Annexure: Landscape Survey of Low, Micro And No-Budget Film Production In Australia 2003-2014

Supplement to the International Specialised Skills Institute report, *Australia’s Microcinema: Building capability through development and production schemes*, funded by the George Alexander Foundation (Daniel Schultheis)

Daniel Schultheis / Open Channel
© 2015
1 Scope and Objectives

This report features results from an online survey of a sample of 58 low, microbudget or no budget Australian feature length films completed or released between 2003 and 2014, accompanied by a small number of narrative case studies.

This sample size represents an estimated 5% of total films identified as being made in the survey period (average 120 films per year).

Feature length films for the purpose of this survey were required to be at least 60 minutes in length and originally intended for theatrical or festival screening (regardless of outcome, and including documentary genre).

This non-funded survey was undertaken as part of an International Research Fellowship of the International Specialised Skills Institute, Australia’s Microcinema: Building capability through development and production schemes (report published 2015), funded by the George Alexander Foundation.

An initial list of potential titles was taken from Screen Australia records, derived from data on Screen Australia production tracking. The survey then added title to approach to this database from a combination of sources including:

· Festival catalogues
· DigiSPAA
· Cinema Nova Screened Titles
· IMDB Pro
· Australian Screen web site

A complete list of film titles identified as part of this research is available via this web link:

List of Low/Micro/No Budget Films produced in Australia (2003-current)
http://tinyurl.com/microfilmaus

The list is likely not exhaustive, and it was not always possible to obtain all desirable details for all films to invite participation in the survey, nor have all the titles in this list been verified as being in the low/micro/no budget category or made in the survey period.

However we believe the database is the most complete listing of low and microbudget feature films ever assembled in Australia, and all respondents included in the survey results have self identified as falling into the scope of the survey.

This online database will be updated intermittently in the immediate period following the release of this report. Corrections or updates can be submitted to training@openchannel.org.au
This report highlights the high level of independent low, micro and no budget activity that exists outside the radar of mainstream research by Federal screen agency Screen Australia which monitors performance data on films with budgets greater than A$1M, and films with a theatrical release or a major festival screening (including low or micro budget).

The agency’s statistics indicate that 25 per cent of the 161 Australian feature films it monitored between 08/09 and 12/13 had a budget of less than A$1M.

An estimated 90 micro and no budget independent films (not including low budget) are made annually in Australia, with an estimated $4.2M spent on making them. This is substantial when compared with the 20-30 official titles reported each year. Additionally, Screen Australia data indicates a significant growth in low budget foreign films being produced in Australia in recent years.

It can be assumed there are even more than this figure that exist, or which are commenced, but do not have sufficient budgets or skill levels to be fully completed.

Existing outside traditional funding models, these films commonly rely on a filmmaker’s own initiative and resources to get a film made and sold. Specialist film distributor Peter Castaldi stated, “as non-official feature film productions exist outside the dominant and current production, distribution and exhibition models, they languish, unseen, untested and most importantly unsupported.”

The survey findings are presented primarily as straight data on responses, with some analysis on the findings. Preliminary analysis of the survey data suggests the growing importance of:

- International markets and their access for distribution of Australian films
- A changing industry structure which utilises emerging digital platforms
- Developing industry knowledge, particularly through mentoring, and
- Understanding and using Government funding structures

---

1 Screen-Australia-Drama-Report-2013.pdf
Survey Results

2. Project production budget

This survey looks at the following broad divisions of budget range as reported by the filmmaker and using the following definitions of budget range, which budget level may include cash budget and non-cash components such as in-kind or deferrals.

- **Low budget**: A$250,000 - $1.5M
- **Microbudget**: A$50,000 - $250,000
- **No Budget**: Under A$50,000, no lower limit

Excluding marketing & distribution costs, almost half of the independent films surveyed were in the 'no budget' range or cost less than $50K to produce, as shown in Figure 2.

As budget levels increase, the number of films made annually decreases significantly. The production budget amount excludes marketing and distribution costs.

3. No. Films Responding to Survey by Year of Completion

Of the 58 films surveyed, there is an apparent increase in numbers of feature films made or completed in recent years (2014 not recorded as a full year), although recorded numbers of films fluctuated significantly. During the survey period, one interviewee suggested a drop in 'digifeatures' possibly due to high profile short film festivals viewed as a more useful 'calling card' to making a debut feature, than making a digital feature.
4. Principal place of production

<table>
<thead>
<tr>
<th>State</th>
<th>Response (%)</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>NSW</td>
<td>33.33</td>
<td>18</td>
</tr>
<tr>
<td>VC</td>
<td>35.19</td>
<td>19</td>
</tr>
<tr>
<td>QLD</td>
<td>7.41</td>
<td>4</td>
</tr>
<tr>
<td>SA</td>
<td>14.81</td>
<td>8</td>
</tr>
<tr>
<td>WA</td>
<td>5.56</td>
<td>3</td>
</tr>
<tr>
<td>TAS</td>
<td>0.00</td>
<td>0</td>
</tr>
<tr>
<td>ACT</td>
<td>0.00</td>
<td>0</td>
</tr>
<tr>
<td>NT</td>
<td>0.00</td>
<td>0</td>
</tr>
<tr>
<td>New Zealand</td>
<td>3.70</td>
<td>2</td>
</tr>
</tbody>
</table>

New South Wales and Victoria accounted for more than 68% of production locations of surveyed films, large highly populated cities with strong arts/cultural foundations and production centres, followed by represented films from South Australia, Queensland and Western Australia, and two films from trans-Tasman neighbour New Zealand. New South Wales and Victoria also share the top two rankings for domestic box office (MPDAA). South Australia was the only countries with an active Microbudget level scheme/initiative at the time of the survey.

Additional respondents reported having filmed offshore in Nashville, New York, Los Angeles, Oregon, Connecticut (USA), Baghdad (Iraq), London (UK), Croatia.

5. Duration (in minutes) of feature-length film

Of the films surveyed, the majority of films were 81-90 minutes in duration.
6. Genre

Most common genres of respondent films were drama (26%), thriller (13.5%), comedy (12.5%), horror (8.3%) and documentary feature (8.3%). In comparison to Screen Australia researched feature film genres (excluding documentary) from 2008-2013\(^3\), drama (43%), thriller (21%), comedy (14%), action (8%) and horror (5%), it may be possible to draw some conclusions on genre, that low/micro/no budget films:

- do not have the budget to successfully accomplish action films
- rate drama highly as a genre, presumably with a view to international festival success, however have a lower percentage than mainstream cinema possibly without the marquee ‘name’ cast needed to successfully market drama films commercially
- have a large niche market for horror genre

Some market buyers warn against trying to replicate ‘studio genre films, but cheaper’.

Lower ranking (e.g. fantasy, sport) or non represented genres (e.g. animation, musical, period) were smaller markets dominated by other industries, or expensive genres to produce.

Non-surveyed or hybrid genres reported included:
- black comedy
- drama-comedy (dramedy)

---

• drama-documentary-comedy
• experimental sci-fi
• found footage
• mockumentary
• music video motion picture
• psychological horror
• rom-com
• silent film

6. Shooting Gauge/Format

HD Video and Memory Card formats are the shooting gauge of choice for a majority of Low and Microbudget films. Trends for shooting on low cost SD Video tape are being replaced in more recent years by memory-card-based shooting, and anecdotally, shooting on film formats is becoming impractical as processing facilities become unavailable.
7. Main items of expenditure

Respondents were asked to rank items of budgetary expenditure, from the biggest to the lowest expenses, as applicable to the project.

The biggest recorded expenses were Actor & Crew fees (20 respondents cumulatively), Post Production Editing (8 respondents), Production Kit rental (7 respondents).

The lowest recorded expenses were Actor fees (3 respondents), Visual Effects (4 respondents), Legal (2 respondents), Costumes (2 respondents), and Stunts/Special Effects (2 respondents). As some of these elements (actor rights, music rights, effects) are very costly, it may be that respondents have not actually budgeted for them, but graded them as the 'least expensive' given that they were not paid for or underpaid.
8. Funding sources

<table>
<thead>
<tr>
<th>Source</th>
<th>Response (%)</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self funded</td>
<td>31.21</td>
<td>44</td>
</tr>
<tr>
<td>Bank loan or credit card</td>
<td>7.09</td>
<td>10</td>
</tr>
<tr>
<td>Deferrals</td>
<td>9.22</td>
<td>13</td>
</tr>
<tr>
<td>Investors</td>
<td>9.93</td>
<td>14</td>
</tr>
<tr>
<td>Agencies</td>
<td>4.96</td>
<td>7</td>
</tr>
<tr>
<td>Distributor</td>
<td>2.84</td>
<td>4</td>
</tr>
<tr>
<td>Sales Agent</td>
<td>1.42</td>
<td>2</td>
</tr>
<tr>
<td>Festival Fund</td>
<td>4.26</td>
<td>6</td>
</tr>
<tr>
<td>Tax incentives or Producer Offset</td>
<td>4.26</td>
<td>6</td>
</tr>
<tr>
<td>Family and friends</td>
<td>9.22</td>
<td>13</td>
</tr>
<tr>
<td>Crowd funding</td>
<td>5.67</td>
<td>8</td>
</tr>
<tr>
<td>Donations ie props/furniture</td>
<td>7.80</td>
<td>11</td>
</tr>
<tr>
<td>Corporate Sponsorship or Philanthropic funds</td>
<td>2.13</td>
<td>3</td>
</tr>
</tbody>
</table>

Answered Question 57
Skipped Question 1

The majority of films surveyed (31.2%) were self-funded by filmmakers. There is an indication of a growth in crowd funding in recent years as a form of production finance at lower budget levels, and this funding source may be under-represented here in consideration of the timespan of this survey.

Other secondary forms of finance common to low budget films include deferrals of crew wages, private investors, family and friends, and donations of production elements or services. Facilities deals were not included as an option but also reflected in the results (as either investors, deferrals or donations). University and PhD scholarships (2 respondents) and broadcasters (TV1) were also recorded as funding sources for feature films. A number of film schools Microbudget productions within Institutions have included AFTRS, QSFT, Bond University, Griffith University, SFFS and RMIT.

Only a very small number of films had a market attachment as a form of finance, 2.84% with a Distribution Presale or Minimum Guarantee, and 1.4% with an International Sales Agent. Anecdotal evidence at the time of the report suggests subscription and pay TV services are paying good money for digital rights, but not so for microbudgets, as it is the glossy, high-end, showpieces that will boost subscribers. There are however anomaly cases with commissioning of original low budget content (e.g. SciFi US commissioning original i.e. Sharknado, or the Australian Foxtel/TV1 General Entertainment/SciFi Channel presale for Arrowhead). There was a decline in licenced movie channels of 30-40% since the closure of domestic pay TV channels Showtime Australia and The Movie Network, however there may be a resurgence with the launch of on demand services occurring over the next 5 years.

The budget threshold to be eligible for the Producer Offset tax rebate was lowered to $500,000 in 2013–14.

At a no-budget level, one respondent listed the only cash costs to make the film as food, key props and pieces of costume.
9. Prior Experience of the Key Creative Team (Writer, Producer and Director)

Of the 58 respondent films, around half of primary producers, writers and directors (including hybrid writer-director roles) on films reported as being in the role (on a feature length film) for the first time. Most demonstrated having some prior experience on short films, and other areas of experience identified included television, commercials, music video, documentary, journalism, theatre, acting, animation, educational video and corporates, film school, other film creative or crew roles such as cinematography, initiatives such as Project Greenlight.

68% of respondents said that it was essential that the key creative team (producer and/or writer and/or director) had previous short film experience prior to making a feature film, 25% of respondents said short film experience was helpful, and 7% said it was not important to have had short film experience. Said one respondent, “we hadn’t really made any short films but in retrospect it would have helped to have more experience!”

A small number of respondents identified working on their feature in all three key roles of producer, writer and director.

Most professionals working in these roles would agree that the level of complexity for a feature-length film does require prior short form experience, but equally that the long form project is unique as a story type, and that making lower budget feature films is a valuable training ground prior to making feature films of larger budgets.
Around a third to half of respondents in key creative roles had worked in that role on a feature-length film at least once before.

In regards to film crews, films tended to employ moderately experienced crew, or a mix of people with both more and less experience.

- Very Experienced Crew: 12.3%
- Moderately / Mixed Experienced Crew: 66.7%
- Inexperienced Crew: 21%
10. Demographic of the Key Creative Team (Writer, Producer and Director)

Of the 58 respondent films, there is a strong male skew to key roles on productions, suggesting an incongruity with a film’s creative controllers and cinema going and DVD watching audiences for feature films in Australia, who skew female\(^4\).

Online, Mobile and Video on Demand audiences however, skewed heavily male, and suggests particular genres appealing to these demographics are more likely to be made by male key creatives.

Of the 58 respondent films, there is a reasonable representation of both Australian-born key creatives and overseas-born key creatives, suggesting a good multicultural representation on screen for low, micro and no budget cinema. Only two respondents (producer and writer) identified as being Aboriginal or Torres Strait Islander.

\(^4\) Beyond the Box Office, Screen Australia
Age of the filmmakers was not surveyed, but there is anecdotal industry evidence that the over 50’s market is under-serviced.

Industry Journalist Sandy George noted that films that played strongly in the regions - and Red Dog is a perfect example - were more likely to be ‘box office gold’, yet regional areas were underserved in terms of what projects were developed, perhaps because most filmmakers are based in the cities.

11. Objectives, attitudes and ambitions
The following statement from the 2008 UK Survey on Low Budget filmmaking still seems to reflect the current situation in Australia:

‘Some filmmakers embark on a low or microbudget production with very precise and well defined ambitions and a business model which is well-constructed and evidence-based. Filmmakers who have worked in this way tend to be very aware of the current, dominant value chain, market and strategic situation of the (UK) film industry – and of their position in relationship to those environmental factors.

A second category of filmmaker enters into production with a less well-formed understanding of the filmmaking environment, or with less experience – and very often with a smaller budget. The process of producing the film is often very challenging but the filmmaking team regard the process as a learning experience almost regardless of the outcome for their film, and value outcomes in terms of knowledge gained and lessons learned about the film industry and film production.

A final and third group feel themselves to be unsupported by (or even oppositional to) the mainstream industry and often (arguably invariably) the network of strategic agencies. For many of these individuals the practice of making films is a struggle, confirming their sense of opposition, feeling that industry structures and strategic agency interventions are constructed in such a way as to deny opportunity and block talent.’

Filmmaker respondents were asked what the team hoped they would achieve before the film was made (or what were the MOST important reasons for making the film). Obviously the precise motivations of filmmakers are individual and various, however it is possible to draw some generic subjective categories:

---

5 http://www.iwriteidirect.com/australian-distribution-a-major-problem/
6 Chandler, C 2008, ‘Low and Micro Budget Film Production in the UK’, UK Film Council
The most significant reasons for creators were to gain experience or credits in features, and to create calling cards.

Other responses as to motivators for making a feature film included:

- to make a funny and entertaining film
- to gain DVD distribution
- enjoyment of making a film
- wanted to prove that it was possible to make a large film within the no-budget restrictions and without greatly putting out the cast & crew
- to make something we love and would like to watch
- to win at competition - this goal was successful
- I thought it would help me get work in the film industry
- enact political change
- we were inspired by young adult fiction, and 70’s-80’s horror films

<table>
<thead>
<tr>
<th>Reason</th>
<th>Response (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gain experience of feature filmmaking</td>
<td>29.45</td>
</tr>
<tr>
<td>Calling card for key creators</td>
<td>26.03</td>
</tr>
<tr>
<td>Direct financial gain - theatrical to drive other sales such as DVD</td>
<td>11.64</td>
</tr>
<tr>
<td>Leverage further business outside this feature film</td>
<td>13.01</td>
</tr>
<tr>
<td>Seeking to connect with audiences or affect change (in attitudes)</td>
<td>15.75</td>
</tr>
<tr>
<td>Seeking to espouse or explore green or social issues, seeking to affect change (in practices)</td>
<td>4.11</td>
</tr>
</tbody>
</table>
12. Development activities undertaken on the film

<table>
<thead>
<tr>
<th>Activity</th>
<th>Response (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engaged Script Editor - Paid</td>
<td>8.15</td>
</tr>
<tr>
<td>Engaged Script Editor - Unpaid</td>
<td>8.89</td>
</tr>
<tr>
<td>Used AWG Script Assessment Service</td>
<td>1.48</td>
</tr>
<tr>
<td>Participated in Writers groups</td>
<td>2.96</td>
</tr>
<tr>
<td>Applied for a Script Lab/Hothouse</td>
<td>1.48</td>
</tr>
<tr>
<td>Attended a Script Lab/Hothouse</td>
<td>0.74</td>
</tr>
<tr>
<td>Participated in a Writing or Development Course</td>
<td>6.67</td>
</tr>
<tr>
<td>Made a short film/trailer in similar territory as precursor to feature</td>
<td>14.07</td>
</tr>
<tr>
<td>Made a short film as a calling card</td>
<td>5.93</td>
</tr>
<tr>
<td>Conducted a live script reading</td>
<td>11.11</td>
</tr>
<tr>
<td>Undertook Rehearsals</td>
<td>28.89</td>
</tr>
<tr>
<td>Developed video storyboards</td>
<td>5.93</td>
</tr>
<tr>
<td>Engaged a Researcher</td>
<td>0.00</td>
</tr>
<tr>
<td>Worked with an Industry Mentor</td>
<td>3.70</td>
</tr>
</tbody>
</table>

Other film development activities respondents mentioned included:

- own extensive research for characterisation
- this film did not have a traditional script. Instead the stories were formed by a single paragraph of action information for each scene. And this was then turned into a complete scene through improvised rehearsals that took place on-set. These rehearsals were scheduled into the shoot to ensure time for creative development as well as shooting
- spoke to several producers but they were operating at a totally different level so their advice was irrelevant
13. Duration and approach of principal photography and post-production

The majority of respondents’ films were shot over 11-20 days principal photography, generally expected to be 3 to 4, five-day weeks.

Filmmakers described the approach to production as:

<table>
<thead>
<tr>
<th>Approach</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trial and error, group of friends with little experience</td>
<td>3.77%</td>
</tr>
<tr>
<td>“Shoot and run”, more documentary style, needed to be inventive and creative to get coverage, “Dogma” ethic i.e. minimal crew and equipment</td>
<td>15.09%</td>
</tr>
<tr>
<td>Well planned but “Guerrilla” style, i.e. none or limited location permits/permissions</td>
<td>56.60%</td>
</tr>
<tr>
<td>Fully crewed/professional style production - large crew and equipment (mostly paid)</td>
<td>24.53%</td>
</tr>
</tbody>
</table>

Other selected comments around the approach of filmmakers to principal photography:

- filmed before, during and after a military incursion (event-based)
- well-planned and professional but no-one was paid
- shot overseas providing easy access to locations
- intimate, personal, two crew only, extension of daily relationship with subjects, a great deal of patience required
- film was built around the availability of the cast and crew. Thus, it was filmed scene by scene across a six-month period. We had permissions for all of our locations. A very small crew but with sufficient time in each location
- majority of the film was a traditional professional approach, however due to the no-budget nature we also had a couple of days of “guerrilla” style
• well crewed (NOT fully crewed), run professionally, everyone received a couple of hundred dollars per week
• very small crew - was run professionally and mostly paid but only 6 crew
• relatively small to mid-size crew; modest equipment
• all archival footage

79% of films surveyed were shot primarily on location.

19% of films were shot both on location and in studio facilities.

No films were shot entirely in studio facilities.

1 film was entirely computer generated.

Post-Production Duration

The majority of respondents films were in post-production for 100-200 days (generally expected to be 20 to 40, five day weeks).

Filmmakers described the approach to post-production as:

<table>
<thead>
<tr>
<th>Approach</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trial and error, little experience, steep learning curve</td>
<td>7.3%</td>
</tr>
<tr>
<td>Independently made, numerous re-edits until film was achieved, final edit based largely on intuition of the creators</td>
<td>70.9%</td>
</tr>
<tr>
<td>Professional style - highly structured, test screenings with audiences</td>
<td>21.8%</td>
</tr>
</tbody>
</table>
Two respondents did not pick any of the options above, one respondent saying all options were misleading.

Other selected comments around the approach of filmmakers to post-production:

- still cleaning it up despite it’s festival premiere
- editing was a nightmare
- rough edited by five different editors who each worked on a section of the film. This was then given to the final editor who reworked everything to bring the story together
- two rounds of test screening - first in a cinema, then online
- currently in post production (at fine cut stage) and about to undertake online test screenings. Will then proceed into traditional sound design, ADR and scoring
- I have produced multiple short films - but nothing to the large scale and requiring the professional industry standards that a feature film has. During the process I continually studied, worked and re-worked the film to have it meet all professional standards for Film Festivals and Distribution
- was made over 3 years between industry jobs
- I actually had to do the post twice, including edit and grade, as the first time around it just wasn’t good enough
- feedback from Broadcasters
14. Problems or challenges faced

Respondents were asked if they experienced any of problems or challenges in making/completing the film.

<table>
<thead>
<tr>
<th>Issue</th>
<th>Response (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Schedule overrun</td>
<td>9.26</td>
</tr>
<tr>
<td>Budget overrun</td>
<td>12.35</td>
</tr>
<tr>
<td>Visual Effects costs</td>
<td>3.70</td>
</tr>
<tr>
<td>Lack of organisation/lack of production support</td>
<td>4.94</td>
</tr>
<tr>
<td>Weather problems and could not reschedule</td>
<td>3.70</td>
</tr>
<tr>
<td>Problems in coverage or &quot;fix it in post&quot;</td>
<td>8.64</td>
</tr>
<tr>
<td>Lack of advice or useful criticism from more experienced people</td>
<td>4.32</td>
</tr>
<tr>
<td>Lack of interest due to film content i.e. language or obscenity, controversy</td>
<td>3.70</td>
</tr>
<tr>
<td>Poor acting/direction</td>
<td>3.09</td>
</tr>
<tr>
<td>Loss of cast availability</td>
<td>3.70</td>
</tr>
<tr>
<td>Poor production values/visual quality</td>
<td>6.17</td>
</tr>
<tr>
<td>Bad sound</td>
<td>9.26</td>
</tr>
<tr>
<td>Technical problems i.e. accidentally exposed film</td>
<td>3.09</td>
</tr>
<tr>
<td>Loss of crew availability</td>
<td>4.32</td>
</tr>
<tr>
<td>Poor script</td>
<td>3.09</td>
</tr>
<tr>
<td>Bad dialogue</td>
<td>1.23</td>
</tr>
<tr>
<td>Poor editing</td>
<td>1.23</td>
</tr>
<tr>
<td>Lack of forethought about the market/audience for the film</td>
<td>4.94</td>
</tr>
<tr>
<td>Blocks in dealing with the market because of risk or traditionally risk averse business/contractual models</td>
<td>9.26</td>
</tr>
</tbody>
</table>

Most common issues provide opportunities for industry development:

**Key Challenges:**

- **Budget & schedule overrun**
- **Poor sound & production quality**
- **Music rights, contracts**
- **Market business models**

**Areas for development:**

- Financial and planning skills
- Technical skills
- Business, legal, IP, copyright skills
- Industry knowledge
Other problems or challenges faced included:

- location shoots and sound issues
- lack of budget to build sets
- lack of finance to really give the film the polish it required
- musical differences between producers and director and editor
- inexperience of producers to sell the film
- just started post-production
- we had a film made up of three individual stories held together by a single linking narrative. Unfortunately the lack of a traditional script meant that it wasn’t clear until the edit that the linking narrative did not fit with the character stories. We ended up cutting out the narrative and therefore ending up with three stories that don’t really fit together all that well
- always knew that we would only have enough money raised to get through production and edit. We are currently talking to an investor to help us fund the grade, sound mix and marketing
- lots of interest from the public, but only limited interest from the industry and distributors
- actor got famous, didn’t get a signed contact, couldn’t release the film...
- a distributor picked it up before it was even finished, held onto it for 5 months and then dumped it, so all the distributors had already moved on
- music rights
- technical problems included poor exposure (visual noise), out of focus shots, insufficient coverage
15. Personal Attributes needed to succeed in low budget feature production

(Word art graphic created from frequency of words in all survey responses, created by wordle.com)
16. Marketing & Distribution

The approximate expenditure level of Marketing & Distribution (including Prints and Advertising) for respondent films was:

<table>
<thead>
<tr>
<th>Budget Level</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Did not have a budget</td>
<td>50.00%</td>
</tr>
<tr>
<td>Less than $50,000</td>
<td>44.6%</td>
</tr>
<tr>
<td>Between $50,000 and $250,000</td>
<td>3.6%</td>
</tr>
<tr>
<td>Between $250,000 and $1M</td>
<td>1.8%</td>
</tr>
<tr>
<td>Over $1M</td>
<td>0%</td>
</tr>
</tbody>
</table>

Respondents were asked whether they employed any of the following activities in the release of the film (marketing and distribution):

<table>
<thead>
<tr>
<th>Activity</th>
<th>Response (%)</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>An experienced marketing team</td>
<td>4.06</td>
<td>8</td>
</tr>
<tr>
<td>A defined marketing strategy</td>
<td>6.60</td>
<td>13</td>
</tr>
<tr>
<td>A publicist</td>
<td>6.60</td>
<td>13</td>
</tr>
<tr>
<td>Advertising</td>
<td>4.06</td>
<td>8</td>
</tr>
<tr>
<td>Sales agent representation at a market</td>
<td>5.58</td>
<td>11</td>
</tr>
<tr>
<td>Premiere/Launch screening</td>
<td>13.71</td>
<td>27</td>
</tr>
<tr>
<td>Festival strategy/submission to build platform</td>
<td>14.72</td>
<td>29</td>
</tr>
<tr>
<td>Used web/social media to build audience during production</td>
<td>11.17</td>
<td>22</td>
</tr>
<tr>
<td>Used online marketing after film complete</td>
<td>9.14</td>
<td>18</td>
</tr>
<tr>
<td>Direct marketing of DVD/VOD purchase</td>
<td>7.61</td>
<td>15</td>
</tr>
<tr>
<td>Innovation or entrepreneurship (i.e. non traditional marketing, such as special events or stunts)</td>
<td>6.60</td>
<td>13</td>
</tr>
<tr>
<td>Professionally edited trailer</td>
<td>10.15</td>
<td>20</td>
</tr>
</tbody>
</table>

Other selected comments around the approach of filmmakers to Marketing and Distribution:

- Budget for Marketing & Distribution is vital: I entered the film in more than 30 international film festivals. The film won many awards & nominations and as a result, it has a lot of screenings around the world and it generated many sales particularly in Europe (TV & theatrical) and US (non theatrical)

- looking at the best way to release the film online

- marketing. Always the hardest. Always the most neglected

- have just got a team in place to take care of PR

- marketing and sales continue 4 years after release

- a film critic showed a copy of the film to the distributor - they took it

- self-marketed to distributors and sales agent, but no success. Limited festival release
• work commitments (and moving onto a second no-budget feature film before we had completely finished this one) meant that our film has not had the focused marketing and distribution approach that it needs. As such it has not yet screened anywhere, six months after its completion

• after our distributor dumped us, a highly respected reviewer who saw the film at a festival convinced me to self distribute. We had a 9 week run in a cinema in Brisbane ($4,500 screen average on opening weekend in 3 cinemas)

• directly approached non film media with story of the making of the film

• we had an original distribution avenue through a US HipHop label, they marketed it for 2 years, before going bust

• VOD and on-line offers made, but contract deal with actors makes this unaffordable

• we haven’t explore DVD & VOD at this time. (VOD was not popular)

• the film is fun - an acid trip for thirteen year old boys. Every time it has screened it has been enjoyed or hated. Which is exactly what we want. But it is best viewed in a group setting with plenty of beer and getting distributors and festivals to take a chance on it has been the major challenge

• wrong distributor who did not have US penetration - despite assurances to the contrary

• no agencies would watch the film when offered free copies.

• no A List starts. All the major distributors said that without an A List star, they were unable to market the film

• we failed to really crack the US market & didn’t make a TV sale there which was a disappointment

• Piracy online- I’d be a millionaire by now if people couldn’t file share

• distribution company internal ructions and consequent incompetence

• we simply did not think the end stage through at all. Once the DVD distribution fell through, we were stuck

• crossover film, with unknown lead actors, audiences appreciative, distributors don’t know how to market to crossover audiences (Aussie-Indians and mainstream Australian audiences)
Theatrical exhibition launched by festivals remains the ‘first release medium of choice’ for filmmakers.

There are more international theatrical outcomes for the filmmakers surveyed than domestic outcomes.

There is evidence that Australian distributors are wary about which Australian films they support because of how much they drain resources - time, money, emotional energy - and how long it takes to get a return on the investment. Most distributors stated that they picked up low and microbudget films post-completion.

Low and microbudget films almost invariably are competing within the remaining 10% of the market against foreign language, US independent titles and higher budget productions. In the last few years, there has been a small revival in micro distribution activities.

---

7 Given, J & Curtis R & McCutcheon M, 2013, Cinema in Australia: an industry profile, Swinburne Institute for Social Research (SISR), Melbourne
Distributors/Sales Agents acquiring respondent films:

- A-Film Home Entertainment (Denmark)
- Antidote Films (Australia/NZ)
- Asylum, The
- Avex Trax (JP)
- Blue Dolphin (UK)
- Cinedigm (US)
- Contemporary Arts Media (Art Films)
- Continuum pictures (US, Canada)
- FandangoPortobello (Sales Agent)
- fillim.com (Australia VoD)
- Film1 (Denmark)
- Galloping Films (Sales Agent)
- Icon (Australia)
- IFC Films / IFC Midnight
- IFM Films
- Levelk / Madman
- Madman (Australia and NZ)
- Madman Lightning Entertainment
- Monster Pictures (Australia)
- MVD DVD (US & Canada)
- Odin’s Eye
- Pathfinder Pictures
- Pinnacle Films (Aust)
- Rialto (NZ)
- Rogue Arts/Fairway Film Alliance
- SBS (Australia)
- Scott White Pictures (UK)
- Senator Home Entertainment (Germany)
- Shock Australia (now Relativity)
- Siren Visual Entertainment (Australia)
- Stealth Media (UK)
- Titan View (Australia and NZ)
- Tribeca Film (US)
- Troma Entertainment (US)
- TV1 General Entertainment
- Umbrella Entertainment
- WDR (Germany)
- Wizemindz (India)
- Women make Movies (US)
- ZED (Paris)

Typically the theatrical run for low/micro budgets will take place in independent / specialist / arthouse theatres such as Melbourne’s Cinema Nova, and minor chains such as Palace and Readings. Some titles may only have festival screenings as the theatrical release. A very small number will crossover to mainstream release in the major chains (Event Cinemas, Village and Hoyts-AMC).

A number of titles outside those surveyed were observed to have struck deals with broadcasters, such as Foxtel Sci Fi Channel’s commission of Arrowhead, or genre filmmaker Jon Hewitt’s post sales to commercial television networks (Redball to Channel Nine, and Acolytes to Channel Ten, respectively).

Rights deals applying to film sales:

<table>
<thead>
<tr>
<th>Description</th>
<th>Response (%)</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Producer/s retained 100% of the distribution rights</td>
<td>38.10</td>
<td>16</td>
</tr>
<tr>
<td>Rights licensed to distributors or sales agents for less than 10 years</td>
<td>45.24</td>
<td>19</td>
</tr>
<tr>
<td>Rights licensed to distributors or sales agents for between 10 and 20 years</td>
<td>14.29</td>
<td>6</td>
</tr>
<tr>
<td>Sold rights outright to distributors or sales agents or licensed them for more than 20 years</td>
<td>2.38</td>
<td>1</td>
</tr>
</tbody>
</table>
One title reported splitting rights, retaining all except international broadcast rights (sold by Sales Agent to 22 countries). One title reported as not intending to be sold, instead released under a Creative Commons license.

**Contributing factors to sales**

Respondents felt that their films failed to achieve full potential in distribution or exhibition, due to the following contributing factors:

<table>
<thead>
<tr>
<th>Factor</th>
<th>Response (%)</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Script issues (i.e. under-developed)</td>
<td>13.92</td>
<td>11</td>
</tr>
<tr>
<td>Execution or production issues</td>
<td>10.13</td>
<td>8</td>
</tr>
<tr>
<td>Post production issues</td>
<td>6.33</td>
<td>5</td>
</tr>
<tr>
<td>Lack of awareness by the team of film sales &amp; distribution</td>
<td>17.72</td>
<td>14</td>
</tr>
<tr>
<td>Difficulty in getting attention for small films in the market (i.e. low budget as a disincentive)</td>
<td>36.71</td>
<td>29</td>
</tr>
<tr>
<td>Marketplace circumstances i.e. right film, but wrong time</td>
<td>15.19</td>
<td>12</td>
</tr>
</tbody>
</table>

**17. Filmmaker & Investor returns**

**Next Productions for Key Creatives**

Of the respondent films, key creative/s moved on to work on the following productions after (or as a direct result of) the feature production:
Very few respondents of the 58 films surveyed identified Net Revenues for investors or filmmakers (after any taxes, distribution or sales agent fees, other costs associated with release etc).

<table>
<thead>
<tr>
<th>$A Net Revenue</th>
<th>No. respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>$5,000</td>
<td>1 no budget film</td>
</tr>
<tr>
<td>$10,000</td>
<td>2 micro and 1 low budget films</td>
</tr>
<tr>
<td>$25,000</td>
<td>1 low budget film</td>
</tr>
<tr>
<td>$30,000</td>
<td>1 micro budget film</td>
</tr>
<tr>
<td>$250,000</td>
<td>1 low budget film</td>
</tr>
<tr>
<td>$350,000</td>
<td>1 micro budget film</td>
</tr>
</tbody>
</table>

Respondents were asked that benefits they think Low Budget / Microbudget / No Budget production sector offers to filmmakers/films:

| Creative opportunities and freedom/diversity in storytelling | 22.6% |
| A chance to practice the craft with less risk               | 20.8% |
| Opportunities for talent in all departments and grades to progress within the industry, calling card | 20.4% |
| Skilling of production personnel                             | 18.6% |
| The opportunity to innovate in new business models for the future of film | 17.8% |

Other responses:
- no budget is a non-sense. It’s only good for students. Micro or low budget are acceptable for short films fiction and documentaries
- opportunity to make a profit if the film is good and it sells
- opportunities to go bankrupt
- it gave me the opportunity to really learn. I took away all of the supports that a director would have and forced myself to have to face everything – no script, improvised performances, directing and shooting at the same time, multiple editors. It was a literal trial-by-fire that definitely helped my second no-budget feature film
- all of the above A good way to start - fun, without the baggage/ expectation of an enormous crew
- you can actually make something original rather than derivative
- to call it an industry is a misnomer unless the word cottage precedes it. Re-analysed in that way, much begins to make sense
- it is a changing industry and being able to produce exceptional quality work, for next to nothing, will allow for a diversified way of delivery across all platforms. It was my stepping stone, and I would not be where I am today without it
- a bigger chance of getting investment money back which most funded films never do
- making the film was a great experience and I call it my film school. I have recently spoken to others involved in the project who felt it was a wonderful experience and taught them a lot
- we never regret making this film. It proved to us this is what we wanted to do with out lives and it showed us we can make a feature film - even if next time we’ll go into it with a lot more knowledge
- myself and my producer have already finished production on a second no-budget feature film and working through post production. We did things very differently to our approach to our first feature. However we will never make another no-budget feature film - too much work and heartache for the lack of interest that is encountered in Australia
Respondents were asked which comment/s best describe how they feel about the “business model” of making low/micro/no budget films, and whether it is a viable and sustainable way to make films.

<table>
<thead>
<tr>
<th>Comment</th>
<th>Response (%)</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our team have built a sustainable model for production, and have received distribution and financial returns from our films</td>
<td>4.47</td>
<td>8</td>
</tr>
<tr>
<td>Our film was distributed but the team is yet to see financial returns, so we are unsure about the sustainability of our business</td>
<td>7.82</td>
<td>14</td>
</tr>
<tr>
<td>It was a struggle to complete the film and the team would be apprehensive about making another film given the experience</td>
<td>3.35</td>
<td>6</td>
</tr>
<tr>
<td>The film was completed with a lot of generosity, discounts, favours and deferrals, and we would find it difficult to make the next film without a bigger budget to pay for people/equipment/services</td>
<td>16.76</td>
<td>30</td>
</tr>
<tr>
<td>Our team would attempt another low/micro/no budget film but would do things differently with what we learned from this film</td>
<td>17.88</td>
<td>32</td>
</tr>
<tr>
<td>If the film had a distribution arrangement in advance (i.e. traditional, alternative or online) then the business would be more sustainable</td>
<td>11.73</td>
<td>21</td>
</tr>
<tr>
<td>A business model which would make the production of a slate of films possible (not just film by film) would be more sustainable</td>
<td>9.50</td>
<td>17</td>
</tr>
<tr>
<td>We did not make the film to make a profit, we just wanted to tell the story</td>
<td>10.06</td>
<td>18</td>
</tr>
<tr>
<td>The technology makes it more possible to make low budget films, but not all films should be told (or are ready to be told)</td>
<td>11.17</td>
<td>20</td>
</tr>
<tr>
<td>We feel that this type of filmmaking can be exploitative, or result in dangerous business and production practices, if not done in the right way</td>
<td>7.26</td>
<td>13</td>
</tr>
</tbody>
</table>

Other comments around the business models of low/micro/no budget films:

- desperate need to train filmmakers in the market end of the business
- we got close - had producers with good credits and sales agents pitching the film overseas/LA
- having a slate of productions looks far more attractive to any potential distributor
- a sustainable business model is not viable...ours may very well be the single exception
- collectivism and a slate of films is key
- making a film is easy, selling it is near impossible
- I see filmmaking like my musicians friends see making music- it's an expensive hobby. In saying that I've been able to make a living out of my filmmaking business as a result of making my first feature - I've won an AFTRS grant, travelled the world to attend various film events and been exposed to all sorts of opportunities

From the 2008 UK report into Low Budget filmmaking on the sustainability of low budget filmmaking as a business model:

“there is in my view a huge question as to how sustainable a business low and especially microbudget production is. It seems to be more a case of either you make an impact and move up or move out. If you stay in the low/micro budget game for any length of time it has to be a decision based on non-commercial factors”
“a sort of anti-business model whereby films were made as stand alone calling cards not, in the main, as an audience-focused entertainment with distribution attached, or part of an ongoing, coherent film production business within the market.”

Several interviewees noted that there is a hidden subsidy for low and microbudget films in the form of discounts from equipment and facilities companies. Facilities reliant on continuing flow of higher budget films to provide core solvency for businesses to be able to cross-subsidise.

Bad business practices being too prevalent in low and microbudget filmmaking – flouting minimum wage regulations, poor health and safety practice, weak or inappropriate contractual relationships and so on.

“legitimate/honourable low and microbudget films can play a valuable role by creating opportunities for hands-on filmmaking experience, and by creating space for genuine creativity and experiment NOT by unpaid”

There was some support for the notion that all parts of the film value chain needed to adapt to low and microbudget ways of working if a viable business model were to emerge.
18. Final Comments from survey respondents

- the more you experiment, the more you are isolated
- the experience was invaluable. Wouldn’t trade it for the world even if we never see a cent
- film was made as part of a university PhD and was intended to be commercial
- people do support me so I’m happy
- professional training in the ‘business’ is lacking and needs to be funded by government, if the industry is to expand and flourish
- fixation with theatrical release as a trigger for the Producer offset has hugely inhibited the development of a vast pool of talented low budget filmmakers and is old fashioned, and typical of the ‘club’ mentality of the government agencies which has done so much to stultify film production in this country. They are exclusionist by nature and try to pick winners, but because they have nothing riding on outcomes. They’ve picked a lot of losers. We need a more democratic funding structure and tax structure for film, and a more modern approach to new distribution platforms
- selecting the right genre is everything in low budget film making. But script development is the most crucial aspect. There is never any money for script development and filmmakers often rush into production
- Australia has no support or model for no-budget filmmaking. And even when it is finished the government agencies will only talk to you or watch the film if it has been accepted into one of the Big 6 film festivals. This seems ridiculous as the government body should be there to support those who are working outside of the box, not ride on the coat-tails of those who have already made it to the red carpet. We have the wrong approach to government funding in this country where it seems to be all about being attached to the already successful rather than developing those who take initiative
- great learning curve. Has fast tracked knowledge in feature storytelling
- basically the current distribution model makes indie filmmaking difficult, but not impossible. Make sure you have an A-List star (and everything else is perfect) and you should be fine
- keeping the passion for filmmaking is difficult enough without the help and support of other passionate people. If people have been burnt by unscrupulous filmmakers in the past, it creates an environment of distrust, and is difficult for the passion to return to micro-budget projects. Our project had benefits to all who worked on it in terms of experience and passion, but I think it would be hard to cultivate this environment again. Everybody has an industry horror story - and I think they are all born of greedy and exploitative leaders who mostly come from the advertising industry
- you can’t make money out of many online media anymore, but you get opportunity to travel and develop your career, you get energy back in other ways
- it was a great experience and has exceeded expectations! Winning 6 awards and with North American and local distro .. ours was the little film that COULD!
- environment in which the film was made/post produced questions are symptomatic of why no viable business model exists
- collectivity and funding multiple low budget films simultaneously is key
- micro budget films are an invaluable way for anyone to start, and sometimes, continue in their career. It allows you to experiment with nearly all aspects of film making, subject, editing or filming technique, lighting, soundtrack, etc. It may give you the opportunity to make the film you actually want to make, whereas working with a budget, may mean towing someone else’s line
• I love the freedom indie filmmaking yields. The government funding model is too cumbersome and does not champion good ideas and innovation. The next indie film I’m making will engage audiences from the outset and cast and crew will all share in the risk-reward. If the film does well, we will all do well both creatively and financially, that’s the aim and not give the film away for distributors and exhibitors to take the lion share
## Appendix 1 - Key Impacts and Milestones around Low Budget Film Production in Australia 1970s-2010s

<table>
<thead>
<tr>
<th>Year</th>
<th>Milestones</th>
</tr>
</thead>
</table>
| 1970's | • AFTRS and AFC commence  
• Underground cinema, new wave, ozploitation movements in Melbourne and Sydney |
| 1980's | • Mainstream home video technology  
• Decline of the drive-in cinema, historically a platform for 'B-movies'  
• Multi-screen cinema complexes built in suburban and regional shopping centres |
| 1990's | • Low budget becomes a selling point for US Indie hits which break at festivals like Sundance, and the norm for debut features  
• Australian low budget festival breakouts (1995)  
• Low-budget Feature Seminar, Low Means Low papers published by the Australian Film Commission (1996)  
• Directors story part of ultra-low budget films marketing  
• Average cash budget to get them 'in the can' and part-way through post-production US$50,000, then studio buyers invest significantly in postproduction and publicity costs ("not so good for the microbudget myth")  
• Cultivated clientele for smarthouse and foreign films buoyed specialist cinemas  
• Back to Basics in Dogme95, returning to focus on story over form  
• Digital filmmaking becomes a reality, with new digital videotape (DV) and computer editing technology, although still limited for theatrical films until High Definition (HD) cameras available in the late 1990s. Filmmakers could now own the means of production for 'no budget' features  
• Birth of the internet |
| 2000's | • Digital goes mainstream  
• Festival proliferation and online film submission (e.g. Withoutabox)  
• Diversification of the Cinema industry, with "expansion slowing but a wider range of cinema types and experiences offered to audiences"  
• US Free Trade Agreement  
• Start of internet video, such as YouTube, Vimeo, “virals” and user generated content  
• Birth of Social media  
• Mobile platforms and the rise of the 'smartphone’ complete with video cameras  
• Decline of celluloid film, as digital takes over  
• Major US Studios aware of increased market share for indies launch their own specialty and indigenous divisions for “limited run” titles  
• Market frenzy, large presales for small films  
• Studio-induced inflation, real indie distributors struggle to compete for best films  
• Video on Demand and pay-per-view technology  
• Widespread global piracy of intellectual property  
• Emergence of day/date screening trials  
• No or Low Budget / No Commercial Release Policy updated by MEAA allowing for deferment of crew fees (2006) |
• 10BA tax deduction and Film Licensed Investment Company (FLIC) schemes for film investment replaced by 40% Producer Offset on qualifying Australian spend
• AFI modified its eligibility criteria for its 2008 Awards to allow limited theatrical or DVD release films to compete
• Filmmaker Robert Connolly releases white paper Embracing Innovation: a new methodology for feature film production in Australia (AFTRS Centre for Screen Business, 2008), questioning entrenched practices in Australia
• Global Financial Crisis 2008 sees downsizing in the specialty divisions of major studios and presale financing in lower budget films and entertainment financing of bank lenders dry up almost overnight
• Traditional distribution patterns no longer as lucrative due to falling cinema attendances and DVD sales, TV multichannelling
• Strong appreciation of the Australian dollar against the US dollar sees a reduction in imported production that had inflated the work for Australian cast and crews over the past decade
• Screen Australia announces a plan to focus on “more commercial” films with budgets above $15M and with the potential to be released on more than 100 screens nationally

2010s
• Closure of DVD rental chains
• US Cable Networks rebirth television as premium cable ‘cinematic events’ and capture the attention of global audiences
• Rise of digital content aggregators for VoD platforms
• Widespread expansion of Crowd funding
• Producer offset threshold lowered to QAPE minimum of $500k for feature films, single episode dramas, and documentaries
• Digital conversion of cinemas by 2013, paid for by Virtual Print Fee, films still distributed on hard drive
• Polarisation of film budgets in Australia, mid range budgets failing to be financed, and less likely to perform financially\(^9\)
• Screen Australia’s Feature Film production financing guidelines released in April 2012 provide for increased flexibility in the application of investment guidelines, particularly in relation to market components for feature films which could, in the opinion of Screen Australia, reasonably be produced with a total production budget under $1.5M (low budget)
• Launch of Microbudget schemes such as SA Film Lab and renewed interest in lower budget forms of cinema
• Screen NSW launches review of the often mandatory use of completion guarantors, which can add $40,000 to $50,000 to the cost of a low budget feature
• Screen Producers Australia pushes for a Low Budget fee reinvestment Scheme for certified low budget films

\(^9\) Connolly, Robert (2008), Embracing Innovation: a new methodology for feature film production in Australia
In 2007, Australian cinema received a breath for fresh air from independent filmmakers led in part by the critical success of *The Jammed*, a gripping story about sex trafficking in Melbourne from writer/director Dee McLachlan, and produced by Andrea Buck.

It was a film however, which like many independent films in the struggle to secure financing and distribution, nearly didn’t happen.

McLachlan began her career cutting newsreels in South Africa and later helmed a number of big budget features including *Running Wild* (1995) starring Brooke Shields and Martin Sheen.

With a long career as a director-for-hire, McLachlan had become frustrated at the need to sacrifice personal creative vision, and making *The Jammed* through whatever means possible was to be a final ‘hurrah’ before giving up her film directing.

“I made a commitment to make the film with whatever resources I had,” said McLachlan. “I set a date, because I knew after that date, I’d be so broke I’d never be able to get anything off the ground. So I kind of forced the film into production -- you’ve either got to do it now, or you drop it and move on to something else. We’d spent a fairly long time trying to raise money conventionally, then said we’re just gonna do whatever we can do with whatever money we’ve got.”

*The Jammed* was based on a true story McLachlan read in a newspaper article. The script was penned quickly, half a year before production commenced.

Initially rejected for development and production funding, the film received last-minute injections of private finance ($30,000 and $400,000 respectively), with the full $600,000 shoot budget coming together only 3 weeks prior to the commencement of principal photography.

Casting Director Dina Mann supported McLachlan with a letter of introduction to casting agents to reach the actors with whom she wanted to work. Agencies were receptive, in part due to the quiet period of production activity. Once Emma Lung was on board, the rest of the cast soon followed. To keep the budget low, actors were paid equity rates without loadings, and TV rights being paid out on the sale of the finished film.

---

Herald Sun
The film turned new digital filming technology to its advantage, buying rather than renting cameras (it was shot on Sony Z1 HDV cameras), and given a cinematic rendering by DoP Peter Falk. McLachlan warns than what looks ‘free’ may not always be the case. For example, while they could have had more expensive digital cameras loaned, buying the cameras outright reduced the time burden on the schedule.

The shoot took 3 weeks (18 days) with a crew of around 20. McLachlan’s extensive directing experience and careful scheduling allowed for fast shooting and a larger number of locations than a more novice director may have been able to handle. McLachlan says one of her strengths is shooting ‘almost exactly to scheduled time’. Crew rates were mostly scale (award minimums), with experienced HoDs earning slightly more for their expertise.

McLachlan’s brother contributed an original score for the film at cost, but managed to do well from the soundtrack royalties on the film’s release.

State agency Film Victoria committed $150,000 to completion funds after buzz started to build around the film. This funding required an international sales agent to be attached to the film, but in retrospect the team said this decision may have been made too quickly to find a partner capable of achieving the best possible results internationally.

For almost 9 months, the film hit a brick wall. The films trajectory in distribution started slowly with a poor reception from major festivals. The film was unable to get theatrical distribution, initially making it ineligible to enter the 2007 AFI Awards.

But then, once it was made, “for almost nine months it hit a brick wall,” says McLachlan.

“Over the last five or six years, local distributors have just lost so much money on local films. There’s a huge loss of faith in local films by distributors -- and rightly so, they’ve kind of lost their audiences.

“In promoting the film, we found, if it was touted as an Australian film the audience was not that interested. That’s ground we’ve gotta make up. Audiences are not really engaged in Australian films, so it’s really going to be up to us to find stories that are going to engage Australian people.”

But it wasn’t just Aussie malaise putting the distributors off. The Jammed’s subject matter had a lot to do with it.

“Local distributors aren’t that keen on social thrillers. The US has constantly got movies about their social issues, but there seems to be a bit of a vacuum here. I know a few other projects, that were really relevant, about refugees and such, were having difficulty, too.

“It’s a perception that local audiences are not going to go and see issues-based films.”

Having shot the film in 2006, McLachlan found herself in the second half of 2007 resigned to issuing the film on DVD only.

“We were running out of steam and energy,” the director says.

However the films fortunes turned around. But then, on August 23 last year, they managed to get it on to one screen, at Carlton’s Cinema Nova.
The takings off that one screen were so impressive, cinemas around the country began calling to ask for prints.

Being made at the ‘right time’ was a major factor in its success, says McLachlan. The issue around the film hit a nerve and resonated in the public consciousness. Other films tackling the same subject matter, such as the US feature ‘Trade’ were also released around the same time.

*The Jammed* enjoyed successful screenings at the Brisbane International Film Festival and received a flood of favourable critical reviews including by national TV film critic David Stratton.

Australian distributor John L. Simpson (Titan View) picked up the film after seeing it at the Dungog Film Festival and being determined that a wider audience should have the opportunity to see it. The film received an initial domestic release on the arthouse circuit in three Australian capital cities. “Championed by a few vocal film critics, it started breaking box office records for Australian films – only *Crocodile Dundee 1 & 2* and *Lantana* had higher screen averages in their first weeks. Very quickly, other cinemas around the country picked up on the vibe”11.

The film performed well in DVD sales and rentals, and spurred a relaxation of rules for acceptance into the AFI, being nominated for seven awards -- including Best Film, Best Direction and Best Original Screenplay for Dee McLachlan, and Best Lead Actress for both Emma Lung and Veronica Sywak

The Jammed ultimately grossed $400,000 -- more than another of the AFI Awards’ big nominees this year, The Square, which had the muscle of distributor Roadshow behind it.

The team behind *The Jammed* is looking to relaunch the film on VoD in 2015 with the advent of social media, for new and younger audiences who will have not yet had the opportunity to experience the film.

Luckily for Australian cinema goers, the success renewed McLachlan’s enthusiasm and has seen her continue making original films including the comic hit *10 Terrorists*.

---

11 The Age
‘Everyone in the world must book/program/buy/see/savour Donna McRae’s feature JOHNNY GHOST. Made for $40,000 but better than most blockbusters.’ - film critic ADRIAN MARTIN

JOHNNY GHOST had its origins in a younger version of its main character, Millicent, a script written by filmmaker Donna McRae about a rock girl in post-punk 1980’s Melbourne, a world that the Actor-turned-Writer/Director Donna McRae knew well. The script was developed at Tropnest - a Screen Australia initiative run for selected Tropfest short film festival finalists to develop 50 minute features a six week residency at Fox Studios, Sydney. During Tropnest McRae she was encouraged to direct her own writing projects.

Trained in filmmaking at the Victorian College of the Arts, and in Fine Arts at Monash University, and with a track record of four short films under her belt, McRae turned a passion for the supernatural, and the opportunity of a Ph.D. Scholarship on the ghosts of cinema at Monash University into the mechanism to create her first feature film.

JOHNNY GHOST catches up with McRae’s punk rock girl Millicent 25 years on. As a professional musician and lecturer, Millicent decides to remove her tattoo, only to begin experiencing ghosts from her past. The psychological ghost story (think the genre of Ghost or Truly Madly Deeply), between thriller and soft horror, explores the themes of guilt and regret, and the concept of “cryptic incorporation” which occurs where grieving is left incomplete and neither the mourner nor the mourned can move on.

The ‘no-budget’ feature was made for around $40,000 cash, plus in-kind support value adding to the low budget. Locations and insurances were also supported through McRae’s Faculty.

The small crew of 6 were mainly working professionals with whom the Director had existing relationships (including her partner, Production Designer Michael Vale). McRae was able to reach her principal actor, AFI award winning Anni Finsterer through Facebook to get her to read the script and commit to the project. Cast and crew were paid award minimums for a shoot of two weeks (10 days), with actor rights paid up front. For the soundtrack a contemporary take on post-punk Melbourne was realised by popular musicians and friends, David Graney and Clare Moore. A special album edition may be released on iTunes alongside the Australian film release. Post on the film was entirely completed over 12 months by the Director and Cinematographer László Baranyai, with a boutique post sound house wanting to move into features providing the mix.

JOHNNY GHOST struck an emotional chord with audiences during a successful festival run of over 11 festivals where it picked up a number of awards including Best Female Director.
at the Berlin Independent Film Festival and Best Feature at the South Texas Underground Film Festival. Awareness from the film was built using social media platforms like Twitter and Facebook, and the film received a number of rave reviews from genre-based magazines like FilmThreat.

Festival success helped overcome the factors of being low budget, and also being shot in black and white, which can be viewed as barriers to sales. Through the festivals, McRae made connection with and secured US distribution with VOD start-up Continuum Motion Pictures and will be released online through services including iTunes and The Dish (presumably geo blocked for US viewing). The Australian rights have been picked up by Titan View with a November straight-to-DVD release.

JOHNNY GHOST being so widely seen and so well received has meant that things are happening a little more easily on McRae’s next feature project.

Looking back on what she and her team have achieved, McRae doesn’t quite know how they did it, but recognises the strength in the script - written over 12 months and with an experienced script editor and a lot of thought and research behind it - as a key factor in the film’s success.

“Indie filmmakers in the US can churn out 2 to 3 films a year”, says McRae, and “Internationally, it’s a crowded market for films and festivals and to stand out, films need both a solid script and have the filmmakers taking more care on the marketing and sales of their film, especially given the tyranny of distance for Australian filmmakers”. McRae has spoken on the benefits of doing a PhD film at the national conference of film schools, ASPERA. Deakin?? Adjunct professor.
10 Australia low and microbudget film schemes

The following talent development schemes in Australia have specifically targeted debut filmmakers and low/micro budget level production.

### Million Dollar Movies (Australian Film Commission (AFC) and SBS Independent (SBSI))
A production financing accord resulted in the production of five feature films of under 50 minutes in length. Films could achieve distribution in either TV or theatrical form (as part of a two month film festival travelling to the major cities of Australia). Titles included La Spagnola

### Showtime  Talent Assist (SPAA)
- Provides debut feature filmmakers with the opportunity to screen their film in front of producers and market buyers at the National Screen Producers conference

### 2003-2012 DigiSPAA (SPAA/Movie Network)
A National competition that provided a revolving finishing fund for finalist digital features that had been completed to ‘double head’ stage (completed film and sound edits), and included a cable broadcast deal with the now defunct Movie Network (Foxtel). Reported to have surfaced around 60 low budget features a year. Titles included Men’s Group.

### 2005-
IndiVision (Australian Film Commission)
- An intensive week long development ‘hothouse’ with five teams/projects collaborating with international and Australian advisors. It focused on script and performance, and emphasises the importance of developing the script, the team’s vision, and the production methodology simultaneously. As well as intense script sessions, directors workshop their scripts with actors, producers have intensive sessions on their budgets and financing plans, and the filmmakers meet with distributors, financiers and successful filmmakers who have succeeded in the low-budget realm. Titles included Caterpillar Wish and Black Water

### 2009 & 2014 SA FilmLab (South Australian Film Corporation)
Established by Richard Harris and Defrim Isai, the $4.2M initiative set out to produce nine “festival” features in four years, at a budget level of $350,000 per film. Films were freed from any dependence on the commercial marketplace, so they were able to follow a more organic vision to develop a film during the lab, retain greater creative control. The scheme included hothouse workshops on script and market during a “boot camp” where ideas developed with story developers like Stephen Cleary, actors and other industry advisors. What happened each day in the lab was determined solely by the needs of the FilmLab participants and not by any preordained program. FilmLab also offered a “side door” to apply for funding, for production ready projects at the low budget level. The scheme produced a high level of success for participating filmmakers with theatrically distributed titles including Shut Up Little Man (premiered in competition at Sundance in 2011), The Infinite Man, and 52 Tuesdays. www.safilmlab.com.au
<table>
<thead>
<tr>
<th>Year</th>
<th>Program Name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>Low Budget (“LoBo”) Feature Pod (ScreenACT)</td>
<td>Training &amp; development initiative with UK script consultant Stephen Cleary, John L. Simpson of Titan View, featuring an initial training phase, and intensive phase to guide selected participants from vague concepts to solid, submittable projects seeking production finance from the ACT Production Investment Fund.</td>
</tr>
<tr>
<td>2013</td>
<td>Ticket to Ride</td>
<td>A private partnership between UK sales company Bankside Films, investment company Star Gate Film and Sydney-based production company See Pictures Private scheme to finance up to three films per year with a focus on high concept ideas with budgets under $2M, utilising the Producer Offset.</td>
</tr>
<tr>
<td>2014</td>
<td>ScreenWest Feature Navigator</td>
<td>An innovative development program designed to progress the careers of Western Australian directors through skills development opportunities and identifying and developing a debut feature film project for selected directors. ScreenWest issues a national and international call-out for well-developed projects that have the potential to be produced as a first feature film in Western Australia. Solicited material from agents, managers, distributors and credited producers is invited to be submitted to the Feature Navigator directors for their consideration.</td>
</tr>
</tbody>
</table>

**Survey contact:**
Daniel Schultheis
training@openchannel.org.au