

Distributing Australian Films

– a survey of current market conditions and distributors' perceptions

Presented by:
Marketing Branch of the Australian Film Commission

Written by:
Mary Anne Reid, with assistance from Diana Berman, Director of Marketing, AFC,
and Rosemary Curtis, manager, information and research, AFC.

31 August 1999

Introduction

1998 was a difficult year for indigenous film industries around the world. The big budget feature films of the major American producer/distributors secured a greater share than ever of box office in world markets, to the detriment of smaller indigenous film industries. There was some speculation in the international press that this was a product of *The Titanic* phenomenon but more in-depth commentary suggested it was a wider trend – supported by the mechanics of multiplex exhibition and likely to continue.

This survey was commissioned by the Marketing Branch of the Australian Film Commission in response to this perceived shift in market conditions worldwide and a relatively small box office share for the local industry in 1998.

The survey aims to contribute to the flow of information and views between the production, distribution and exhibition sectors of the Australian film industry. The views expressed are not intended to be either definitive or comprehensive – in some cases distributors have conflicting perspectives. The commentary has been assembled as a catalyst for discussion and strategic thinking.

The experience and views of local distributors are a valuable asset for filmmakers – and funding agencies – particularly at a time when a highly competitive exhibition environment is requiring more attention be given to marketing issues and audience viewing patterns.

The distributors who participated all expressed a strong commitment to the local industry and have been generous with their assistance. Like our filmmakers and funding agencies, they are anxious for Australian cinema to shine and their responses have been offered within this context.

Thanks go to the following distributors for their assistance:

- Stephen Basil-Jones, managing director, **Columbia TriStar Films**
- Richard Becker, managing director, **Becker Entertainment**
- Tait Brady, general manager - distribution, **Palace Films**
- Frank Cox, managing director, **Newvision Films**
- Alan Finney, managing director, vice president, **Buena Vista International, Australia**
- Mark Gooder, head of distribution, **REP Distribution**
- Troy Lum, head of **Dendy Films**
- Andrew Mackie, director, **Globe Film Co**
- Natalie Miller, managing director, and Shaun Miller, distribution manager, **Sharmill Films**
- Joel Pearlman, manager director of marketing and acquisitions, **Roadshow Film Distributors**
- John Scott, director of marketing and publicity, and David Collins, director of distribution, **Universal Pictures (formerly Polygram Filmed Entertainment)**
- Mike Selwyn, managing director, **United International Pictures (UIP)**
- Robert Slaviero, managing director, **Twentieth Century Fox Film Distributors**

1. The exhibition landscape

In 1999, Australian films are being released into a domestic theatrical marketplace which has altered considerably since the start of the decade.

Since 1990¹:

- the total **number of cinema screens** in Australia has almost doubled (from 851 to 1576)
- **total admissions** per year to Australian cinemas has almost doubled (from 43 million to 80 million)
- **total annual box office** has more than doubled (from \$284.6 million to \$629.3 million)

This continuous growth is based on the proliferation of the multiplex cinema and, more recently, the megaplex, with as many as 30 screens in one complex.

The positioning of these complexes has seen the percentage of box office taken in the suburbs rapidly overtake city screens. In 1988, city screens accounted for 39 per cent of total box office and suburban screens for 31 per cent; ten years later, city screens took only 11 per cent of total box office compared with a much larger 56 per cent for suburban screens.

Overall, the prognosis for the movie business is good. Australians are going to the cinema in larger numbers than ever and choosing their films from a larger selection of titles.

Increasingly, the films they see belong to a small group of vertically integrated US studio/distributors. These large, US-based global corporations are competing more aggressively than ever in world markets, pushed on by the need to earn higher revenues to cover the rising production and promotional budgets of their films.

In the late 90s, the box office revenues these US majors derive from world markets has overtaken their revenue from domestic box office, which traditionally formed the majority of their income. Australia is a significant international territory in terms of its dollar value, despite its small population.

In 1998, the percentage of the total Australian box office taken by Australian films was down to four per cent, compared with a high in the 90s of 10 per cent in 1994² (the year *Muriel's Wedding* and *The Adventures of Priscilla* were released).

Such downturns are to some extent a characteristic of the hit-driven nature of theatrical exhibition but in 1998, Australian cinema's low share was a result echoed in most large territories around the world. The international trade press reported growing concern that the year's results indicated a generic problem for indigenous feature film production in industries outside the US.

¹ See Tables 5 and 7 in Appendix

² See Table 2 in Appendix

multi-screen exhibition

The proliferation of screens in Australia has given rise to a new style of national release where as many as 300 prints (in some cases more) of a big mainstream film are released simultaneously in cinemas around the country. Multiplex and megaplex exhibitors offer multiple sessions of these films – usually Hollywood blockbusters – and may even rent several prints for exhibition in a single complex.

Patrons visiting multi-screen complexes can choose from a variety of titles under the one roof but they must choose quickly because the release life of films is shorter. The majority of the box office is usually earned in the first two weeks of the release and with an increasing number of titles queuing for screen space, exhibitors are quick to pull films which don't perform and load up fresh titles to encourage patrons to return to their cinema complex to see another film.

Mainstream titles are supported by prints and advertising (P&A) budgets which have pushed up to \$1-2 million and are expended speedily at the front end of a film's release to attract the audience to the cinema in the critical opening period. These films earn an estimated 60-80 per cent of their lifetime film hire in their first three weeks of release.

The structural changes over a decade, say some distributors, have produced a mainstream exhibition environment which is necessarily less focussed on the films that move through the cinema chain than the cinema chain itself – the marketing message is 'come to Greater Union or come to Hoyts or Village, there's something new and exciting happening all the time'.

Exhibitors have invested large amounts of capital creating the new multi-screen environments and their advertising promotes the experience of the cinemas themselves and special deals at the candy bar (a significant source of revenue). The big event films are pushed heavily by the cinemas and the remaining titles viewed collectively, as a menu of alternative selections for repeat visits.

This exhibition environment is highly competitive. The pressure is to have the 'latest', the 'hottest' and to have it 'now'.

There is also a swing towards uniformity of programming, with parallels, some say, to network television programming: event films, school holiday films, even particular genres are programmed into more recognisable timeslots and seasons; titles and session times are frequently programmed uniformly across multi-screen complexes of the same size.

As one distributor puts it: "The way the multiplex exhibitors operate is so lean now. They've extended the cinemas so they're the same size – eight screens here, eight here and eight here, or sixteen and sixteen and sixteen – and they program them mechanically so that basically, if you look up the session times for Austin Powers they're exactly the same for four or five Hoyts complexes."

The overall result of this patterning is that the box office taken by a film in its opening weekend determines its fate. If a film doesn't work on that crucial weekend it won't last in the cinemas long enough to make money, say distributors: "There's no real nurturing of the films these days; it's too competitive, there's too many films. Once they don't work, they're off."

polarised release patterns

Mainstream and specialist (or arthouse) titles exist side by side in the theatrical marketplace of the late 90s as they always have, but distributors note a polarisation of release patterns into the wide or the very limited – most commonly defined as over 75 or under 20-25 – with not much room for films to work in the middle ground.

This has important implications for Australian films as the majority are given a specialist release, often by an independent distributor. In the past, many successful Australian films have tended to work through the traditional ‘platform’ release, where a film starts on a relatively small number of screens and a correspondingly modest P&A budget, then moves wider on the strength of good word of mouth and positive media reaction, supported by additional P&A expenditure. *Strictly Ballroom* for example, grossed over \$20 million at the Australian box office through this kind of classic platform release, starting at about 30 screens and building to over 100.

The platform release is a much rarer phenomenon today: with films earning most of their box office in the first two weeks of release, the pressure is for a potentially mainstream film to maximise revenue by going wide immediately, supported by expenditure of a large P&A budget almost entirely at the front end of the campaign.

Films seen as having only limited, or specialist, audience appeal, or which are thought to be too risky to justify the large P&A investment required by today’s wide release, are usually contained to about 10 to 25 prints. Australian films frequently fall into this latter category (as do many other films produced by national industries outside the US).

Where the choice is for a wide release, there may be pressure from exhibitors to release the film across the board rather than selecting locations most suitable for the film.

“Some films obviously appeal to different demographics and some multiplexes are more up-market than others,” says one distributor. “You might have an upmarket film which you know is not going to work in a Campbelltown or Liverpool complex in Sydney, for example, but would possibly work in Macquarie or Chatswood. But in my experience cinema chains are going for co-programming – in other words, if a film goes into a multiplex they want to put it into most of their multiplexes. You might say ‘can we just play some multiplexes?’ and they say, ‘if we take your film, we have to say no to another film that could play across the board’.

“It can be difficult to decide whether do to that 15-screen release or to do that 70. Even if you can get selected multiplex screens, the thing that comes along with that is the cost of talking to the suburban audience, which is television, and that means big money.”

Depending on the number of capital cities targeted, the minimum cost of a television campaign starts at between \$100,000 and \$250,000 .

Andrew Pike, director of independent distributor Ronin Films (*Strictly Ballroom*, *Shine*), believes the polarisation of release patterns has significant implications for

the local production industry: “If the industry wants the independent distributor to participate in the marketing of Australian films, it’s going to be on the basis that the release is probably going to be narrow and the returns will be small. I think this patterning has to be considered by the funding bodies because it means that with an independent release, your budget is going to have to be smaller because it’s going to be hard for you to get a decent return.”

2. Independent distribution

Distribution and exhibition of specialist (or arthouse) films has undergone changes also in the last decade. The number of foreign-language titles screened has declined significantly and specialist cinemas, which have also moved into multi-screen exhibition, now screen a number of cross-over commercial films (like *Antz* or *Lock Stock And Two Smoking Barrels*) as exhibitors try to keep in step with audience tastes.

Frank Cox, managing director of independent distributor Newvision Films, has observed two counter trends in recent years. On the one hand, the demand for arthouse titles has declined; on the other, a select group of specialist titles are crossing further into the mainstream and earning bigger box office than they have in the past.

“I feel the biggest change is in people’s viewing habits, what kind of films they want to see. We don’t find as much support for specialist or alternative films as we did a few years ago; I’m estimating that the ones that work are making half of what they would have done several years ago. It seems that the younger generation who used to start off being involved with those alternative films at university level don’t frequent foreign language films any more and they also prefer the bigger films.

“Having said that, a film like *The Full Monty*, which seven or eight years ago would have been termed an arthouse film, wouldn’t have had any chance of grossing over \$20 million as it did in Australia. If the public wants to see something, these smaller films are doing a lot better. So it’s pulling two ways with specialist films – either they’re really big or they take next to nothing.

“We’ve been distributing films for 20-odd years and before we come out with a film we always sit down and estimate what it’s going to gross and what we should spend releasing it. In the last couple of years we’ve been way off more than in any other time in the history of Newvision distribution and we don’t see that any of our competitors are better off.

“More of the independently released films are flopping and our hit rate, which used to be higher than the majors’ [distributors] hit rate, is getting very close to the majors. In other words, the statistics are that only about one in ten specialist films work now, perhaps two in ten break even and the rest are flops. Five or ten years ago our hit rate would have been three to four out of ten and perhaps another two or three breakevens, so our losses were probably only about a third. I think it’s purely an audience thing.

“Then there have been films like *Kundun* and *Chasing Amy* which have gone way beyond our expectations – with *Chasing Amy* we initially had ten prints and we widened it in the fifth week and eventually grossed about \$2.8m; with *Kundun*, we once again went tight and eventually expanded it to about 23 prints and we did about \$3.8 million.” So, within the specialist release there is also a trend to go a little wider if the film has potential.

Director of The Globe Film Company, Andrew Mackie, says this was the strategy for *Gods And Monsters*, which was released in mid-1999 on 25 prints but would have been more likely to go out on 10-15 prints five years ago. The Globe title *Praise* was given a narrow release (6 prints) but had to be pulled from some screens (despite

high screen averages) so that the cinemas could meet their contractual obligations to other films. In retrospect, Mackie says, a wider release would have produced a higher gross box office, although crowded sessions with limited prints created a very positive media and word of mouth reaction to *Praise* (the intended effect of the release strategy).

According to Frank Cox, it is becoming more difficult to predict audience reaction to specialist films: “These days it’s easier to predict what the chances are of a mainstream picture succeeding, and estimating the box office gross, and a lot, lot harder to estimate how the alternative or arthouse film will go. I’ve spoken to mainstream distributors who have the same problem with their alternative films or the films that come through their classics divisions, and also my independent colleagues. The independent sector is probably in the worst state it’s ever been.”

Many Australian films – either because of their subject matter and style or the absence of highly marketable awareness assets, such as Hollywood stars – are given a limited rather than a mainstream release. The health of the independent distribution sector is, therefore, highly relevant to the local production industry.

There is a general consensus among the independents that the business has become tougher and profit margins have declined. Ronin Films (which distributed the hits *Strictly Ballroom* and *Shine*) has dropped out of theatrical distribution altogether, finding the capital investment required to support the current release patterns too high to justify the risk.

Changing conditions have produced partnerships between the independents and the majors – both in distribution and exhibition. Newvision has negotiated a deal with 20th Century Fox to handle the physical theatrical distribution of its titles, while Newvision retains acquisition and marketing, and distribution in ancillary markets; Palace has an equity partnership with Village Roadshow in its cinemas and Sharmill recently negotiated a joint exhibition arrangement with Palace/Village and Barry Peak for its Nova screens; Dendy Films has been acquired by the Becker Group; Globe Films works through an arrangement with UIP, which cashflows its P&A and physically distributes its films. All are strategies to adjust to a marketplace where the big fish are getting bigger and the small, smaller. On the side of the majors, it acknowledges the greater commercial potential of select specialist product.

One of the biggest problems for independent distributors is that major international distributors are now competing with them for independent product, forcing up prices at international markets and creaming off those titles with the best commercial potential. *The Opposite Of Sex*, *Central Station* and *Life Is Beautiful*, for instance, were all picked up by major distributors for Australia. Having been awakened to the commercial potential of what was once considered arthouse product, the majors are usually able to secure the specialist titles they want by offering multi-territory deals and withdrawing such deals if certain territories (Australia, for example) aren’t included.

Andrew Mackie (Globe): “When we started out [in 1994] hardly any of the studios had special product divisions, now every studio has an independent arm. When acquiring titles we’re competing directly with them which makes it much more difficult to secure commercial titles.

“With the studios adding a greater volume of acquired product to their production slates it means there are a lot of titles coming through their infrastructure that compete directly with us. At the speciality end of the market it means a film’s theatrical life is much shorter, and the viability of a small film building its audience through word of mouth is much less. As with the mainstream major studio films, if the specialty product doesn’t open strongly, it must come off to make way for other product.”

While competition from large corporate buyers is making operating conditions tougher for the independents, there is a potential spin-off for Australian films as these provide an alternative source of product for independent distributors to increasingly expensive and difficult to acquire foreign titles. Independents are looking more closely at home-grown product – with market potential.

In addition to rising acquisition prices, independents are encountering a contraction of spending by the commercial Australian free to air networks, which have tied up three-year output deals with major distributors and consequently have little or no budget left to acquire independent product. Faced with budget restraints the ABC has also cut its acquisition of films and while SBS remains a good potential buyer, it offers rates substantially below the commercial broadcasters.

3. Know Your Market

The key message the current distribution/exhibition environment is delivering to filmmakers is 'know your market'. The competition is too great, the capital investment in marketing too high and exhibition patterns too rigid to support an unfocussed or 'wait and see' approach to the marketplace.

It is recognisably the distributor's job to link the film to the relevant audience but it is, and increasingly so, the filmmakers' responsibility to have a clear understanding of who that audience is. There was a general sense among the distributors interviewed, both independent and mainstream, that Australian producers, directors and scriptwriters need to be more cognisant of this.

Joel Pearlman, managing director of marketing and acquisitions, Roadshow Films:

"I guess the thing is it's a good business when you pay attention to your audience and make sure that the films that you're acquiring for distribution, or that you're creating, are films that have a designated audience in mind.

"There are a whole number of variable factors that may affect why a film does or does not perform at the box office but I think that at the end of the day, as an industry, what we need to focus on is making movies where we can clearly see reasons that will make people want to go and see them.

"A lot of films that were released in the last year weren't necessarily bad, but they didn't have an audience. The fact that they might play well isn't enough – people have to want to get up and spend their \$11 on a movie ticket and there's the whole issue of the competitive environment as well, what else is playing at the time.

"Most of the time 'playing well' and having an audience are joined, but in the case of Australian films that often don't have marquee cast...you need to look at the whole package and figure out what elements are going to make an audience want to get up and go and see a movie, rather than wait to see it on video or pay TV. These are very key points because if the audience doesn't feel the need to go and see the movie in the first couple of weeks, you will lose the screen time."

John Scott, director of marketing and publicity, Universal Pictures (formerly Polygram Filmed Entertainment):

"Filmmakers come from all walks of life and they make films for different reasons. One might produce the film because it's his or her story and for them it has to be told; another producer will think 'this is a great commercial opportunity, it's going to make \$10 million and I'm going to get a huge chunk of that'; then you have producers who are genuinely interested in entertaining audiences.

"All those films need to be made and the trick is for the producer to partner up with a distributor who shares the same vision on that project.

"Whenever a producer walks in our door the first thing we say is 'who is the audience?' and if they can very clearly define the audience and what is going to be in that film to attract that audience, then it's our job to build a campaign around the film pitched at that audience.

"That works right from script stage. If you come in with a germ of an idea, you have to know who you're making that film for and you can't deviate. I think that's one of

the biggest problems as well – from script to end product a film evolves incredibly and is always in danger of falling into the hands of someone who doesn't share the vision. At every step it can move a step further away from that audience, by the time the director gets it, the editor, the distributor, you could be way off centre from where you started out to make that film.”

Tait Brady, general manager - distribution, Palace Films:

“The implications [of the multiplex exhibition environment] are that people have to think more about that issue and understand the audience for their films. You shouldn't just expect that your film is going to play at all those multiplexes.

“Everyone thinks they've got these mainstream films and usually they're really not. It's a bit like they want to have their cake and eat it too; they want to make a 'quality' film and then they want to play it in every multiplex. Just go out to a suburban multiplex and you'll understand in an hour's research that that idea is all over. A lot of producers and filmmakers don't do that.”

Alan Finney, formerly general manager of Roadshow, now managing director, vice president, Buena Vista International, Australia.

(Finney managed the release of a number of successful Australian films of the 90s, including *Muriel's Wedding, Priscilla, The Castle, Romper Stomper* and *Proof*).

“What the decision-makers are failing to do is ask the appropriate questions:

1. *What is it?*

Which is really a shorthand way of asking...

- describe it in terms of traditional movie genres
- place it within present day movie 'fashions'
- identify it's reference points with general contemporary culture

So this questions really means 'Who is likely to want to see it?', not:

- who do we hope will want to see it
- who should go and see it
- who did the filmmakers have in mind as seeing it
- who would like it once they see it (although this is important)

2. *Who can we persuade to?...*

- pay \$11.50
- get up from the Freedom Furniture in front of the TV
- pay for a baby-sitter
- instead of going home and relaxing, for free, go out to the cinema

And they have to be persuaded to go for our film out of the four films opening this week, otherwise it may not be on next week.

Then:

3. *Who is likely to see it first?*

4. *Who will wait?*

5. *Will the people who see it like it...talk about it?*

6. *What will they say?*

7. *How long will it take for that word of mouth (negative or positive) to get around?*

8. *Where do we screen it?*

- the reputation/image/track record of the cinema
- what cinemas are available?
- how many cinemas do we want to screen it in?
- how genuinely enthusiastic are the exhibitors and in what ways will they support our movie?
- on what terms will the exhibitors screen our movie?

9. *How do we sell it?*

- Awareness of film vs Want to see film
- Potential high profile values
- genres
- stars
- sequels
- television related properties
- product related properties
- music related properties
- contemporary event related properties

“What is really interesting is that all of these questions should be considered long before a foot of film is shot. Now obviously if this is done and the scene doesn’t look too positive, it shouldn’t mean that the film isn’t made...but it can lead to a very productive process of examination and discussion.

“The problem is, in my experience, when anything like this has been attempted, the people who have undertaken this process are not... knowledgeable enough and after having ‘gone through the motions’, everyone relaxes and approves funding of a film with extremely limited commercial appeal.

“The other issue is that most producers and those involved in funding decisions have little idea about how films are released or marketed.”

4. Options for distribution

Australian films are released into a theatrical environment dominated by US studio films made on an average budget of about \$US53 million. The average promotional budget attached to these films in their home market is about \$US25 million, comprising \$US3.2 million for prints and a vast \$22.1 million for advertising³.

Distributors releasing studio films in Australia have access to the expensive marketing concepts, artwork, trailers and other materials developed with these promotional budgets. The Hollywood star system also provides a built-in marketing premium. Independently produced foreign films, too, come with marketing concepts and materials attached and may feature actors and directors with significant audience appeal or critical kudos.

When distributors pick up a local film, they start from scratch in developing the campaign, which means working harder on the campaign concepts and spending additional money developing marketing materials. Ideally, it means exploiting all appropriate marketing angles thoroughly to give the film its best chance. On the positive side, local actors and directors are generally much more available to publicise and promote their films.

Distributors are well aware of the greater amount of effort required to promote a local film but almost all, both mainstream and independent, report an increased sense of creative and emotional involvement when working on a local campaign. As a group they are well disposed to the idea of distributing Australian films, although to different degrees, providing they perceive a film has market potential, at whatever level.

the mainstream release

The number of major distributors in Australia has increased in recent years: the co-venture between Fox and Columbia TriStar was dissolved in 1996, leaving the two former partners to operate independently; Polygram Filmed Entertainment, now Universal Pictures, set up an Australian division in the same year; Disney titles, previously distributed here by Roadshow, are now handled directly by Buena Vista International, Australia; UIP (a joint venture between Universal, Paramount and MGM/UA) may break up into individual operations, according to media reports.

Overall, the effect of a greater number of majors, each with individual overheads to meet and slates to fill, is likely to be an increased number of titles released in the Australian marketplace.

The US distributors based here have picked up various Australian films in recent years – Columbia TriStar (eg *A Little Bit Of Soul*), UIP (eg *Dear Claudia*, *Dating The Enemy*), Fox (eg *The Quiet Room*, *Soft Fruit*, *Bootmen*) – and express interest in future projects but as a group they are deterred by the lack of ‘marquee value’ of the actors in Australian films and lack of success of some of their recent local projects. Nevertheless, they read scripts and keep looking, “afraid of missing out on the next

³ Source: the Motion Pictures Association of America.

hit”, which is the prize most of these distributors are looking to deliver to head office.

Stephen Basil Jones (managing director, Columbia TriStar Films): "Recent history shows that the Australian public have been somewhat reluctant to see local films and despite their admirable creative integrity and quality, that doesn't often translate into box office appeal. Even though the commercial potential of some Australian films may be limited, as an Australian distributor we want to be supportive and acquire Australian product which we see as viable in the marketplace. We take pride and ownership in working on Australian films; we want to be able to say that we have released great Australian films."

The only Australian-owned major, Roadshow Film Distributors, is by far the most active in acquiring local films and is primarily interested in mainstream product. Polygram Filmed Entertainment has also been active (*Mr Reliable*, *Blackrock*, *Dead Letter Office*, *Radiance*), particularly since establishing its Australian division.

Joel Pearlman (Roadshow): "I don't think you could work on the distribution of Australian films unless you were passionate about their potential – these films need to be cared for and nurtured and an enormous investment of time has to go into them.

"As an Australian company we feel a responsibility towards the Australian film industry and Australian screen culture and we have always had as part of our mandate that we would play a major role in distributing Australian films. It's also a profit-based position. We've had a lot of success with the distribution of Australian films – *Muriel's Wedding*, *Priscilla*, *The Castle* *The Craic*. If we didn't believe it was a good business in the long term then we wouldn't want to be in it."

If the film is right, the advantages of securing mainstream release are considerable. A major distributor can release an Australian film on 100 prints or more, back it with heavy television advertising and a P&A budget of over \$1 million and if the film works, earn a very attractive box office of \$5-8 million or in exceptional cases, even more (the 90s box office breakouts, *Muriel's Wedding*, *Priscilla* and *Strictly Ballroom*⁴, each earned from \$15-22 million).

⁴ *Strictly Ballroom* was distributed by independent Ronin Films with capital backing from major video distributor Columbia TriStar Hoyts.

Recent case example:

The Craic

Released by Roadshow in mid-1999 on over 100 screens, *The Craic* grossed about \$5.2 million at the box office, making it the most commercially successful Australian release since *The Castle*. Roadshow was a co-producer on the project and involved from script stage in its evolution.

The following elements attracted Roadshow to the project: good script; lead actor Jimoen's track record and television profile; a production team who had already developed an effective working relationship with Jimoen.

Joel Pearlman: "Jimoen had never been in a film before and we took a gamble that his audience would come out for him and they absolutely did. I think television can be a good breeding ground for actors; a lot of people disagree with that but I think there are certainly people on television now who could make that transition.

"We knew its primary audience was 16-24 year olds and its secondary was 25-39 year olds. We knew that because it had somewhat of a romantic angle, it had appeal for females but because the romantic angle was only slight – the movie was really a blokey, buddy sort of road story – it had a male edge.

"We started work on the film in production. With Australian films you need to make sure you use all the eggs in the basket to give it every chance. You need to make sure the photography's good – if you don't have any good shots of Jimoen and other actors, how are you going to get good magazine placement?

"We figured out what the key selling aspects of it were and decided that we needed to do two things: we needed to successfully convey that Jimoen was in a movie, and we needed to make it look big and very funny. All the materials we created were humorous in nature, all the promotions had a comedic angle. Jimoen automatically means funny and we knew that if we could get that across we'd be giving the movie its best shot.

"We wanted to get the trailer out as early as possible to really make sure that audiences were going to the cinema and quickly learning there was a Jimoen movie. It was important there was no confusion about that. We knew the TV spots were very funny. People watched them and laughed and said 'that looks funny, I'm going to go'. People want to be entertained.

"It started on over 100 screens from day one – you don't platform commercial films. We knew we had a hit movie. We weren't sitting there going 'maybe people will come'."

the independent release

The majority of Australian feature films secure domestic distribution with one of a handful of independents, such as Newvision, REP, Palace, Globe, Dendy and Sharmill.

These companies generally rely on the specialist release – anything from six to 15 prints (*The Interview*, *Praise*), occasionally as high as 30-35 (*Love And Other Catastrophes*, *Head On*), supported by P&A budgets usually between \$150,000 and \$350,000. In this configuration, a gross box office of under \$1 million can be a profitable result for the distributor and return overages to the investors/producers, and a box office of \$1.5 million is a very good result.

The relative economics of specialist and mainstream release patterns are usually totally overlooked in mainstream media reports on the performance of Australian films at the box office and can produce negative public perceptions about films which have been successful on a small scale through a combination of low P&A budgets, sales to ancillary markets and overseas sales.

As a group, the independents express a commitment to distributing Australian product and, as already discussed, there is currently extra incentive to pick up local films because competition from major distributors has pushed up prices for foreign films at international markets. The interest is there, and most independents are actively seeking and reading scripts and looking at finished films, but the product has to be right.

Like the majors, the independents tend to view Australian films as:

- needing extra nurturing in terms of marketing
- often lacking in elements which attract audiences in a competitive market
- currently suffering something of an ‘image’ problem, exacerbated by negative media reports

Independent distributors can’t provide the much larger promotional budgets of a mainstream distributor, like Roadshow or UIP, what they do offer is creativity and experience in spending for best effect on a specialist film, which includes maximising free publicity and attention through strategic niche marketing.

Andrew Mackie (Globe - *The Interview*, *Praise*, *The Well*, *Love Serenade*), describes the mechanics of a limited release: “It varies but there are the basics. Our budgets are pretty lean, we’re very publicity driven – every Australian film we’ve done has had a very solid publicity campaign. After our press buy, which is imperative, the second biggest single item for us is creating trailers. It costs around \$30,000 to produce a trailer and in the context of a \$150,000 P&A budget, it’s a big whack.

“We maximise the impact of everything we can when working within the confines of a small P&A budget. The marketing of the film must be focussed at a grass roots level, driven by a strong publicity campaign. With an Australian product the cast and crew are usually available so publicity is cost effective and can make a small P&A appear enormous. With advertising, our primary spend is print, across posters, flyers and newspaper advertising. For a smaller release of under 15 prints, the economics usually don’t justify a TV spend. If you’re going to spend less than \$100,000 on TV, unless the audience is really defined you may as well make your impact in another cheaper way, such as big newspaper ads. On the flipside, if you’re

going to spend money on TV, the incentive is then to add screens to increase your ability to recoup from the TV spend.

“Once you get beyond that specialist release level there's a jump in the costs. The middle ground is becoming increasingly more dangerous.”

Recent case example:

Head On

Head On was given a two-step release by Palace, starting out on 23 screens and moving up to 36. The initial release included a small number of multiplex screens, concentrated in areas with large Greek-Australian populations, and once the film proved it could attract an audience, more suburban multiplex screens were added. It achieved a six to eight week release in most cinemas and played for about 16 weeks on one screen in each city. The release was backed by a limited spend on TV advertising, including SBS, to support the launch. The box office gross was about \$1.8 million and P&A rose to almost \$400,000 with additional expenditure after the launch to support the added screens.

Tait Brady (Palace): “*Head On* had this duality in that it could play to a specialist audience as well as to a section of the mainstream. We had a film where instead of pretending it would be able to play to 18-21 year olds, we really knew it would appeal to them because it was about them.

“When we were in the suburban multiplexes it was running third. It was *Dark City*, *Sliding Doors* and *Head On* in almost every cinema complex we were on in Sydney, except for Hurstville, which has got a high Greek population and where it was only about \$100 behind *Dark City*. In those comparative terms it held its own really well.

“We had some of the key elements that you need and we didn’t even realise it at first. One thing was we had a genuine star – Alex is very visible, he goes to everything in Sydney and the media love him. He was in *Wildside* at the time, so people were seeing his acting chops, his credibility was growing. With the buzz on the film and his role in it we landed some major media breaks then it all became self-perpetuating.

“Unlike the usual process, the key was not showing people the film in advance. The material was intriguing and people were wondering and talking about what was in it. We had fantastic images to use, fantastic stills. They conveyed the spirit of the film really well, which Australian stills often don’t. We did some advance previews right at the point that it opened but it was better to bottle up the curiosity.

“We used the soundtrack to get into the dance clubs – the Greek kids are really big frequenters of the dance clubs. So we appealed to the ethnic audience, and to the gay audience, which fell into place really easily. We had the ‘credible’ elements too – the producer of *Shine* [Jane Scott] and Ana [Kokkinos, director], who won a lot of coverage in her own right – the film got into Cannes.

“The elements were there. I think so often it all relates back to the material and the package. We had stuff to work with, that you could get your hands into, and so often you simply don’t.”

to spend or not to spend?

The relationship between filmmakers and distributors can often become strained when hammering out the release strategy or watching the results come in. Producers sure they have a success in the can may land the blame for a small box office on the shoulders of the distributor – why wasn't it released wider? why wasn't it supported by a larger P&A budget? Or, as one distributor summed up the producer response, 'what happened to my film, it was a hit when it left my office?'

There is certainly the possibility that the release may be poorly handled by the distributor but it is ignoring commercial realities to assume that a high P&A spend guarantees a large box office gross. Listed below are some examples:

Occasional Coarse Language – one of the recent 'credit card' films made on a micro budget without full post-production finance or distribution deals in place. The film attracted completion finance from Roadshow, was given a big marketing push and released wide but its box office gross of \$900,000⁵ was in the same vicinity as the amount reportedly spent promoting it.

Paperback Hero – released by Polygram on 82 screens and supported by a P&A budget reportedly well over \$1 million. The film took close to \$600,000 in its opening week then came off after about three weeks, having earned a gross box office of about \$1.4 million.

Crackers – Sharmill/Beyond started with a 16-print release then went wide (80 prints). Total P&A spend was about \$700,000, for a box office of about \$1.25 million.

Robert Slaviero (managing director, Twentieth Century Fox): "The content and the commercial nature of the film is the first point to consider. Increasing the marketing spend is not a relevant solution for some low budget and niche market films. There has to be a relationship between how much you spend to promote the film and how much box office you get as a result of that spend."

Of course, this doesn't mean don't take a risk, in a risk business, and go wide. Alan Finney, who released such Australian films as *Muriel's Wedding*, *Priscilla* and *Romper Stomper* for Roadshow, has long been an advocate of positioning Australian films in the mainstream, proposing a release of 50/80/120 prints for many of his titles.

He also argues that the "industry norm" of setting the advertising/publicity spend at about 10 per cent of the estimated billings performance [gross film rentals] is too formulaic and tends to become a self-fulfilling prophecy in terms of box office (at best): "I would rather spend \$1 million and earn \$3 million (33% spend, \$2 million profit) than spend \$100,000 and earn \$1 million (10% spend, \$900,000 profit)."

The reality of mainstream distribution, Finney adds, is that launching a film which is not a sequel or based on a TV series or product and with no star vehicles (that is, with no pre-awareness assets) costs an average of \$800,000 to \$1 million and a significant number of such titles released in any one year, are in a difficult break-even position if judged solely on the basis of theatrical returns.

⁵ Source: Screen International.

The theatrical release for the mainstream title may be less a matter of profit and more of preparing the ground for returns from video and television. The potential in these ancillary markets currently relies more heavily than ever on the profile established by the theatrical release.

The overall profitability of film is a complex issue not within the scope of this survey. Briefly, however, recoupment occurs as follows: "The exhibitor takes the first cut, returning to the distributor the gross film rentals (these tend to average about 33-40 per cent in Australia, a low share by international standards, but the rentals for specific films are usually not disclosed). The distributor recoups advances, marketing expenses and fees before passing these returns on to the creators of the film and its investors. Returns from the ancillary markets of video and pay and free TV move back along the chain at different intervals after the film is released into each market, with the result that it can take several years for a film to move into profit (four years has been suggested as the typical period for recouping 100 per cent of a film's revenues)."⁶

Media reportage of box office grosses frequently presents a misleading picture of profitability. It is common to see a box office gross for a successful film printed alongside the much smaller figure of its budget – the implication for many readers being that most of the millions of dollars of box office earned over and above the budget flow back as profit to the investors and producers of a film. This is certainly not the case.

As discussed, the cut taken by the exhibitors right at the start of the recoupment chain removes a hefty two-thirds of the gross box office income. The distributor then deducts the P&A budget, other expenses and takes a substantial percentage share of the remaining rentals as pay-off for the risk-taking nature of film distribution. It is only at this point that the investors begin to recoup the film's budget and, finally, to distribute any profits which remain. Revenue at this point in the chain is distributed between the investors and producers according to the varying terms of the complex investment contracts which accompany film financing (producers may, for instance, receive some returns before the budget is 100 per cent recouped, according to the contract).

One of the most profitable films of the 90s, *Strictly Ballroom*, is a good case in point for demonstrating the relationships between box office and profit. Gross domestic box of \$21.55 million for *Strictly Ballroom* produced gross domestic rentals of about \$6.5 million (average rentals were slightly low reflecting the perceived risk attached to the project and the bargaining power of the distributors). Once the P&A of \$1.3 million was deducted, and co-distributors Ronin and Columbia Tristar Hoyts deducted their fees, the remaining box office revenue was roughly equivalent to the film's budget – \$3.5 million. This bears out the rule of thumb used by some within the industry that only one dollar out of every seven box office dollars finds its way back to investors.

Of course *Strictly Ballroom* was a highly profitable film but profits were earned from the international sales and domestic video and television returns rather than box office.

⁶ From *More Long Shots*, written by Mary Anne Reid, published by the Australian Film Commission, 1999.

Distribution is not a science, as every distributor will tell you. Determining the theatrical release strategy is a complex and creative task based on assessing a range of factors including the nature of the movie, its anticipated theatrical performance, exhibitor interest, advertising and publicity spend, the competitive market context and potential for video and television.

5. Marketing Matters

Marketing is an umbrella term covering multiple tasks – from deciding which elements of a film to promote and to which audiences, to developing the marketing materials to convey the chosen elements and determining how best to reach the target audiences.

Because distributors start from scratch creating the concepts and materials for an Australian campaign, marketing a local film requires special expertise.

mixing advertising and publicity

Promoting a film through free publicity (media stories and interviews) is an important staple for low budget Australian films and experienced distributors of Australian films have developed a depth of experience and creativity in this area. Paid advertising is a much more controlled form of promotion – the marketer has isolated the elements they believe will appeal to the public and tailored them into tag lines, slogans and images which are repeated over and over, promising excitement, laughs, tears, a particular genre – in other words, a certain kind of experience.

Mike Selwyn (managing director, UIP): “Shifting the workload away from just the advertising spend to publicity and promotion is more time consuming but Australian films need those kinds of campaigns. You can’t just have a 30-second TV spot showing Hugh Grant and Julia Roberts, you can’t just have a poster with the *Star Wars* people on it. It’s harder to come up with the sell, it takes more time, publicity is more labour intensive. Australian films are a balancing act – the access to talent is greater, but you have to balance that with extra publicity/promotion effort.”

Capturing the essence of an Australian film in advertisements, particularly the limited window of a television spot, can be relatively difficult without the benefit of the very recognisable conventions associated with American films. This must be balanced, though, against the need to position mainstream local releases as ‘real movies’ through TV advertising, particularly in a highly competitive exhibition environment. It depends on the nature of the film.

campaign priorities

Joel Pearlman (Roadshow):

“The first thing is that what I don’t want to happen with an Australian film is for your average mid-20s couple who are out on a date on a Saturday night walk into the multiplex, walk past the posters and go – ‘US movie, looks good, looks good, looks good, this one looks small and Australian’. You’ve got to get your marketing materials right. It’s no longer a matter of going ‘here are six trannies, let’s mingle them all and put a bit of background on and there’s our poster’. You’ve got to get all your images to be terrific and your trailer to be fantastic. You can’t have a successful movie with the patrons going ‘it’s alright’ – they’ve got to be enthusiastic and you have to engender that.

“We start work on the films in production. You can be clever and work hard on figuring out who the audience is going to be for this movie and really focusing on how to get to them. If it’s young males, for example, you might look to the internet as an emerging technology which is a good way of contacting that market and getting the buzz out early. If you’re going to go with very young kids, kids are starting to watch Nickelodeon in droves and you might decide to bring Nickelodeon out to the set and let them do something. You need to establish who you’re going after and then develop your marketing campaign while the film’s in production – really start thinking about it early.

“There’s no point spending a fortune on TV spots if you haven’t been able to find a way to make the film look really appealing. On good Australian films that have a real chance you always need to rely on word of mouth and you build word of mouth prior to the release. A key aspect of any highly playable Australian film where you don’t have cast or attachments that are automatically going to bring in the audience is a very strong [preview] screening program. You need to get the word out first and after that the television spots come on.

“I believe that a distributor worth his salt has to find a way into the market for a highly playable Australian film. If a film’s not playable, forget about it. We’re talking with an inbuilt assumption here that these movies are going to be good – there’s no point decrying the state of distribution if we’re not serving up great films.”

Alan Finney (BVI):

“The major task in releasing Australian movies is to ‘get the message out’ way before the official launch day as, in a highly competitive market, movies do not have the luxury of waiting for word of mouth to build, a process which can take anywhere from five to eight weeks in a city with a population of 2-4 million.

“The other key factor...is that what at first glance appear to be disadvantages are in fact positive points when considered on a long-term basis. While Australian films don’t usually have star names, and while stars are very valuable in creating awareness of a new films, they do not guarantee a box office hit, they do not protect against box office failure, they have wildly inconsistent box office grosses, proving that their core audience does not follow them from movie to movie.

“The benefits of an Australian film with Australian actors are:

- the Australian media and public love to ‘discover’ a new star
- our actors are available to tour the whole country
- they are willing to ‘work the media’ and are exceptionally good at it, with great natural style.

“In Australia our ‘stars’ are often the concept of the movie and its close relationships with Australia and the mood of the country.

“Australians love to celebrate the success of their home team, whether it be a sportsman, singer or movie and when a locally made films works it can achieve success disproportionately greater than it’s overseas counterpart, so ongoing expenditure can actually result in ongoing box office benefits.

“The bottom line is this: because the potential success of an Australian film is not at first obvious to all, we must gain access to the market by ‘going the extra mile’, the pay-off being the eventual earnings.

“One of the factors that I believe makes a substantial contribution to the success of Australian films is the direct and concentrated cooperative relationships we can establish with exhibitors and thankfully that is happening a lot more recently – but strangely enough, seems more developed with the art exhibitors who naturally share some ownership with the art distributors.

“Whereas most movie campaigns are initiated at head office level in exhibition companies, you have to get the workers at the ‘grass roots’, giving them a sense of involvement and participation, and the chance to come up with ideas and implement them. As a result, their effort and activity is unusually high and because they are dealing with the public on a day to day level, they become great ambassadors for the particular film.

“The distributor has to be in regular contact with theatres, checking if they have material, if they need anything special, maintaining an on-going flow of information and cooperation.”

Andrew Mackie (wearing two hats – fee-based marketer/publicist for a range of distributors including UIP and Polygram/Universal, and distributor through Globe):

“Australian marketing materials must stand out in, say, a multiplex where they are competing directly with the many campaigns that have been developed by US studios. With multiplex locations running the best of everything, including specialist product, the marketing materials must be very self-confident, something Roadshow has achieved very well in many of their campaigns. Most Australian films that are released theatrically do have hooks, the challenge is highlighting the right hooks in the selling of the film.”

Mark Gooder, Head of Distribution at REP Distribution on the success of the "Two Hands" campaign hitting it's target market:

" From the very start we wanted to sell the film to 16 - 24 year olds as a fast paced, stylish crime thriller with a hint of comedy. We were focused on selling the two young stars (Heath Ledger/Rose Byrne) in the sexiest way possible to our target demographic. We wanted them to look at the trailer/key art and think "that looks like a film I'd want to see". We purposefully played down Bryan's presence because, even though we knew it was his best performance in years, we wanted it to be "discovered" in the same way John Travolta was in 'PULP FICTION'.

The fact that Heath became a star through "10 Things" was the best timing we could have hoped for. Our TV campaign was cut to attract a young male audience but we also included a 30 sec to appeal to young women - all ads focusing on "Australia's hottest new star". "

a matter of time

Several distributors stressed the need for early, strategic planning to maximise the reach of the marketing campaign. A more coordinated and cooperative transition through development, production and marketing, with more attention to unit publicity – making sure to get good stills to support the film, for example – and additional marketing avenues such as product placement and sponsors.

John Scott (director of marketing, Universal/Polygram): “I think we have a bit of a problem here with Australian films in that there’s a mad panic to make the film as quickly as possible and then, once that’s done, to get it out there as quickly as possible.

“For example, we did the Australian children’s film *Paws* [which grossed over \$5 million in the UK but failed to make an impact locally], where you’ve got to make all your money in the two weeks of the school holidays at the matinee sessions and compete with Disney, whose films come with merchandising and product placement. They have the luxury of time in building that up in the US.

“But we don’t allow ourselves the luxury of ‘let’s plan this a year ahead and get Red Rooster in or get McDonalds in’. That was one of the lessons the producers on *Paws* learnt, that next time the pre-production needed to be so much longer to concentrate on doing that deal with a food chain to have a plush toy or whatever. That’s something we don’t really allow ourselves.

“Then once its made, if an Australian film is hanging around for too long it’s like there’s something wrong with that film – people start saying ‘why aren’t they getting it out there?’. Our community is so small, the very first test screening everyone knows about it and they say ‘when do we get to see it?’ or ‘why are they making changes, is there something wrong with it?’.”

the media

Almost without exception, distributors expressed the view that when Australian critics didn’t like a film, they frequently attacked it in a way which was ‘personally insulting to the filmmakers’ and/or ‘vitriolic and extreme in the level of its criticism’ – reviews of *Paperback Hero* and *Dear Claudia* were cited as recent examples – by comparison with reviews of foreign films.

In terms of publicity, however, there was significant media interest in, and coverage of, new Australian films, filmmakers and actors. And when a Australian film worked, the media were very supportive.

Their views suggest a level of response which can be characterised as extreme in both directions: “The media can be incredibly vocal in their criticism – much more so with a ‘bad’ Australian movie than with a ‘bad’ American movie, the vitriol is unbelievable. But by the same token, you will then get the media supporting you in a fantastic way when they feel the movie really delivers.”

In terms of coverage of the business of film, distributors expressed great frustration at poorly informed mainstream journalists writing articles about the performance of Australian films – comparing blockbuster Hollywood films with limited release Australian films – which created negative perceptions among the public. These articles were misleading because they did not take into account such context as: the relative economics of mainstream and specialist releases; the importance of ancillary markets in overall performance; a recognition that the box office breakout is the exception rather than the rule in industries around the world.

Distributor: “There’s a sting in perceptions of success and failure. *The Sydney Morning Herald* ran a piece comparing *Armageddon* to [the R-rated] *Head On*, saying

what a failure *Head On* was, but *Armageddon* had \$2 million spent on it and went out on 200 prints. *Head On* had probably one-tenth of that spent on it and went on about 30 prints and in its own terms was probably more successful. There's this box office gross mentality where the media don't seem to look at how wide these films are going and the market they're intended for. I think they're probably used to the \$15 million benchmark that's been set by *Muriel's Wedding* and *Priscilla*. Our films can be really successful in a very small way but inevitably they're compared to blockbuster films by the media and regarded as failures."

market testing

By comparison with the US, market testing has been used to a very limited extent in Australia but the use of strategic testing is under discussion and may have wider application in the future.

Andrew Mackie (Globe) "We have started a comprehensive audience-testing service in conjunction with A.C. Nielsen. The FFC has also given in principle support for this service.

"There's two ways to do it. The first is where the feedback is used to fix problems with the film – it might be too long or maybe the filmmakers are too close to a certain scene. The other aspect of testing is for distributors, helping them determine how the market in Campbelltown is going to feel about *Praise*, for example, helping them determine how much money they should spend and what they think word-of-mouth is going to be on the film. So it's really measuring up the market.

"I don't believe market testing should follow the US model where the creative process is overruled by the audience test process. The results we present are information only, not to be used as leverage in an argument to destroy the creative vision of the film. In the US it's more than likely the studio can do what they want with the film. NRG, the national research group there, do it military style. As soon as the print's ready they screen the film, take the results and within two hours there's teams of people keying in information. Nervous studio executives get the results and then make a decision about whether to release a film and how to cut it and also how to market it.

"We've developed our partnership with A.C. Nielsen to try and avoid a lot of those pitfalls. They give us the raw data and we interpret it. The real art to it is recruitment. If you're testing *The Interview*, it's stupid screening it to 200 people of which 50 per cent hate that genre, you should screen it to people who like *The Usual Suspects* or comparable titles, because people who hate that genre aren't going to see the film anyway."

made cheap – is cheap

The micro-budget film 'genre' that rose to prominence through the Sundance Film Festival in the US and spread to Australia in the mid-90s, provided a positive marketing angle for some successful 90s films such as *Love And Other Catastrophes* and *The Castle* and continues to be a theme in the publicity for a number of Australian films as they reach the screen.

But according to most distributors, emphasising the low budget/no budget tag has not only outgrown its usefulness, it has become a marketing handicap:

Joel Pearlman (Roadshow): “I don’t think drawing attention to a film’s low budget is a help. I don’t think people want to be told that the movie’s been made on a shoestring, I think that’s about the stupidest thing you can tell an audience these days – people think, ‘made cheap, is cheap’; they make that connection very fast.”

a soft spot for Australian films

The simultaneous release of a handful of low-budget Australian films in the second half of 1998 was the focus for widespread criticism of the distributors in question, attracting the charge that they were ‘dumping’ their Australian films or ‘playing them off’ against each other.

The distributors argued that, on the contrary, they were trying to optimise the chances of the films by releasing them in ‘soft spots’ (periods outside school holidays and other peak periods for the release of big Hollywood films). It was advantageous to the films to program them in periods when the public would be least likely to spend their money on a selection of big budget American films.

Distributor: “There was a reason all those films went out at the same time, it was not so they could compete with each other, it was because it was a particularly dead time in terms of the competitive environment. There were no major blockbusters that were going to dominate the market. Yes, there may have been a bit of attrition there, but very small – it’s far more likely that a film like *Notting Hill* is going to draw in people like a vacuum. Because of the AFI Awards, that August-September-October corridor is always used as a way to leverage the potential of the films, and there is some leverage effect.”

This October, at least four Australian films will be released within three weeks of each other – *Strange Planet*, *Soft Fruit*, *In A Savage Land* and *The Missing*.

Distributors were not unanimous about the wisdom of releasing multiple Australian films in the ‘down times’, some saw it as counter-productive.

Alan Finney, for example, referred to a widespread focus on the Cannes Film Festival, the Sydney and Melbourne Film Festivals and the AFI Awards as being responsible for the release of the bulk of Australian product between August and November. He believed this was an overtly arthouse approach, did not, in fact, guarantee audience leverage, and was the wrong way to position Australian films.

“For these [festivals and awards] to occupy a major part of filmmaker/sales agent/distributor/funding body energy and effort will rarely translate into substantial awareness or ‘want-to-see’ with Australian movies. There is too much emphasis on awards and high profile/low public impact critics, rather than mainstream moviegoing acclaim.”

6. Australian films – directions for success

Most Australian distributors actively seek Australian scripts, establish on-going relationships with Australian filmmakers they believe have talent, and view and respond to the numerous tapes that appear on their desks.

What, then, do they think about the cross-section of material they're reading and viewing? And what are their tips for achieving greater success as an industry in the future? Some responses are listed below.

difference as a positive

Alan Finney (BVI):

"Australian movies have the best chance of success when they avoid directly competing with mainstream US/international product. They can't compete on the two aspects that underpin the major studios – budget and stars – and if they attempt to, find themselves in 'genre' territory that not only highlights their inadequate resources, they are also perceived by Australian commentators/public as straying into territory in which they don't belong.

"I would have thought the solution to what kind of movies to make is: fill the gaps; make what Hollywood isn't making; niche marketing.

"Looking back on three very successful Australian films of recent years, *Muriel's Wedding*, *Priscilla* and *Strictly Ballroom*, it is in regard to the ways in which they differed from other product that was a key element in their success. As *Time* magazine's critic commented, *Muriel's Wedding* was a bizarre variation on conventional comedy, with a dysfunctional family...best friend crippled by cancer...and two girlfriends together for a 'happy ending'.

"The 'stars' of these films were surely the concept, realisation, filmmakers and actors."

Joel Pearlman (Roadshow):

"We shouldn't try to compete with Hollywood and make movies we're not equipped to make. We don't make romantic comedies – unless they have real edge – because we don't have the cast to get people in the door. We don't make big action movies, apart from Hollywood productions like *The Matrix*. We don't make mediocre films and hope they work – a mediocre film might work in the US because its got a big star in it, we don't have that sort of star system yet.

"There are a lot of things we can do better than American films and that's what we have to concentrate on. We can tell stories that relate to peoples' lives here because we are Australian – a lot of Hollywood films relate to our lives too, but a lot of them don't. We can create stories that are intrinsically connected in nature to our own lives and make them interesting. We have to make people connect to those films."

reaching a wider audience

Not competing with Hollywood doesn't mean don't aim for the mainstream. Many distributors were in favour of developing projects with more commercial elements, to cultivate a larger critical mass of audience for the industry.

Frank Cox (Newvision):

"We've been trying to put a lot more emphasis on Australian films. We started out with *Love Cats*, then *True Love And Chaos*, *Kiss Or Kill* and *Strange Planet* is our fourth. Why haven't we done more? I just don't find projects out there we can really go to town with. It seems like everyone wants to make *The Piano* – which is great but let's be realistic – or else some kind of esoteric film. I love arthouse films, that's my background, but you cannot have a national industry just creating those types of films.

"I think great dialogue films are an area where a lot more effort should be spent. It is affordable, we've just got to come up with really cleverly written scripts. People will always go and see *Star Wars* or *The Mummy* or whatever is taking millions of dollars in a particular week, but if something gets really good reviews and great word of mouth, people will catch up to it.

"Also I think a certain percentage of funding should go to bigger, more commercial films and they should make it incredibly hard for filmmakers to get that kind of money – they could, for example, announce all the big-budget projects once a year. That will keep our talent here longer and if we can make those film then perhaps we'll get more international investment in those films."

Joel Pearlman:

"We're in this business to make money and I believe the films need to be commercial. Commercial doesn't need to mean trash – *Shakespeare In Love* is a commercial film, *Life Is Beautiful* has turned into a commercial film. We need to make films which connect with audience not movies that really have no real intrinsic appeal – they're not funny, they're not in tune with the times, they're not emotional, they're not moving, they don't have heart.

"There are a myriad number of films in the top 10 or top 20 for the year that don't come packaged with stars but are just fantastic movies. One of the big hits of the September school holidays will be *American Pie*. I guarantee you no-one has ever heard of the actors in that. Does it matter? No. Did it matter with *Lock Stock*? Ewan McGregor was not well known before *Trainspotting*, nor was anyone else in that movie. It didn't matter because the movies were good. Connectivity with the audience is what we've got to focus on. Stories that audiences can relate to.

"'Dark', 'edgy' and 'urban' are not bad, but they've got to be really good movies. I worry more about too many little films that are irrelevant to the audience. They have to have real stories or great characters – *Head On* and *Praise* were light on in story but they had really great characters and character exploration."

Mike Selwyn (UIP):

"It's time for the Australian industry to broaden the base of feature films being funded and produced, to move towards supporting producers who can package production slates. That is, to move from relying on first time feature films in the cutting edge, arthouse mould to a mix that also includes mainstream commercial films. Otherwise the Australian industry will continue to try to balance on one toe."

scripts

Frank Cox:

“We find that a lot of scripts that come to us aren’t polished enough. People want you to do quite a bit of the work, give them the feedback, instead of doing the work themselves and bringing it to third, fourth, fifth draft. I think there is often not enough time and effort put in there in the form of storyline – the concept, the structure. I’m talking of course for theatrical films, some of the scripts we get could be turned into perhaps good TV movies but as far as features, it’s really hard to make the Australian talent understand that what they write eventually has to compete with what’s out there the week they release the film. So I think one of our biggest problems stems right from the inception of the project.”

Joel Pearlman:

“We need to focus on getting our scripts right, on getting the film into production when its ready and not before. If the script’s not right, there’s no point thinking it will magically improve during production and post production, because it won’t.”

low budget/no budget – the commercial realities

The recent profusion of ‘credit card’ films, bought to rough cut stage on as little as \$40-50,000, with the intention of seeking completing finance and distribution/sales agent deals after principal photography, are certainly willingly received and viewed by distributors but they caution filmmakers about expectations for these films.

Joel Pearlman:

“I see credit card films all the time and I meet with all the filmmakers. I think there’s a place for it but what worries me is that you have a lot of people running up debt and most of these films never have a chance of getting screened theatrically – although obviously there are exceptions, like *Love And Other Catastrophes* and *The Castle*. It’s really heartbreaking for me to say that to a lot of these filmmakers, I can just see their hearts sink because they’ve got into their mind it’s going to be a commercial release. It costs at least \$500,000 to complete these films for theatrical release.”

Frank Cox:

“It’s very hard to say that they shouldn’t be made but...We get films here finished on tape, or they say ‘we’ve shot it on 16mm, if we get an interested party we’ll blow it up to 35mm’. Many of these people aren’t properly trained, they’ve never worked next to a production house or mentor to get a good idea about storyline, structure and so on.

“They make films from their own money and you think ‘well sorry, but I can’t see you getting back your money’. In the past, if something wasn’t good you could perhaps place it on video, sell a few units there and then sell to TV. All those areas now are a lot harder – video people don’t want just video movies because 90 per cent of their business is for the big theatrical films. Pay TV is the same – perhaps right now because there’s quite a few movie channels they do buy [non-theatrical] films but they pay pitiful money compared to a theatrically released film that does well. And free TV is extremely hard.”

There are dissenting voices outside the theatrical sphere – a recently announced experimental initiative between entertainment distribution company Tribe and national video retail chain Video Easy suggests that there may be another route besides theatrical distribution for micro-budget titles. Tribe has acquired Australian video rights to *Powder Burn*, *Waste* and *Somewhere In The Darkness* and is negotiating for *The Venus Factory* and *Big Night Out* and will release about 2,000 units of four or five titles into Video Ezy's 500 stores in September. The perceived audience is young cinephiles; the concept is a 'mini film festival' in-store.⁷

In the US, the micro-budget horror title *The Blair Witch Project* took screen averages of \$57,700, and has earned over \$US100 million, supported by a marketing campaign built around a website which attracted more than 21 million net hits.⁸

Low budget film production in general – leaving aside the micro-budget – is generally encouraged by theatrical distributors as one of the staples for the industry. Many distributors commented that budget did not determine either distributor interest or box office appeal. The nature of the film was much more important.

the filmmaker/distributor relationship

John Scott (Universal/Polygram):

"Different producers and directors have different levels of interest. Some will go 'OK I've made the film, it's all over to you', then there's others where we've had marketing meetings week after week, discussing every aspect of the campaign. The trick all the way through that process, however it goes, is that everyone has to be absolutely certain they're on the same track in regards to who we're presenting this movie to.

David Collins (director of distribution, Universal/Polygram):

"I think we've had some good experiences and some bad experiences with Australian producers and the bad ones tend to be about those that have a lack of understanding or an unrealistic expectation for the film.

"It's not unusual that something we've fallen in love with at script stage, because of various factors, doesn't turn out to be the film we expected it to be. I think it's a case of being honest about the end product. If you can sit with the filmmaker and say, 'look, we know what you set out to do but it's not quite there so let's talk about what is achievable'. It's better to get that straight from the beginning rather than having one party leaving the room under the illusion that the film promises something it doesn't.

⁷ *Encore*, Vol 17, Issue 14, July 30, 1999, P.1.

⁸ *Screen International*, 23.7.99, P.1.

“On the whole I'd say it would be good for producers and distributors to get together more, to have a better understanding of each other's roles. I think it would be really valuable if producers knew more about what we do – the costs involved, like the cost of developing a trailer and a poster, the different release patterns, how realistic they should be about box office expectations – 'why is this not a \$10 million film?'.”

Tait Brady (Palace):

“We like to have early involvement with the script. Writers and directors get so close to the material that they need feedback from people they can trust or can convey it in a way to make sense to them and I think they really need that feedback. It's the same with a finished film when they've almost finished editing. They've looked at it day after day for 12 weeks and the truth is they have no idea if it works or not because they're just so familiar with it.”

Several distributors expressed their preference for developing long-term relationships with filmmakers perceived as having talent and potential. They did not necessarily expect that the filmmakers' first projects would be a big commercial success and were prepared to invest in the long-term. Likewise, they said, the funding agencies should consider ways to support the careers of promising filmmakers, giving them adequate time for development of new projects.

cultivating marketing skill

Frank Cox:

“People think of the marketing as a last minute proposition. With the best films, the biggest grossing films, you work on marketing from the inception of the storyline. You can't make a film for millions of dollars and say 'I'll think of the marketing later on'. It's a big mistake and it happens all the time.

“I think we've got some very good publicity and promotion people and I think we do a very good job marketing our films publicity wise. As for marketing materials, I think we're doing a pretty good job but we can't compare ourselves with the big studios and we definitely have to be better at it and we have to do it with less money than they do.

“I don't see why there is no specialist marketing subjects as part of the film schools we have in Australia to hone in on marketing. Perhaps our marketers could be sent overseas to work with overseas studios or big companies so that we get to a stage where we are producing a better marketing creator. I think using a small percentage of the money spent by the agencies to increase our marketing skills would be productively used because a lot of effort is going on the making of the films but not enough into marketing them.”

Richard Becker, (managing director of Becker Entertainment and chair of the Australian Independent Distributors Association – AIDA):

As chair of AIDA, Becker stresses that government support should not be restricted to development and production of films, it should have a coordinated strategic focus on distribution as it does in some overseas markets, such as Canada and France.

"It seems that the funding agencies let go as soon as the film is finished. It's like they're heavily involved in making the baby but then they expect the distributor to bring it up without any further support. Marketing and promotion are critical elements that should be reviewed. They are just as much the industry's responsibility as development and production."

Conclusion

Indigenous film industries around the world are looking for ways to protect their market share against rising American percentages, in many cases considering strategies to link their production, distribution and exhibition sectors more closely.

- The Spanish Parliament recently required Antena 3 and TeleCino to invest five per cent of their annual gross earnings in the financing of feature films and TV movies.⁹

- A recent British Film Institute report (UK-wide Cinema Exhibition Strategy) proposes measures to boost audiences in the UK's cultural cinema circuit through deeper co-operation with funding bodies as well as other arthouse and commercial exhibitors – including multiplex operators – to reach a broader audience with a wider range of films.¹⁰

- Canada's Cable Television Fund (introduced in 1995) has generated production of 330 TV programs and 17 features and may become the model for a new feature film fund. The Heritage Minister has commissioned a report on a new film policy which proposes an increase in the Canadian share of screen time from 2 per cent to 10 per cent over five years (although achieving this percentage is considered unlikely).¹¹

- The French government assistance program is renowned for its extensive resourcing of all aspects of the local film and television industries. The French program impacts the production/distribution and exhibition activities of the domestic sphere and ensures that international representation (via Unifrance) continues in parallel.

- An overhaul of (government agency) the Greek Film Centre includes a deal with SKAI TV under which the commercial Greek broadcaster will invest annually in the production of feature films and provide free airtime for local film promotions.¹²

- In Hong Kong, where box office is declining and piracy costs have risen to an estimated \$100 million over five years, the current production strategy is to lure audiences back to the cinema by increasing budgets for digital effects (like the computer graphics of *Stormriders*), which can only be experienced fully through cinema viewing.¹³

- The deputy chair of the New Zealand Film Commission, Barrie Everard (the first board appointee from the distribution/exhibition sector), recently advocated that projects seeking funding have a “stated ambition” in respect of audience, which would become the “measuring stick” for performance:

“We should be prepared to spend and risk a lot more funds in...education of producers about the business and about the marketplace...If the commission demands that market knowledge from them about their projects, and there is

⁹ *Screen International*, 16.7.99, P.9.

¹⁰ *Screen International*, 9.7.99, P.2.

¹¹ *Screen International*, 23.7.99, P.11.

¹² *Ibid*, P.7.

¹³ *The Hollywood Reporter*, June 15-21, 1999, P.18.

discussion and agreement on the success criteria, there's a strong likelihood it will influence other areas of development like script and the overall quality and audience appeal of the film."¹⁴

In Australia, too, the production sector is considering how a stronger focus on marketing and better interaction with the distribution and exhibition sectors might enhance the performance of local films.

Distribution, the subject of this survey, is a broad area and the survey aims only to contribute to the discussion. The views expressed here are not unanimous, in some cases they contradict each other, and they are not intended to be comprehensive. It would be valuable, for instance, to hear responses from the production and exhibitions sectors to some of the issues raised.

Listed below is a summary of some key points made by distributors:

- **Integrated development:**

Recognising that development should not refer solely to the scripting process, that marketing/distribution development should occur in parallel by: identifying the perceived audiences for the film, researching these audiences, identifying appropriate marketing hooks, evaluating proposed marketing and release strategies, maximising promotional avenues such as merchandising, product placement and music properties through advance planning.

- **Know your market**

The commercial performance of Australian films could be enhanced by filmmakers having a stronger grasp of who are the likely target audiences for their films and which elements of the film are likely to appeal to these audiences.

There is a perception among distributors that the production sector focuses solely on financing, to the exclusion of what happens to the films once they are completed. Distributors desire earlier and better creative collaboration with producers/filmmakers and believe this could be achieved by producers/filmmakers becoming more audience focussed as well as developing a deeper knowledge of distribution and exhibition matters, including different release strategies, the costs of prints and marketing materials, and the nature of other product competing in the marketplace.

- **Entertaining audiences**

Several distributors argue that 'entertainment value' has become increasingly important in a multiplex environment jam-packed with competing product – and, indeed, among alternative cinema-goers also – and that Australian producers, directors and scriptwriters need to evaluate their projects more in terms of their 'entertainment' value. Distributors ascribe an emotional value to the term entertainment – will the film move the audience in some way, make them laugh or cry, intrigue them, excite them, scare them? 'Connecting with the audience' is the mantra some distributors use. It is less a matter of whether the story is comic or

¹⁴ ONFILM, June 1999, P.12.

'dark', and more of whether it moves beyond the 'personal' (chiefly of interest to the filmmakers and a small group of peers) to the 'engaging' (of the target audience/s).

- **Difference as a positive**

Finding a place in a market dominated by Hollywood product will not be achieved by trying to copy or imitate Hollywood productions. Australia has neither the budgets nor the star system to do so. Many of Australia's highly successful films (such as *Strictly Ballroom* and *Muriel's Wedding*) are most admired for their 'difference' rather than their tight fit with Hollywood genres.

- **Specialist or mainstream?**

The current multiplex exhibition environment requires substantial P&A investment in a mainstream release and leaves less room for a 'breakout' via a platform release (that is, starting out on a limited number of screens, say under 25, and going wide after gauging audience reaction and word of mouth). This polarisation of release patterns into the very narrow and the wide creates greater pressure to be clear about whether the film is suited to a niche or limited audience, or has mainstream commercial potential.

Independent distributors report diminished returns for the majority of specialist films (although a small minority are 'crossing over' and earning higher box office). The increased likelihood that returns from an independently distributed film will be small should be considered when budgeting and financing projects.

Deciding whether a film is a specialist or mainstream film is not evaluating whether it is 'good' or 'bad'. Distributors generally believe the industry should be producing both types of films and it is clear that both types of release can be financially and creatively successful on their own terms. The essential issue is to identify the nature of the film at script stage and budget, market and distribute it accordingly.

- **Timing the release**

The simultaneous release of clusters of Australian films, usually between August and November, remains a contentious issue. While some distributors argue that low-budget Australian films have their best chance of earning good box office in these 'soft' periods, due to lack of competition from big Hollywood films, there is an opposing view that the strategy is counter-productive because it plays Australian films off against each other. The issue requires further evaluation at an industry level.

- **Nurturing local films**

Australian films are competing against big-budget Hollywood films supported by expensive promotional materials and significant 'pre-awareness' advantages – the Hollywood star system and the recognisable genres and conventions of Hollywood movies. The marketing and distribution strategies for Australian films, therefore, need to be highly strategic and utilise every available marketing angle. Suggestions include:

- Building awareness and positive word of mouth before a film is launched, the key task in releasing local films, could be enhanced by focussing more on marketing in the production phase, including more strategic unit publicity and producing better stills to feed marketing materials.
- Exploiting 'home ground' advantages: first, the availability of local actors and filmmakers to promote their films; second, once an Australian film achieves a certain momentum in terms of word of mouth, it may benefit from additional promotional expenditure after the launch to take advantage of pride and interest in a local success.
- Support at the point of exhibition: there is potential for more communication and marketing support by distributors and producers at the point of exhibition to achieve valuable 'grass roots' endorsement of local films by exhibitors.
- While Australian films don't have big-name Hollywood stars, the possibility of 'creating stars' in local films - using television profile as a platform for cinema profile, for example - should be fully exploited.
- In an increasingly competitive exhibition environment, marketing materials must be of high quality and the best marketing hooks correctly identified. Government backing for training and professional development of marketing personnel may enhance the performance of Australian films.

- **Don't rush**

Several distributors expressed the view that the quality of local films is frequently undermined by scripts moving into production before they are ready. Generally speaking, they believed scripts would profit by further revision and redrafting. The production timetable was sometimes determined by other factors - such as the need to earn fees and meet funding approval deadlines - rather than the readiness of the script.

Likewise, they believe that Australian films are often pushed towards release too quickly after post-production. A window to identify any problem areas and consider re-editing before taking the film to the international marketplace, or releasing it locally, would be advantageous and should not be considered as a negative reflection on the film.

Such a window would allow space for feedback from marketplace professionals as well as strategic market testing. Rather than following the dictatorial Hollywood model, this would most profitably be 'soft' market testing where focus groups selected from the target audiences would be asked to discuss their reactions to a film and their feedback considered in the context of the filmmakers' creative vision for the project. Testing may also help distributors fine-tune their release strategies.

Developing talent as well as projects

Many distributors seek to form on-going relationships with filmmakers they believe have potential and do not necessarily expect their first films to be highly commercially successful. They advocate a similar approach on the part of the film funding agencies, with greater consideration given to investing in the filmmakers themselves - providing additional support between projects to allow a better quality development phase - not simply funding them on a project basis. They believe this would ultimately enhance the quality of their projects.

APPENDIX

Key Data: The Australian cinema industry

Table 1. Share of theatrical release of films

Number of Australian and foreign films screened in Australian cinemas, 1984-1998

Year	Australia	USA	UK	Other	Total
1984	25	146	22	30	223
1985	17	136	24	17	194
1986	31	149	25	30	235
1987	30	167	18	44	259
1988	37	167	29	47	280
1989	35	162	36	54	287
1990	23	151	22	58	254
1991	22	146	24	47	239
1992	27	136	26	38	227
1993	22	171	13	52	258
1994	26	153	22	51	252
1995	14	171	23	45	253
1996	25	190	25	41	281
1997	30	185	20	49	284
1998	20	189	29	33	271
Proportions 1998	7%	70%	11%	12%	100%
15-year average: number	26	161	24	42	253
Proportions 15-year average	10%	64%	9%	17%	100

Source: MPDAA; averages compiled by AFC Research and Information.

The major source of films for theatrical release in Australia has been the US – on average, 60-70% of all films released are from the US, in 1998 the figure was 70 per cent. Australian films account for 10% of all films released over 15 years, in 1998 the figure was 7%.

Table 2. Share of box office

Australian films' share of the Australian box-office 1977-1998

	Box office from Australian films	Share of total box office
Year	\$m	%
1977	8,605,551	10
1978	4,730,796	4
1979	6,426,381	5
1980	14,098,593	9
1981	24,198,190	14
1982	34,493,861	16
1983	16,477,111	8
1984	8,721,095	6
1985	8,793,351	5
1986	44,378,145	24
1987	16,158,188	9
1988	39,794,548	18
1989	16,106,500	6
1990	6,739,700	3
1991	19,078,377	6
1992	29,978,713	9
1993	24,704,968	6
1994	46,585,847	10
1995	19,796,192	4
1996	43,650,118	8
1997	28,353,034	5
1998	25,571,270	4

Source: AFC Research and Information

Box office share was down to 4% in 1998, compared with a high in the 90s of 10%, in 1994. While the overall share of Australian films dropped, there were nine Australian films which earned over a million dollars each in 1998, compared with five or six titles a year since 1991.

Table 3. Australians are among the world's most regular cinema goers

Cinema admissions: annual average per head

Country	1980	1985	1987	1994	1995	1997
India	6.5	6.4	5.89	8.9	8.8	8.45
Singapore	16.8	8.9	7.56	6.3	6.4	5.97
USA	4.5	4.4	4.46	5	4.8	5.16
Iceland	11.4	5.9	5.06	4.7	4.5	5.37
Hong Kong	11.9	10.6	11.05	4.8	4.1	4.29
New Zealand	3.2	2.8	2.59	3.9	4.1	4.4
Australia	2.6	1.9	1.89	3.9	3.9	4.21
Spain	4.7	2.6	2.21	2.2	2.3	2.66
Switzerland	3.3	2.5	2.46	2.4	2.3	2.26
France	3.2	3.2	2.45	2.2	2.2	2.51
UK	1.8	1.3	1.38	2.2	2	2.35
Japan	1.4	1.3	1.18	1	1	1.12

Source: *Screen Digest*

According to a report commissioned by the Australian Competition and Consumer Commission (*Developments in the Cinema and Exhibition Industry*, by Ross Jones, March, 1998), admissions grew through the 70s, slumped in the 80s as a result of the rapid expansion in video rentals, and have continued to rise in the 90s.

The growth in demand seems to be attributable to the growth in the number of screens, particularly multiplex cinemas in the suburbs of major cities, where this movement is most pronounced.

Table 4. Screens per million population

Country	1985	1987	1990	1992	1993	1994	1995	1996	1997
Australia	44.4	41.6	50.4	52.2	53.5	58.6	64.2	70.7	78.8
France	93.4	89.8	80.1	77.4	76.9	76.1	79.2	77.2	78.9
New Zealand	46.2	39	40.9	51.6	61.8	67.3	73.7	72.7	75.8
Sweden	139.5	132.2	134.9	137.4	137.9	131.6	132.9	131.5	131.4
Switzerland	67.5	65.6	61	60	62.6	68.6	67.7	69.1	68.8
USA	88.4	96.6	94.4	98.2	99.8	101.5	105.3	111.6	117.6

Source: *Screen Digest*

Table 5. Revenue and admissions

Australian cinema admissions and gross box-office, 1986—1998

Year	Gross box office (\$m)	No. admissions (millions)
1980	154	38.6
1981	174	38.7
1982	210	42
1983	208	37.1
1984	156	28.9
1985	161	29.7
1986	188.6	35.5
1987	182.1	30.8
1988	223.8	37.4
1989	257.6	39
1990	284.6	43
1991	325	46.9
1992	334.3	47.2
1993	388.7	55.6
1994	476.4	68.1
1995	501.4	69.9
1996	536.8	73.9
1997	583.9	76
1998	629.3	80

Source: MPDAA estimates

Box office revenues remain strong while total admissions continue to grow. However, the demand has shifted according to location.

6. Location and box office

Australian box-office by cinema location type, 1988-1998

Year	Cities %	Suburban %	Country and Other %
1988	39	31	31
1989	35	33	32
1990	30	42	27
1991	26	49	24
1992	23	51	26
1993	20	51	28
1994	18	51	32
1995	16	53	31
1996	14	53	33
1997	14	54	33
1998	11	56	33

Source: MPDAA

Table 7. Location and screens

Number of cinema screens and theatres in Australia, 1980-1998*

Year	City	Suburban	Country	Non-Commercial	Total Screens	Total Seats/ Cars '000	Total Theatres
1980					829	378	713
1981					842	384	723
1982					833	381	711
1983					863	395	737
1984					822	377	702
1985	128	167	406	41	742	324	573
1986	121	150	364	41	676	295	509
1987	111	158	330	46	645	303	506
1988	111	197	340	64	712	285	520
1989	116	250	345	61	772	286	501
1990	119	322	350	60	851	295	510
1991	118	339	373	55	885	301	522
1992	116	371	366	53	906	296	510
1993	118	384	394	55	951	300	518
1994	110	442	419	57	1028	312	537
1995	113	500	469	55	1137	332	557
1996	118	547	536	50	1251	356	551
1997	123	663	584	52	1422	387	563
1998	127	297	600	52	1576	413	567

Source: MPDAA

*City includes capital city centre major and independent cinemas. Non-commercial screens refer to cinemas not generally open to the public and include those at Army, Naval and Air Force bases, mining camps, film societies, colleges and universities.

Table 8. Top Australian films

Australian films earning over \$1 million gross at the Australian box office, 1966 to 1998

Rank	Title	Distributor	Release date	Total reported box office (\$)
1	Crocodile Dundee	Hoyts	1986	47,707,045
2	Babe	UIP/Universal	1995	36,776,544
3	Crocodile Dundee II	Hoyts	1988	24,916,805
4	Strictly Ballroom	Ronin	1992	21,760,400
5	Man from Snowy River, The	Hoyts	1982	17,228,160
6	Adventures of Priscilla, Queen of the Desert, The	Roadshow	1994	16,459,245
7	Muriel's Wedding	Roadshow	1994	15,765,571
8	Young Einstein	Warner Bros	1988	13,383,377
9	Gallipoli	Roadshow	1981	11,740,000
10	Piano, The	Miramax	1993	11,240,484
11	Mad Max II	Warner Bros	1981	10,813,000
12	Green Card (Australia/ France)	Roadshow	1991	10,585,960
13	Castle, The	Roadshow	1997	10,326,428
14	Shine	Ronin	1996	10,167,416
15	Pharlap	Hoyts	1983	9,258,884
16	Man from Snowy River II, The	Hoyts	1988	7,415,000
17	Lightning Jack	Roadshow	1994	6,439,819
18	Mad Max	Roadshow	1979	5,321,000
19	Reckless Kelly	Roadshow	1993	5,444,534
20	Picnic at Hanging Rock*	Greater Union	1975	5,134,300
21	Breaker Morant	Roadshow	1980	4,735,000
22	Alvin Purple	Roadshow	1973	4,720,000
23	Babe: Pig in the City	UIP: Universal	1998	4,328,511
24	Mad Max, Beyond Thunderdome	Warner Bros	1985	4,272,802
25	Puberty Blues	Roadshow	1981	3,918,000
26	Malcolm	Hoyts	1986	3,483,139
27	Delinquents, The	Greater Union	1989	3,370,650
28	Dark City	Roadshow	1998	3,348,994
29	Sum of Us, The	UIP	1994	3,327,456
30	Romper Stomper	Roadshow	1992	3,165,034
31	We of the Never Never	Hoyts	1982	3,112,000
32	My Brilliant Career	Greater Union	1979	3,052,000
33	Evil Angels	Warner Bros	1988	3,006,964
34	Paradise Road	Roadshow	1997	2,970,653
35	Cosi	Roadshow	1996	2,896,980
36	Caddie	Roadshow	1976	2,847,000
37	Sirens (Australia/UK)	Buena Vista	1994	2,780,639
38	Death in Brunswick	Roadshow	1991	2,725,169
39	Heartbreak Kid	Roadshow	1993	2,658,819
40	Storm Boy	Roadshow	1976	2,645,000
41	Wiggles, The	Fox	1997	2,626,081
42	Dating The Enemy	UIP/Total	1996	2,620,325

Table 8. Top Australian Films continued

Rank	Title	Distributor	Release date	Total reported box office (\$)
43	Hostage:The Christine Maresh Story	Roadshow	1983	2,455,000
44	Dead Calm	Warner Bros	1989	2,444,407
45	Careful He Might Hear You	Hoyts	1983	2,431,126
46	They're a Weird Mob	Greater Union	1966	2,417,000
47	Year of Living Dangerously, The	UIP/MGM	1982	2,393,000
48	Big Steal, The	Hoyts	1990	2,351,628
49	Proof	Roadshow	1991	2,163,958
50	Napoleon	Columbia	1996	2,053,669
51	Black Robe (Australia/Canada)	Hoyts	1992	2,036,056
52	Far East	Roadshow	1982	1,972,000
53	Blinky Bill	Roadshow	1992	1,903,659
54	Alvin Rides Again	Roadshow	1974	1,880,000
55	Joey	Roadshow	1997	1,855,557
56	Head On	Palace	1998	1,788,613
57	Oscar and Lucinda	Fox	1998	1,766,731
58	Eliza Frazer	Roadshow	1976	1,672,000
59	Flirting	Warner Bros	1991	1,655,044
60	Love and Other Catastrophes	New Vision	1996	1,637,929
61	Lighthorsemen, The	Hoyts	1987	1,617,288
62	Newsfront	Roadshow	1978	1,576,000
63	Stone	Greater Union	1974	1,572,000
64	Burke And Wills	Hoyts	1985	1,567,000
65	Starstruck	Hoyts	1982	1,541,000
66	Silver Brumby, The	Roadshow	1993	1,532,649
67	Year My Voice Broke, The	Hoyts	1987	1,513,000
68	Magic Riddle, The	Roadshow	1991	1,510,536
69	Spotswood	Hoyts	1992	1,505,684
70	Travelling North	CEL	1987	1,464,000
71	Barry Mckenzie Holds His Own	Roadshow	1974	1,407,000
72	Coolangatta Gold	Hoyts	1984	1,365,000
73	Petersen	Roadshow	1974	1,363,000
74	Sunday Too Far Away	Roadshow	1975	1,356,000
75	Last Wave, The	UIP/United Artists	1977	1,258,000
76	Crackers	Sharmill/Beyond	1998	1,255,623
77	Dad and Dave on Our Selection	Roadshow	1995	1,222,051
78	Running on Empty	Roadshow	1982	1,218,000
79	Hotel Sorrento	Roadshow	1995	1,215,478
80	Bliss	NSW Film Corp	1985	1,144,863
81	Blackrock	Polygram	1997	1,136,983
82	Rikky and Pete	UIP	1988	1,071,375
83	Angel Baby	REP	1995	1,070,726
84	Man from Hong Kong, The	Greater Union	1975	1,066,000
85	Fatty Finn	Hoyts	1980	1,064,000
86	Mango Tree, The	Greater Union	1977	1,028,000

Table 8. Top Australian Films continued

87	Chant of Jimmie Blacksmith, The	Hoyts	1978	1,021,000
88	Last Days of Chez Nous, The	Hoyts	1992	1,018,866
89	Pirate Movie, The	Fox	1982	1,013,000

* incl. R/L thru Ronin

Source: MPDAA with the assistance of AFC Research and Information.

Note: Estimates have been used for films released prior to 1988 where gross box office is unknown.