



# Wes-Kaapse Provinsiale Parlement Western Cape Provincial Parliament IPalamente yePhondo leNtshona Koloni

## **REPORT OF THE STANDING COMMITTEE ON ECONOMIC OPPORTUNITIES, TOURISM AND AGRICULTURE ON AN OVERSIGHT VISIT TO THE CAPE TOWN FILM STUDIOS ON 24 JUNE 2015**

The Standing Committee on Economic Opportunities, Tourism and Agriculture, having undertaken an oversight visit to the Cape Town Film Studios, on 24 June 2015, reports as follows:

### **1. The delegation**

The delegation consisted of the following Members:

Ms B Schäfer (DA) (Chairperson and Leader of the delegation)  
Mr B Joseph (EFF)  
Mr R Lentit (DA)  
Ms M Maseko (DA)  
Mr S Tyatyam (ANC) (Alternate Member)

An apology was rendered by Ms S Davids.

The following officials accompanied the delegation:

Ms M Motsapi (Committee Assistant); and  
Ms W Kamish-Achmat (Committee Co-ordinator)

### **2. Introduction**

The Committee, along with the Wesgro Board Members, conducted an oversight visit to the Cape Town Film Studios to understand the importance of the film sector for Cape Town Tourism and the economy of the Western Cape. The Committee envisages the film sector to be an important part of the economy in the next five years.

The Cape Town Film Studios is the first custom-built Hollywood-style film studio complex of its kind in Africa. It is backed by national, provincial and local governments and with private shareholding funding. The Cape Town Film Studios envisions itself to be the dedicated hub for media, new media, entertainment, film and related industries in South Africa and Africa. It offers a unique opportunity for filmmakers to take advantage of a temperate climate, variety of locations, expertise and paramount facilities at a fraction of what filmmaking traditionally costs. The Cape Town Film Studios established a R500 million film studio in Cape Town.

### **3. Overview of the visit**

The Committee was welcomed by the General Manager, Mr Ross Rayners. The Chairperson introduced the Members of the Committee and allowed the staff from Wesgro and the Cape Town

Film Studios to introduce themselves. The Chairperson gave a brief overview as to the purpose of the visit. The briefing was followed by a tour of the Cape Town Film Studios.

#### **4. Findings**

- 4.1 The hosting of one television series has brought in a revenue of R320 million per season for the economy. The Cape Town Film Studios only takes a portion for rental, the economy is further boosted as 90 % of the crew are South African and they earn a taxable income.
- 4.2 The Department of Trade and Industry pays back a portion of the Qualifying South African Production Expenditure. Foreign film makers subject to their qualification can get between 20 - 25% of their South African costs back and local film makers can get between 35 - 50% back. There is also a separate post-production incentive of between 22 – 25%. Tax incentives can also be attracted in this way.
- 4.3 The film industry in South Africa has grown at 14% per annum over the past 5 years.
- 4.4 International clients serve as ambassadors to the tourism industry. They stimulate the interest of the country by promoting Cape Town as an attraction. Flights, accommodation, transport and general spending in the country by the international clients also contribute to the economy.
- 4.5 There is a need to improve and increase South African film content.
- 4.6 Prior to the Cape Town Film Studios, there has been no investment into infrastructure in the film industry in South Africa.
- 4.7 South Africa has the oldest recognisable film industry in the world as one of the first films were shot in Kimberley.
- 4.8 Cape Town Film Studios is the representative company for the South African film industry in the United States of America.
- 4.9 Cape Town Film Studios promotes major skills transfer in the arts industry that equips trainees to run their own production.
- 4.10 Cape Town Film Studios assists young film makers to create and produce content for film.
- 4.11 Script writing in South Africa is not of a good quality. A contributing factor to the quality of scriptwriting is that local producers want to generate profit from scriptwriters' first drafts.
- 4.12 There is a shortage of broadcasters in South Africa, as well as a need for qualified script writing teachers.
- 4.13 Under Wesgro's film promotion programme, there is a drive towards establishing a unified voice for the film industry across all provinces. This unified voice will be aligned with the national programmes for the film industry.
- 4.14 One national funding body is the National Film and Video Foundation that provides seed funding, script support, reviews at policy and research. Information about bursaries, funding, development production and distribution is available to the public. The Department of Trade and Industry is another national body that provides incentives for the public to access funding.
- 4.15 A film production set has between 1500 – 2000 employees with varying skills in facilitation, production, technical services and the creative arena, enhancing over 2500 direct service providers.
- 4.16 The strength of the Western Cape Film Sector lies in the structural diversity, accessibility, cheap production cost and climate, which includes the good quality of light in summer.
- 4.17 Several film festivals are hosted in Cape Town promoting the local industry. The festivals include Encounters Documentary Festival, the Cape Town and Winelands International Film Festival, Design Indaba FilmFest, Kunjanimation Film Festival and Out of Africa.
- 4.18 The industry is further supported by select film and media education, and training institutions located in the Western Cape. A few of these institutions include Big Fish School of Digital Filmmaking, the University of Cape Town Film and Media Department, Africa Film Drama Art (AFDA), City Varsity, Red and Yellow and the Animation School.

## **5. Acknowledgements**

The Chairperson thanked the officials of Cape Town Film Studios and Wesgro for availing themselves to address the Committee.

A handwritten signature in black ink, appearing to read 'Ba Schäfer', written over a dotted line.

**MS BA SCHÄFER, MPP**

**CHAIRPERSON: STANDING COMMITTEE ECONOMIC OPPORTUNITIES, TOURISM AND AGRICULTURE**

**28 JULY 2015**