget for micro-budget films until the first model was introduced by broadcasters in the range of R100,000. According to the South African Film and Television Awards (SAFTA) micro-budget category, micro-budget films are full-length feature films with a running time of a minimum of 40 minutes and a budget of less than R250,000 (SAFTA, 2017), which is approximately \$20,000. From an industry perspective, there is a broad consensus that to make a good quality micro-budget film would require a budget of around R350,000-R500,000. The KZN Film Commission's latest Funding Policy states that a micro-budget film is a film produced for under R1,2 million.

For the purpose of this research, the KZNFC definition (R1,2 million) will be used in order to determine the socio-economic impact of micro-budget films in KwaZulu-Natal.

### 2.1.2 The Micro-Budget Film Sub-Sector

Micro-budget filmmaking in South Africa developed as a direct result of historical exclusivity as a result of the Apartheid era, and a new model was necessary as most Africans were excluded from the mainstream industry. Through the micro-budget model, historically disadvantaged individuals are finding expression in this art form and are beginning to discover their own voices and tell their own stories. The micro-budget model is therefore about telling African stories in the simplest way for local audiences. It is a unique model and sub-sector of the broader film industry and should not be merely viewed as a platform off which young filmmakers can graduate to becoming more established commercial filmmakers – it is an alternative model that exists independently with its own market and allows the long-standing gap between emerging and established filmmakers to be closed through the creation of new jobs and development of skills. Given the nature of this model, micro-budget films seldom ever make it to the cinema or video-on-demand platforms (VOD). A few more established micro-budget filmmakers produce films for television (made-for-tv films) while the majority are limited to distribution via personal sales of DVDs.

The South African industry largely produces content for European markets and generates just over 200 productions per annum, most of which cannot compete with large international productions and as such, often do not reach local (or international) audiences. The Bollywood and Nigerian model, in comparison, which is driven by low-budget productions produced for local audiences, has thousands of productions that are released annually. As such, the micro-budget model provides an opportunity for the KZN province, and SA as a whole, to create a more sustainable, inclusive film industry where local stories are being told in local languages and are being consumed by local audiences.

## 2.2 Institutional and Policy Support for Micro-Budget Filmmakers

### 2.2.1 Global Best Practice Support Mechanisms

Globally, there are numerous examples of institutions that create a conducive environment and provide support to micro-budget filmmakers. These institutions include specifically designed film studios, development and training programmes, incubators, funding institutions, film-schools and other educational training programmes. In addition, there are numerous online resources available (such as websites, blogs, and online magazines) that share experiences in making micro-budget films and provide micro-budget filmmakers with tips and insights on how to make a successful film on an ultra-low (or no) budget. The Literature Review report undertook a review of a variety of different micro-budget programmes from a government film industry agency programme, through to a private micro-budget film lab (hub of online resources).

One of the most common findings across the various support institutions was that feature film funding schemes are often coupled with incubation-style training, mentoring and skills development programmes. In general, a specific target number of projects are selected per annum, after which funding is released in line with various training deliverables. Training is often provided for the full spectrum of the value chain, from script development through marketing and distribution. This holistic training allows for a more guided approach and ensures that the result is a greater quality production, and also ensures that funds can be reserved for specific critical activities such as marketing and distribution.

In many micro-budget programmes, projects identified for training and funding programmes can be subject to a phased approach which essentially requires projects to pass through a range of elimination steps; this allows the most suitable and potentially viable projects to be prioritised, with some programmes even commissioning a film/s at the end of the programme with full funding.

In addition to specific micro-budget programmes, film festivals also have the potential to support and encourage the development of micro-budget films. Market programmes where micro-budget filmmakers meet financiers (such as Film London's Micro Market) should ensure that filmmakers have a developed script, and are provided training such as pitching, the business of film, deal making, etc.

## 2.2.2 National and Regional Institutional Support Mechanisms

### 2.2.2.1 *National Film and Video Foundation (NFVF)*

The NFVF is an agency of the Department of Arts and Culture (DAC) that has been in operation since 2001 with the mission of collaborating with all stakeholders to enable the development and promotion of a transformed and thriving audio-visual industry. A core function of the NFVF is to provide funding to support development of the industry. In addition, the NFVF undertakes industry research and hosts the annual SAFTAs – the SAFTAs have a micro-budget category that supports full-length, feature films with a running time of a minimum of 40 minutes and a budget of less than R250,000 (SAFTA, 2017).

The NFVF have a three-tiered funding approach that ensures that all levels of filmmakers are included, from emerging to experienced. Funding provided includes development, production, post-production, marketing and distribution, and education and training funding. Tier 2 covers filmmakers with limited experience but who have developed and produced a few productions, while tier 3 relates specifically to new entrants into the industry, particularly recent film school graduates from historically disadvantaged backgrounds. Given the profile of micro-budget filmmakers in KZN (see Section 3), most filmmakers would be liable for tier 3 funding. However, based on the NFVF Funding Policy, currently tier 3 filmmakers would only be able to apply for certain types of funding (see annexure A).

### 2.2.2.2 *Department of Trade and Industry (dti)*

The dti is a national department with the objectives of facilitating transformation of the economy, building mutually beneficial regional and global relations, facilitating broad-based economic participation, creating a fair regulatory environment, and promoting a working environment that ensures effective and efficient service delivery. Its core themes are industrial development; trade, export and investment; broadening participation; regulation; and administration and co-ordination. Specifically, the dti provides incentives for the film industry through the 'Foreign Film and Television Production and Post-Production incentive', the 'South African Film and Television Production and Co-Production incentive', and the 'South African Emerging Black Filmmakers incentive'.

### *2.2.2.3 Industrial Development Corporation (IDC)*

The IDC is a national development finance institution that was established in 1940 to promote economic growth and industrial development, provide finance for industrial development projects in South Africa, promote partnerships across industries within and outside of South Africa, and promote regional growth (IDC, 2017). The IDC has a number of strategic business units (SBUs), one of which is the Media and Motion Pictures SBU, which focuses on funding “motion pictures, digital cinemas in townships, broadcasting for the development of black industrialists, developing the animation hub and animation films” (IDC, 2017). The unit invests in both content production, and services and infrastructure that support productions in the industry. New or existing companies within the media and motion pictures sector can apply for funding of up to R1 billion.

### *2.2.2.4 KwaZulu-Natal Film Commission (KZNFC)*

The KZNFC was established in 2013 in accordance with the KZN Film Act No. 3 of 2010, with a vision “to position KwaZulu-Natal as a globally competitive, diverse and sustainable industry and choice film destination” through the facilitation of support throughout the value chain. The KZNFC focuses specifically on skills development through its internship programme, women and youth incubation programme, bursary programme, SMME development programmes (incubation of emerging film companies), familiarisation tours to promote KZN as a film destination, and various funding programmes under the KZN Film Fund.

The KZN Film Fund specifically provides funding for micro-budget filmmakers – this relates to feature films under R1,2 million and provides R120,000 for development and R400,000 for production. Additional funding streams are also available and can be seen in Annexure A. Priority is given to stories which are located in KZN, tell a story of cultural, historical or social relevance in KZN, portray Zulu culture, or stories that are filmed in KZN but represent another location. Additional considerations are taken into account in relation to proposals from women and youth filmmakers, and projects that have secured a 70% black production crew (KZNFC, 2017).

In addition to the KZN Film Fund, the KZNFC also provides numerous skills development funding and training programmes, such as the on-going bursary programme, SMME incubation programme, and the KZN Film Industry Transformation Initiative (FITI). The KZNFC also hosts the Simon Sabela Awards, which, like the SAFTAs, has a specific category that awards micro-budget filmmakers, and undertakes strategic research on areas critical for the development of the industry (including this research on micro-budget filmmakers).

### *2.2.2.5 Durban Film Office (DFO)*

The DFO was established in 2003 under the eThekweni Economic Development and Investment Promotion Unit and is responsible for the promotion and development of the film and television industry in eThekweni. The DFO manages three programmes, of which the Micro Budget Film Programme is relevant for this research. For the past 4 years, the DFO has been driving a specifically-developed micro-budget film programme within eThekweni. The programme offers a maximum of R150,000 for a feature length film production and specifically targets feature-length fictional (minimum 90 minutes) and documentary (minimum 60 minutes) film projects. At least 50% of the key creative team must be historically disadvantaged individuals, and principal photography must be located within eThekweni (DFO, 2017).

### *2.2.2.6 Other Municipal Regions*

Most district and local municipalities do not have a formal film office, formal policy or support structures in place to facilitate and support filmmakers. The function of facilitating filmmaking is often channelled through the economic development or tourism departments, where representatives have been mandated to support filmmakers (where possible) as a means of economic growth and job creation. However, in many cases, filmmaking is such an infrequent activity that municipalities simply do not have any formal approach towards facilitating filmmaking. Within the Ugu District Municipality, it was identified that South Coast Tourism is in the processes of setting up a formal process to facilitate filmmaking within their boundary, while in Umzinyathi the municipality is guided by the KZNFC's Protocol which has been provided to district and local municipalities as a guideline to assist them to support and stimulate filmmaking.

### *2.2.2.7 Regional Film Festivals*

There are a few regional film festivals which have a role in the encouragement and support of micro-budget filmmakers, namely the Durban International Film Festival (DIFF), the Ugu Film Festival (UGUFF), the KwaZulu-Natal African Film Festival (KAFF), the Uzulu Film Festival, and the Durban Gay and Lesbian Film Festival (DGLFF). These festivals not only provide a platform for micro-budget filmmakers to screen their productions, they also provide an opportunity for young, emerging filmmakers to take part in industry programmes such as skills development and training, and to network with other filmmakers from around the country and world. In eThekweni, the Durban Film Mart (DFM) is an industry programme that the DFO drives in partnership with the DIFF that provides an opportunity for young filmmakers to pitch project ideas to leading financiers,

access networking opportunities, receive mentorship, and attend a range of seminars and discussions. Film festivals are therefore important platforms for the growth and development of micro-budget filmmakers.

### 2.2.3 National and Regional Policy Support

There are a myriad of policy and strategy documents within the national and provincial landscape that have implications on the film industry, while a number focus specifically on film industry development. Although the broader policy framework is important in creating a conducive environment within which the film industry can thrive, in the context of this study, it is only necessary to review the policy and strategy documents that have a direct implication on micro-budget filmmakers, which implies a review of the **National Film Strategy** and **KZN Film Industry Strategy**. It must be noted that in neither document is there any focus on ‘micro-budget filmmakers’ as a separate segment of the industry.

#### 2.2.3.1 National Film Strategy (2014)

The Department of Arts and Culture (DAC) tasked the NFVF with developing a national film strategy for South Africa, which presents a number of plans aimed at ensuring the industry continues to grow to become “a sustainable source of economic development and transformation for the country” (NFVF, 2014). The strategy is grounded by the following four pillars:

- **Human capital development and transformation:** ensuring the equitable growth and development of the film industry through transforming ownership of production companies and IP; skills development through mentoring and on the job-training; developing small, medium and micro enterprises (SMMES); and decentralising film locations.
- **Institutional framework and finance models:** ensuring that adequate funding models are in place to grow and sustain the industry through funding models that target development (pre-production) and alternative distribution; coordination and alignment between funding sources; and the proposed ‘South African Film Fund’.
- **Markets for South African content:** ensuring that South African content is accessed by the local and global market by increasing local market penetration through marketing strategies; increasing the role of local broadcasters to create an enabling environment; accessing African and diaspora markets through co-production treaties and funding; improving SA’s position in the global market; and improving access to information, research and training for filmmakers.

- **Infrastructure development:** ensuring that appropriate infrastructure is developed to enable and support a growing film industry through reducing the cost of infrastructure for emerging filmmakers; improving distribution and exhibition infrastructure; and creating regional film cities which will assist young filmmakers through access to tools, skills, networks, and distribution opportunities.

### *2.2.3.2 KZN Film Industry Strategy (2016)*

The KZN Film Industry Strategy's Situational Analysis noted that "KZN does not have a strong competitive position in the International or South African Film and TV sector" and the reasons include limited funding, limited availability of essential infrastructure (such as studios and equipment); very limited availability of essential crew in situ (which requires crew being transported to locations in KZN), and an undersupply of essential skills. These fundamentals are the building blocks of the film industry and the lack of such fundamentals have a particularly negative bearing on micro-budget filmmakers. The strategies put forward seek to address the fundamental challenges that exist within the industry are (KZNFC, 2016):

- **Digital Content and Skills Development:** KZN is seen as a location of choice for local and international large and small firms working in Animé, animation, VFX, SFX, MoCap and Web Game production.
- **Video for Business:** To create an enabling environment within KZN to develop corporate, business and training films.
- **isiZulu Language:** To research, promote and facilitate the production and broadcast of Zulu language films and TV vehicles.

With regards to transformation, there is a specific focus on addressing the issues of funding, market access, education and training for black and female producers; IP protection and export sales; issues of language and culture; and inclusion within national content procurement. In summary, the Strategy should "seek to better exploit and use the tools already in existence and apply them to fast tracking transformation, which, linked to inclusive growth, will ensure steady increases in black and female South African participation in the KZN industry" (KZNFC, 2016).

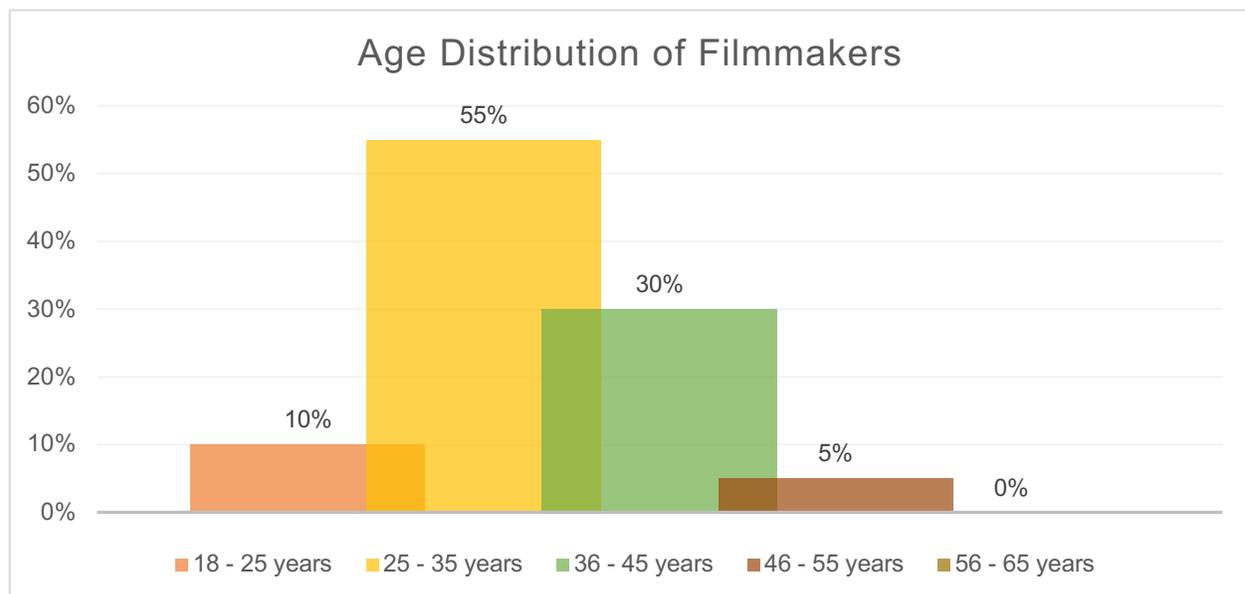
### 3 Profile of KZN Micro-Budget Filmmakers

This section presents a profile of the micro-budget filmmakers that responded to the survey questionnaire. As noted earlier, a total of 48 responses were received of which 20 have made a micro-budget film in KZN in the past 5 years. The survey provided any opportunity for all respondents (48) to answer the initial questions relating to demographics, education, and training, in order to compare the responses with those of the 20 filmmakers who had made a film. Sections 3.1 and 3.2 will provide an analysis of the filmmakers who had made a film, compared with the total sample of 48 respondents. Thereafter, all sections will deal solely with findings from the 20 filmmakers who have made a film in the past 5 years.

#### 3.1 Demographic Profile

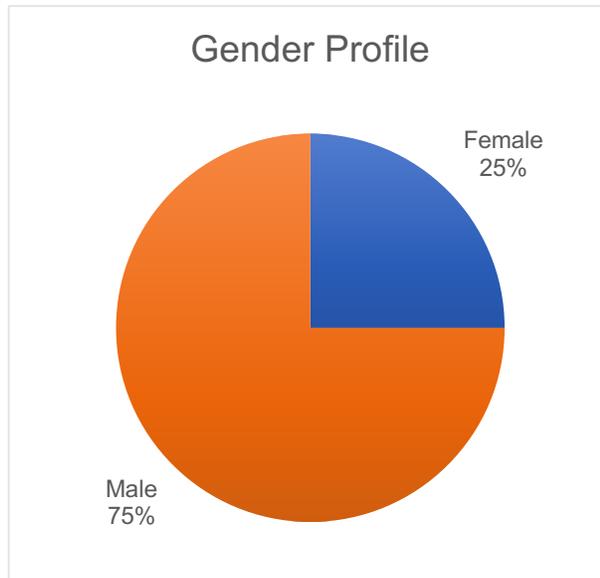
Graph 1 below provides the distribution of filmmakers by age. It is clear that more than half of the filmmakers who have made films are 25-35 years of age, with just less than a third being 36-45 years, and 10% being 18-25 years of age, therefore, 65% of filmmakers are classified as youths. In comparison to the total sample population, 71% were classified as youth and only 21% were between 36-45 years old, indicating that there are more 'middle-aged' filmmakers who have actually made films. No respondents over the age of 56 years had made a micro-budget film in the past 5 years.

Graph 1: Age Distribution of Filmmakers

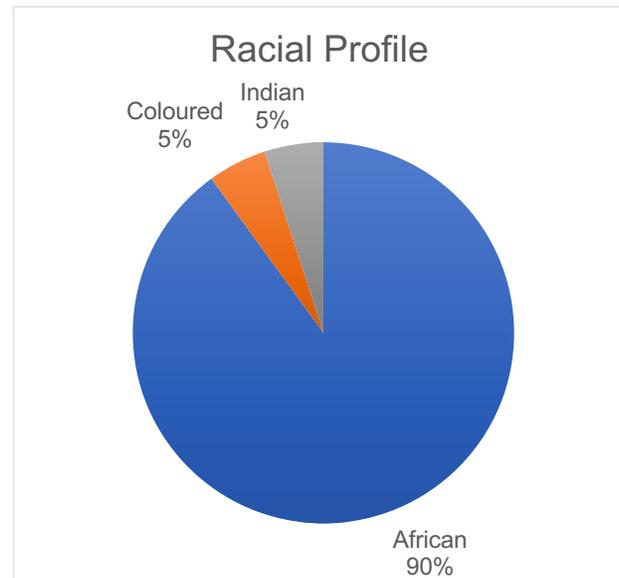


The graphs below indicate the gender and racial profile of the filmmakers. It is clear that the majority of filmmakers that responded to the survey were male (75%), with the remaining quarter being female. When comparing to the total survey population, males only comprised 65%. Ninety percent of filmmakers were African while the remaining 10% were Coloured and Indian. Within the total survey population, the sample was very similar, with 92% being African.

Graph 2: Gender Profile

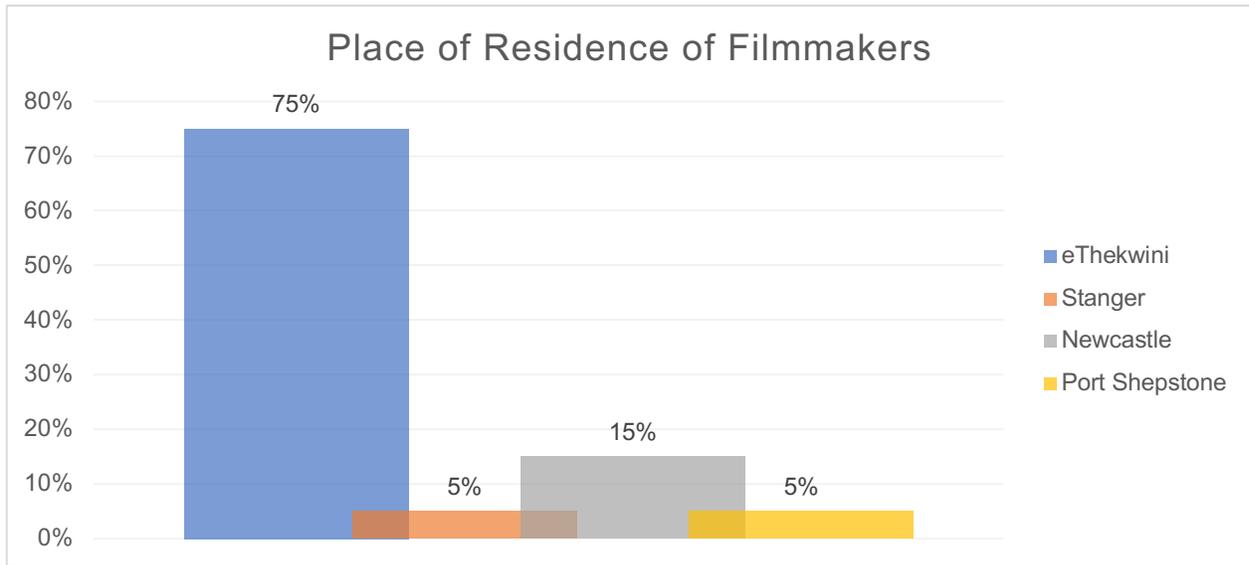


Graph 3: Racial Profile



Graph 4 provides a breakdown of the place of residence of filmmakers. It is clear from the graph that the majority of respondents who have made a film in KZN were from eThekweni (75%), followed by Newcastle with 15% and both Stanger and Port Shepstone with 5%.

Graph 4: Place of Residence of Filmmakers

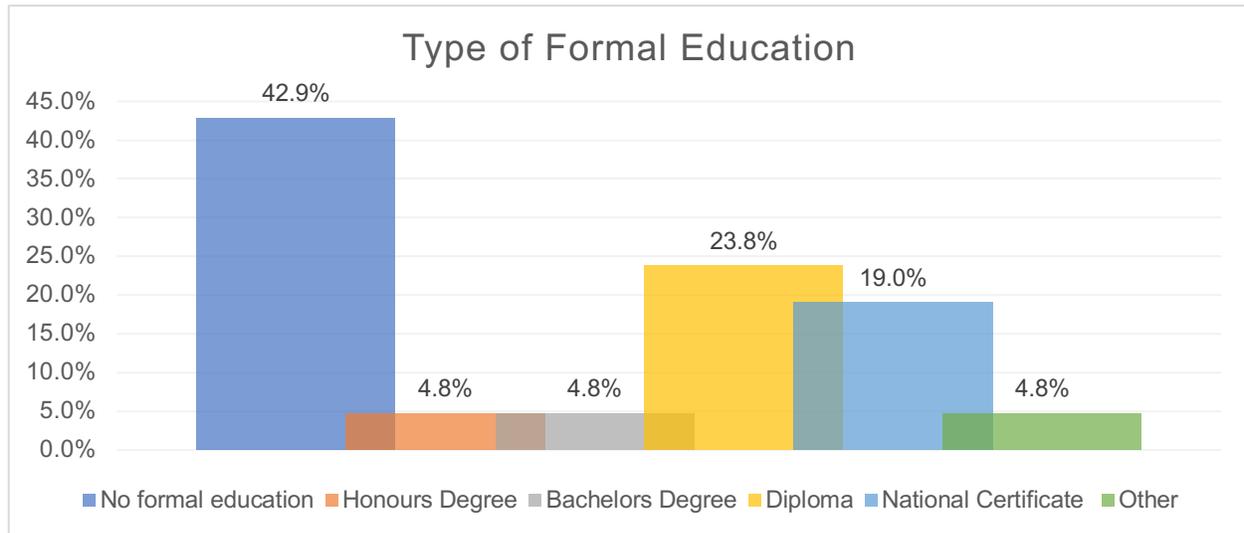


When comparing with the total survey population, eThekweni still contributes to 75% of the responses. Other respondents originate from areas such as Howick, Richards Bay, Melmoth, Vryheid and Gauteng.

### 3.2 Education and Training

Graph 5 presents the type of formal education received by filmmakers. Over 40% have never received a formal education, while 24% had received a diploma (mainly DUT Video Technology), and 19% received a national certificate (Creative Arts College and Movie Tech). The remaining few respondents received a bachelor's (BCom) and honours degree (BA Art), and other qualifications (such as journalism). Again, these results are very similar to the total survey population.

Graph 5: Type of Formal Education



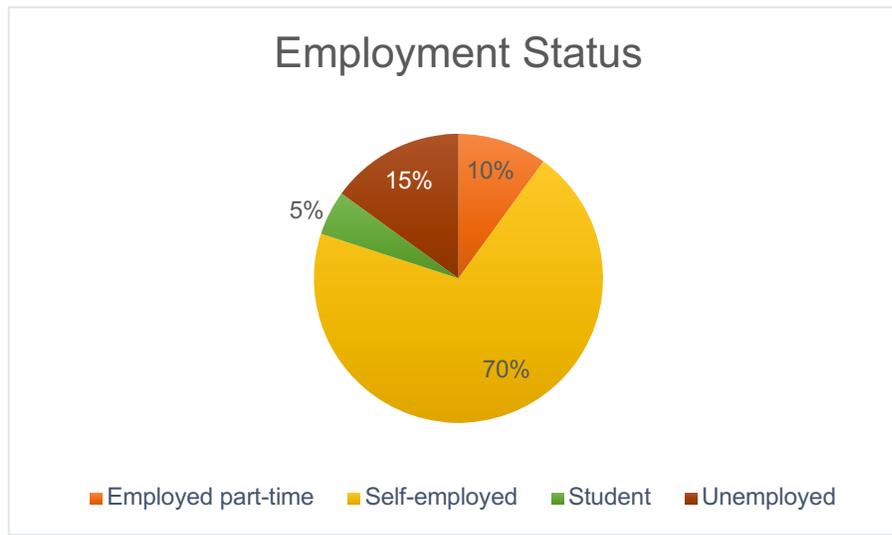
Most filmmakers have attended at least 1 training programme provided by the DFO, KZNFC and NFVF. Out of the 20 filmmakers, 37 programmes have been attended (almost 2 programmes attended per filmmaker), of which 46% were KZNFC programmes, 30% were provided by the DFO and 24% were provided by NFVF. The most common programme was script development (30%), followed by 27% with micro-budget programmes (either DFO or funding by KZNFC), 16% with the Durban Film Mart, and 14% with production training. Around 11% were business training courses, with only 3% being post-production training.

When compared with the total survey population, the split of training programmes between the KZNFC, DFO and NFVF, as well as the type of training programmes (i.e. script development, production training, etc.), were both very similar if not the same in most cases. This indicates that those who completed the survey who did not make a micro-budget film are the same profile of filmmaker to those who have made a film over the past 5 years.

### 3.3 Employment

Graph 6 provides a breakdown of the employment status of the filmmaker respondents. Seventy percent of respondents are self-employed, with another 10% being employed part-time. Students comprise 5% of filmmakers, while 15% are unemployed. When comparing the entire survey population, only 60% are self-employed, while 6% are employed full-time (compared to none of the 20 filmmakers). The number unemployed, students and part-time employed respondents were fairly similar across both samples.

Graph 6: Employment Status of Filmmakers



Of the 80% of filmmakers who were either self-employed or employed part-time, 76% are so within the film industry. This figure is greater than the total survey population, of which on 65% of those employed are so within the film industry.

Interestingly, every single filmmaker who has made a film in the past 5 years in KZN has a registered company – this could be due to the funding regulations of NFVF, KZNFC and DFO, which all require filmmakers to have a registered company in order to receive funding. When compared with the total survey population, only 83% have a registered company.

### 3.4 Drivers, Challenges and Success Factors

This sub-section unpacks the factors that drive micro-budget filmmakers, the challenges faced, and success factors as identified through filmmaker surveys, interviews and the stakeholder workshop.

#### 3.4.1 Factors Driving Micro-Budget Filmmakers

Given an understanding of the micro-budget film model, and the opportunity that this model presents to previously disadvantaged individuals who were excluded from the mainstream economy, this section provides some insight into why filmmakers are driven to make micro-budget films.

##### 3.4.1.1 *Lack of funding and resources*

A lack of access to funding and other resources such as cast, crew, equipment and locations, although the most obvious, is by far the most stated reason as to why filmmakers make micro-budget films. As identified earlier, most filmmakers have no formal training and limited experience, and as such, funding is often difficult to obtain. This limits budgets for filmmakers to access

resources such as cast and crew, equipment, transport, and even locations. As such, those who are passionate about filmmaking, or even just want to experiment with filmmaking, are limited to making micro-budget films.

#### *3.4.1.2 Passion for film and storytelling*

Perhaps the most important driver of filmmaking, in general, relates to a passion for film. Within the micro-budget space, this is even more so, as limited budgets and access to resources (as detailed above) makes filmmaking even more challenging and requires a greater passion to be successful. Many filmmakers surveyed and engaged during the research highlighted that a passion for film and storytelling is the main reason that they became filmmakers. Some filmmakers stated that filmmaking is their calling and that they “love telling local stories” or “telling stories to people using film”. The educational nature of film also drives many filmmakers to tell stories through film, especially local KZN stories.

#### *3.4.1.3 Entry-point and employment opportunity*

Although micro-budget filmmaking is a separate model in its own right, it does offer an opportunity for young, often inexperienced but passionate filmmakers to enter into film production. By doing so, it provides many of such filmmakers with an opportunity for employment. As identified in Section 3.2, 80% of respondents are either self-employed or employed part-time, with 73% of these being so in the film industry, which indicates the potential for micro-budget film to support emerging filmmakers and create sustainable livelihoods. Micro-budget films offer filmmakers an opportunity to experiment with script-writing and different artistic styles, which can be beneficial to them in the future. Additionally, limited funding mean that filmmakers can become skilled in producing films by maximising small budgets. As such, it provides a good platform for emerging filmmakers to gain employment and experience within the broader film industry.

#### *3.4.1.4 Develops and support talent*

Some filmmakers, particularly more established filmmakers, noted that a reason for making micro-budget films is to develop and support young talent. As identified in Section 4, micro-budget filmmaking has the potential to create numerous employment opportunities, not to mention provide experience and opportunities to new, young talented cast and crew members. As such, micro-budget films create opportunities for the underprivileged to develop new skills through experience in the industry.

### 3.4.1.5 Challenge perceptions about micro-budget films being low quality

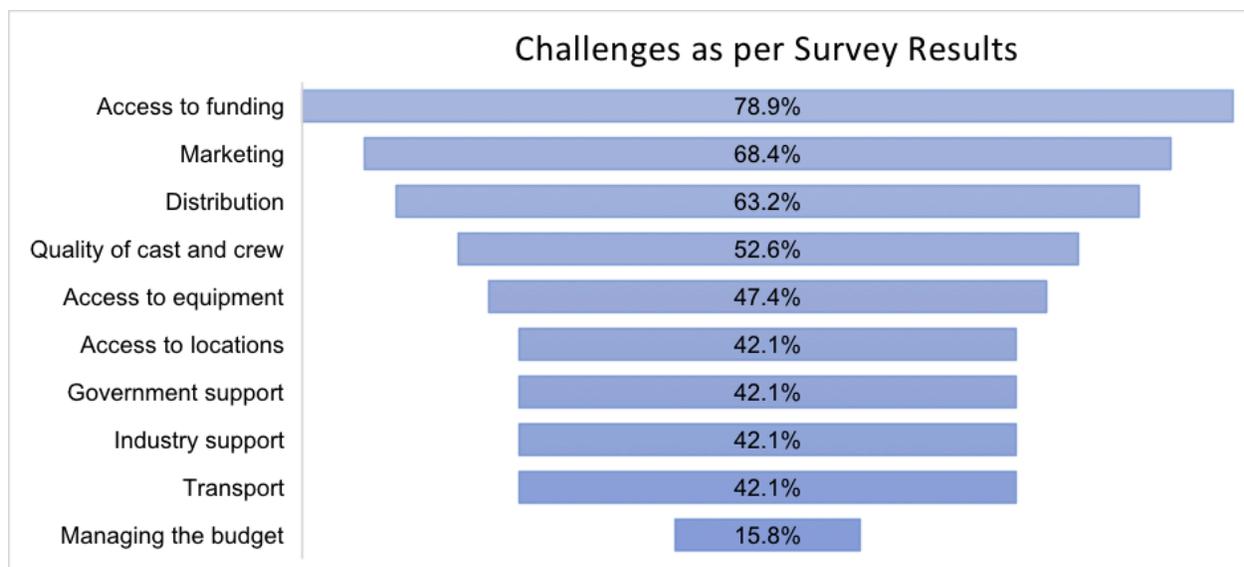
Although less common than the other drivers, a few filmmakers noted that they are driven by challenging the misconceptions that micro-budget films are low quality and to demonstrate that high-quality, professional productions with good stories can be made with limited budgets.

## 3.4.2 Challenges

Numerous challenges have been identified throughout the research, within global best practice, during stakeholder interviews and workshops, and from filmmaker surveys. The key challenges facing micro-budget stakeholders will be unpacked within this sector, drawing from the various sources of information.

Graph 7 identifies the challenges that were raised most often during the stakeholder surveys. Access to funding is the most identified challenge with almost 80% of all filmmakers stating this as a challenge. The challenge of marketing (68%) and distribution (63%) follows, along with access to quality cast and crew (52%) and access to equipment (47%). Access to locations, government and industry support, and transport all received 42% of filmmaker responses. Only about 16% of all filmmakers noted that managing their budgets is a challenge. Each of these, along with a few additional challenges identified are unpacked in detail below.

Graph 7: Challenges as per Survey Results



#### 3.4.2.1.1 Access to funding

Access to funding is the greatest challenge facing micro-budget filmmakers, and although technology has made it cheaper to make a film, accessing funding has become more difficult. A limited budget places pressure on a filmmakers' potential to access quality equipment and cast/crew, and to ensure proper marketing and distribution. Limited access to personal funding, bank loans and other sources of commercial funding perpetuates filmmakers' reliance on government funding. Given the subsidy-based nature of the South African film industry (even in relation to commercial productions), funding for film production is often provided by the NFVF. Within KZN specifically, the KZNFC Film Fund provides funding for various categories of films either produced in KZN or by KZN-based companies. However, accessing such funding is often a challenge for many micro-budget filmmakers as they lack the necessary skills to correctly develop funding applications.

In addition, many filmmakers have raised concern about the definition of 'micro-budget', stating that when the Mzansi Magic model started, it offered R100,000 per commissioned film, which set the bar too low; although films are now commissioned for up to R400,000, selling a pre-produced (non-commissioned) micro-budget film to Mzansi Magic will still only get you R100,000. Although the KZNFC does classify micro-budget films as films with a budget of below R1,2 million, this definition needs to be more widely adopted as it is not sustainable for a filmmaker to try produce a film for R250,000 (as per the SAFTA definition of a micro-budget film), or even R400,000 (as per the Mzansi Magic model).

#### 3.4.2.1.2 Marketing and Distribution

Marketing and distribution are critical to the success of any film. Previous research has indicted that marketing and distribution are underemphasised within the South African context, with many filmmakers only starting to consider these important activities once a film has been completed. Within the case of micro-budget filmmaking, these elements are neglected even further as filmmakers lack budget for these activities (or use all the budget in the development and production phases), lack the necessary skills to develop a marketing strategy at the pre-production phase, and have very limited distribution channels.

Distribution is particularly challenging for micro-budget filmmakers within the KZN context, as cinemas are inaccessible due to the exhibition model (which is driven by large international and national distributors) and are inaccessible given that scheduling occurs at centralised

headquarters (with no regional decision making), access to national television broadcasters and VOD platforms are very limited (except for a select few of the established micro-budget filmmakers), and DVD distribution is constrained by declining sales and pirating. As such, micro-budget filmmakers are unable to share their films with the audiences that they'd like and therefore are seldom sustainable.

#### 3.4.2.1.3 Quality cast and crew

Access to a quality cast and crew is a significant challenge when funding is limited. Although cast and crew can often be convinced to be part of a production for little or no money for reasons such as experience, exposure, trade-deals, favours, or deferred payment, doing so while still trying to produce a high-quality production is difficult. As such, not being able to access sufficient funding to find the right cast and crew can negatively impact on the quality of a production, and hence its potential to be marketed and distributed, and ultimately profitable. In addition, filmmakers often complain that a lot of good cast and crew leave KZN to find work in Gauteng and Western Cape (much like various other creative industries), and this places extra pressure on filmmakers.

#### 3.4.2.1.4 Access to equipment

Another direct challenge of a lack of funding is access to equipment. Without a significant budget, quality equipment (such as cameras, sound and lighting) is often not available to micro-budget filmmakers and this can be a major challenge. Many filmmakers need to call in favours, hire affordable equipment, or even forego equipment such as location/post-production sound and lighting, which can have a major impact on the overall quality of a film and further inhibits the filmmakers' potential to generate revenues or reach television or film festival audiences.

#### 3.4.2.1.5 Access to locations

Although micro-budget filmmakers are often innovative when it comes to shooting multiple scenes in a few locations or accessing free or cheap locations, access to locations is still a major challenge facing filmmakers. Public and private locations are costly or unaffordable given limited budgets, and as such, over a third of filmmakers don't pay for locations while another 21% pay up to 10% of their budget for locations (see section 4.1.5). Additionally, public locations such as roads, stadiums or beaches often require permits and/or permission in order to shoot (especially in larger cities). This factor was raised by filmmakers as a particular challenge when filming at the Moses Mabhida Stadium in Durban, which has fairly strict rules relating to film crews. Transport

is also a major challenge (see below) and this limits access to the numerous locations that are situated throughout KZN, many of which could be utilised for free.

#### 3.4.2.1.6 Access to transport

Transport is a major challenge for micro-budget filmmakers. Access to transportation to quickly and easily move around cast, crew and equipment (and even as a base for communications, wardrobe and makeup) is important in ensuring that budgets are minimised. Depending on public transport can be inconvenient, unreliable and even impossible if you're trying to move around equipment and a large number of people, while vehicle hire can be costly. As such, access to transport inhibits micro-budget filmmakers, especially those from more disadvantaged backgrounds who aren't able to borrow or hire a vehicle. In addition, filmmakers are generally unaware of the MOUs in place between the KZNFC and various operators in which they can take advantage of reduced costs for such services.

#### 3.4.2.1.7 Government and industry support

Support from both government and industry is important to ensure the growth of micro-budget filmmakers. As noted earlier, the South African film industry is largely subsidy-based and as such, micro-budget filmmakers generally require some financial support from government stakeholders such as NFVF and KZNFC. Additionally, as indicated in the survey findings, many filmmakers don't have any formal education and therefore lack the necessary skills to develop the necessary proposals for funding which has a major impact on their ability to develop content that has the potential to be commercialised.

Numerous training programmes exist within South Africa and KZN and most micro-budget filmmakers have had access to a variety of such programmes, but critical skills are still lacking particularly in relation to script development, producing and managing budgets, business skills (including insurance), sound design, and post-production. This education and skills gap can be partially addressed through a more proactive use of 'mentorship' from industry specialists, as is the case in the various global best practice micro-budget programmes (see Literature Review for detail, and section 5 for related recommendations). During the workshop, micro-budget filmmakers identified mentorship as critical to their growth and an important tool in developing experience and expertise.

Another specific challenge faced by filmmakers that requires public sector support is the issuing of permits and permissions, without which, municipalities may shut down a production and issue

fines, while private locations may stop production at any moment. As noted earlier, most municipalities do not have a formal approach to facilitating film and as such, permit processes are often not even understood by officials. In other cases, however, entities such as DFO provide direct support to filmmakers in the issuing of permits and permissions on behalf of the municipality. This reduces the administrative burden for filmmakers. Either way, micro-budget filmmakers often do not understand these processes and therefore require guidance and support in securing these. This is an area where the KZNFC can provide some assistance to both micro-budget filmmakers and local government.

#### 3.4.2.1.8 Managing budgets

Although filmmakers themselves see this as the most minor of challenges, the proper management of funds and production budgets has been raised by industry stakeholders as a major challenge that micro-budget filmmakers face. Managing budgets is particularly challenging within the South African context, where micro-budget filmmakers often lack higher education and training and therefore struggle to effectively manage their production budgets. In certain cases, funding has been issued to filmmakers, but these funds have been used to pay off previous loans, outstanding bills, or to purchase equipment, and not used for the intended production. Correctly managing budgets is a vital skill that filmmakers must gain. However, the approach of funders must also be adjusted (i.e. either funding is given in tranches based on key milestones or all at once, depending on the track record of the filmmakers) to ensure that funding efficiencies are maximised.

#### 3.4.2.1.9 Intellectual Property (IP) retention

Although excluded from the filmmaker survey, retention of intellectual property (IP) is a major challenge facing many micro-budget filmmakers. Within South Africa, the current commercial micro-budget distribution model is dominated by Mzansi Magic. Mzansi Magic provides a platform for the exhibition of micro-budget films and will either purchase a film that's been completed (for approximately R100,000) or commission the development of a film (for approximately R400,000). Filmmakers are allowed to sell DVDs of the film for a 2-year period, after which their IP is retained by Mzansi Magic. Within the short space of selling DVDs, pirated copies come onto the market and as such, their opportunity to capitalise on this limited IP is reduced even further.

Although there are a number of KZN-based micro-budget filmmakers that have become sustainable through the sale of productions to Mzansi, this model is problematic as it effectively

excludes the filmmaker from holding any IP relating to their productions in the future, for limited capital gain in the present. As such, the filmmakers are effectively stripped of their means of production while Mzansi Magic develops a catalogue of local African films for which they hold the IP. This occurrence has been highlighted by many stakeholders as a challenge with the current model that requires an innovative solution as to allow micro-budget filmmakers to retain IP and better commercialise their products in the longer-term.

### 3.4.3 Critical Success Factors

Critical success factors were identified based on key findings from surveys and interviews, and are supplemented with inputs from the global best practice where relevant. The below success factors are seen as essential in creating a successful micro-budget film.

- 1. Critical mass - multiple films per year:** It is important for a filmmaker to be commercially viable and to not require public funding, which cannot be done by making one or two micro-budget films per year. As such, micro-budget filmmakers must attempt to turnaround as many films as possible per year, which allows for economies of scales (e.g. the use of one location for shots for a few films), more experience in managing budgets and producing films under pressure, more experience for crew (and therefore a more dedicated team), and more credibility as a filmmaker.
- 2. Adequate funding and a properly managed budget:** As noted earlier, funding is a major challenge which limits filmmakers' access to cast, crew, equipment, transport, locations, etc. Additionally, traditional definitions of 'micro-budget' have grossly underestimated the budgets that are suitable to produce a quality micro-budget film. As such, having an adequate budget (of at least R500,000) is an important factor in determining success. Adequate budget must be coupled with experience in properly managing this budget to ensure that money is distributed proportionately across the film value chain (from development to distribution) and not misspent, leaving a hole in the production process.
- 3. Lean and experienced cast and crew:** With a limited budget, it is important that filmmakers keep their teams small and lean to ensure agility. A smaller team is more manageable and also allows limited budgets to be allocated efficiently towards more experienced cast and crew, and reduces costs such as transport, catering and accommodation. A dedicated and committed team is also an important factor in most successful micro-budget films. A filmmaker can generate buy-in from the team by

displaying dedication and hard work and committing to making the best film possible, as many cast/crew might be working for very little/nothing and are counting on the exposure from the film.

- 4. Experienced producer:** Perhaps one of the more critical success factors is having an experienced producer. The producer must ensure that the pre-production and planning is in place before starting to spend money on production, and must not allow production to go ahead until the script is finalised. As mentioned separately above, the producer is responsible for controlling and managing the budget, and must also be good at negotiating with various parties. Finally, the producer must ensure that the team is kept motivated throughout the production process.
- 5. Good script and storytelling:** Critical to the success of micro-budget films is development of a quality script based on good quality stories, as this provides the filmmaker with a better chance of securing funding and commercialising a film. Most respondents noted that a “well-crafted script” or “great story telling” are key characteristics that make a micro-budget filmmaker successful. This view was echoed in the 2017 KZNFC Audience Development Trends research, which highlights the importance of script development in ensuring a quality production with the potential to be distributed to a wide market.
- 6. Reasonably good equipment:** Although better equipment is becoming cheaper and more accessible, access to equipment still remains a major challenge for most KZN micro-budget filmmakers. In order to make a successful film, it is important that filmmakers have access to reasonably good equipment, which includes not only cameras but lighting and location sound. The KZNFC current hires out film equipment, but the rates at which these are being hired need to be compared with industry rates in order to ensure a balance between the incentivising hire and responsible usage.
- 7. Few locations:** As noted earlier, locations can be costly, inaccessible without transport, and require permits and permissions (which some filmmakers might not understand or know how to access). As such, micro-budget filmmakers can reduce costs, time and effort by minimising locations. More importantly, using great locations with natural aesthetics will enhance the shots and improve the overall quality of the film, while trick shots can allow filmmakers to make use of the same locations in various shots.

- 8. Transportation:** Transportation is particularly important in the context of South Africa and KZN, where many micro-budget filmmakers come from previously disadvantaged backgrounds and do not have access to transportation. As noted earlier, moving cast, crew, and equipment becomes inefficient and even costly without dedicated transport, and therefore access to transport is a critical factor in the success of micro-budget filmmakers.
- 9. Mentorship and training:** Micro-budget filmmakers have identified the importance of not trying to 'go at it alone', but rather being guided by a mentor with experience in this particular model of filmmaking. Filmmakers must develop close relationships with people who can act as mentors and provide invaluable guidance and expertise. Other types of skills training programmes are also critical given the lack of formal education, and must be facilitated by industry representative bodies (such as NFVF and KZNFC). Mentorship and training is specifically important to develop business skills such as marketing plans, cash-flow management, and contract development, but also to technical skills such as sound design and post-production training.
- 10. Post-Production:** Section 4.1.2 identifies that a quarter of filmmakers do not allocate any budget to post-production. However, global best practice emphasises that it is essential to budget for post-production, specifically picture and sound editing. Local filmmakers have also stressed the importance of post-production but highlighted that budget for post-production is either very limited or no funds are kept to invest in quality post-production – as such, many productions end up having bad final picture and sound edits, which diminish the distribution and commercialisation potential of the production. Best practice highlights that techniques such as automated dialogue replacement (ADR) and Foley (reproduction of everyday sound effects in post-production) can be used for clean sound and efficient shooting.
- 11. Marketing and distribution support:** Marketing and distribution remains on the greatest challenges in ensuring a sustainable film industry within South Africa and KZN, and is more so the case for micro-budget filmmakers, who have even more limited budgets for marketing and distribution. As such, support in both the marketing and distribution of micro-budget films is essential in ensuring commercial success and sustainability. From a marketing perspective, filmmakers need to consider advertising through community challenges such as radios, libraries, etc. Additionally, filmmakers should adopt a hybrid distribution strategy that encompasses DVD/television releases and online distribution. Sufficient budget should also be made available for distribution as well as film festivals.

### 3.5 Filmmaker Profile

This section presents a profile of the surveyed micro-budget filmmakers in order to gain a deeper understanding of the films produced, the cost of these films, genre preferences, the various roles played by filmmakers, marketing and distribution approaches, and any awards or international exposure received.

#### 3.5.1 Number of Films Produced

Table 1 provides an indication of the total number of films produced by the micro-budget filmmakers who have made a film in the past 5 years in KZN. The total number of films made was 75. Thirty percent of filmmakers produced 3 films while 20% produced 4 films. A quarter only produced 1 film, while 15% produced 2 films. Only 1 filmmaker (Durban Motion Pictures) has made around 25 films.

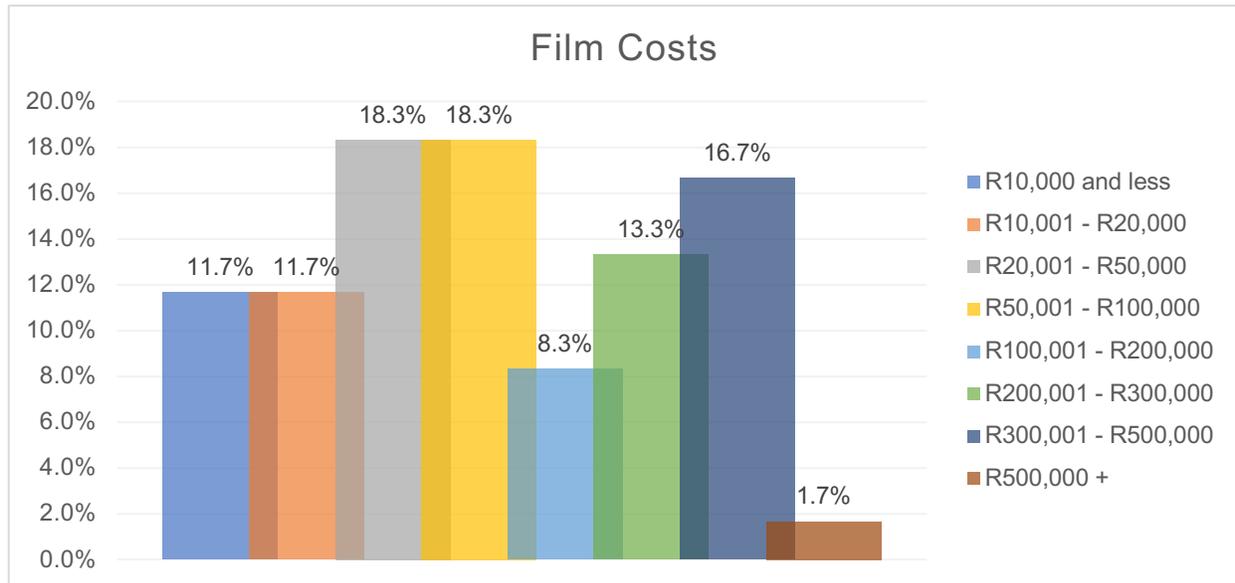
*Table 1: Number of Films Produced*

| Number of Films    | Responses | Total Films |
|--------------------|-----------|-------------|
| 1 film             | 5         | 5           |
| 2 films            | 3         | 6           |
| 3 films            | 6         | 18          |
| 4 films            | 4         | 16          |
| 5 films            | 1         | 5           |
| 25 films           | 1         | 25          |
| <b>Grand Total</b> | <b>20</b> | <b>75</b>   |

#### 3.5.2 Value of Films Produced

Graph 8 below provides an indication of the value of the various films produced. Of the total 75 films produced, values were only provided for 60 films and as such, the distribution below is for a total of 60 films. It is assumed that most filmmakers who omitted films might have omitted their first 1 or 2 films with very low values.

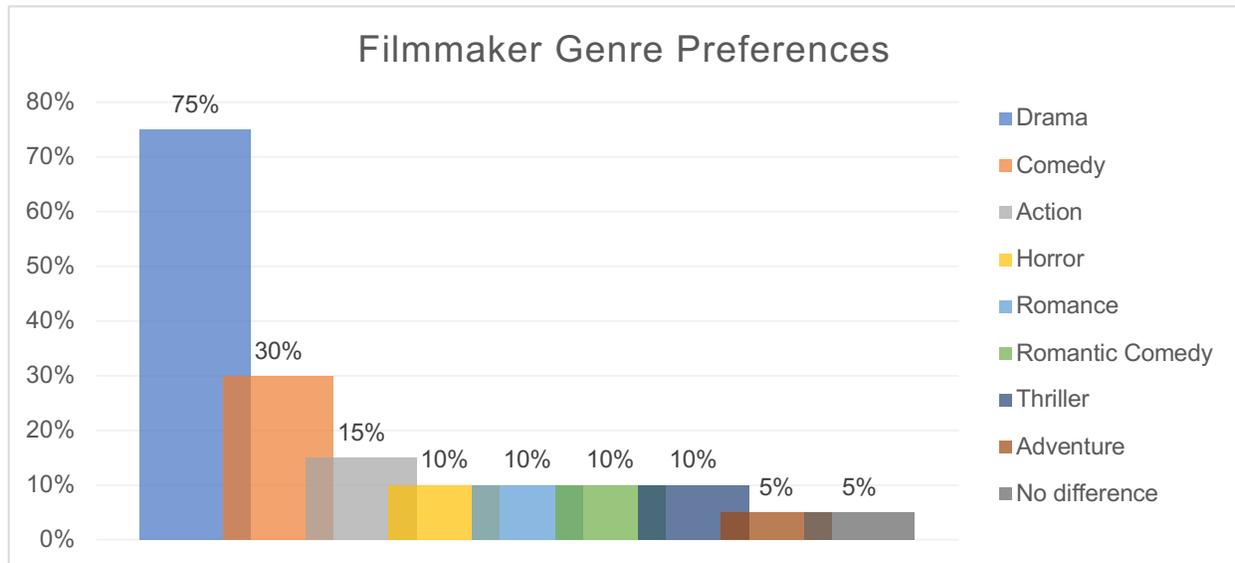
Graph 8: Distribution of Film Values



The two greatest categories are films within the R20,000-R50,000 and R50,000-R100,000 budget range, with an equal 18.3% of total production value. This is followed by films within the R300,000-R500,000 budget range, and thereafter, the R200,000-R300,000 range. Just over 20% of total films were under a budget of R20,000, while only 1 film was greater than R500,000 in budget (and was valued at R1,1 million). As per above, there is a fairly wide distribution of films across the spectrum of budget, but with 60% of all films still having a budget of under R100,000 (and 68% under R200,000). This indicates that micro-budget films within KZN are still fairly low-budget in relation to the KZNFC definition of R1.2 million, and even the SAFTA definition of R250,000.

### 3.5.3 Genre of Films Produced

Graph 9: Preferred Genre of Film

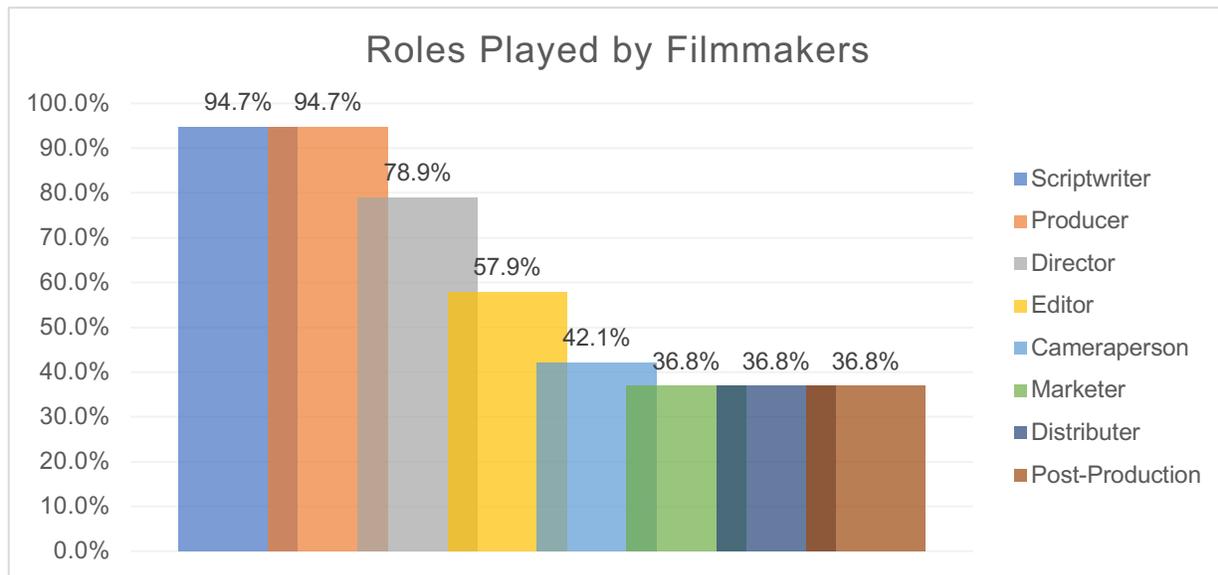


Graph 8 above presents filmmakers most preferred genre for micro-budget films. It is clear that drama is the most popular genre with 75%, followed by comedy with 30%, and action with 15%. The other genres have a negligible influence over micro-budget filmmakers in KZN. Very few filmmakers feel that genre does not make a difference.

### 3.5.4 Filmmakers' Roles

Given the unique characteristics of the micro-budget film model, it is understood that filmmakers play a variety of different roles when producing a film; this is driven by necessity and largely due to a lack of funding to hire additional crew members, or outsource certain functions such as editing, other post-production, marketing, and distribution. Graph 10 presents the various roles that micro-budget filmmakers stated they played in an average production.

Graph 10: Roles Played by Micro-Budget Filmmakers

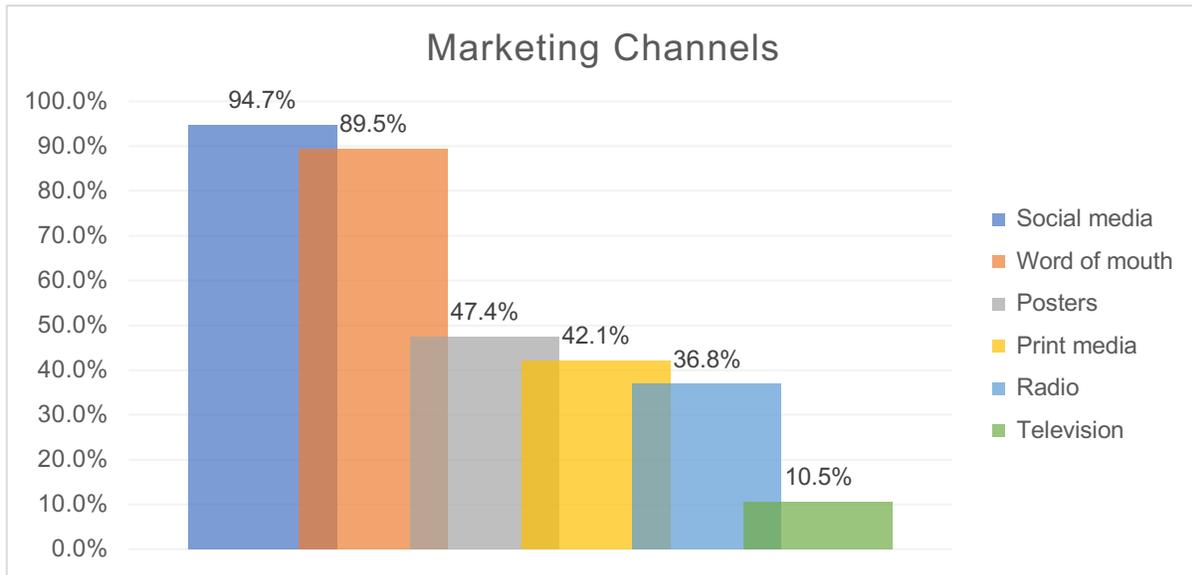


Almost all filmmakers play the role of both scriptwriter and producer in an average production – this makes sense, given that a filmmaker would conceptualise an idea, develop the script, and then try and produce the film. Almost 80% of filmmakers also play the role of director, while 58% also act as the editor. Established filmmakers within the workshop noted that within the micro-budget filmmaking model, it is not wise to produce and direct – if you write the script, it is suggested that you either direct or produce, and not do both. However, based on the realities above, it is clear that most filmmakers are developing the script, producing and directing. Less than half of filmmakers also film, with just over a third being involved in marketing, distribution or other post-production activities.

### 3.5.5 Marketing and Distribution

As noted earlier, marketing and distribution is a major challenge for most filmmakers but has also been highlighted as a critical success factor. The mix of marketing channels available to local micro-budget filmmakers is limited not only by funding, but by the distribution platforms available to them. Graph 11 provides a breakdown of the most used marketing channels of micro-budget filmmakers.

Graph 11: Most Utilised Marketing Channels



Most filmmakers utilise social media as a marketing channel, followed by 90% with word-of-mouth. Other than these main channels, just less than half of filmmakers use posters, around 40% use print media (magazines and newspapers), less than 40% use radio, and only around 10% have advertised on TV. Of those who had advertised on TV, these filmmakers had films that were commissioned by Mzansi Magic and were promoted via this television channel. The table below provides the spread of distribution across the various platforms.

Table 2: Distribution Across Various Platforms

| Distribution  | None | 1-5 | All | Blank |
|---------------|------|-----|-----|-------|
| DVD           | 21%  | 32% | 37% | 11%   |
| Television    | 37%  | 32% | 5%  | 26%   |
| YouTube       | 37%  | 37% | 5%  | 21%   |
| Film festival | 21%  | 42% | 11% | 26%   |
| Cinema        | 63%  | 0%  | 0%  | 37%   |
| VOD           | 58%  | 0%  | 0%  | 42%   |

More blank responses were received as the type of distribution platform becomes less accessible to emerging filmmakers, and it is therefore assumed that a large number of these blank responses should actually have been captured as ‘none’ – as such, this must be considered when interpreting the results (i.e. greater percentage of ‘none’ responses that presented above). The most utilised distribution platform was DVD, with almost 40% noting that all their films were distributed by DVD. Thirty-two percent of respondents released between 1 and 5 films on both DVD and television and 37% via YouTube. 42% of filmmakers released between 1 and 5 films via

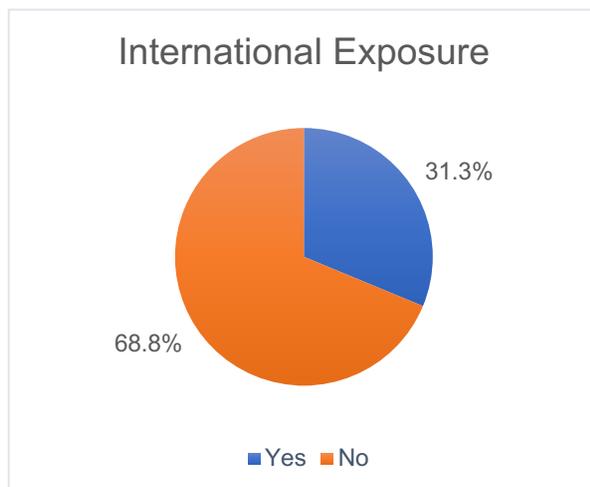
Film Festivals while 11% said they distributed all their films via Film Festival – as such, Film Festivals were the second most utilised platforms after DVD. No filmmakers noted they released films via cinema or video-on-demand (VOD) platforms.

When asked specifically about their DVD distribution strategy, of those who had done DVD distribution, the majority of respondents noted that they distribute via work-of-mouth and sell directly to consumers. Some locations identified for DVD sales included taxi ranks, train stations, car-boot sales, door-to-door sales, flea markets, and Film Festivals. One filmmaker noted that they duplicated 3,000 DVDs and attempt to sell these in the first month with the assistance of a team that goes “door-to-door, rank-to-rank, city-to-city” wearing T-shirts with a poster of the DVD. Another filmmaker noted that they tour rural areas screening their film and selling DVDs. These strategies indicate the current nature of micro-budget film distribution and the need for an alternative distribution model to support this market segment.

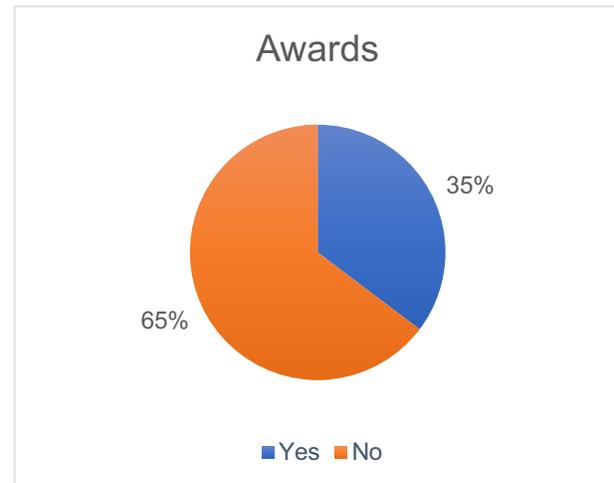
### 3.5.6 Awards and Exposure

Graphs 12 and 13 provide a breakdown of the international exposure and awards received by micro-budget filmmakers for the films they’ve produced in KZN over the past 5 years.

Graph 12: International Exposure Gained



Graph 13: Awards Received



Only 30% of filmmakers have received international exposure. Some avenues of exposure noted were via social media, involvement of people from other African countries, film festivals (DIFF and Sithengi Film and Television Market), and through screenings on DSTV.

Thirty-five percent of filmmakers have received awards for their films. Some of these include EFA Awards, Simon Sabela Awards, HIVOS/Sithengi Film Fund Awards, and Durban Gay and Lesbian Film Festival, SAFTA nominations.

## 4 Socio-Economic Impact

This section unpacks the socio-economic factors that were identified during the micro-budget filmmaker's surveys in order to determine the impact that this film segment has had on the province of KZN. Given that the total number of micro-budget filmmakers in KZN is unknown and there is no detailed inventory of the date and value of micro-budget films produced in KZN, it is not possible to calculate the socio-economic impact on the KZN economy. However, given film budgets and estimates in terms of employment, it is possible to determine the broad socio-economic impact of an average micro-budget film.

### 4.1 Film Budgets

Based on the film budget information provided by filmmakers, the various costs such as the number and value of films, distribution of film costs, deferred costs, profit margins and locational cost factors can be assessed. These figures provide an indication of the value that micro-budget films might have within KZN.

#### 4.1.1 Number and Value of Films Produced

The table below provides a breakdown of the number and value of micro-budget films produced in KZN over the past 5 years as per the survey responses received. The total value of films produced is just less than R10 million, while the average film value is R164,500. However, looking at the distribution of number of films as a percentage of total, 60% are under the value of R100,000 – these films only account for 16% of the total value of films produced. Films with a value of over R250,000 (of which there were 18) contribute 30% to the total number of films, but over 74% of total film value, which is R7,35 million. As such, although more smaller budget films are being produced, the economic value that is being generated is largely from films with budgets of over R250,000 – this comprises 7 films of R300,000 and R400,000 each, 2 films of R500,000, and 1 film of R1,1 million.

Table 3: Number and Value of Films

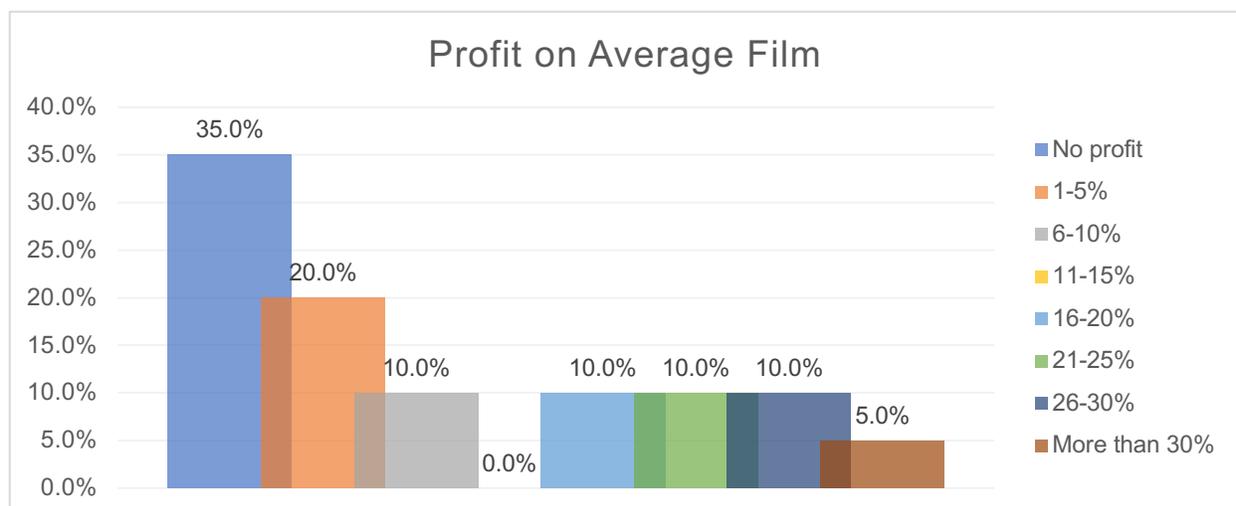
| Value Category      | Number of Films | Number of % of Total | Total Value          | Value as % of Total | Average Value      |
|---------------------|-----------------|----------------------|----------------------|---------------------|--------------------|
| Under R50,000       | 25              | 42%                  | R571,940.00          | 6%                  | R22,877.60         |
| R50,001 - R100,000  | 11              | 18%                  | R985,000.00          | 10%                 | R89,545.45         |
| R100,001 - R250,000 | 6               | 10%                  | R960,000.00          | 10%                 | R160,000.00        |
| R250,001 or more    | 18              | 30%                  | R7,350,000.00        | 74%                 | R408,333.33        |
| <b>Total</b>        | <b>60</b>       | <b>100%</b>          | <b>R9,866,940.00</b> | <b>100%</b>         | <b>R164,449.00</b> |

Given that the total annual turnover of the entire KZN Film Industry was R239 million within 2015 according to the KZNFC Film Industry Baseline Study, it is possible to estimate the contribution of the 60 identified micro-budget films produced in KZN in the past 5 years. Assuming the industry grew at 6% inflation from 2013-2017, with 2015 as a baseline, the total turnover within the KZN Film Industry is estimated to be R1,2 billion from 2013-2017. As such, the 60 identified micro-budget films contributed just under 1% of the total KZN film industry turnover over the 5-year period.

#### 4.1.2 Profit Margins

The table below displays the distribution of profits made by micro-budget filmmakers on an average film. Thirty-five percent of filmmakers do not make any profit, while 20% of filmmakers making between 1 and 5% profit. The remainder of the distribution of profit is fairly even over the rest of the profit margin groups (2 filmmakers each), with 1 filmmaker identifying that they make more than 30% profit. Although this distribution is fairly evenly spread, most filmmakers make little to no profit from micro-budget films (first two bars show those making no profit or less than 5%).

Table 4: Profit on an Average Micro-Budget Film



### 4.1.3 Distribution of Film Budgets

The table below provides an indication of the distribution of film budgets across the various expense items. It is clear that items that are not paid for are insurance, security, locations, post-production and distribution. For example, almost 70% of filmmakers do not pay for any insurance with 44% not paying for any security.

Table 5: Distribution of Film Budgets

| Percentage of Budget | Cast | Crew | Equipment | Catering | Transport | Location | Marketing | Ditribution | Insurance | Security | Post-Production |
|----------------------|------|------|-----------|----------|-----------|----------|-----------|-------------|-----------|----------|-----------------|
| 0%                   | 0%   | 0%   | 6%        | 6%       | 12%       | 35%      | 19%       | 19%         | 67%       | 44%      | 25%             |
| 1-10%                | 53%  | 47%  | 29%       | 76%      | 53%       | 59%      | 56%       | 50%         | 33%       | 50%      | 38%             |
| 11-20%               | 29%  | 24%  | 29%       | 12%      | 35%       | 6%       | 13%       | 13%         | 0%        | 6%       | 25%             |
| 21-30%               | 6%   | 18%  | 18%       | 6%       | 0%        | 0%       | 6%        | 13%         | 0%        | 0%       | 13%             |
| 31-40%               | 6%   | 6%   | 12%       | 0%       | 0%        | 0%       | 6%        | 6%          | 0%        | 0%       | 0%              |
| 41-50%               | 6%   | 0%   | 6%        | 0%       | 0%        | 0%       | 0%        | 0%          | 0%        | 0%       | 0%              |
| 50-60%               | 0%   | 6%   | 0%        | 0%       | 0%        | 0%       | 0%        | 0%          | 0%        | 0%       | 0%              |

Around half of filmmakers pay both cast and crew up to 10% of their budget respectively, while just less than a third of filmmakers pay cast between 11-20% and a quarter of filmmakers pay crew 11-20%. Budget spent on equipment has the most even distribution but also some of the highest contributions to budget.

Almost 30% of filmmakers pay up to 10% on equipment while another 30% spend between 11 and 20%, and 40% of filmmakers spend between 20% and 40% of their budget on equipment. These figures again echoes the challenges identified earlier with regards to access to equipment for micro-budget filmmakers.

Almost 80% of filmmakers spend up to 10% of their budget on catering. Another 1-10% is spent on catering, transport, locations, marketing, distribution and security for around half of the filmmakers. Only 13% of filmmakers spend more than 20% of their budget on post-production.

### 4.1.4 Locations

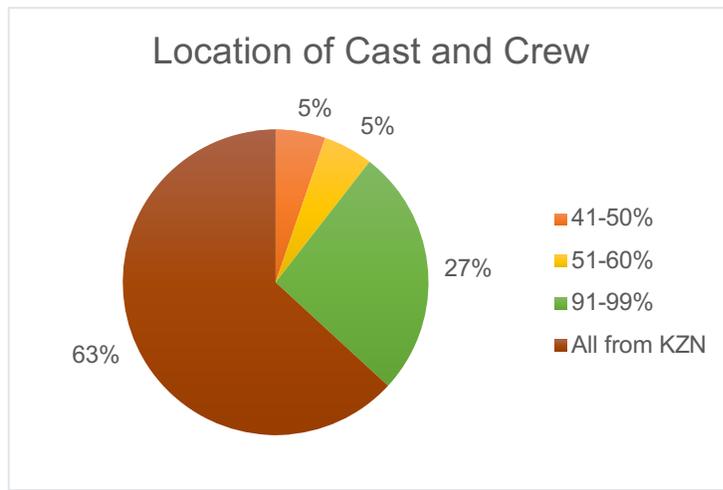
To get an understanding of the locational characteristics of micro-budget films to determine the locality of the impact, filmmakers were asked to identify what percentage of an average film is produced in KZN. Ninety percent of filmmakers produce all their films in KZN, with the remaining 10% producing between 80-90% of their productions in KZN. As such, there is only a very small leakage of funding outside of KZN (approximately only 1% leakage).

## 4.2 Employment

The surveys undertaken with micro-budget filmmakers provide an indication of the employment potential of this film segment, not to mention the locality of cast and crew.

### 4.2.1 Location of Cast and Crew

Graph 14: Location of Cast and Crew



Graph 14 provides an indication of the living location of cast and crew working on the micro-budget films produced. Sixty-three percent of filmmakers source all their cast and crew from within KZN, while another 27% source between 91% and 99% from within KZN. Only 10% of filmmakers noted that they source between 40-60% of their staff from

within KZN.

### 4.2.2 Remuneration of Cast and Crew

Cast and crew are generally remunerated in cash. However, given the characteristics of micro-budget filmmaking, cast and crew are often friends, relatives or associates and might provide their services for free, receive payment once the film is completed and/or get paid depending on the success of the production. Other remuneration includes being credited for their contribution, provision of food and transport money, and trade agreements.

### 4.2.3 Employment Impact

To determine the employment impact, filmmakers were asked to estimate the number of various positions that they would engage for an average production. Although not time based, the following estimates provide an indication of the number of work opportunities that are created for an average micro-budget production. The lower and upper figures indicate the choices that were provide to filmmakers in the survey (i.e. between 2-5 jobs, between 6-10 jobs, etc.)

Table 6: Work Opportunities Created for an Average Micro-Budget Film

|                 | Lower     | Upper     |   | Lower          | Upper     |           |
|-----------------|-----------|-----------|---|----------------|-----------|-----------|
| Cast            | 12        | 18        | → | Direct         | 22        | 32        |
| Crew            | 9         | 14        |   | Indirect       | 8         | 20        |
| Caterers        | 2         | 5         | → | <b>Average</b> | <b>30</b> | <b>52</b> |
| Insurance       | 1         | 2         |   |                |           |           |
| Security        | 2         | 4         |   |                |           |           |
| Transport       | 2         | 4         |   |                |           |           |
| Post-Production | 1         | 4         |   |                |           |           |
| <b>Average</b>  | <b>30</b> | <b>52</b> |   |                |           |           |

For an average production, between 12-18 work opportunities are created for cast members and 9-14 for crew members. In total, direct opportunities per average production are between 22 and 32. For other indirect services such as catering, insurance, security, transport and post-production, between 8 and 20 work opportunities are created. Therefore in total, between 30 and 52 work opportunities are created on an average micro-budget film production.

A micro-budget film can last for around 3 – 12 months, but more established micro-budget filmmakers have noted that in order to be financially viable, one would need to make a film within 3 months from start to finish.

### 4.3 Access to Funding

In terms of access to funding, it is clear that the least accessed funding streams are dti film incentives (80% have never accessed incentives from dti), followed by 74% who have never had a film commissioned by Mzansi Magic, and 74% who have never taken a loan from a bank. Sixty-eight% of all filmmakers have never received funding from commercial sponsors, while 58% have never received funding via the DFO micro-budget programme and 47% have never received grant funding from the NFVF or KZNFC. Twenty percent of filmmakers would fund 91-100% of an average film via personal funding while 42% would fund up to 10% from personal funding.

Table 7: Access to Funding

|         | Personally funded] | Loan repayable (bank, other funder) | Micro-budget funding programme (DFO) | Grant funding (KZNFC, NFVF, etc.) | Commissioned by broadcaster (e.g. Mzansi) | Film incentives (DTI) | Commercial sponsorship/funding |
|---------|--------------------|-------------------------------------|--------------------------------------|-----------------------------------|---|-----------------------|--------------------------------|
| 0%      | 11%                | 74%                                 | 58%                                  | 47%                               | 74%                                       | 79%                   | 68%                            |
| 1-10%   | 42%                | 11%                                 | 11%                                  | 11%                               | 5%  | 5%                    | 16%                            |
| 11-20%  | 5%                 | 5%                                  | 5%                                   | 0%                                | 0%  | 0%                    | 5%                             |
| 21-30%  | 5%                 | 0%                                  | 11%                                  | 5%                                | 0%  | 0%                    | 0%                             |
| 31-40%  | 0%                 | 0%                                  | 0%                                   | 5%                                | 0%  | 0%                    | 0%                             |
| 41-50%  | 5%                 | 0%                                  | 0%                                   | 5%                                | 0%  | 5%                    | 0%                             |
| 51-60%  | 0%                 | 0%                                  | 0%                                   | 0%                                | 0%  | 0%                    | 0%                             |
| 61-70%  | 0%                 | 0%                                  | 0%                                   | 5%                                | 11%                                       | 0%                    | 0%                             |
| 71-80%  | 5%                 | 0%                                  | 0%                                   | 0%                                | 0%  | 0%                    | 5%                             |
| 81-90%  | 0%                 | 0%                                  | 0%                                   | 5%                                | 0%  | 0%                    | 0%                             |
| 91-100% | 21%                | 0%                                  | 5%                                   | 5%                                | 0%  | 0%                    | 0%                             |
| (blank) | 5%                 | 11%                                 | 11%                                  | 11%                               | 11%                                       | 11%                   | 5%                             |

## 5 Conclusion and Recommendations

The overall objective of this project was to provide an analysis of the status quo of the micro-budget film sector and measure the socio-economic impact of micro-budget films within KZN. This report is the final deliverable of the research, and builds onto the key findings from the Literature Review Report. The Literature Review Report was undertaken by first assessing global best practice to determine the challenges facing micro-budget filmmakers internationally, the institutional support mechanisms to grow and develop these filmmakers, and critical success factors from experienced micro-budget filmmakers. This information was then supplemented by an assessment of the South African and KZN policy and institutional framework that supports micro-budget filmmakers, including critical funding mechanisms, as well as key results from the stakeholder engagement process from both industry and government role players. A micro-budget filmmaker questionnaire was then administered in order to gather critical insights into the profile of filmmakers, challenges and critical success factors, as well as the socio-economic impact of the films produced in KZN within the past 5-10 years.

It is clear from the research that the micro-budget film sector is misunderstood at a national and provincial level. Although numerous education, training and funding support mechanisms exist, many of them do not have a specific focus on micro-budget filmmakers. Emerging micro-budget filmmakers operate within a very different paradigm to that of commercial or established filmmakers, largely due to the constraints from limited funding (which impacts on access to cast, crew, transport, locations, marketing and distribution, etc.) and a lack of skills and experience. However, this model of filmmaking provides an opportunity for those with a passion for telling local stories and making films, who are effectively excluded from the mainstream economy to create

sustainable livelihoods for themselves and employment opportunities for others and contribute to the broader economy, the national and provincial film industry, and cultural fabric of society.

Globally, the micro-budget film sector is under the spotlight, given its potential to generate innovative techniques, allow creativity, and provide transformative opportunities (as there are lower barriers to entry), all together generating additional local productions and stimulating the broader film industry. Within KZN, micro-budget films have the potential to generate the same positive impacts, but specifically with regards to transformation within the industry, the generation of more isiZulu, historical and cultural content, the generation new skills within the industry, and the creation of sustainable employment and business opportunities for those within KZN.

Based on the key findings from the research, some recommendations have been made towards how the various stakeholders (especially the KZNFC) can support and grow micro-budget filmmakers to become more sustainable and develop into financially viable businesses that create employment, generate skills, and foster transformation within the industry:

1. Assist filmmakers to access other funding streams to supplement KZNFC funding to encourage more than 1 film to be produced by a filmmaker per year. By consolidating funding streams, filmmakers with a proven track-record could be provided a greater portion of funding up front while emerging filmmakers could be provided with funding in tranches, based on key milestones – this does however need to be released with enough time to allow for all budget commitments to be fulfilled. For example, filmmakers often require funding upfront to secure crew, equipment, locations, and transport, and as such cannot be held up by funding being released late. The short timeframe of micro-budget filmmakers means a quick turnaround time and as such, funding needs to be aligned to this. This approach must also incorporate a strong monitoring approach.
2. KZNFC micro-budget funding should also allocate a portion of funding for post-production and marketing and distribution, which must be made a requirement for the release of any production funding. Ensuring quality editing, other post-production activities and sound design are critical success factors and are often neglected as funding runs dry before production ends – this needs to be supported to ensure that more films can be successfully marketed and distributed. Post-production facilities can be provided by KZNFC as an in-kind contribution via the current cluster facilities. Filmmakers should also be assisted to develop a marketing strategy before releasing initial funding, and funding should be kept aside for marketing and distribution.

3. Ensure that detailed feedback is provided to micro-budget filmmakers who have applied for funding so that they can better understand their strengths and weaknesses to improve on future proposal writing, and concept and script development. Currently, feedback is provided to filmmakers – however, this needs to be more comprehensive to assist filmmakers improve access to funding in the future.
4. Develop a provincial micro-budget programme which is rolled out in phases, and focuses on the entire value chain of production, with mentorship at the core of this programme. The programmes could learn from global best practice, with an initial selection of filmmakers who are granted funding and receive training for script development and are mentored through this process. Thereafter, a selection of the best projects is shortlisted and receives further development training and funding until the script is ‘greenlit’. The best projects can be selected, funded and mentored through production of their film, and provided with training and funding support for marketing and distribution.
5. Engage with the DFO to develop a coordinated approach towards micro-budget funding and training programmes; this could necessitate a shared pool of funding to assist raise budgets, develop joint training and mentoring of new filmmakers, or ensuring that micro-budget filmmakers that graduate from the DFO Micro-budget Programme have a clear pathway towards seeking additional funding from KZNFC and NFVF through additional support and alignment between programmes.
6. Filmmakers have commended the current KZNFC training programmes but often state that business skills are under-emphasised. As such, the KZNFC should consider including a stronger focus on business skills development within the current training package. This should focus on cash flow and budget management, understanding insurance, location scouting and securing, logistics planning, etc.
7. Identify production companies (especially micro-budget production companies) within KZN that have potential to create internship positions for micro-budget filmmakers and support this programme by subsidising the cost of the internship. These positions could allow filmmakers to shadow established directors and producers to gain experience.
8. Consider a micro-budget filmmaker forum where filmmakers can come together, facilitated by the KZNFC, to share experience and knowledge, and engage the KZNFC about accessing funding and training programmes, use of studio facilities and equipment, etc.

9. Develop a production kit that provides micro-budget filmmakers with a range of production guides and document templates such as pre-production checklists, contracts and release forms, budget templates, examples of shot lists, etc. These elements are often not understood by micro-budget filmmakers and will greatly assist them to ensure that all the relevant administrative and regulatory processes are correct while guiding them through some of the technical planning processes.
10. Encourage research on the micro-budget film sector at a national level to enhance the body of knowledge around this unique segment of the market.
11. In partnership with the NFVF and other critical stakeholders, engage with Mzansi Magic in order to find a solution to the challenges presented by the current model, which effectively detaches filmmakers from their intellectual property. A more sustainable, development model must be identified that benefits filmmakers, as well as the broadcaster to ensure that filmmakers are able to retain control over their means of production for longer-term sustainability. In addition, engage with Mzansi around their NuMetro 'first screening model' which is intended for films to be released via the cinema for a limited time before being released on television.
12. In partnership with distribution companies, broadcasters, VOD platforms, and exhibitors, identify alternative distribution models for micro-budget films that seek to support the promotion and release of locally produced content, allows filmmakers to retain some of their intellectual property, and potentially offers reduced rates for distribution of micro-budget films. The KZNFC could facilitate screening of film trailers or premieres and invite various distributors in order to encourage distribution of local content. Additionally, the KZNFC should identify distributors' criteria and educate filmmakers about this to enhance penetration.
13. Strengthen the current relationship and MOU with the SABC in order to facilitate the commissioning of KZN-produced micro-budget films for television release. Ensure that filmmakers who are developing content that is aligned with KZNFC's defined themes (such as local history, Zulu content, etc.) are facilitated and guided to allow them a better opportunity to develop films through commissions from the SABC.



14. Encourage all provincial film festivals to have a greater focus on micro-budget films, with specific award categories for best micro-budget feature (including best actor/actress, editing, sound, concept, overall production, etc.).
15. Engage with Durban FilmMart to make micro-budget filmmaking a standing feature at their annual market event to further support and grow the sector. As per global best practice, filmmakers should receive some training on the 'business of film' and then be allowed to access commercial financiers to pitch concepts.

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## Annexure A: NFVF and KZNFC Funding Policies

### NFVF Funding Policy (2017)

| <b>Development Funding</b>                | <b>Cap</b>                      | <b>Conditions</b>  |
|---|---------------------------------|--|
| Fiction Feature                           | R200 000                        | R40 000 reserved for script editor.  |
| Documentaries Feature                     | R150 000<br>R100 000 for Tier 3 | R20 000 reserved for script editor/researcher when applicable                                    |
| Short films                               | R100 000                        |  |
| TV formats                                | R200 000                        |  |
| Animation                                 | R250 000                        | R40 000 reserved for script editor and R50 000 for story boarding.                               |
| <b>Production Funding</b>                 | <b>Cap</b>                      | <b>Conditions</b>  |
| Fiction Features                          | R1 300 000                      | Tier 3 cannot apply for this funding.  |
| Feature length documentaries              | R350 000                        |  |
| Short/TV Documentaries                    | R200 000<br>R150 000 for Tier 3 |  |
| TV Feature                                | R200 000                        | Only Tier 2 and Tier 3 are eligible for this funding   |
| TV Feature Non-Fiction                    | R150 000                        | Only Tier 2 are eligible for this funding  |
| Animation                                 | R1 300 000                      |  |
| Web-Series                                | R200 000                        |  |
| <b>Post-Production Funding</b>            | <b>Cap</b>                      | <b>Conditions</b>  |
| Archive                                   | R250 000                        | Projects that have received production funding from the NFVF are not eligible.                   |
| Fiction Post Production                   | R450 000                        |  |
| Non-Fiction Post Production               | R120 000                        |  |
| <b>Marketing and Distribution Funding</b> | <b>Cap</b>                      | <b>Conditions</b>  |
| Markets and festival attendance           | R29 000 per applicant           | A maximum of 2 approvals only per financial year - 1 for local & 1 for international attendance. |
| Marketing and distribution                | R250 000                        |  |
| National Film festival                    | R1 600 000                      |  |
| <b>Education &amp; Training Funding</b>   | <b>Cap</b>                      | <b>Conditions</b>  |
| National bursary                          | 100% tuition                    | Preference will be given to students enrolled at South African public tertiary institutions      |
| International bursary                     | R250 000                        | Four bursaries only per academic year  |
| Training grant                            | R350 000 per project            |  |

**KZNFC Funding Policy (2017)**

| Type of Production                                  | Script Development Funding (Max)     | Production (Max)                  |
|---|--------------------------------------|-----------------------------------|
| Feature Length Film                                 | R200 000 (R40 000 for script editor) | R1 500 000                        |
| Micro-Budget Feature Films (less than R1.2 million) | R120 000 (R40 000 for script editor) | R400 000                          |
| Documentaries                                       | R100 000                             | R350 000                          |
| Documentary series and other TV series              | R150 000                             | R1 000 000 (at least 220 minutes) |
| Short Films   | R120 000 (R20 000 for script editor) | R250 000                          |
| Animation   | R200 000 (R40 000 for script editor) | R1 500 000                        |

|                                   |                |
|-----------------------------------|----------------|
| <b>Markets and Festivals</b>      | R50 000 (max)  |
| <b>Marketing and Distribution</b> | R120 000 (max) |
| <b>Audience Development</b>       | R300,000 (max) |