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Dino De Laurentiis and Australia: Creating a Film Industry on the Gold Coast

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When Dino De Laurentiis died in October 2010, most media outlets, including Australian based publications and services reported the news and most newspapers carried obituaries. Obituarists described Dino's many failures in great detail; as film historian David Thomson wrote in *The Guardian* 'there were enough bombs from Dino to level a large city' (Thomson 2010). But Dino was also responsible in no small way for the building of new media cities in Rome, in North Carolina, and in Queensland. He was, as the *Hollywood Reporter's* chief film critic Todd McCarthy observed, 'one of a kind'. 'I didn't know Dino De Laurentiis,' McCarthy began his obituary, 'but I miss him already. The movies need pirate captains, and Dino definitely was one of those, a wheeling, dealing and scheming operator who never exactly acquired first-class taste but made a lot of interesting things happen'. (McCarthy 2010).

On the day that Dino's death was announced, we three were at Southport on the Gold Coast, talking about our new book *Local Hollywood: Global Film Production and the Gold Coast* (Goldsmith, Ward and O'Regan 2010) at an event organised by the Gold Coast Film Festival. Tom did several media interviews with local radio stations, all of which emphasised the diminutive Italian producer's connections with Australia. Reports in Australian media about De Laurentiis's funeral a few days later noted that Baz Luhrmann delivered a eulogy, alongside Arnold Schwarzenegger and David Lynch, although Luhrmann never finished a film with De Laurentiis; their grand plan for an epic about Alexander the Great, to be shot in Morocco in a studio to be built especially for the production, was shelved when it became clear that Oliver Stone's *Alexander* (2004) would beat them to the punch. To our surprise, and despite our best efforts, only the *Gold Coast Bulletin* and the *Courier Mail* mentioned Dino De Laurentiis's brief but pivotal role in the construction of a film studio on the Gold Coast.

De Laurentiis was a risk-taking speculator, a gambler whose currency was images and stories. He believed in 'pallino', in his words his 'intuition', the obsession that drove him (Priggé 2004 p.68), and he was not easily swayed by conventional wisdom or prevailing opinion. Such qualities made De Laurentiis a shoo-in (perhaps even a "white shoo-in") on the Gold Coast.

In this article, we draw on some of our research for that book to outline in more detail the importance of Dino De Laurentiis's involvement to the Gold Coast studios and to film and television production in Queensland.

Before Queensland

Dino De Laurentiis started his career in cinema on screen, after studying acting at the Centro Sperimentale di Cinematografia, but his real talent lay behind the scenes. In 1940, he founded the production company Realcine, and produced his first film, *L'ultimo Combattimento* (*The Last Fight*, directed by Pietro Ballerini) (Moliterno, 2008 p.103). He learned his craft at Cinécittà, the largest studio facility in Italy, and went on to produce over 100 films before he moved to the United States in the early 1970s. His Italian films were as diverse as they were numerous. They include his first real hit, Giuseppe De Santis's *Riso Amaro* (*Bitter Rice*, 1949), and the first winner of the Academy Award for Best Foreign Film, Federico Fellini's *La Strada* (1956). As well as acting as a fixer and intermediary for American producers in Italy during the 1950s, De Laurentiis produced critically acclaimed works by Roberto Rossellini, and a series of comedies featuring the enormously popular comedian, Totò. His production slate also includes epic historical and war films such as *Attila* (Pietro Francisci, 1954), *Ulisse* (Mario Camerini, 1954), *War and Peace* (King Vidor, 1956), *La Grande Guerra* (*The Great War* Mario Monicelli, 1959), and *Waterloo* (Sergei Bondarchuk, 1970) coproduced with the Soviet entity Mosfilm, along with several biblical epics (*Barabbas* Richard Fleischer, 1961, John Huston's *The Bible* 1966) and Roger Vadim's cult 1969 science fiction film *Barbarella*.

Following the dissolution in the mid-1950s of his short but productive partnership with fellow Italian producer and great rival, Carlo Ponti, De Laurentiis began to explore the prospect of operating his own studio facility. Controlling a studio's operations gave the producer control over the scheduling of projects, and helped to reduce production costs; many years later he would argue that a film studio was "an essential working tool" for a producer (Kezich and Levantesi 2004 p.82). His first foray into studio development was Dinocitta, a greenfields studio built on the outskirts of Rome paradoxically with funding from an Italian government fund intended to create work in the south of the country. This success in convincing public authorities to take on some of the financial burden of studio development would be replicated in the facilities that De Laurentiis would initiate in North Carolina, and in Queensland. In the 1960s Dinocitta advertised itself as 'Hollywood on the Tiber' and hosted a number of major Hollywood productions, but by the end of the decade, competition for international production from lower cost countries like Spain and Yugoslavia coupled with changes in Italian tax laws contributed to mounting operating losses for the studio. When lengthy negotiations with the government to merge Dinocitta with the state owned Cinécittà studios broke down following the collapse of the Centre-Left administration in 1969, De Laurentiis allegedly threatened to close Dinocitta down unless Cinécittà was prevented from undercutting his studio's rates ("DeLaurentiis Tells Italo Unions He'll Shutter Studio Unless Film Aid Set", *Variety* 24 September 1969, p.17). After surviving an extortion attempt by an Italian magazine editor who threatened to publish an expose on the financial situation at Dinocitta, De Laurentiis finally sold the facility to a real estate company in December 1971 ('Nab Italo Mag Editor' 1971; 'De Laurentiis Studios Sold' 1971). The studio was closed down shortly after the sale, and within two years De Laurentiis had decamped first to New York, and then in early 1974, to Hollywood.

Around this time, De Laurentiis is credited with innovating a new system of international film financing, along with the Dutch-based banker Frans Afman. Frederick Wasser describes how De Laurentiis pre-sold his American productions territory by territory: 'the only equity he would give to Hollywood distributors was the North American territory. In return, he sought 50 per cent funding. The other 50 per cent would come in piece-by-piece as he sold off pieces of the world market to the individual distributors' (Wasser 1995, p.424).

After adapting Stephen King's novel *Firestarter* in Wilmington, North Carolina, in 1983, and at the urging of the state Governor who generously provided a range of incentives and loans, De Laurentiis bought the warehouses where the film was produced, and created a fully-functioning studio complex. North Carolina's labour laws allowed De Laurentiis to make films without union involvement, thus reducing local costs compared with Los Angeles and New York, and Wilmington quickly grew to become one of the top five film and television production centres in the United States.

Despite the acquisition in 1985 of Embassy Pictures' archive from Coca Cola, which in conjunction with the growing volume of production at Wilmington, appeared set to make De Laurentiis's company DEG in to a major industry player, a sequence of costly failures threatened the company's viability. The public listing of DEG on the New York Stock Exchange in 1986 had been disappointing, and the company's slate of films had seriously underperformed. De Laurentiis's response was to look for new opportunities elsewhere, including in Australia.

Dino Comes to Australia

Australia interested De Laurentiis as a potential location for a new film studio for a number of reasons. Australian films and filmmakers had been on the rise in Hollywood during the 1980s. The Australian film industry was now well-established with a growing pool of cast, crew and creatives. One of DEG's 1986 slate of films, *Crimes of the Heart*, was directed by an Australian, Bruce Beresford. Another, *Tai-pan*, starred Australian actor Bryan Brown. When De Laurentiis visited Australia in August 1986 to scout potential locations, buzz around *Crocodile Dundee* had already reached the US long before the film went on release there. Beresford and Terry Jackman (former head of Australian exhibitor Hoyts and the broker of the distribution deals for *Crocodile Dundee*),

met De Laurentiis and convinced him that Australians were capable of making the films DEG desperately needed to win back investors' confidence. The size of the Australian theatrical and video markets, and the potential to tap new sources of capital, helped to make up the producer's mind to ignore feedback from Australian filmmakers reported to him by Bruce Beresford that building a studio on the Gold Coast would be a 'fiasco' (Kezich and Levantesi 2004 p. 299). After all, De Laurentiis had built a long and successful career producing films with international stars and crews not only in major industry centres, but also in places with limited infrastructure and experience.

Jackman's local knowledge and recent international success made him an obvious choice to head the Australian arm of De Laurentiis's business. The new Australian company DEL, had a significant advantage over other local companies: a guarantee that its films would be distributed in the United States through its American parent company, DEG. Jackman and De Laurentiis negotiated a distribution deal for over 60 films with CBS/Fox Video for Australia and the Pacific that was reportedly worth US\$175,000 per film (Firth 1987). DEG, which owned 47% of DEL, guaranteed 100% of the negative cost of each DEL film in exchange for worldwide distribution.

A studio complex was key to the new company's plans. In addition to DEL's own productions, they would hire them out to international producers, and use them for any joint ventures DEL might establish. De Laurentiis told journalists and his prospective partners that a number of projects were ready to go into production as soon as the Gold Coast studio was ready. Chief among them was a science fiction thriller, *Total Recall*, which was slated to star Patrick Swayze and to be directed by Bruce Beresford. A number of Australian productions were also mooted, with DEL buying the rights to Robert Hughes' international best-selling history of the convict era in Australia, *The Fatal Shore*, for a co-production with the American ABC television network. DEL's Senior Vice President in charge of Australian production, Alan Richie, told the 1987 National Screen Writer's Conference that the company envisaged a diverse slate of production:

We'll do three kinds of movies. First of all, quality Australian films. The early Peter Weir films and the Gillian Armstrong movies, for example, can travel virtually anywhere because of how well they're put together. Then we'll do the adventure movie using Australian locations and third we'd like to do the kind of story where an American actor or actress comes to Australia and teams up with an Australian. (Hall 1987)

The proposals were not universally welcomed. *The Bulletin's* film correspondent Sandra Hall predicted that 'Australian talent and locations [will be] used in the service of a soulless internationalism which is going to sink all concerned somewhere in the mid-Pacific' (Hall 1987). Academic film historians Liz Jacka and Susan Dermody viewed the studio development as 'a desolate sign of the times [when] national culturalism has rarely looked more impotent, fragile or anachronistic' (Dermody and Jacka 1988 p.15). Versions of these attitudes towards the Gold Coast studio are still evident today, long after De Laurentiis's departure. In its unabashed bias to films intended for audiences outside Australia, DEL's Gold Coast studio threatened the idea of film as a form of geographically situated cultural expression, the same idea that had finally convinced Australian federal and state governments to put money into production by Australians less than two decades before (Goldsmith 1997, O'Regan 1996, 11-15, 31-33).

When the idea of an Australian studio was first floated, local labour unions raised concerns that De Laurentiis would seek to establish non-union agreements, as he had at Wilmington. These worries grew when it was announced that the studio would be set up in Queensland, a state with a notoriously confrontational approach to organised labour (see Evans 2007 pp.219-48). Alan Richie's helpful indication of the company's thinking about filling production roles with imported cast and crew only served to heighten concerns about the role of unions and the rights of workers in the industry.

The Queensland government, soon to be mired in scandal, welcomed De Laurentiis with open arms. Low-interest loans and a long lease on the Gold Coast site had been offered as carrots to sway De Laurentiis away from another possible site in Sydney. The Queensland government's package of assistance was ultimately reported to be worth \$12.5 million (Pavasaris 1988a p. 3; Warner Roadshow Movie World Studios 1992, p. 7). While this is a relatively paltry amount by today's standards, at the time it was a massive and unprecedented commitment of public funds for the building of film infrastructure.

The Demise of Dino's Dream

In order to raise funds for the studios and for its Australian productions, 50 per cent of DEL was floated on the Australian stock exchange in January 1987. The glamour of the film industry clearly overshadowed the risks involved in building not only a new studio but also a new industry in an untested location a long way from major domestic and international production centres. The float raised AU\$32 million (Lecky, 1988). Over the course of 1987 the studio complex began to take shape on the site of the former Cade's County theme park at Oxenford in the Gold Coast hinterland, on land owned by Bruce Judge's company Ariadne Australia, which became a major partner in the studio. The studio was situated on the main arterial freeway between the Gold Coast and Brisbane.

In the United States, however, DEL's parent company DEG continued to flounder. A loss of over US\$2 million in 1986 had increased to US\$36 million in the first three quarters of 1987. The company's films repeatedly bombed at the box office, with *Million Dollar Mystery*—an innovative concept film which offered audience members the chance to win a million dollars—alone losing almost US\$5.5 million. In August 1987 DEG was charged by the US Securities and Exchange Commission with failing to maintain adequate accounting records and controls after its public listing in 1986. The company's share price fell by almost 90% between 1986 and 1987. De Laurentiis announced that he would resign as chairman in December 1987. He later admitted to his Italian biographers that '[t]he hurried pace [of the public listing] led to some questionable choices and to some mistakes' (Kezich and Levantesi 2004 p.298). At the time of his resignation from DEG, construction work on the Gold Coast studio was well underway, with four sound stages and a construction workshop virtually complete. \$3.4 million worth of sets for *Total Recall* had been built, but production was immediately suspended. De Laurentiis had planned to produce five feature films in the first year of operation, but when he departed the projects left with him.

By the time the Gold Coast studio complex opened for business in mid 1988, all of these original players had exited the scene in dramatic fashion, and the game had changed. Dino De Laurentiis had resigned as head of DEG following a string of box office failures and the departure of key executives as investor confidence in his US operations dwindled. Queensland Premier Joh Bjelke-Petersen had been forced from office by an internal party coup in November 1987 after shocking revelations of corruption and inappropriate dealings between senior politicians, police, and business identities. Bruce Judge, chairman of studio partner Ariadne Australia, resigned in March 1988 after the company recorded the largest corporate loss in Australian history. By the time Judge returned to the board – only to resign again in 1990 – Ariadne Australia had sold its interest in the studio and the land on which it would be built, to the Melbourne-based distribution and exhibition company Village Roadshow. Although De Laurentiis failed in his Australian venture, the studio somehow survived. Without his involvement it may never have got off the ground.

'De Laurentiis Studios Sold to Milan Real Estate Company for \$18,000,000' *Variety* 22 December 1971, pp. 2, 57.

'Nab Italo Mag Editor For Attempt To Extort \$16,000 From De Laurentiis' *Variety* 3 March 1971, pp. 2, 70.

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