

TORONTO FILM FESTIVAL & NEW YORK REPORT

September 2008

Prepared by Sally Browning, Screen Australia

The Toronto International Film Festival (TIFF) has always had a reputation as being a launching pad for independent film into the US market. This year the 33rd festival kicked off with the challenge of following the announcement that the US box office had suffered its biggest slump since 2003. Despite this sobering news, the festival lived up to its other reputation as having the most film-friendly public audiences – and certainly most sessions at this festival were sold out, from the small indie films right through to the biggies. Even the ‘rush’ line for last minute tickets that I found myself in from time to time was overcrowded. However, it’s also said that Toronto audiences are so polite they would not dare to show displeasure in a public auditorium. Whatever the case, the screenings at Toronto are usually an enthusiastic audience success and the sales – if a little on the low side – seem to automatically follow.

Toronto is not an organised ‘market festival’ in the same way as Cannes and Berlin. TIFF is much more geared toward the public consumption of films (much like Sydney Film Festival) and it means those sales agents who don’t have temporary offices housed in suites at the Sutton Hotel – the quasi marketplace meeting point mid-town - must catch the buyers at elevators, in the lobby, at cafes and screenings. It’s a pavement-pounding festival.

There were 312 films from 64 countries at what will be one of the last TIFFs to be spread across disparate locations in the city. In 2010 the festival will move to its new purpose-built home, the Bell Lightbox on King and John Streets, which will bring the festival under one roof. Currently the festival battles with cinemas up and down town, and the ‘market hub’ of the Sutton Hotel. But there are buyers who refuse to come mid-town, and thus running or cabbing it to meetings in the lobbies of the Hyatt and Four Seasons up in Yorkville is the only way to catch them. The new location will make it easier for industry professionals to do serious business as well as catch screenings and that, of course, is part of the pleasure of being at a festival.

Whilst plenty of sales action seemed to be happening, especially with the usual territories of Russia, Turkey, Eastern Europe and Middle East all selling quite comfortably, the sales on the mid and major territories such as France, Germany, UK and Canada were disappointingly close if not sometimes below minimum estimates. Japan was not as active as previous years in buying Australian films. It’s generally acknowledged that Australian films face a challenge in raising MGs from the international marketplace – whilst many sales agents have access to MG funds in some form, they are reluctant to take a risk on first time directors – or directors not known to them – and particularly without cast attached. This is apparent from the recent meetings with major sales agents at Toronto. It does seem time to reexamine the way we finance Australian independent film. Access to US equity funds for instance dictates a different approach to recoupment requirements previously accepted; MGs in a finance plan are increasingly provided by private investors who need incentives to risk their money; access to gap from banks is moving to higher budget brackets each year locking out the mid range projects; presales are harder to secure at financing stage which impacts at all budget levels, and impacts on gap finance availability; producers without the experience to do so are turning to self-distribution and self-funding of DGs because local distributors have become more cautious; and despite the Australian Producer Offset providing a generous and unique opportunity, it is clear that many Australian films still find themselves facing a gap in their financing. The news is not all bad of course – some films manage to raise substantial MGs and other finance - but this is the exception not the norm now and the market is likely to continue to constrict as the effect of the financial crisis makes its full impact known.

Specific meetings:

Joy Wong, The Works

The Works have a small MG fund but are offering it only for known directors on low budget films.

Hengameh Panahi, Bobby Allen and Christian Baute, Celluloid Dreams

French sales and distribution company Celluloid Dreams have moved more and more into English speaking titles with around 70% of their output now covering this genre. The company has had several associations with Australian film and are continuing to track some projects. Celluloid has access to money to co-finance, provide gap and equity however they will require a well known director with a track record.

Thomas Ausberger, Eden Rock Entertainment

Primarily buying for distribution in Germany. Eden Rock has an equity fund it draws on for its advances, and whilst it will handle the sales to the larger territories, it subs to other agents such as H2O Sales Co in LA.

Steve Hays, 120db

120db have provided gap for Australian films and had been looking at becoming more involved in cashflowing the Producer Offset but only when combined with gap finance. With the credit crunch in full flight, 120db have pulled back on this and Steve's opinion is that Australian banks are more likely to offer competitive terms for Australian producers.

Shawn Williamson, Bright Light Entertainment

Bright Light is the Canadian co producer on Paul Barron's GWE children's series, Stormworld. Bright Light also had one of the gala screenings at Toronto this year for its Irish-Canadian co production *50 Dead Men Walking*. Very keen to continue its co production relationship with Australian producers. Bright Light produce features, television drama and factual.

Richard Guardian, Lightning Entertainment

Sales rep on a host of Australian films and a particular supporter previously of the first time director. Richard is involved in *Hey Hey It's Esther Blueberger*, *To Hell And Back*, *Subdivision*. He reported a slow market.

Michael Favelle, Odin's Eye

Michael is handling *Three Blind Mice* (Matthew Newton's feature). The film was well received at Toronto, and named one of the seven must-see films of the festival by the festival director and a Toronto Globe film critic.

Tim Haslam, Hanway

Hanway are the sales company for *Boys Are Back In Town* (currently in pre production) and *Two Fists One Heart* (in post production). As the sales agent Tim said they were more comfortable with the higher budget films with cast attached.

Jamie Carmichael, Content International

Jamie confirmed that Content are moving to bigger US and UK films with cast attached though he said they remain open to taking on lower budget genre films with talented directors.

Gary Hamilton, Arclight

Gary provided an update on the suite of Screen Australia films on their sales slate and reiterated his interest in remaining involved in Australian films.

Jonathon Dorfman, ATO Pictures

Jonathan is based out of New York with his company ATO Pictures, previous credits include *Amandla! Savage Grace, Choke*. Jonathan has joined forces with Samuel Goldwyn /Fox to provide a fund to underpin the Independent Distribution Group which will assist in financing around five independent features a year, including films from Australia. His sensibility for a certain type of independent film makes him – and his fund – of interest. The terms are fairly straight forward for US equity, such as approval of the sales agent, but include requiring presales in at least one in major territory which can be tricky. The fund requires being first out. However, he has not formally negotiated a deal on an Australian film yet so terms are yet to be fully discussed.

Pape Boye, Coach 14

A French-Spanish sales agent which also distributes directly into France and Spain. The company has not yet been involved in Australian film but has expressed interest. Their catalogue has many specialist independent films. Able to provide MG in special circumstances.

Ian Jones, Target Entertainment Group

Last year Target acquired Minotaur International and Greenlit Films and installed Nat Geo's Ian Jones as its Managing Director under long-time CEO Alison Rayson. Already a successful UK-based television distribution, rights management, merchandising and marketing company, Target is making a serious move into theatrical sales in 2009. *Endgame* is their first foray, a film set in South Africa starring Johnny Lee Miller and William Hurt. Target has a picture-output deal with UK production company Pink Sands (Kate McKreery and Chris Finch) and are looking to acquire films from Australasia, including taking a position in an already-established company in this region. Target has a US\$75 million annual turnover and plans to aggressively double that in the next twelve months. It handles 500 hours of programming a year, including Australian television series East West 101, and can offer advances against all areas – drama, factual entertainment, format and feature films. Working with budgets from AUD\$2m through to \$25m.

Leonard Glowinski, Pathé

Producer with one of Pathé's production companies, Leonard has a €30 million project which could be shot in Australia. He is waiting for confirmation before proceeding with a location recce. Spoke to him regarding the Locations Offset, Producer Offset and state agency support for locations.

Paul Brett, Prescience

Prescience is one of the investors in the SA financed film *South Solitary* (producer Marian Macgowan). Based on the UK Sole Trader tax scheme, Prescience's money is delivered in a similar way to how Sale & Leaseback was working. Paul Brett and Tim Smith were in Toronto to support their latest film, Ealing Studio's production of Australian director Stephan Elliott's *Easy Virtue* which received a very warm response from audiences.

Phil Hunt, Bankside

UK-based boutique sales agent Bankside – and their associated finance company Head Gear – have been a supporter of Australian films over the past 12 months, committing to five films including *Accidents Happen* and *Blessed*. Phil said he was tracking another five Australian

films. Bankside is able to offer MGs or Gap via Head Gear however they must be first out in ROW.

Kirk D'Amico, Myriad

Kirk talked very generally about the projects Myriad has with Screen Australia.

Dylan Wilcox, NBC Universal

General catch up. Not a lot happening for Dylan in terms of current interest in Australian film.

Kirk Shaw, Insight Entertainment

Co-producer on Stewart/Wall Entertainment children's series *K-9* (in pre production). Insight is one of the biggest Canadian studios and production companies and they also distribute to Canadian TV.

Charlotte Mickie, Maximum Films

Maximum were doing a lot of two-way business at Toronto – buying *Disgrace* for Canada; and looking for sales for *Mad Bastards*, *South Solitary* and *Animal Kingdom* in between pushing their festival mini-hit *Ctrl Alt Delete*. Maximum are interested in Australian film and prepared to offer some small MGs.

Matt Brodlie, Paramount Vantage

Paramount Vantage is particularly interested in the territories of ANZ, UK, France and of course the US. He said they are diversifying somewhat from the traditional films such as *The Duchess* and *Revolutionary Road* and are looking to get into thrillers and comedies, either as co productions (less likely for Australian films) or straight out acquisition on completion (more likely). Will release six films a year in the US under the Vantage label.

Michael Weber, The Match Factory

Match Factory are a German distributor and sales agent. The company's focus extends well beyond German films and currently they have eleven films on their slate including one from Turkey. They are open to English language films and are director-driven. Managing Director Michael was formerly with Bavaria Film International and he works closely with Karl Baumgartner from Pandora as their sister company (Pandora was involved in *Shine* many years ago). Their aim is to facilitate deals, not usually act as a co-producer, and take on worldwide sales on a commission basis. Advances are available from script stage and they will consider first time directors.

Laird Adamson, Magnolia Films

US-based Magnolia (part of the HDnet empire) have Screen Australia's *Not Quite Hollywood* which received an enthusiastic response at its first midnight screening – and a lively Q&A followed. Magnolia usually release on two or three screens ahead of a VOD release, will not always go wider than that for smaller films. Magnolia has direct deals with cable companies and internet. Want to get involved early on and can do so in a number of ways, including just taking US, or just ROW or both. Having said that, Laird said the company has entered a 'risk averse' phase with controlled spending but is looking for two or three narrative features a year.

Sue Bruce-Smith (Film Four) and Ben Roberts (Protagonist Films)

Ben acts as the international sales company for Film Four under the Ingenious/Vertigo Films umbrella. They represent all Film Four rights and will take on rights for other films. Protagonist has a fund available that requires a 25% corridor. Involved in *Donkey Punch* and *This is England* and have low budget studio films on their slate. Working with Madman in Australia.

There were six Australian films screening at Toronto this year, and all had great audience responses:

Disgrace

Producers: Emile Sherman, Steve Jacobs, Anna Maria Monticelli

Director: Steve Jacobs

Writer: Anna Maria Monticelli

Screening in: Special Presentation

In attendance: Steve Jacobs, Anna Maria Monticelli, John Malkovich, Jessica Haines.

\$9.99

Producers: Emile Sherman and Amir Harel

Director: Tatia Rosenthal

Writers: Tatia Rosenthal, Etgar Keret

Screening in: Discovery

In attendance: Tatia Rosenthal, Geoffrey Rush

Acolytes

Producers: Penny Wall, Richard Stewart

Director: Jon Hewitt

Writers: S.P. Krause, Shayne Armstrong, Jon Hewitt

Screening in: Midnight Madness

In attendance: Richard Stewart, Jon Hewitt

Not Quite Hollywood

Producers: Michael Lynch, Craig Griffin

Director: Mark Hartley

Writer: Mark Hartley

Screening in: Midnight Madness

In attendance: Michael Lynch, Craig Griffin, Mark Hartley, Brian Trenchard-Smith

Three Blind Mice

Producers: Ben Davis

Director: Matthew Newton

Writer: Matthew Newton

Screening in: Discovery

In attendance: Matthew Newton, Caitlan Stanton, Gracie Otto, Ben Davis

Yes Madam Sir

Producers: Megan Doneman, Laraine Doneman

Director: Megan Doneman

Writer: Megan Doneman

In attendance: Megan Doneman

The Screen Australia Function

This year's Australian function at Toronto was held in conjunction with the High Commission and was well attended. The High Commissioner Bill Fisher and the Consul General Stefan Trofimovs attended with around 80 guests. The function was held at a downtown venue Brassai - a reasonable distance from the main drag, closer to where the new TIFF home will be in 2010 - from 6.30pm to 8.30pm on Monday September 8. The Australian filmmakers were able to network quite effectively – with reps from a number of sales agents and financiers there.

NEW YORK – NO BORDERS and MEETINGS

Following Toronto I spent a few days in New York attending the IFP No Borders co-production market. The FTO, Film Victoria and NZ Film Commission (the ANZ partnership) made an agreement with No Borders in 2004 to send one project from each jurisdiction each year. This year the selections from Australia were *Lou* (Dir: Belinda Chayko, Prod: Michael McMahon) and *Almost French* (Dir: Kate Woods, Prod: Sonja Armstrong). Sonja attended with her Australian distributor, Hopscotch's Troy Lum. Both projects were booked for meetings with acquisition execs and financiers over the three days. No Borders holds networking drinks each evening but the opening night dinner held on the Sunday is a more effective networking event with good attendance from the sales agents allowing the producers to meet them informally. Projects that have previously attended No Borders include *South Solitary* and *Clubland*.

**Prepared by
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