



Ryan , Mark David (2009) *Whither culture? Australian horror films and the limitations of cultural policy*. Media International Australia incorporating Culture and Policy(No 133). pp. 43-55.

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Whither culture? Australian horror films and the limitations of cultural policy

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Abstract

Cultural policy that attempts to foster the Australian film industry's growth and development in an era of globalisation is coming under increasing pressure. Throughout the 2000s, there has been a substantial boom in Australian horror films led by 'runaway' horror film *Saw* (2004), *Wolf Creek* (2005), and *Undead* (2003), achieving varying levels of popularity and commercial success worldwide. However, emerging within a national cinema driven by public subsidy and valuing 'quality' and 'cultural content' over 'entertainment' and 'commercialism', horror films have generally been antithetical to these objectives. Consequently, the recent boom in horror films has occurred largely outside the purview and subvention of cultural policy. This paper argues that global forces and emerging production and distribution models are challenging the 'narrowness' of cultural policy – a narrowness that mandates a particular film culture, circumscribes certain notions of value and limits the variety of films produced domestically. Despite their low-culture status, horror films have been well suited to the Australian film industry's financial limitations, they are a growth strategy for producers, and a training ground for emerging filmmakers.

Introduction

Since the 1970s, cultural policy has established and sustained an Australian film industry, and as Tom O'Regan has argued, 'without it there would be no Australian cinema beyond a trivial level' (1996: 26). Substantial production and educational investment has produced a steady stream of Australian feature films and world-class filmmakers going onto distinguished national and international careers. Cultural policy has had positive impacts for Australian culture, facilitating a large volume of cultural expression contributing to a sense of national identity. Television local content quotas have fostered an Australian voice in a marketplace dominated by cultural imports where the higher cost of domestic production dissuades investment in children's and high-end drama programs in particular. However, despite its positive impacts, cultural policy driving the Australian film industry's development increasingly has its problems.

Traditionally the preserve of high-arts, cultural policy is not suited to enterprise development, or the fostering of commercial filmmaking practises. Often regarded as soft-financing sheltered from market involvement, public subsidy is prone to creating a 'hand-out mentality' (producers dependent upon public finance), and project-by-project business models without developing scale or sophisticated enterprise structures. Cultural policy is not geared towards the emerging economics of digital content production and online niche markets requiring new production, investment and revenue models (Harris, 2007). There are also generational problems. Younger filmmakers are developing their craft in an era of do-it-yourself or indie filmmaking – privately financed low-budget filmmaking without distribution guarantees shot on low-cost digital video – and their *modus operandi* is not necessarily suited to the bureaucracy of public funding models.

Moreover, as Mark Hartley's documentary *Not Quite Hollywood* (2008) illustrates, 'Ozploitation' films, a term denoting 1970s and 1980s commercial genre films including action, road movies, sexploitation, and horror films, have occupied a precarious position within a small to medium-sized 'national' cinema driven by cultural policy. A case study of Australian horror films, this paper examines the limitations of cultural policy in an era when globalisation is reconfiguring national production systems and traditional financing, production, and distribution models are becoming less viable.

While *Wolf Creek* (2005), *Razorback* (1984), or *Body Melt* (1993), may come to mind, horror films are rarely associated with Australian cinema. Over the last three and half decades, Australian cinema has been best known for uniquely Australian 'ocker' comedies and quirky offbeat dramas characterised by distinct representations of Australian culture, society and national identity. Worlds apart from *Crocodile Dundee* (1986), *The Man from Snowy River* (1982), *The Adventures of Priscilla Queen of the Desert* (1994) and *Strictly Ballroom* (1992), Australian horror films have lurked among the shadows of Australian cinema. By 1994, Australian horror and horror-related films had been estimated as a filmmaking tradition producing a total of 80 films (Hood 1994: 1). To set the record straight, from the silent era of film to present – from the identification of a total of 70 new Australian horror productions released from 1993 to 2007 not captured in previous surveys¹ – Australian cinema has produced a horror tradition of over 150 films.

Public subsidies in place to foster the 'representation and preservation of Australian culture, character and identity' (Maher, 1999: 13) have fuelled much of Australian film production since the 1970s. Consequently, Australian film has tended to emphasise 'Australianness' with a faithfulness to social realism (O'Regan, 1996; Routt, 1999; Mayer, 1999; Moran and Vieth, 2006). Valuing 'quality' and 'cultural content' over 'entertainment' and 'commercialism', Australian films have tended to be art-house *vis-à-vis* genre-based films. Commercial, generic, non-culturally specific (in some cases) and international in their appeal, horror films – not to mention their low-culture status – have been antithetical to these aspirations.

Marginalized by public funding bodies and heavily reliant upon historically limited and relatively low-levels of private finance (with some exceptions in the 1980s), horror production has been severely handicapped. *Razorback* (1984), *Patrick* (1978), *Road Games* (1981), *Long Weekend* (1978), *Howling III* (1987) and many others, although sometimes receiving respectable commercial earnings, have operated on the edges of mainstream Australian cinema. Many of these films have often achieved far greater levels of commercial and critical success overseas, particularly in video and ancillary markets.

Despite largely operating under the radar of official subvention, there has been a substantial boom in Australian horror film production, trebling from less than 20 films in the 1990s to over 60 horror titles produced or in advanced stages of development between 2000 and 2008. *Wolf Creek* (2005), *Rogue* (2007), *Dying Breed* (2008), *Undead* (2003), and *Storm Warning* (2006), have experienced varying degrees of popularity, mainstream visibility, cult success, and/or commercial earnings in national and international markets. The *Saw* franchise (*Saw* (2004); *Saw II* (2005); *Saw III* (2006); *Saw IV* (2007); *Saw V* (2008)), created by Melbourne filmmakers James Wan

and Leigh Whannell, has become the most successful horror franchise of all-time grossing over US\$1 billion in worldwide cinema and DVD sales (Fernandez 2008). *Wolf Creek* earned over A\$50 million worldwide from a budget of A\$1.4 million, *Undead* (2003) has become a popular worldwide cult title, while *Storm Warning* recouped its budget through international presales (Ford 2008), and *Black Water* (2007) went into profit before release (Robertson 2008).

With the increasing internationalisation of the Australian film industry since the 1990s, many Australian producers are attempting to harness the potential of low-budget horror production, relatively high margins of return and international markets. As worldwide horror markets have performed strongly since the late 1990s – growing from 1.70 per cent of the US box-office in 1996 to 7.16 per cent in 2007 (<http://www.the-numbers.com/market/Genres/Horror.php> 2007) – global demand and supply factors have played a part in stimulating local production. Moreover, major transnational distributors requiring a constant stream of English-language product are increasingly acquiring low-to mid budget genre titles from globally dispersed independent producers. As Australian horror production's reputation has grown, local filmmakers have benefited from this. Both Australian and overseas producers are looking towards co-productions in an attempt to increase scale and access to finance and markets. With the growth of indie filmmaking many filmmakers have attempted to build national and international reputations through micro-budget horror production.

A largely independent, internationally oriented production sector drawing upon private and international finance, Australian horror film production causes tensions for cultural policy fostering the Australian film industry. This paper examines the competitive advantages for Australian horror producers and how this relates to the financial limitations of the Australian film industry. This is followed by analysis of cultural policy's limitations through the lens of horror film production – using both historical and contemporary examples – and issues that arise from the implementation of the Producer Offset, a new policy incentive designed to stimulate industry productivity. Primary data is drawn from interviews with filmmakers between 2007 and 2008. In a national context, the term 'independent' refers to films independent of government administered public finance; in an international context, films produced without the backing of Hollywood studios.

Competitive advantages for Australian horror production

Within a publicly funded national cinema, the lion's share of Australian films have small to medium production budgets and Australia has been unable to produce traditions of high-end genre production such as action, fantasy or science-fiction films and sustained high-budget Australian production more generally as a direct result of the industry's financial limitations. Consequently, many Australian films since the industry's 1970s renaissance have struggled to compete in domestic and international markets against high-budget Hollywood films with high-profile A-list stars, large production budgets and high-quality production values. As a result, Australian films have tended to target niche art-house markets in an attempt to differentiate themselves from Hollywood blockbusters.

Until quite recently, barriers constraining Australian horror production have been ‘ideological’ and ‘cultural’ within publicly administered funding structures, mainstream criticism and film culture, rather than physical barriers to production. Most horror production is low budget, and generally not reliant upon the aforementioned elements (as a low-budget horror title can be released straight-to-DVD, marketed online and still make returns) to perform strongly in worldwide markets. Purely in terms of the broader industry’s economics, horror is a production strategy well suited to the limitations of the Australian film industry’s production and financing environment, but has been incompatible with cultural policy driven subvention models.

As ideological barriers are eroded by internationalisation, and as international horror production is predominantly low-budget production, Australian horror production competes in global markets on equal terms against international competitors. The challenge for Australian producers to remain competitive in global horror markets revolves around producing original titles from quality concepts with a strong knowledge and command of the horror genre – renewing standard conventions through generic invention which the horror tradition has become gradually more proficient in achieving throughout the 2000s. Another important issue is the production of original titles at the beginning and middle, rather than the end, of market cycles. The success of *Undead* (2003) and *Wolf Creek* is in part attributable to both films emerging at the beginning of zombie and torture-porn cycles respectively. As such, local horror film production is an example of rapid prototyping for the cultural sector.

Moreover, the Australian film industry’s domestic development and financing structures produce competitive advantages for Australian producers against international competitors. With world-class film-training institutions and limited production finance, Australian filmmakers develop their craft on minuscule budgets and limited resources, effectively shaping Australia’s emerging talent into highly proficient low-budget filmmakers. As current President of the Screen Producers Association of Australia, Antony Ginnane (2004), has observed, Australian films are ‘notorious in a good way for getting so much more value for dollar at every level of production’. On the other hand, production budgets in the United States are becoming inflated with even independent production now costing between US\$5 and \$15 million, while many Australian horror films are produced for less than A\$5 million. Thus, within the context of low-budget filmmaking, Australian horror filmmakers may be capable of a more efficient production process, producing higher quality films with lower budgets in comparison with international competitors. As Robert Connolly (2008: 6) puts it, ‘where equivalent studio genre films fall in the US\$10 million-plus range, *Wolf Creek* cost only A\$1.3 [sic] million to produce.’

Furthermore, for Connolly (2008), the budgets of Australian films more generally tend to fall into dangerous middle ground, neither large enough to compete against Hollywood films nor low enough to ensure economic viability in an increasingly competitive domestic market. However, many Australian horror films are produced on lean – indeed, at times very low – budgets, enabling films to recoup production budgets – some from presales alone. Consequently, Australian horror production is an example of a genre within the broader industry operating within viable budget ranges, and may be a driver of sustained low-budget horror production into the future.

Too narrow? Cultural policy's limitations

Cultural policy (and public subsidy), in the way that it has been practiced in Australia since the 1970s, has fostered a certain type of film industry: it circumscribes certain notions of value; it mandates a particular film culture; and it limits the types of films produced in Australia, favouring art house films emphasising Australianness and social realism in opposition to genre films as previously outlined. (It is worth noting that between 1970 and 1975 the Australian Film Development Corporation administered quite a different kind of cultural policy – financing numerous commercially successful ocker comedies in particular – before it was replaced by the Australian Film Commission (1975-2008) with an emphasis on fostering cultural films). Cultural policy's narrowness 'shuts out' genres such as horror from funding environments and mainstream film culture – so much so that horror films have barely been recognised as an Australian filmmaking tradition. Moreover, cultural policy has largely written off horror and other genres as debased production without cultural resonance and as an affront to 'quality' Australian cinema. However, despite their disreputable nature, the most successful horror films have been distinctly Australian, some consumed in national and international markets as 'Australian horror films'.

In recent years 'Australian horror' – and associated terms 'Aussie horror' and 'horror from down-under' – is emerging as a 'brand' in the global marketplace. As illustrated in an international horror fanzine review in late 2007: 'Fans of Australian horror will be happy to hear this one: *Storm Warning*, another horror movie from Australia, is coming out on DVD on February 5 [2008] for your demented pleasure.'² Indeed, the most recent crop of horror films, following *Wolf Creek*, are being reviewed and consumed as 'Australian horror': Fangoria.com reviewed *Black Water* as an 'Australian horror-thriller'; *Storm Warning* was promoted as, 'The rain runs red when a stranded couple is terrorized in the Aussie shocker *Storm Warning*','³ and Aintitcool.com reviewed *Rogue* as an 'Aussie monster croc movie',⁴ among many other examples.

While non-culturally specific horror films comprise the largest proportion of local horror output – titles without a distinctly Australian identity in the marketplace – the diverse sources of cultural capital influencing recent Aussie horror films clearly illustrate the importance of uniquely Australian thematic, aesthetic and stylistic elements: from the prominent role of the Australian landscape in *Wolf Creek*, *Rogue* and *Lake Mungo* (2007); to colonial history and the Tasmanian Tiger in *Dying Breed*; Indigenous Australian themes in *Prey* (2008) and *Rogue*; and Australian sporting culture in *I Know How Many Runs You Scored Last Summer* (2006), among many other examples.

Value is at the core of the problem. Cultural policy has sought to fund films cultural enough to subsidise – though generally resulting in high-culture films – in an attempt to foster a positive sense of national identity. However, as the Australian film industry becomes increasingly integrated into a global audiovisual sector, what constitutes Australian content continues to blur. Moreover, in a diverse multicultural society a 'national identity' is a problematic term with 'Australians' now comprised of a mix of diverse ethnicities which undermines traditional ocker rural-dominated representations of Australianness (Rayner 2000). Nevertheless, Australian films

falling outside certain constructs of Australianness are refused the status of Australian film and have largely been excluded from industry discussion. As Tom O'Regan (1995) has argued, how can the art-house film *The Piano* (1993), directed by a New Zealander (Jane Campion), shot in New Zealand, but financed by Australian public finance, be celebrated as Australian when *Dark City* (1998), a science-fiction film shot in Australia, written and directed by an Australian (Alex Proyas), but financed by an international studio, is not considered Australian?

Tensions that arise for horror films relate to two issues: horror is a disreputable pulp genre and a youth form. On the one hand, art-house films carry the label of prestige cinema and target middle-aged audiences – long the preferred demographic for Australian films. On the other hand, as we have seen, pulp genres have faced contempt within Australian film culture and youth audiences have historically been neglected by the Australian film industry. Australian films that secure domestic cinema release, prestigious film festival screenings such as Cannes and Sundance, and national and international critical acclaim have long been regarded as a measure of a film's success and prestige within Australian cinema. On the other hand, profits, international sales, recouping production budgets and national and international box office returns, although generally celebrated if a film is perceived as a 'quality' and 'critically successful' movie, have often been secondary concerns.

Horror production, however, does not carry the label of prestigious cinema. The drama *Little Fish* (2005), for example, failed to recoup its budget from the national and international box office, but was lauded a critical success by the broader Australian film industry, taking 12 Australian Film Institute (AFI), Film Critic Circle of Australia and IF awards (generally a critical measure of an Australian film's worth). Conversely, despite *Wolf Creek's* strong national and international critical and commercial success, the film failed to win a single AFI or 'major' Australian film award. *Crocodile Dundee* and *Mad Max* (1979), two of Australia's most successful films of all-time, are prominent non-horror examples of films which failed to achieve domestic critical appraisal though massively popular and influential around the world. For Philip Brophy (1987: 29–30), critiquing the narrowness of a highbrow film culture:

While our film artists acknowledge the aesthetic struggle to create 'great cinema' they forget that the realm of Exploitation is not so easy to navigate. It takes something else to transform trash into cash – a sensibility totally alien to the deluded illusions of art, craft and culture. It is a sensibility that is both absent in our industry and repressed in our film culture.

Moreover, cultural policy's narrowness contradicts a core funding rationale for public funding. As Reid (1999: 11) argues:

The cultural and economic rationale for government subsidy of a local film industry is about assisting talented Australians to bring the stories they most passionately want to tell to the big screen, not the stories overseas studio executives want them to tell.

Yet talented filmmakers such as the Spierig Brothers, telling 'genre stories', were denied public funding until after *Undead's* production and told by funding bodies to

avoid genre production. As Peter Spierig reflects, ‘we have in the past tried to get government funding for short films, script development on another feature film we have written and have been rejected at the very first stage every time. And we just became incredibly frustrated. We had won numerous short film awards, the most recent one that won was best picture, and we still couldn’t get funding’ (Hoskin, 2003: 24). As Michael Spierig reveals, ‘we personally have been told from government funding bodies that we shouldn’t be making genre pictures ... That they’re best left to the Americans ... which doesn’t make sense to me, because the Japanese make some pretty damn good genre pictures’ (24). As the Australian film industry comprises a diverse range of agents and many younger generation filmmakers are increasingly influenced by genre cinema, such limitations constrain the ability of some filmmakers to tell the stories ‘they most passionately want to tell’. Let us not forget Wan and Whannell took *Saw* overseas after it failed to secure domestic finance, and it became a hugely successful global franchise.

Until quite recently, the stigma attached to horror production within the Australian film industry has been a powerful force inhibiting the sector’s growth. As a result of horror’s marginalisation and the force of horror’s stigma, many Australian filmmakers have avoided horror production, or have been driven from it altogether. Richard Franklin (*Road Games* (1981); *Patrick* (1978)) was a filmmaker of high pedigree who was essentially chased from doing what he did best: making cleverly shot, suspenseful Hitchcockian genre films. However, his ostracism from film culture and his exclusion from mainstream criticism led to his departure from the Australian film industry, only to return to produce the ‘quality’ Australian dramas *Hotel Sorrento* (1995) and *Brilliant Lies* (1996) in a direct attempt to show his critics that he is a filmmaker of worth. Such actions are symptomatic of the powerful stigma attached to genre-based production in Australia. Moreover, as horror/thriller screenwriter Everett De Roche (2008) reflects in relation to colleague and horror specialist Colin Eggleston [*Long Weekend* (1978); *Innocent Prey* (1984); *Cassandra* (1986); and *Outback Vampires* (1987)]:

I ran into Colin Eggleston’s adult kids at the first screening of *Long Weekend* [the 2008 remake directed by Jamie Blanks] and they were saying Colin never recovered from the treatment he got in Australia after making that film [*Long Weekend* (1978)]. And here’s a film that won awards throughout Europe and yet he found it really difficult to continue ... in Australia and in fact left Australia and never returned.

From a cultural policy perspective, even if one is sold on the developmental (explored below) and economic contributions of a vibrant horror production sector to the broader industry, it is extremely difficult to justify public funding for films transgressing cultural policy objectives, and stirring controversy among countless social groups in any given culture: parental groups, feminists, religious groups, primary and secondary educationists, political organisations, and so on. Witness for example the 1980s ‘video nasties’ furore in the United Kingdom, where public outrage about children’s exposure to disturbing Italian and US horror titles forced strict government video censorship, and the banning of numerous titles. While this paper does not explore the complicated issue of horror films’ psychological impacts on viewers, public concern arises around issues of children’s exposure to disturbing content, psychological harm for viewers, the championing of deviant social

behaviour, sadism and moral degradation among many others. Equally, though with less political traction, those who defend the genre argue that horror films are a scapegoat for public hysteria, horror flicks are politically-conservative and serve to reinforce normative social and cultural values, and are cautionary parables warning against deviant behaviour.

Nevertheless, the stigma attached to horror production arguably has adverse developmental flow-on effects for the broader film industry. Although horror is a distinctive strand of genre production, it is also connected with other strands of domestic genre production and functions as a training ground for talent across both generic and non-generic film production.

On the one hand, low-budget horror production develops horror specialists who often move into higher-end production. *Saw*'s director James Wan and writer-actor Leigh Whannell developed their directorial and acting skills respectively with the unreleased Melbourne indie horror production *Stygian* (2000) – experience that arguably contributed to gaining the backing of Evolution Entertainment and Lion's Gate to produce *Saw*. After the worldwide success of *Wolf Creek* (produced for A\$1.4 million), the film's distributor, the Weinstein Company, green-lit Greg Mclean's follow-up film, *Rogue*, with a budget of A\$28 million; and Lion's Gate has since financed the Spierig Brothers' follow-up vampire film, *Daybreakers* (2008), following *Undead* (produced for less than A\$1 million) with a budget of A\$25 million.

On the other hand, filmmakers beginning careers in horror films are just as likely to move into different genres as they are to specialise in horror. Peter Weir, a pioneer of Australian gothic and early Australian horror, directed *The Cars That Ate Paris* (1974), *The Last Wave* (1977) and *The Plumber* (1979) before achieving Hollywood success with the critically acclaimed dramas *Dead Poets Society* (1989) and *The Truman Show* (1998). Using the classic Aussie horror *Razorback* (1984) as his Hollywood calling card, Russell Mulcahy went on to direct the first two films of the international hit action series *Highlander* (1986 & 1991). Indeed, 'Kiwi' director Peter Jackson developed his craft through low-budget splatter films *Bad Taste* (1988), *Meet the Feebles* (1989), and *Brain Dead* (1992), before directing *The Lord of the Rings* (2001; 2002; 2003), one of most successful film franchises in cinema history.

Contemporary policy impacts of these questions

From an industry development perspective, contemporary Australian horror production raises questions for future public support of internationally oriented domestic genre production and low-budget indie production, an issue connected with cultural policy's limitations. Many contemporary horror films have emerged outside public funding and support, and have been inspired by weaknesses in current funding structures. Numerous career indie filmmakers are vehemently opposed to the concept of public funding and fiercely committed to independently financed production. However, as *Wolf Creek*'s director Greg Mclean concedes, without public funding the film would never have gone into production (Mclean, 2007). 60 per cent (A\$ 800, 000) of its production budget was financed by the Film Finance Corporation, 40 per cent by the South Australian Film Corporation and private investors, while Screen West provided development finance. Thus public finance was responsible for seeding

one of the key triggers in contemporary production's growth. Furthermore, many filmmakers have honed their professional skills through publicly financed or facilitated short films and development programs. Therefore, horror production's development throughout the 2000s has not been completely bereft of influence from public support environments and policy programs.

The Producer Offset

Following the 2007 federal budget, the government announced a A\$280 million assistance package for the Australian film industry designed to develop more sophisticated enterprise dynamics and competitiveness in response to the industry's ailing performance in recent years (Brandis, 2007). Introduced as part of this initiative, a 40 per cent Producer Offset for feature film expenditure over A\$1 million will replace the existing 10BA tax scheme as the primary mechanism for stimulating private finance.

Overall, the inception of the Producer Offset is a positive development for horror and Australian cinema's future more broadly. While not all Australian horror films have been commercially viable throughout the 2000s, some are recouping production budgets through international presales. Therefore, as the Offset offers producers a 40 per cent rebate on eligible production expenses, had *Storm Warning* (discussed below), been produced under the scheme, the producers would already be in strong position to utilise the rebate's equity to attract future investment and finance further production.

However, the Offset's composition raises several issues of concern. Not applicable to development costs, the Offset may undermine production slate development and potentially affect the script quality of emerging projects (Ford 2008). Arising from the tenets of cultural policy, the Offset is structured for traditional theatrical economic models, with all qualifying films required to secure domestic theatrical release. New economic models for horror production are emerging, and theatrical release is in some cases becoming less viable. Digital distribution platforms are also becoming more prevalent. Therefore, the Offset may limit the adoption of more economically viable straight-to-DVD release models, and for some encourage the pursuit of an archaic economic model. This is as much an issue for the broader industry as it is for horror.

Produced for A\$4.2 million and directed by Jamie Blanks, *Storm Warning* (2006) recouped its budget before release, selling into over 42 international territories. Though originally scheduled for cinematic release, straight-to-DVD release was a more viable option for both distributors and producers. As *Storm Warning*'s producer Pete Ford (2008) outlines in terms of the economic advantages for a distributor:

For a company like the Weinstein Company, even though we originally had a theatrical commitment with *Storm Warning*, for them to go direct to DVD [in the US], it does make a lot of sense ... DVD sales are far greater and less costly ... getting that money in as revenue than theatrical. A great example is ... a movie called *War* (2007). Its box office was relatively disappointing. It was a US\$25 million film, they spent US\$10–12 million on its P&A in the States, it ends up doing about US\$19–20 million at most, so you would deem that a flop. Now it's been out for 33 days in America and it has hit

US\$40 million on its rentals, and that's without sales, that's just rentals. So all of a sudden that equation shifts ... the average horror film doesn't need to be in a cinema to work.

For Ford, the emerging straight-to-DVD model eliminates the expenses of cinema release while offering a model where producers can recoup costs through international market sales:

There is a huge component of all budgets for film which is the deliverables budget – getting it ready to play in a cinema. And you can spend anywhere between A\$180,000 and A\$200,000 just getting the print aspect ready to go. For Australian movies that's difficult. If you can turn to a better business model, we can make a better deal straight-to-DVD and find with the internet, better ways to promote that. So suddenly you don't have the hard physical costs – I mean A\$200,000 out of a A\$2 to A\$3 million budget is a big chunk of change – it's 8 per cent of your budget. That could be spent on making a better film or marketing ... For me there is a more realistic way of looking at this. If you can sell your film at market, that's the first place you make your dough, and if you understand ... what DVD sales and returns are likely to be, then you come up with a marketing plan geared to that to sell at market, you will get a better price for it there. So you can recoup your money without ever going into cinema (Ford, 2008).

Moreover, production partnerships and even production companies are being formed across national boundaries, and producers are looking overseas to produce 'Australian' titles. For example, Shorris Films, a jointly based US/Australian production company has three horror films, *Rampage*, *Howl* and *Condition Dead*, in development, 'likely to be part Australian-financed films, though at this stage, they may film in the states' (Morris 2007). Such dynamics challenge traditional notions of what should qualify as Australian content. For an Australian film to secure finance through the Producer Offset, it must satisfy three (among other) qualifying criteria inherited from the defunct 10BA: a film must be predominantly shot in Australia; it must be produced by Australians; and subject-matter is still a qualifying consideration (FFC 2007).⁵ Thus Australian films produced offshore, and most expenditure incurred overseas, will not qualify for the Offset, dissuading the growth of international production although there are natural advantages in doing so for producers. Consequently, these priorities may become disconnected from the structural realities of an industry in a continuum of international integration.

Furthermore, some commercially viable horror films have been produced for much less than the Offset's minimum qualifying budget threshold of A\$1 million. As Antony Ginnane (2007) commented in an interview for Screen Business:

The third thing I am troubled with is this budget limit of a million dollars. Where if you're making a film for less than a A\$1 million you don't qualify. And to me that's a really bad thing, because it's locked into old-line thinking, its locked into a movie costs a million dollars to make. And movies don't cost a million dollars to make. Today, there are movies that can make as much money as *Australia* [Baz Luhrmann 2008] may make, that are being made for A\$300,000; A\$200,000; A\$100,000. I've heard people say ... there will be

people running around making movies that aren't movies. Well ... I don't think it's up to us. Movies can be made for A\$50,000, and those films in my opinion are as much deserving of help as a A\$1 million movie.

With 10BA's replacement, the Offset and publicly administered finance become the primary sources of financial assistance for the industry. Therefore, low-budget films below A\$1 million, and unlikely to secure public finance, may be excluded from any form of assistance to stimulate private investment. The action, fantasy, and arguably horror-related film, *Gabriel* (2007), is one low-budget production unlikely to have been produced without securing private investment through the 10BA. Produced for a cash budget of just A\$150,000, the film secured domestic cinema release, worldwide video release, and earned A\$ 1.2 million at the local box-office.

Horror filmmakers, particularly indie filmmakers, welcome arm's length assistance so long as it does not interfere with the generic nature of production. Therefore, indirect tax-incentives targeting and facilitating low-budget production that fall beneath A\$1 million, but with a floor to exclude low-end amateur production – very few indie producers are capable of raising budgets over A\$100,000 – may stimulate lower end, but commercially oriented, production with the potential of small-scale cinema and DVD release.

Whither culture? Concluding remarks

This paper has argued that Australian horror films are numerous despite their limited visibility in official funding regimes. Australian horror films are internationally popular, in some cases economically viable, and well-suited to the industry's financing limitations. In terms of developmental value, horror films have been important to the careers of established and emerging filmmakers. Early indications suggest non-theatrical release may be cinema's future. Horror films are well-suited to non-theatrical distribution, though cultural policy remains focused on theatrical release. This article does not simply argue that horror films should receive more public funding, rather it attempts to highlight how the narrowness of cultural policy impacts upon Australian filmmakers, denies certain possibilities, and has negative implications for the broader production milieu.

So, whither culture? A 'national cinema' as an approach to cinema studies needs reconsideration – real growth is occurring across national boundaries due to globalisation, at the level of genre production rather than within national boundaries through pure cultural production. Inputs into production are becoming increasingly international, as are business operations and partnerships. Digital technologies are influencing production and distribution models, and in some cases transforming filmmaking economics. Cinema is becoming a less important market for some filmmakers. Once-despised popular movie genres such as horror are becoming more accepted within Australian cinema, as a production strategy and a genre for popular consumption. Such change does not necessarily mean culture will *wither*. On the contrary, culture has had an important role to play within Australian horror film production, an internationally oriented, commercial, genre-based sector drawing predominantly upon private and international finance.

Thinking and policy formulation needs to shift from a narrow high-brow perspective of culture towards a greater acceptance of popular culture. This does not imply that the Australian film industry should embrace commerce at the expense of art. Nevertheless, policy frameworks fostering an industry should attempt to facilitate the natural genesis of diverse films across high and low genres determined by filmmakers themselves, all of which may have a role to play in the industry's growth. When talent drain is, and always has been, a major barrier to the industry's development, cultural policy that paradoxically forces filmmakers overseas in the national interest, requires reconsideration.

Notes

¹ From analysis of the former Australian Film Commission's annual audiovisual production surveys, IMDB.com listings, and a primary sample of indie films with budgets less than A\$ 500, 000 not captured by the AFC.

² (<http://www.bloodee.com/HorrorNewsReviews/Storm-Warning-DVD>).

³ The 2008 February issue of the *Fangoria* magazine, found at: http://www.fangoria.com/current_issue.php [Accessed 14 February 2008].

⁴ <http://www.aintitcool.com/node/33660>.

⁵ See <http://www.ffc.gov.au/investment>.

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