

Australian Films – 2002 Box Office Share

Australian films earned \$41.8 million or 4.9 per cent of the total Australian box office in 2002. While the percentage is down on 2001, the overall performance by Australian films was solid with three Australian films earning over \$5 million each and ten films taking more than \$1 million each at the box office.

Australian films' share at the box office 1992 to 2002

Year	Total Gross	% share
1992	29.7	9.0
1993	24.7	6.4
1994	46.6	9.8
1995	19.8	3.9
1996	43.7	8.3
1997	28.4	4.9
1998	25.6	4.0
1999	21.1	3.0
2000	54.2	7.9
2001	63.4	7.8
2002	41.8	4.9

Source: MPDAA and AFC Policy Research and Information

Topping the list was the Mick Molloy comedy *Crackerjack* with \$7.7 million. It was closely followed by *Rabbit-Proof Fence* with \$7.5 million and *Dirty Deeds* at \$5 million. The UK/Australia official co-production *Charlotte Gray* earned \$4.2 million, *The Crocodile Hunter: Collision Course* took \$3.9 million and *The Hard Word* took \$2.9 million.

The number of Australian films to achieve success at the box office increased this year, though there was not a US studio financed hit on the scale of *Moulin Rouge*. In almost all markets outside the US, high box office shares are reliant on at least one huge hit, such as *Moulin Rouge*, in the domestic market. Ten titles in 2002 took more than \$1 million compared to six in 2001. This puts 2002 in the top three years of Australian films that have earned over \$1 million (adjusted) at the box office. It is comparable to 1982 with eleven films and 1998 with ten.

The ten top grossing Australian films that earned over a million dollars in 2002 were:

Film	Release Date	Distributor	Box Office
1 <i>Crackerjack</i>	7 November	Roadshow	\$7.7m
2 <i>Rabbit-Proof Fence</i>	21 February	Becker/Ocean	\$7.5m
3 <i>Dirty Deeds</i>	18 July	Hoyts	\$5.0m
4 <i>Charlotte Gray</i> (Aus/UK)	30 May	UIP/Universal	\$4.2m
5 <i>The Crocodile Hunter: Collision Course</i>	12 September	Fox	\$3.9m
6 <i>The Hard Word</i>	30 May	Roadshow	\$2.9m
7 <i>Lantana*</i>	4 October 2001	Palace	\$2.4m
8 <i>The Nugget</i>	17 October	Roadshow	\$1.9m
9 <i>Blurred</i>	31 October	Becker/Magna	\$1.4m
10 <i>Garage Days</i>	3 October	Fox	\$1.3m

* Earned in 2002, in addition to \$9.9 million in 2001

Source: MPDAA at 31/12/2002

The top grossing Australian films for 2001 were:

Film	Release Date	Distributor	Box Office
1 <i>Moulin Rouge</i>	24 May 2001	Fox	\$27,431,931
2 <i>Lantana</i>	4 October 2001	Palace	\$9,883,101
3 <i>The Man Who Sued God</i>	25 October 2001	BVI	\$8,108,300
4 <i>Crocodile Dundee in Los Angeles</i> (Aus/US)	12 April 2001	UIP/Universal	\$7,759,103
5 <i>The Bank</i>	6 September 2001	Footprint Films	\$2,451,648

* Includes only those films released in that year and does not include those released the previous year still in cinemas.

Source: MPDAA at 31/12/2001

The Figures

The total box office for 2002 increased 4 per cent to \$844.8 million, up from \$812.4 million in 2001. This is the highest total box office in Australia ever.

There were 92.5 million admissions – the same total as 2001. The average ticket price was \$9.13, up 4 per cent from \$8.78 in 2001.

A total of 259 films were released in the Australian cinema market in 2002 according to the Motion Picture Distributors Association of Australia (MPDAA). There were 22 Australian releases – 19 feature films and three documentaries. US films dominate with approximately two thirds of films released in Australia of US origin.

The number of films released here in 2002 and their Australian box office share by country of origin is as follows:

	Number of Films				% Box Office Share	
	2001*		2002*		2001*	2002*
Australia	27	11.0%	22	8.5%	8.1%	5.1%
US (mainly studio films)	165	67.1%	170	65.6%	80.9%	83.2%
UK films	14	5.7%	24	9.3%	7.7%	10.4%
Other (mainly Europe and Asia)	40	16.2%	43	16.6%	3.3%	1.2%
Total	246		259			

* Includes only those films released in that year and does not include those released the previous year still in cinemas.

Source: AFC analysis of MPDAA data

The production value of the 19 Australian feature productions and co-productions released in 2002 was \$148 million – an average budget of \$7.8 million. According to the Motion Picture Association of America (MPAA) the average budget for a major US studio (eg, Disney, Warner Bros, Universal) film in 2002 was \$95.9 million (US\$58.8 million) with the average for a minor US studio (eg, Miramax, New Line) film at A\$55.5 million (US\$34.0 million).

Release patterns for the 19 Australian feature films were polarised into either a wide or narrow release. Nine titles (47 per cent) were exhibited on 100 or more screens with five (26 per cent) exhibited on 10–29 screens and a further four (21 per cent) exhibited on less than ten screens. This is very similar to the release patterns for the Australian features released in the three previous years (1999, 2000 and 2001).

The Playing Field

As in most countries, the Australian box office continues to be dominated by big budget US productions backed by studios who run vigorous and well-resourced marketing campaigns. Movie franchises and event films based on well-established brands dominated the 2002 Australian box office ensuring US supremacy with films like *Spiderman*, *Lord of the Rings: The Two Towers*, *Star Wars: Episode II – Attack of the Clones*; *The Scorpion King*, *Scooby-Doo*, *Men in Black II*, and *Austin Powers in Goldmember*.

- The top ten films watched by Australians grossed an average \$25.1 million (\$23 million in 2001). *Star Wars: Episode II – Attack of the Clones* finished on top with \$33.8 million.
- In 2002 the top 50 films took 72.2 per cent of the box office (73.6 per cent in 2001). 42 of the top 50 were from the US. Of the remaining eight, three were Australian, four were British (*Bend it like Beckham*, *Gosford Park*, *Harry Potter and the Philosopher’s Stone* (UK/USA) and *Harry Potter and the Chamber of Secrets* (UK/USA)) and one was French (*Amélie*).
- Including the two *Harry Potter* films, US-financed films dominated the top 20 with 19 films. The UK-financed film, *Bend it like Beckham*, was the sole non-US-financed film in the Top 20 coming in at 14.
- Overall, two-thirds (65.6 per cent) of films released at Australian cinemas in 2002 were of US origin. The US also controls the overall box office, taking 82.3 per cent of the Australian box office in 2002, up from 80.6 per cent in 2001.
- Two US studio films shot in Australia reached the top ten – these were *Star Wars: Episode II – Attack of the Clones* and *Scooby-Doo*.
- The average negative costs (budget) of US studio films were \$95.9 million (US\$58.8 million) in 2002. The average budget of Australian films released last year was \$7.8 million.
- The average print and advertising figures for a US studio film in the US in 2002 is \$49.9 million (US\$30.62 million) and for a minor studio film \$18.2 million (US\$11.18 million).

These figures are particularly significant in the context of the current negotiations for a Free Trade Agreement between the United States and Australian Governments and serve as a potent reminder that the US is the dominant force in the audiovisual industry.

The performance of Australian films screened in Australia vis-à-vis films from other countries screened in Australia can be assessed by the following table.

		2001*				2002*	
	No of films	Total 2001 only BO	Ave. BO		No of films	Total 2002 only BO	Ave. BO
Aust	27	\$60.9m	\$2.3m	Aust	22	\$38.6m	\$1.7m
UK	14	\$58.3m	\$4.2m	UK	24	\$78.0m	\$3.2m
Other	40	\$25.1m	\$628,381	Other	43	\$9.0m	\$211,246
US	165	\$610.5m	\$3.7m	US	170	\$624.5m	\$3.6m

* Includes only those films released in that year and does not include those released the previous year still in cinemas.

Source: AFC analysis of MPDAA data

The 22 Australian films released in 2002 took an average of \$1.7 million each, slightly down on the 2001 average of \$2.3 million. The average result for the 24 UK films was \$3.2 million each, down on \$4.2 million last year; while the 43 foreign films (non-UK/US) fetched on average \$211,246 per film also down from last year’s \$628,381 per film. The average take of the 165 US films in Australia was \$3.6 million per film, ranging from over \$33 million to just above \$1000.

International Context

There has been mixed results for local films at domestic box offices in 2002, following the across the board increase in the market share of local films in 2001. This has largely been the result of a lack of local breakout film successes as seen in 2001 with Japan’s *Spirited Away* (*Sen to Chihiro No Kamikakushi*), France’s *Amélie*, Germany’s *Manitou’s Shoe* (*Der Schuh des Manitu*), Spain’s *The Others* and from Australia, *Moulin Rouge*.

The following countries national share decreased from 2001 to 2002: Spain’s market share declined from 18 per cent to 13.5 per cent¹; French films’ local share was down from 40 per cent to 34.2 per cent²; Japanese local share was down to 27 per cent from 39 per cent in 2001³; while Italian films’ market

share dropped from 21 per cent to 19 per cent.⁴ Germany also experienced a decline in its local market share from 18.4 per cent to 9.1 per cent,⁵ as did Hong Kong with a decrease of 24 per cent to 40.3 per cent and South Korea,⁶ down from 49 per cent to 47 per cent.⁷ The Netherlands experienced a 5 per cent increase in its local share moving from 9.4 per cent to 10.3 per cent, as did the share of English-language films in Canada rising from 0.2 per cent of the 2001 box office to 1.4 per cent in 2002.⁸

US films continue to dominate the local box offices worldwide with few local film breakouts in 2002, the major exception being the Japanese film *Spirited Away*.

The top films worldwide are also largely franchise films.

2002 Worldwide Top Ten (including US) (\$US)

Film	Box Office
1 <i>Spider-Man</i>	\$822m
2 <i>Harry Potter and the Chamber of Secrets</i>	\$718m
3 <i>Star Wars: Episode II – Attack of the Clones</i>	\$648m
4 <i>Men in Black II</i>	\$442m
5 <i>The Lord of the Rings: The Two Towers</i>	\$434m
6 <i>Signs</i>	\$401m
7 <i>Ice Age</i>	\$378m
8 <i>Minority Report</i>	\$334m
9 <i>Die Another Day</i>	\$317m
10 <i>Austin Powers in Goldmember</i>	\$296m

Source: Screen International, January 6–9 2003

According to the MPAA, the international box office gross reached a record \$15.7 billion (US\$9.64 billion), an increase of 20 per cent on 2001. The MPAA put this growth down to “the wide release of major blockbuster hits, the success of a number of co-productions (including *Lord of the Rings* and *Harry Potter*) and a slump in the US dollar worldwide.”

Six films in 2002 earned over US\$250 million:

2002 Worldwide Top Six (excluding US) (\$US)

Film	Box Office
1 <i>Harry Potter and the Chamber of Secrets</i>	\$476m
2 <i>Spider-Man</i>	\$418m
3 <i>The Lord of the Rings: Fellowship of the Ring</i>	\$386m
4 <i>Star Wars: Episode II – Attack of the Clones</i>	\$337m
5 <i>Ocean’s Eleven</i>	\$256m
6 <i>Men in Black II</i>	\$251m

Source: MPAA Snap Shot Report: 2002 International Theatrical Market

Commenting on the international arena, Robert Mitchell of *Screen International* wrote:

“2002 was the year that franchise films took control around the world: no less than four of the top five films of the year were sequels, ... another six franchise entries appeared in the worldwide top 25 of the year – and that is not counting *The Scorpion King* [a character launched in *The Mummy* franchise] nor *The Sum of All Fears* [the fourth *Jack Ryan* thriller but first to star Ben Affleck in the role], which also feature.”⁹

According to *The Australian*, more of the same is expected in 2003:

“Hollywood is to release a record 27 remakes and sequels this year - from follow-ups to *Lara Croft: Tomb Raider* and *The Terminator* to a new version of the 1960s thriller *The Italian Job* ... up by one-third compared with 2002.”¹⁰

The US film industry continues to grow as well. The MPAA indicates that the US box-office rose by 13.2 per cent to a record US\$9.5 billion in 2002 – the highest year-to-year increase in 20 years. This rise is largely attributed to the large number of event films and sequels.¹¹ There were 467 films released in the US market in 2002.

International Status

Despite a fall in box office returns, Australian films and Australian filmmakers continue to receive critical praise overseas.

- ***Rabbit-Proof Fence*** was chosen as one of the top ten films of 2002 by the prestigious American National Board of Review and received an award of Special Recognition for Reflecting Freedom of Expression. Phillip Noyce was also awarded Best Director for his work on *Rabbit-Proof Fence* and *The Quiet American*. The film has won the Audience Award for most popular film at numerous international festivals including the Edinburgh International Film Festival, the Aspen Film Festival, the Calgary International Film Festival, the Durban International Film Festival, the Denver Film Festival and the Leeds International Film Festival. *Rabbit-Proof Fence* recently succeeded in garnering a Golden Globe nomination in the Best Original Song category.
- ***Beneath Clouds*** screened In Competition at the Berlin International Film Festival. The film's director Ivan Sen was awarded the Premiere First Movie Award and actress Dannielle Hall was awarded the Piper Heidsieck New Talent Award.
- ***Walking on Water*** was also successful at the Berlin International Film Festival in 2002 taking the Teddy Award for Best Feature Film and the Reader's Prize of the Siegesäule.
- ***The Tracker*** directed by Rolf de Heer was awarded a special jury prize at the Valladolid International Film Festival and was screened In Competition at the Venice International Film Festival. Rolf de Heer's next project *Alexandra's Project* recently screened In Competition at the 2003 Berlin International Film Festival.
- **2002 Academy Awards:** The success of the films above follow the significant achievement for the Australian film *Moulin Rouge* at the 2002 Oscars with eight nominations including one for best picture. In all there were a record 12 nominations for Australians and Australian films and three victories: AFTRS graduate Andrew Lesnie for Best Achievement in Cinematography for *The Lord of the Rings: Fellowship of the Ring*, Catherine Martin and Brigitte Broch for Best Achievement in Art Direction in *Moulin Rouge* and Catherine Martin again, with Angus Strathie for Best Achievement in Costume Design for *Moulin Rouge*. *Moulin Rouge* had previously won three awards at the Golden Globes – Best Motion Picture: Musical or Comedy, Best Actress in a Musical or Comedy for Nicole Kidman and Best Original Score for Craig Armstrong.
- **2003 Academy Awards:** The recognition of Australian talent at the Academy Awards continues in 2003 with four nominations for Australians. Nicole Kidman has been nominated for the second year in a row in the Best Actress category – this time for her work in the Best Picture nominee *The Hours* – for which she has already been awarded a Golden Globe and a BAFTA for Best Actress in a Drama. Cinematographer and AFTRS graduate Dion Beebe has also been nominated for his work on *Chicago*, after having already been nominated for a BAFTA. Other nominees include: Ben Snow nominated for Achievement in visual effects for his work on *Star Wars: Episode II – Attack of the Clones*; and Steve Pasvolsky and Joe Weatherstone's short film *Inja*, produced at the Australian Film, Television and Radio School, in the Best Live Short Action film category.

Australia's ever-growing pool of film-making talent continues to proudly wave the Australian flag with high praise for the likes of Naomi Watts who, following her success with *Mulholland Drive*, starred in the box office success *The Ring*. Other Australian actors to make an impact internationally in 2002 include:

- Eric Bana in *Black Hawk Down*;
- Cate Blanchett in *Heaven* and *Lord of the Rings: The Two Towers*;
- Gia Carides in *My Big Fat Greek Wedding*;

- Toni Collette in the box office hit *About a Boy* (for which she was nominated for a BAFTA for Best Supporting Actress) as well as *The Hours* and *Changing Lanes*;
- Rachel Griffiths in *The Rookie*;
- Anthony LaPaglia in *Road To Perdition*;
- Heath Ledger in *Monster's Ball*;
- Jacqueline McKenzie in *Divine Secrets of the Ya-Ya Sisterhood*
- Frances O'Connor in *The Importance of Being Earnest* and John Woo's *Windtalkers*;
- Miranda Otto, David Wenham and Hugo Weaving in *The Lord of the Rings: The Two Towers*;
- Guy Pearce in *The Time Machine* and *The Count of Monte Cristo*; and
- Geoffrey Rush in *Frida* and *The Banger Sisters*.

Australian crew also continue to produce distinguished work internationally in 2002 including:

- Cinematographer Ian Baker with *Queen of the Damned*;
- Editor Jill Bilcock with *Road to Perdition*;
- Director Fred Schepisi with *Last Orders*;
- Director Michael Rymer with *Queen of the Damned*;
- Cinematographer Christopher Doyle with *The Quiet American* and *Made*;
- Cinematographer Andrew Lesnie with *Lord of the Rings: The Two Towers* for which he was nominated for a Best Cinematography BAFTA;
- Cinematographer Donald McAlpine with *The Time Machine*; and
- Cinematographer Dean Semler with *xXx*, *We Were Soldiers* and *D-Tox*.

The Future

2002 marked the start of the Federal government's \$92.7 million funding package to the film sector. The package involved both the introduction of the refundable tax offset aimed at attracting large foreign film productions to Australia, as well as new funding for the AFC – directed at the crucial areas of script and professional development – the Film Finance Corporation (FFC), the Australian Film Television and Radio School, SBS Independent, Film Australia, AusFILM and the Film Industry Broadband Resources Enterprise.

However, despite this additional funding, there has been an overall reduction in funding available for the production of Australian feature films. Additional funding for the FFC announced in 2001 was restricted to the funding of adult and children's television drama, and the Film Licensed Investment Companies (FLIC) scheme, which made a significant contribution to financing Australian features in its final year of operation investing around \$16 million in nine titles, eight of which shot in 2002, has ended. Add to this the fact of ever-rising production costs and the unsurprising result is that fewer Australian feature films are being made.

AFC Chief Executive, Kim Dalton, stated at the release of the National Survey of Feature Film and TV Drama Production 2001/02:

"Private investment will always have a role, and foreign sources are particularly important in financing higher-budget local features, but direct government funding sources continue to underpin the core Australian feature slate. Our analysis indicates that, on average, government agencies have consistently provided more than 42 per cent of the funding for locally financed features each year."

Despite the reduction of funding for Australian films and the expected release of a number of Hollywood franchised films, 2003 is shaping up to be a strong year for Australian film. Australian films slated for release include:

- Gregor Jordan's *Ned Kelly* starring Heath Ledger;
- AFI Best Picture Nominee *Swimming Upstream* starring Geoffrey Rush and Judy Davis;
- Anthony Mir's *You Can't Stop the Murders*;

- Sue Brooks' *Japanese Story* with Toni Collette;
- Tony Martin's *Bad Eggs* with *Crackerjack* star Mick Molloy;
- *Fat Pizza* from the makers of cult SBS TV series *Pizza*;
- Tony McNamara's *The Rage in Placid Lake*;
- Paul Goldman's follow-up to *Australian Rules*, *The Night We Called it a Day*;
- Ted Emery's *The Honourable Wally Norman*;
- Paul Currie's *One Perfect Day*;
- Richard Franklin's *Visitors*; and
- Marc Gracie's *Take Away* with Vince Colosimo.

Australian Film Commission March 2003

- 1 Jennifer Green, "Spanish Cinema takes heart from new figures," *Screen International*, 27 February 2003
- 2 France levies an 11 per cent foreign film tax per ticket sold at the box-office, which is used to subsidise French film production, also there is a minor quota requiring that five weeks per quarter be devoted to French films (four weeks for theatres that screened six weeks of French short subjects in the preceding quarter).
- 3 Mark Schilling, "Japan loses yen for cinema," *Screen International*, February 7, 2003; "World Box Office 2002," *Screen International*, February 28, 2003
- 4 "H'w'd biggies rule o'seas," *Variety*, Jan 5 2003 and <http://www.screendaily.com/story.asp?storyid=10842&st=box+office&s=3>
- 5 Malnie Rodier, "Italian Comic trio Dethrone Warner's Wizard," *Screen International*, January 6-9
- 5 Martin Blaney, "German cinema admissions slip back in 2002," *Screen International*, 10 January 2003
- 6 Korea has a screen quota of 146 days/year since 1967
- 7 "World Box Office 2002," *Screen International*, February 28, 2003
- 8 Canadian Film and Television Production Association, *Profile 2003: An Economic Report on the Canadian Film and Television Production Industry*, 2003
- 9 Robert Mitchell, "Franchises on top in 2002," *Screen International*, January 6-9 2003
- 10 "It's seconds of everything on movie moguls' menu," *The Australian*, 20 January 2003
- 11 "US box office enjoys record year," *The Guardian*, 30 December 2002, at <http://film.guardian.co.uk/news/story/0,12589,866666,00.html>

APPENDIX I

Australian Feature Films, Short Features and Documentaries released in 2002 theatrically in Australia

Title	Release Date	Distributor
<i>Australian Rules</i>	29 August 2002	Palace
<i>Beneath Clouds</i>	23 May 2002	Dendy
<i>Beware of Greeks Bearing Guns</i>	5 September 2002	Palace
<i>Black & White</i>	31 October 2002	New Vision
<i>Blurred</i>	31 October 2002	Becker/Magna
<i>Charlotte Gray</i>	30 May 2002	UIP/Universal
<i>Crackerjack</i>	7 November 2002	Roadshow
<i>Crocodile Hunter</i>	12 September 2002	Fox/MGM
<i>Day Neil Armstrong Walked on the Moon, The</i>	9 May 2002	Talking Heads
<i>Diaries of Vaslav Nijinsky, The</i>	25 April 2002	Sharmil
<i>Dirty Deeds</i>	18 July 2002	Hoyts (New)
<i>Garage Days</i>	10 March 2002	Fox
<i>Hard Word, The</i>	30 May 2002	Roadshow
<i>Horses</i>	12 September 2002	Imax
<i>My Mother India</i>	29 August 2002	Ronin Films
<i>Nugget, The</i>	17 October 2002	Roadshow
<i>Rabbit-Proof Fence</i>	21 February 2002	Becker/Ocean
<i>Till Human Voices Wake Us</i>	12 September 2002	Globe/Instinct
<i>Tracker, The</i>	8 August 2002	Globe
<i>Trojan Wards</i>	8 August 2002	Triple Three Film
<i>Walking on Water</i>	26 September 2002	Dendy
<i>Willfull</i>	29 August 2002	Latent image

Source: MPDAA at 31/12/2002

APPENDIX II

Top 20 Films of 2002 at the Australian Box Office

	Title	Distributor	Box Office
1	<i>Star Wars: Episode II – Attack of the Clones</i>	Fox	\$33.8m
2	<i>Lord of the Rings: Fellowship of the Ring</i>	Roadshow	\$31.9m
3	<i>Spider-Man</i>	Columbia	\$30.8m
4	<i>Harry Potter and The Chamber of Secrets</i>	Warner Bros	\$30.3m
5	<i>My Big Fat Greek Wedding</i>	Roadshow	\$23.9m
6	<i>Ocean's 11</i>	Roadshow	\$22.2m
7	<i>Ice Age</i>	Fox	\$20.5m
8	<i>Beautiful Mind</i>	UIP/Universal	\$19.8m
9	<i>Austin Powers in Goldmember</i>	Roadshow	\$19.3m
10	<i>Scooby-Doo</i>	Warner Bros	\$18.2m
11	<i>Monsters Inc</i>	BVI	\$18.1m
12	<i>Men in Black II</i>	Columbia	\$17.6m
13	<i>Lord of the Rings: The Two Towers</i>	Roadshow	\$17.5m
14	<i>Die Another Day</i>	Fox/MGM	\$13.6m
15	<i>Lilo & Stitch</i>	BVI	\$12.9m
16	<i>Bourne Identity</i>	UIP/Universal	\$12.9m
17	<i>Bend it Like Beckham</i>	Icon	\$12.7m
18	<i>Minority Report</i>	Fox	\$12.0m
19	<i>Signs</i>	BVI	\$11.9m
20	<i>Harry Potter and the Philosopher's Stone</i>	Warner Bros	\$11.0m

Source: MPDAA at 31/12/2002