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Australian cinema's dark sun: the boom in Australian horror film production

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Abstract
There has been a boom in Australian horror movie production in recent years. Daybreakers *(2010),* Wolf Creek *(2005),* Rogue *(2007),* Undead *(2003),* Black Water *(2008), and* Storm Warning *(2006) among others, have all experienced varying degrees of popularity, mainstream visibility, and cult success in worldwide horror markets. While Aussie horror's renaissance is widely acknowledged in industry literature, there is limited research into the extent of the boom and the dynamics of production. Consequently, there are few explanations for why and how this surge has occurred. This paper argues that the recent growth in Australian horror films has been driven by intersecting international market forces, domestic financing factors, and technological change. In so doing, it identifies two distinct tiers of Australian horror film production: 'mainstream' and 'underground' production; though overlap between these two tiers results in 'high-end indie' films capable of cinema release. Each tier represents the high and low-ends of Australian horror film production, each with different financing, production, and distribution models.*

Introduction
After experimental beginnings in the 1970s, a commercial push in the 1980s, and an underground existence in the 1990s, from 2000 to 2009 contemporary Australian horror production has experienced a period of growth and relative worldwide commercial success unequalled throughout Australian film history. Production has trebled – from less than 20 films in the 1990s to over 60 horror titles produced in the 2000s. *Daybreakers* (Spierig and Spierig, 2010), *Wolf Creek* (Mclean, 2005), *Rogue* (Mclean, 2007), *Undead* (Spierig and Spierig, 2003), and *Storm Warning* (Blanks, 2006), have experienced varying degrees of popularity, mainstream visibility, cult success, and/or commercial earnings in national and international markets. The *Saw* (Wan, 2004) franchise, 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* has earned over A$50 million worldwide in gross revenue from a budget of A$1.4 million. At the time of writing, *Daybreakers* had earned over US$ 46 million at the

worldwide box-office alone. The chiller *Lake Mungo* (Anderson, 2009) secured a A$1 million remake deal with Paramount Vantage on top of healthy foreign presales (Tiley 2010). *Storm Warning* recouped its budget through presales (predominantly DVD/video and Pay-TV rights) (Ford 2008), and *Black Water* (Traucki and Nerlich, 2007) went into profit before release (Robertson 2008), among other examples. As one commentator puts it, Australian filmmakers are 'making a killing out of horror … and a spate of local filmmakers are hoping to cash in on the phenomenon' (Shore 2007). An important point to make is that although few titles achieve box-office earnings equal to *Wolf Creek* and *Daybreakers*, an increasing number of low-budget horror titles, including those mentioned above, are recouping budgets and going into profit from presales and video market revenues. As I argued in my PhD thesis (Ryan 2008), horror has been a viable low-budget genre for a number of commercially oriented filmmakers in recent years.

This surge in horror movies has often been mistaken for a renaissance in Australian genre cinema more generally – popularly referred to as Ozploitation films and accounting predominantly for action, road movies, 'ocker' comedies, sexploitation, and horror movies (see *Not Quite Hollywood* 2008) – though horror has by far dominated recent genre output. *Kenny* (2006), rekindling sensibilities of early 1970s 'ocker' comedies, and *Gabriel* (2007), an action fantasy, are among a handful of recent local movies engaging with popular movie genres. On the other hand, *every* movie championed in *Not Quite Hollywood* (in the movie's conclusion) as genre movies leading a mini-renaissance in Ozploitation cinema are in fact horror movies (*Wolf Creek*, *Storm Warning*, and *Undead* among others), as are a large proportion of recent local genres flicks. This is a fact that has gone largely unremarked. But what this suggests, and as this article argues, is that the recent surge in Australian horror movies is more significant than what is perhaps acknowledged.

This paper argues that the recent growth in Australian horror films has been driven by intersecting international market forces, domestic financing factors, and technological change. The paper identifies two distinct tiers of Australian horror film production: 'mainstream' and 'underground' production; though overlap between these two tiers results in 'high-end' indie films capable of cinema release. Mainstream horror production is an independent, internationally oriented production sector on the margins of the Australian film industry producing titles such as *Wolf Creek* (2005) and *Rogue* (2007). Underground production is a fan-based, indie filmmaking subculture, producing ultra low-budget 'credit-card' films (privately financed without distribution guarantee) such as *I know How Many Runs You Scored Last Summer* (Turner and Edmonds, 2006) and *Reign in Darkness* (Allen and Dolen, 2002). Each tier represents the high and low-ends of Australian horror film production, each with different financing, production, and distribution models.

The terms 'mainstream production', 'underground production' and 'high-end indie films' are industrial categories. With few exceptions, namely *Daybreakers, Wolf Creek, Rogue, Dying Breed* (Dwyer, 2008) and several others, the term 'mainstream' may be misleading in that few 'mainstream' Australian horror films receive cinema exhibition and many are released straight-to-DVD. However, the term is justified by other criteria: budget ranges, professional filmmaking practices, wages are not deferred, films receive greater visibility in terms of critical appraisal and production is generally driven by market-attachments in contrast to underground production. The terms 'underground' and 'indie' films are used interchangeably to describe titles from this sphere of production.

An industry analysis, the paper does not attempt textual analysis, nor does it offer cultural or socio-political explanations for the recent boom. While this paper has important policy implications discussed in the conclusion, this is not the object of the research. For a detailed account of policy implications Ryan (2009) explores the limitations of cultural policy attempting to foster the Australian film industry's development and the position of horror movies. Production budgets, sourcing primary data for Tables 1 and 2, were obtained from interviews with filmmakers, IMDB.com and the now defunct Film Finance Corporation and the Australian Film Commission[i]. In Table 1, counts of Australian horror titles by decade from 1970s to 1993 are adapted from Hood (1994); primary data for 1994 to 2007/08 is drawn from the above sources. 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. The terms 'indie' or 'underground' films, defined in more depth below, refer to semi-professional low-budget filmmaking.

The horror film and Australian cinema

A major popular movie genre alongside action-adventure, science-fiction, comedy, drama, suspense-thriller and many others, horror is a *blueprint* for industry production, a *marketplace label* for advertising and distribution, and a *viewing contract* informing audience consumption (Altman 1999: 14). Horror movies attempt to evoke humanity's primal fears of death, the unknown, and our nightmares and vulnerabilities, in an attempt to frighten an audience. In so doing, horror films transgress limits, particularly 'the boundaries of sanity and madness, of the conscious and unconscious minds, of the external surfaces of the body and the flesh and organs within, pre-eminently the boundaries of life and death' (Langford 2005: 158).

At present, a corpus of films constituting an Australian horror tradition is poorly understood. Debate tends to range from discussion of a broad tradition which is highly inclusive, versus debate of a more narrowly defined sense of the genre. For example, some commentators regard the action/road movie *Mad Max* (Miller, 1979), the eerie art-house movie *Picnic at Hanging Rock* (Weir, 1975), and even the bizarre experimental film *Bad Boy Bubby* (Rolf de Heer, 1993), as examples of horrifying films within a broad tradition of *terror Australis.* These films are, however, difficult to classify as 'horror movies' when analysed through the lens of conventional plotlines, character types, tropes, sub-genres, and icons etc understood as comprising the horror genre proper, though the first two films have undeniably contributed thematically and stylistically to what is now understood as an *Australian horror tradition* (see Ryan 2008; Hood 1994). Consequently, these films do not feature in this paper. Nor is *Saw* technically an Australian title – though created by Australians and partly developed in Australia (including key casting decisions and script development) – as it was produced overseas. Yet, as we shall see, the movie has impacted upon local production in various ways, and cannot be divorced from discussion of contemporary horror movies.

Horror, and genre films more generally, have occupied a tenuous position within Australian cinema. 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 & 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. Moreover, 'the history of filmmaking in Australia … epitomises the difficult relationships smaller film industries enjoy with Hollywood, which inspires and competes with them' (Rayner 2000: 3). Australian cinema's refusal to 'recognize … generic status' has been an attempt to differentiate 'itself from Hollywood, which has always been interested in refining and developing specific film genres' (Mayer 1999: 178).

Marginalised by public funding bodies, horror production has been heavily reliant upon historically limited and relatively low levels of private finance (with some exceptions in the 1980s). Since the industry's revival, horror films and commercially oriented films more generally have had to 'compete at both home and abroad' (Dermody & Jacka 1988: 13).

Without delving in depth into the history of Australian horror films, it is important to outline that periods of strong growth have been connected with the state of domestic financing environments and international market demand. The late 1970s and 1980s saw a strong surge in Australian horror production, producing numerous international cult titles such as *Patrick* (Franklin, 1978), *Turkey Shoot* (Trenchard-Smith, 1982), *Long Weekend* (Eggleston, 1978) and *Razorback* (Mulcahy, 1984). Emerging within a small domestic marketplace hostile to local genre films, Australian filmmakers engaging with the horror genre and searching for commercial returns, deliberately targeted international markets. The introduction of the 10BA tax incentive in 1981, shifting financing from government agencies to private investors, resulted in strong investment in local feature film production. High-levels of private investment fuelled local horror production, while international markets with an insatiable appetite for low-budget horror fare drove demand.

However, Australian horror film production dried up in the 1990s – production fell from over 40 titles in the 1980s to less than 20 in the1990s (see Table 1). The winding back of the 10BA in the late 1980s saw government agencies (Australian Film Commission and Film Finance Corporation) become the principal financiers of Australian film. Financing largely cultural art-house and specialty films, horror and genre films more generally were severely marginalised within this environment. This, in conjunction with the limited availability of private finance, handicapped the horror genre's growth. Moreover, downturn in the horror genre worldwide by the mid-1980s (see Kapsis 2009), resulted in shrinking markets for local product. As one international commentator observes:

> Where the late 70s/early 80s releases had benefited from a global boom in the fledgling home-video market that voraciously demanded new titles from anywhere and everywhere, the late 1980s and 90s saw increasing generic Australian releases struggling to find a place in a saturated market (Eofftv.com 2006: 2).

However, local horror film production has experienced a strong resurgence in recent years.

The 2000s boom in horror films: scale and budget ranges

From 1993 to 2000, a meagre total of four Australian horror films, as classified by the Australian Film Commission, were produced from a total of 185 Australian feature films, or two per cent of national production over a seven-year period (AFC 2006a). However, from 2000 to 2008, horror production has surged from barely registering on the radar of the Australian film industry to an average of almost eight films per annum (see Table 1). National production rates are hovering around 25 per annum (AFC 2006b). In 2006 a total of 14 horror films were produced or released – although half of these films are not captured by AFC statistics reflecting the independent nature of much of Australian horror production. As Table 1 illustrates, production rates have fluctuated considerably from decade to decade, with 1980s productivity increasing by a total of 28 films on 1970s production, before falling by 29 films in the 1990s, but surging again in the 2000s. The history of Australian horror films has thus been characterised by cycles of 'boom' and 'bust'.

Table 1: The growth and decline of Australian horror production by decade

Decade	Total horror films produced	Average per annum*	Increase/decrease no. of films on previous decade	Annual production expenditure A$	Average annual budget expenditure A$
1970s	20	2	-	n/a	n/a
1980s	48	4	+28	n/a	n/a
1990s	19	2	-29	$15 mil (est)	$1.5 mil
2000–2007/08	62	8	+43	$107.5 mil**	$15.8 mil

*Rounded up to the nearest number.
** Aggregate total for both mainstream and underground production (see text).

Budget expenditure on Australian horror production has risen dramatically, becoming a significant proportion of the broader industry's annual production spend during the 2000s. The 1990s saw a 'guestimated' total budget expenditure of less than A$15 million on Australian horror films[ii]. From 2000 to 2007, however, 34 films amassed a total production spend of A$107.5 million (see Appendix 2). This equates to an annual horror production spend of A$15.3 million over the last seven years, an impressive figure considering the average five-year annual production spend of the broader Australian film industry was $96 million (AFC 2006b).

If the average Australian industry production spend remained roughly commensurate over a seven-year period to correlate with this study's sample for horror expenditure, I estimate that horror production has represented approximately 15 to 16 per cent of the average domestic production spend from 2000 to 2007. Although these figures are inflated by a recent influx of high-end internationally financed production (see Table 2), it clearly illustrates the vibrancy of the horror genre in recent years.

Two phases of development: 'pre' and 'post-*Saw* and *Wolf Creek*'

There have been two-phases of development characterising the boom in Australian horror films: 'Pre' and 'Post-*Saw* and *Wolf Creek*'.

The first phase

By the turn of the century, commercially oriented Australian producers were responding to the renaissance of the horror genre in mainstream markets. Similar to trends in the late 1970s/early 1980s, the boom in horror production is connected with international market demand and domestic financing environments. Worldwide demand for the horror genre has grown strongly since the mid-1990s represented by growth from less than two per cent of the US box-office in 1996 to over seven per cent by 2007 (http://www.the-numbers.com/market/Genres/Horror.php 2007). Strong international demand has enabled healthy presales to recoup predominantly low budgets financed by private and international finance (examined below). Moreover, the recent boom in Australian horror production in parallel with rising international demand is not a unique phenomenon, but rather part of an international trend. Though US and British horror films have long dominated mainstream markets and 'foreign' titles have performed well in cult markets, over the last decade there has been a discernible increase in horror product from diverse countries worldwide circulating in mainstream markets. (See Schneider and Williams (2005) for an account). Such films include *The Orphanage* (Bayona, 2007) (Mexico/Spain), *The Descent* (Marshall, 2005)

(UK), *The Host* (Bong**,** 2006) (South Korea), and *The Grudge* (Shimizu, 2004) (Japan/US) among many others.

The first wave of Australian horror films were led by domestic sales agents and distributors lured by strong international demand. The first Australian horror film receiving cinema release in almost a decade was the slasher *Cut* (Rendall, 2000), driven by Beyond International, one of Australia's largest international sales agents. The film revolves around film students remaking 1980s horror film *Hot Blooded*, years after its director was murdered, but whoever attempts to complete the film awakens a terrible curse. Promoted as an Australian version of *Scream* (Craven, 1996), *Cut* was unashamedly commercial and directly targeted international teen audiences. Producers imported US actress Molly Ringwald, the film drew upon special effects, and included 'typical post-*Scream* film reference style of humour, except … done with Australian flavour' (Oz 2000). In 2001, Beyond co-produced *Cubbyhouse* **(**Fahey, 2001), about a children's playhouse possessed by a demon, drawing upon similar production elements including US acting import Joshua Leonard (*The Blair Witch Project* (Myrick and Sánchez, 1999)) and special effects. The sci-fi horror *Subterano* (Storm, 2003) – a gaming master controls killer remote-controlled toys against victims trapped in an underground car park – soon followed, produced by Becker Films, one of Australia's larger independent distributors. This renewed horror push, however, was a dismal failure. Despite strong pre-sales *Cut* failed at the domestic box-office; both *Cubby House* (2001), and *Subterano* failed to receive domestic cinema release. A major failing of these films is they were 'packaged' by producers in an attempt to exploit the genre without being driven by creative talent with expertise in the genre. As Greg Mclean (2007) puts it, 'those films were created by sales agents trying to be like American companies … so they're kind of gutless as horror films as they weren't actually driven by anyone credible' (Mclean 2007).

Moreover, the dramatic growth of video markets by the late 1990s, as DVD became the format *de jour* for home-viewing, opened up new markets for producers and increased the potential viability of straight-to-video models. As the managing director of Roadshow Entertainment, Chris Chard, observes, 'while there was a sales market' for VHS video, 'most of the turnover was through rentals' and 'revenue from wholesale never seemed to get beyond A$400 million [in Australia]' (AFC 2004: 27). However, following the Australian introduction of the DVD format in 1997, 'DVD, in a fairly short period of time, has taken the figures to … A$978.6 million' (2004: 27). The growth of DVD markets in parallel with the global recovery of the horror genre enticed many producers to target international video markets. Becker Films, in particular, produced three genre straight-to-video titles each with budgets of A$1 million and released on VHS video: the horror film *Moloch* (Clark, 2000), about three university students searching for gold and their struggle for survival against a territorial mutant; the horror movie *Scratch* (Ralph, 2000), about a violent reality TV show; and *Body Jackers* (Ralph, 2001), a science-fiction film about alien-cloning in the outback. Likewise, Empire Motion Pictures produced sci-fi horror *The Demons in My Head* (Johnson, 1999) and slasher *To Become One* (Johnson, 2002) for US video markets, and urged other Australian producers to target the 'healthy returns' international video markets offer (Prisk 1999).

In addition, indie filmmaking was becoming a popular low-budget filmmaking practice. By the late 1990s, 'low-budget filmmakers' were 'no longer willing to wait for government assistance' and were taking independent routes to production (Mooney 1998). Revolving around a meteor shower turning a fishing village's population into flesh eating zombies, *Undead* (2002) remains the most popular local horror title to emerge from indie filmmaking practices. Moreover, high[er] quality digital video was replacing video as the dominant shooting-gauge for low-budget production. By 2002, low-cost DV production saw the emergence of an undercurrent of micro-budget underground films receiving DVD release into cult-niche markets, including *The Killbillies* (Hendrix, 2002), about two warring hillbilly families; *In Blood* (Moss, 2002), revolving around a war between Zombie Hunters and Vampire Killers; and *Reign in Darkness* (2002), about a new breed of vampire.

The second phase
In the second phase of development, films led by distributors/sales-agents, straight-to-DVD release and low-cost indie filmmaking continued to characterise production trends. However, the worldwide popularity and commercial success of *Saw* and *Wolf Creek* single-handedly triggered sharp growth in contemporary Australian horror production, and had a major impact upon the reputation and visibility of local horror films.

Following the absence of a mainstream horror tradition during the 1990s, *Undead's* cult success offered the Australian film industry, a global audience, and international distributors an indication that Australia can still produce 'quality' genre films competitive in global markets. The release of *Saw* in the following year reignited debate about low-budget Australian genre cinema and the global marketplace. A horror/crime thriller about the serial killer Jigsaw and the gruesome games his victims must play to survive, low-budget filmmakers worldwide attempted to emulate the film's success – a lucrative low-cost franchise based on a story set predominantly in a single location. However, following the failure of *Cut* and the early mainstream films that followed, few backed a sustained stream of successful Australian horror films. *Saw* was technically a 'runaway' production – failing to secure domestic finance and produced in the United States – and *Undead* reached audiences predominantly in video markets. The success of *Wolf Creek* in 2005, however, proved to the Australian film industry in particular that Australia can produce 'quality' low-budget commercial films competitive against international titles. The most iconic film of Australian horror cinema, three backpackers are abducted and must fight for survival in a desolate landscape against serial killer Mick Taylor.

Following the release of *Wolf Creek*, *Saw* and *Undead*, and the flood of titles in their wake, including *Storm Warning*, *Rogue*, *Dying Breed*, *Black Water*, *Lake Mungo* (Anderson, 2007) and *Prey* (D'Roccster, 2008) – many of which have sold widely around the globe – the horror genre has re-emerged as a serious production option for Australian producers. As a commentator has observed:

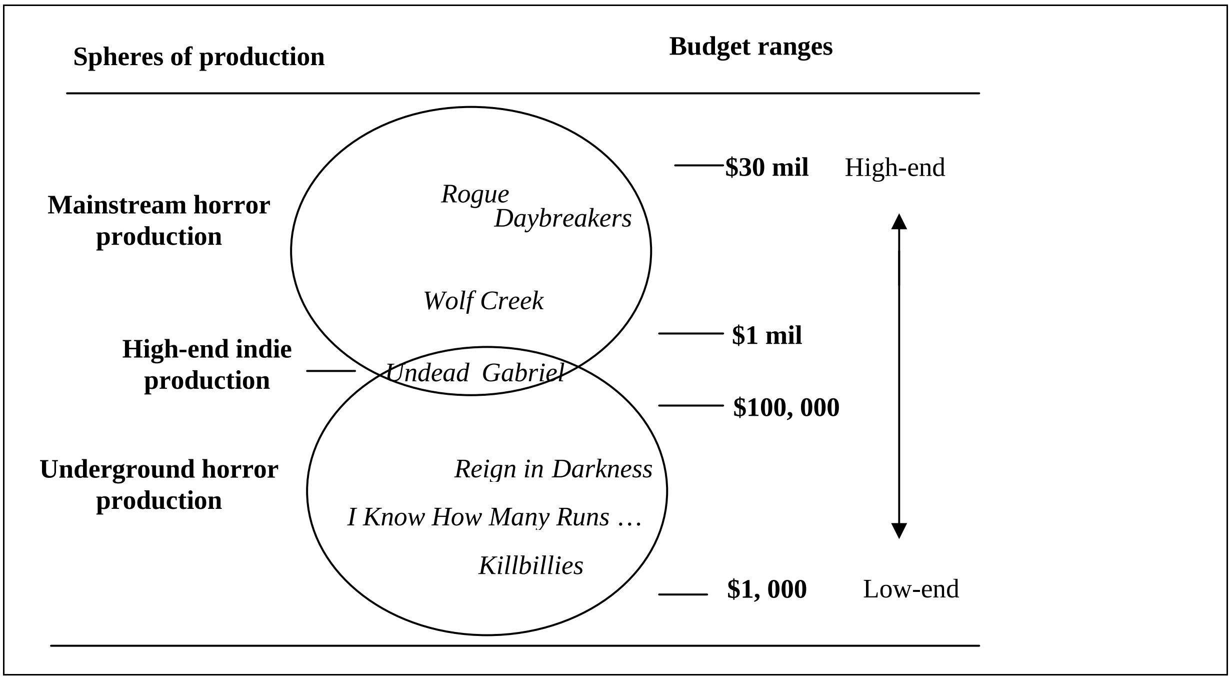
> If the Australian film industry dropped the ball by allowing the *Saw* horror franchise to slip through its fingers, it was a mistake they weren't going to make twice … After decades of industry snobbery, did *Wolf Creek* throw open the floodgates to rivers of cinematic blood? With the current swathe of scary flicks … the answer appears to be a resounding 'yes' (Kroenert 2007: 28).

In the late 1990s, writer-director Bill Bennett (1998) argued that 'Australians rarely make pure genre films such as thrillers, horror flicks or action films. Genre is such a Hollywood thing, and goes hand-in-hand with commerce … Australia has never had to make genre-films' because of the public funding environment 'and rarely bothers to try' (Bennett, quoted in George 1998). However, as the then CEO of the Pacific Film and Television Commission (PFTC), Robin James, recently argued, '"if you're an independent producer and you want to make production your business, you can't afford to ignore the horror genre"' (James, quoted in Shore 2007). This clearly represents a major shift in the genre's status within the Australian film industry. Horror is no longer as marginal in industry terms as it was in the 1990s.

Moreover, international distributors increasingly looking abroad for ‘new ideas’ and the acquisition of low-budget horror films have turned their attention towards Australian horror production, opening the doors to international finance. After *Wolf Creek’s* worldwide success, the film’s distributor, the Weinstein Company, green-lit Greg Mclean’s follow-up film, *Rogue*, a killer crocodile film with a budget of A$28 million; it became the highest-budget Australian horror film ever released. Following the Weinstein Company’s lead, Arclight Films International launched a new Melbourne office devoted to the production and acquisition of Australian genre film. Lions Gate has since financed the Spierig Brothers’ follow-up vampire film, *Daybreakers* (2009), following *Undead* with a budget of A$25 million.

Two tiers of production and a typology of contemporary Australian horror films
There are two distinct spheres of Australian horror production: mainstream and underground production. Overlap between these spheres of production results in ‘high-end indie’ films emerging from the underground but crossing over into the mainstream.

Figure 1: The tier structure of Australian horror production



Mainstream horror production
Mainstream horror production is an independent, internationally oriented production sector on the margins of the Australian cinema accounting for films with budgets above A$1 million (Figure 1). The Australian film industry has experienced considerable internationalization since the 1990s resulting in a marked increase in producers drawing upon international finance and partnerships, the emergence of a two-way flow of talent across national boundaries, and a shift from a dominance of Australian stories featuring Australian settings and characters to more and more ‘universal’ stories produced for global audiences such as *Happy Feet* (2006) (See Reid 1999). This process has produced a production milieu more conducive to horror movie production, and many Australian producers are attempting to harness the potential of low-budgets, relatively high margins of return, and international markets (Ryan 2008).

As illustrated in Table 2, although mainstream horror production is emerging across a spectrum of budget ranges from A$1 million to almost A$30 million, the majority of titles are low-budget, produced for less than A$6 million. Mainstream production is characterised by several primary production strategies (the groupings of which are represented by budget ranges in Table 2) differentiated by budgets and production scale, sources of finance, and the extent to which they draw upon international inputs:

Low-to-mid budget independent productions have budgets between A$1-A$3 million, draw largely upon private and international finance though some titles receive public finance. Such titles target cinema markets though many receive DVD release (*Prey (2008), Wolf Creek* (2005), *Feed* (2005), *Black Water* (2007)).

Most *mid-range budget productions* are driven by sales agents and distributors and characterised by high-profile international/Australia casts; budgets between A$3 million and A$7 million; and target cinema markets though often receive straight-to-DVD release. The sales agents Beyond International produced *Cut* (2000) and *Cubby House* (2001), while Darclight (co)produced *Dying Breed* (2008), *Long Weekend* (Blanks, 2009) and *Storm Warning* (2007).

Co-productions with spilt creative control and resources produced in partnership with one or more international parties are aimed directly at international cinema and video markets (*Gone* (Ledwidge, 2007), *Voodoo Lagoon* (Cohen, 2006)).

Internationally financed 'Australian' horror films are high-end films with budgets above A$20 million financed largely by major international distributors and potentially command high-profile and wide release in cinema markets (*Rogue* (2007) & *Daybreakers* (2008)) (Daybreakers is yet to be released).

Table 2: Average Australian film budgets and Australian horror films budgets[iii]

Five-year Australian feature films Average 2001–02 to 2005–06			Mainstream and underground horror production budget ranges 2000–07		
Range ($M)	**Austn**	**Co-prods**	**Int. financed Horrors**	**Independent Horror production**	**Co-prods**
0 to 500, 000	**-**	**-**	**-**	**14**	**-**
500, 000 to 1	**5**	**-**	**-**	**1**	**-**
1 to 3	**5**	**-**	**-**	**8**	**1**
3 to 6	**6**	**-**	**1**	**5**	**-**
6 to 10	**3**	**1**	**-**	**1**	**1**
10 to 20	**1**	**1**	**-**	**-**	**-**
20 +	**1**	**-**	**2**	**-**	**-**

Source: (For 5-year Australian feature films Average 2001/02–2005/06'): AFC. 2006c. *National survey of feature film and TV drama production 2005/06.* Woolloomooloo: Australian Film Commission. (For 'Mainstream and underground horror production budget ranges 2000–2007'): primary analysis of budget data.

High-end indie production

While there are two primary spheres of horror production, there is a 'grey' area of overlap between mainstream and underground horror production. *Undead* is a prime example. Produced for a budget of reportedly almost A$1 million[iv] (independently financed), which was miniscule for the film's ambitions – a high-octane, action-based genre film dependent upon relatively sophisticated special effects – the film secured cinema exhibition and sold widely around the world. However, as Vanderbent (2006: 137) has observed:

> Considering its low budget, the results are amazing. The directors undertook all of the computer animation and graphics work: their computers often didn't have the

processing power to render a single shot and would crash, on average, fifteen times per day. The visual effects had to be creative because no money was available after the first day of shooting. Shooting ended when the film ran out, and most of the cast and crew were unpaid. Yet the enthusiasm carried through so that the end product looks like a high-budget film.

The gothic action-fantasy *Gabriel* (Abbess, 2007) is another example. Emerging from the underground without the broader Australian film industry knowing it existed before international distributor Sony purchased the film's distribution rights, the film was produced on a miniscule cash budget of A$150,000 and deferred cast and crew payments. The movie secured domestic cinema release and worldwide video release, and earned A$1.2 million at the domestic box-office. High-end indie films generally fall between the budget ranges of A$100,000 and less than A$1 million (illustrated in Figure 3) and bring together more sophisticated sources of private finance – financial advances and *quid pro quo* deals with sales agents, audiovisual services companies, and private investors – than low-end indie films, financed largely by the filmmakers themselves.

Underground production

While mainstream horror production is firmly embedded within the broader Australian film industry – drawing upon talent and crews from professional and unionised associations, subject to mainstream criticism and appraisal, and with linkages to mainstream financial and funding institutions – underground horror production is driven by very different dynamics. Beneath the surface of the Australian film industry and largely independent from mainstream horror production, a subculture of micro-budget indie filmmaking driven by horror film aficionados and fan-based pro-am[v] film producers is blossoming, most of which fly beneath the radar of mainstream audiences, commentary, policy development and industry discussion. In the mould of indie production – driven by the motto '"don't stand around thinking about it – do it"' (Reid 1999: 34) – underground films with cash-budgets less than A$100, 000, draw upon deferred-payment schemes (deferred cast and crew payments dependent upon whether a film goes into profit), private finance and low-cost digital production/editing equipment. *When Evil Reigns* (Jackson and Jackson**,** 2006), about rainfall transforming Melbourne's population into killers, was produced for A$5, 000 and is 'self-distributed' by producers through www.whenevilreigns.com. On the other hand, *Reign in Darkness* (2002) was made for A$49, 000, sold into over 27 countries, and had grossed A$4 million in international rental and sell-through markets by 2003 (Dolen 2003). While many underground productions secure national and international distribution deals, not all achieve similar levels of success. Many are professional calling cards, advancing careers; some are experiments in filmmaking; and some are rebellious political statements against the broader Australian film establishment.

Conclusion

Substantially more local horror films are produced each year than currently captured in official industry statistics, reflecting the highly independent and in many cases underground nature of production. Throughout the 2000s, horror has been a popular genre for producers operating within low-budget ranges and targeting international markets. This paper has argued that the recent growth in Australian horror films has been driven by intersecting international market forces, domestic financing factors, and technological change.

In recent years, there has been growing debate about the sustainability of the Australian film industry and its audiences (Kaufman 2009). As *The Australian* film writer Michael Bodey (2009) argues, 'everyone agrees that the basic issue is getting Australian films to connect with audiences again, but to do that, it would probably help to find out why they currently don't. We need to find out more about audiences – their tastes and motivations' (Michael Bodey quoted in Kaufman 2009). While Bodey is right, 'Australian film' is often used in debate as a catch-all term to account for national feature film output. Such a term is an undifferentiated and overly simplistic account of the diverse movie genres and aesthetic cycles comprising Australian cinema at any given time. Nor is there is a single 'national' audience for Australian movies. The use of such a term – without qualification – ignores the unique financing/production, marketing and distribution dynamics, and of course audiences, for specific genres. As we have seen, Australian horror film production has specific industry dynamics, and variations in production across the high and low ends of the genre generates different types of movies catering to different audience tastes (i.e. cult versus mainstream audiences).

This paper has important policy implications. It illustrates that growth is occurring across national boundaries as a result of globalisation, and at the level of genre rather than purely cultural production. International inputs have, and will continue to be, important drivers of growth, which calls into question public subvention models on the basis of narrow notions of cultural content contributing to a sense of national identity. More and more filmmakers are turning to indie production in an attempt to launch national and international filmmaking careers. In so doing, many of these filmmakers by-pass government administered finance models to produce low-end genre-based feature films. Finally, there is a need for greater understanding of specific Australian film genres (across the spectrum of high and low movie genres), their industry and market dynamics, and the opportunities and challenges they face, to better inform individual production models, industry strategies, and policy subvention.

Notes

[i] The Film Finance Corporation and the Australian Film Commission were incorporated into Screen Australia in July 2008.

[ii] Available budgets: *Body Melt* (1993), A$1.65 million; *Dead End* (1999), A$1 million; *The Demons in My Head* (1998), A$500,000; *Bloodlust* (1990), A$300,000; *The Point of Death* (1995), A$80,000; and *Cthulhu* (1996) A$50,000.

[iii] Table 3 comes with several caveats. First, not every horror film budget throughout the 2000s could be attained, thus figures are not representative for all horror films produced during this period. Second, the five-year Australian film industry averages include budgets for Australian horror films and could not be disaggregated due to AFC privacy regulations. Moreover, AFC's figures are *average figures* over a five-year period, while figures collated here are *actual counts* over a seven rather than five-year period. Figures are thus illustrative rather than authoritative.

[iv] The filmmakers have noted an actual cash budget of $AU 100, 000 although they generally refer to a total budget of almost AU$1 million to account for the combined cash/deferred budget.

[v] Pro-am is a term denoting the blurred distinction between professional and amateur producers.

Appendix 1: Australian Horror Movies: 2000 – 2009

Moloch (Ernest (Ernie) Clark, 2000)
Cut (Kimble Rendall, 2000)
Stygian (James Wan and Shannon Young, 2000)
Scratch (Michael Ralph, 2000)
Cubbyhouse (Murray Fahey, 2001)
In Blood (Matt Moss, 2002)
The Killbillies (Duke Hendrix, 2002)
Reign in Darkness (David W. Allen and Kel Dolen, 2002)
To Become One (Neil Johnson, 2002)

Subterano (Esben Storm, 2003)
Visitors (Richard Franklin, 2003)
Lost Things (Martin Murphy, 2003)
Undead (Michael and Peter Spierig, 2003)
Bloodspit (Duke Hendrix, 2004)
Defenseless: A Blood Symphony (Mark Savage, 2004)
Ozferatu (Daryl White, 2005)
Feed (Brett Leonard, 2005)
Wolf Creek (Greg Mclean, 2005)
Safety in Numbers (David Douglas, 2005)
Questions (Matthew Scott 2005)
When Evil Reigns (Alix and Luke C Jackson, 2006)
Demons Among Us (Stuart Simpson, 2006)
Voodoo Lagoon (Nicholas Cohen, 2006)
Silence is Golden (Matthew Freitas and Jonathan Nolan, 2006)
Parallels (Ben Warner, 2006)
I Know How Many Runs You Scored Last Summer (Doug Turner and Stacey Edmonds, 2006)
Family Demons (Ursula Dabrowsky, 2006)
Shattered (Johan Earl, 2006)
Watch Me (Melanie Ansley, 2006)
Schooner of Blood (Slaughtered in UK**)** (Kate Glover, 2006)
A Nocturne (Bill Mousoulis, 2006)
The Horror of Cornhole Cove (Aaron Cassidy, 2006)
Storm Warning (Jamie Blanks, 2006)
The Subject (Chris Scott, 2006)
Gabriel (Shane Abbess, 2007)
Gone (Ringan Ledwidge, 2007)
Rogue (Greg Mclean, 2007)
Acolytes (Jon Hewitt, 2007)
Black Water (Andrew Traucki and David Nerlich, 2007)
Devil's Gateway (Alexander Herget, 2007)
Flesh (Stuart Stanton, 2007)
Rosebery 7470 (Stefan Popescu, 2007)
Lake Mungo (Joel Anderson, 2007)
Fragment (Andrew Miles, 2007)
Nailed (Gabriel Dowrick, 2007)
Prey (George Miller, 2008)
Daybreakers (Michael and Peter Spierig, 2008)
Gone Missing (Ed Lyons, 2008)
Dying Breed (Jody Dwyer, 2008)
Dead Country (Andrew Merkelbach, 2008) (75 mins)
The Dark Lurking (Greg Connors, 2008)
Long Weekend (Jamie Blanks, 2008) **(remake)**
The Gates of Hell (Kelly Dolen, 2008)
The 7th Hunt (Jon Cohen, 2008)
Bring Her Home: Dead or Alive (Matthew Scott, 2008)
Axed (Joshua Long, 2008)
Road Train (Dean Francis 2009)

The Loved Ones (Sean Byrne, 2009)
The Clinic – (James Rabbitts, 2009)
Primal (Josh Reed, 2009)
The Reef (2009)
Damned by Dawn (Brett Anstey, 2009)

Appendix 2: Budget expenditure on Australian horror production: 2000–07

Mainstream production (Budgets above A$1 mil)			**Underground horror production**[v] (budgets below A$1 mil)		
No.	**Film**	**Budget**	1.	*Reign in Darkness*	$49,000
1.	*Rogue*	$28 mil	2.	*I Know How Many Runs You Scored Last Summer*	$37,000
2.	*Daybreakers*	$25 mil	3.	*Rosebery 7470*	$30,000
3.	*Gone*	$10 mil	4.	*Family Demons*	$22,000
4.	*Subterano*	$6.3 mil	5.	*Demons Among Us*	$20,000
5.	*Visitors*	$5.9 mil	6.	*Parallels*	$20,000
6.	*Cut*	$5.2 mil*	7.	*Watch Me*	$6,000
7.	*Cubbyhouse*	$5 mil	8.	*When Evil Reigns*	$5,000
8.	*Storm Warning*	$4.2 mil	9.	*Bloodspit*	$4,000
9.	*Acolytes*	$3.8 mil	10.	*The Killbillies*	$2,000
10.	*Dying Breed*	$2.9 mil	11.	*To Become One*	$1,900
11.	*Wolf Creek*	$1.4 mil**	12.	*In Blood*	$1,500
12.	*Lake Mungo*	$1.4 mil	13.	*Nailed*	$1,000
13.	*Black Water*	$1.2 million			
14.	*Devil's Gateway*	$1 mil			
15.	*Dead Country*	$1 mil			
16.	*Voodoo Lagoon*	$1 mil			
17.	*Feed*	$1 mil			
18.	*Scratch*	$1 mil			
19.	*Moloch*	$1mil			
20.	*Undead*	$1 mil			
	Total:	**$107.3 mil**	**Total:**	**$219,400**	

Source (adapted from)**:** Ryan, Mark David (2008), 'A Dark New World: Anatomy of Australian Horror Films,' Ph.D. thesis, Brisbane: Queensland University of Technology.

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