



Phil Noyce directing a flood sequence in *Newsfront*: the film was enthusiastically received, but is still short of breaking even

not box-office gross or return to the producer. They represent the amount left to the distributor, the investors and the producers after the exhibitor has taken his share. The return to the producers and investors can be seen only after the distributor takes both his percentage (usually 25 percent of the gross film hire in the case of Australian films) and his expenses, which comprise the cost of prints, freight, censorship and all advertising. A film's publicity budget is one of the most contentious items among its post-production costs because it's usually calculated after producers and distributors have agreed in making an educated guess as to how much business the film will generate. If the advertising costs exceed this agreed percentage, then theoretically the producers can argue about it. But it's an argument which few win. Most of the time, producers simply have to trust their distributors.

Some notable successes are missing from the list above. *Picnic at Hanging Rock* is said to have earned more than \$1.6 million in film hire on the domestic market; *Barry McKenzie* to have brought in almost \$600,000 and the *Number 96* feature film more than \$1 million. Tim Burstall's first feature, *Stork*, made for \$80,000, returned almost \$250,000 and for Sandy Harbutt's bikie picture, *Stone*, which cost \$160,000, the figure was more than \$450,000. With the help of its international sales Brian Frenchard-Smith's action feature, *The Man from Hong Kong*, has gone into profit and his *Deathcheaters* has probably done the same, as has John Duigan's *Mouth to Mouth*, made for less than \$200,000.

Producer Tony Ginnane says that their American sales will move his films,

Patrick and *Blue Fire Lady*, into profit and Fred Schepisi's first feature, *Devil's Playground*, should not be long in following them. As well, Phillip Adams says that European sales plus a US sale with a \$200,000 advance have put *The Getting of Wisdom* into profit. Its American sale will do a great deal to help *The Picture Show Man* and Tony Buckley, producer of *The Irishman*, another film which did poor business here, thinks that international sales will eventually put it into the black.

Altogether, more than 75 features have been released since the industry began to re-assert itself in 1971. Of these, 28 have broken even or gone into profit, seven of them sexploitation films made for less than \$50,000. But of the remaining 21, only eight have been released since 1977. There is still time for international sales and television rights to save some of the films still in the red. Nobody likes to write off a film's chances until at least two years after its local release and even then returns continue to drift in, but the pattern is clear: the local market is not fulfilling its early promises and life continues to be tough for most films costing more than \$200,000. As a result, the industry is becoming even more agitated about its prospects on the American market. This agitation is being stimulated by the belated appreciation of the American critics and the popularity of *Mad Max*, *Picnic at Hanging Rock* and *The Last Wave*.

Picnic took a long while to get to the United States. (The reasons for this have been thrashed out lately in an acrimonious wrangle between one of its producers, Jim McElroy, and the Australian Film Commission's marketing and distribution director, Alan

Wardrobe in the trade paper, *Variety* — a wrangle that is just one instance of the prevailing nervousness). But once it opened it moved quickly into *Variety's* chart of the 50 top-grossing films, where its progress immediately mesmerised the gaze of the local industry which had been attracted by the appearance of *The Last Wave* on the same chart in March. In the case of *The Last Wave*, what this meant was a quick \$200,000 in advance payment (or up-front money) plus a percentage return (sliding up to 40 percent) after the film returned \$750,000 in film hire. And for *Picnic* the terms were \$60,000 up-front and a percentage recoupment after \$250,000-\$300,000 in film hire.

To reach its \$750,000 break-even point, *The Last Wave* will have to take about \$2 million in gross box-office. McElroy thinks that it will probably achieve this but is also aware of the pitfalls inherent in a system which decrees that everybody else's expenses have to be paid before the producers and their investors start to see their percentage. "We probably won't make an enormous amount out of the film's theatrical release," he says, "but we ought to do a lot better out of the television rights. If we make a network sale, for instance. That's where the real money lies."

This interest in the American market's new responsiveness has begun to obscure a sophisticated argument that the industry has been having with itself lately over its own financing.

The United States is one of the few countries outside Asia to have developed and maintained a film industry without some form of government subsidy, and nobody in the Australian film business is suggesting that it could exist without the AFC and the State corporations, but there is a new restlessness about the fact that so few people make so many artistic decisions. When the American critic Rex Reed was here he wanted to know if the Australian industry's dependence on government money ever meant political censorship. There has been only one such controversy — when Film Australia was prevented from making a film of David Ireland's novel, *The Unknown Industrial Prisoner* — but in a sense, the industry censors itself frequently. The policies of the AFC and the corporations are analysed endlessly in private, rarely in public.

Off the record, Australian Film Commission people will murmur mournfully about what they see as the dangerously pig-headed approach of their arch rivals at the New South Wales Film Corporation and corporation people will hint in turn about public service bungling at the AFC, but nobody talks for attribution. When Jim McElroy made his criticisms of the AFC in its