

2007 BOX OFFICE BACKGROUNDER

This backgrounder provides information on and context to cinema releases in Australia in 2007 and the share of box office earned by Australian films.

What was the total box office in Australia?

The total box office in Australia for 2007 was \$895.4 million, an increase of 3.2 per cent on the previous year.

How many films were released in Australia?

There were 314 films released into the Australian market in 2007:

- 25 of these were Australian (or 8.0 per cent of films released), 20 features and 5 documentaries;
- 172 were from the US (or 54.8 per cent of films released); and
- 32 were from the UK (or 13.8 per cent of films released).

In addition, 74 films released in earlier years were still screening. This brought the total number of films earning box office in 2007 to 388, of which 30 (7.7 per cent) were Australian, 224 (57.5 per cent) were from the US, and 37 (9.5 per cent) were from the UK.

What was the Australian share of the 2007 box office?

Australian films earned \$36.0 million or 4.0 per cent of the total Australian box office in 2007 (this figure includes all Australian films earning box office in 2007, irrespective of their original year of release). This represents a fall from last year's 4.6 per cent and is slightly below the 10 year average of 4.3 per cent.

Australian films' share of the Australian box office 1998–2007

Year	Total box office in Australia (\$m)	Australian films' box office gross (\$m)	Australian films' box office share (%)
1998	629.3	25.6	4.1
1999	704.1	21.1	3.0
2000	689.5	54.2	7.9
2001	812.4	63.4	7.8
2002	844.8	41.8	4.9
2003	865.8	30.3	3.5
2004	907.2	11.9	1.3
2005	817.5	23.1	2.8
2006	866.6	40.0	4.6
2007	895.4	36.0	4.0
10 year average	803.3	34.7	4.3

Source: AFC analysis of MPDAA data; figures are to 31/12/07 as reported on 11/01/08.

For results back to 1977 see Get the Picture www.afc.gov.au/gtp/wcboshare.html

Which Australian films earned the most at the 2007 box office?

Happy Feet was again the top-grossing Australian film in 2007. George Miller's animated musical added \$20.7 million to its 2006 earnings to reach a cumulative total of \$31.8 million.

Following *Happy Feet* was the multi-award winning drama *Romulus, My Father* with earnings of \$2.6 million. Directed by Richard Roxburgh, the film stars Eric Bana in his first Australian film since *The Nugget* in 2002.

In third position was *Rogue*, director Greg McLean's follow up to *Wolf Creek* (2005), with \$1.8 million. This was closely followed by the feature-length documentary *Bra Boys* with \$1.7 million. *Bra Boys*, narrated by Russel Crowe and written, directed, produced and featuring Sunny Abberton, is now Australia's highest earning feature documentary on record.

Top five grossing Australian films in 2007

	Film	Release date	Distributor	Box office
1	Happy Feet	26 December 2006	Roadshow	\$20.7m
2	Romulus, My Father	31 May 2007	Dendy	\$2.6m
3	Rogue	8 November 2007	Roadshow	\$1.8m
4	Bra Boys	15 March 2007	Hopscotch	\$1.7m
5	Razzle Dazzle: A Journey Into Dance	15 March 2007	Palace	\$1.6m

Source: MPDAA: figures are to 31/12/07 as at 11/01/08.

Top five grossing Australian films in 2006

	Film	Release date	Distributor	Box office
1	Happy Feet	26 December 2006	Roadshow	\$11.1m
2	Kenny	17 August 2006	Madman	\$7.6m
3	Jindabyne	20 July 2006	Roadshow	\$5.3m
4	Ten Canoes	29 June 2006	Palace	\$3.3m
5	Kokoda	20 April 2006	Palace	\$3.1m
5=	Boytown	19 October 2006	Roadshow	\$3.1m

Source: MPDAA: figures are to 31/12/06 as at 07/01/06.

How do Australian films compare to films from other countries in the Australian market?

US films took the main share of the Australian box office in 2007, accounting for 77.7 per cent of receipts, which is a decrease from 2006's figure of 85.9 per cent.¹ The dominance of US films in the Australian market is consistent with the performance of US films in most markets internationally, in terms of release numbers as well as box office share.² UK films ranked second in terms of theatrical market share, taking 13.9 per cent of the Australian box office, up from 2006's 5.3 per cent.³ Australian films ranked third with 4.0 per cent.

Box office share in Australia by country of origin in 2007

Country of origin	Box office earned		Films screening*	
	Total	Share	No.	Av. BO per film
US	\$695.3m	77.7%	223	\$3.1m
UK	\$124.6m	13.9%	37	\$3.4m
Australia	\$36.0m	4.0%	30	\$1.2m
France	\$14.1m	1.6%	25	\$0.6m
Canada	\$4.7m	0.5%	8	\$0.6m
India	\$4.2m	0.5%	40	\$0.1m
Germany	\$3.3m	0.4%	3	\$1.1m
Other (aggregate)	\$13.3m	1.5%	22	\$0.6m
All films	\$895.4m	100%	388	\$2.3m

Source: AFC analysis of MPDAA data; figures are to 31/12/07 as reported on 11/01/08.

* Includes a total of 74 titles released pre-2007, mostly in 2006.

¹ Co-productions are assigned to the first country of origin listed in the MPDAA database. For example, films categorised as US/UK co-productions are allocated to the US.

² Sources: 'Film Production and Distribution Profile: Steady Growth continues in world feature film output', *Screen Digest*, July 2007, p212.

³ The stronger performance from UK films in 2007 can be largely attributed to the success of UK/US co-production *Harry Potter and the Order of the Phoenix*, the highest grossing film of the year.

The average box office per film for all titles released in Australia in 2007 was \$2.3 million. US films earned an average of \$3.1 million each, UK titles \$3.4 million and Australian films \$1.2 million.

What were the highest-earning titles in the Australian market?

The highest-earning titles in the Australian market were sequels and films based on existing franchises (eg *Harry Potter and the Order of the Phoenix*, *Shrek The Third*, *Pirates of the Caribbean: At World's End*). Of the top five films, one was from the UK while the others were from the US.

Harry Potter and the Order of the Phoenix was ranked number one at the Australian box office with \$35.5 million (*Pirates of the Caribbean: Dead Man's Chest* was ranked number one in 2006, earning \$38.1 million).

In 2007, the top 50 films took \$625.7 million or 69.9 per cent of the total 2007 box office (compared to 62.8 per cent in 2006). Forty-two of the top 50 earners were US productions and of these one was a co-production with another country. There were seven films from the UK and one Australian film in the top 50, *Happy Feet*, which was in eighth spot.

The top 10 earning films grossed an average of \$26.3 million per title. Their combined earnings represented a third (29.4 per cent) of the total box office in Australia in 2007.

Top 10 titles at the Australian box office in 2007

	Title	Country of origin	2007 box office
1	Harry Potter and the Order of the Phoenix	UK/US	\$35.5m
2	Shrek The Third	US	\$33.7m
3	Pirates of the Caribbean: At World's End	US	\$33.1m
4	The Simpsons Movie	US	\$31.4m
5	Transformers	US	\$27.9m
6	Spider-Man 3	US	\$24.0m
7	The Bourne Ultimatum	US	\$22.0m
8	Happy Feet	Aus	\$20.7m
9	Night at the Museum	US	\$17.6m
10	Wild Hogs	US	\$17.2m

Source: MPDAA; figures are to 31/12/07 as reported on 11/01/08.

What factors affect the domestic box office share?

Domestic box office share is affected by production budgets, the size of a release, marketing expenses and the number of domestic releases.

Factors affecting the box office results for individual films

There is significant variance in the budgets of the films that compete at the Australian box office. According to the Motion Picture Association of America, in 2006 the average cost of production for a major Hollywood studio film was US\$65.8 million (A\$86.9 million) while a US minor studio film was US\$30.7 million (A\$40.2 million).⁴

The average cost of a UK feature in 2005/06 was £3.1 million (A\$7.5 million),⁵ while the average production cost of an Australian feature in 2005/06 was \$3.8 million.⁶ These figures include co-productions.

⁴ 2006 *Theatrical Market Statistics*, Motion Picture Association of America, p12-13; Average of 2006 US\$1 = A\$1.32 – Source, Reserve Bank of Australia.

⁵ *Statistical Yearbook 2006/07*, UK Film Council, chapter 14; Average of 2005/06 Exchange rate GBP £1 = A\$2.43 – Source, Reserve Bank of Australia.

⁶ *National Survey of Feature Film and TV Drama Production 2006/07*, AFC.

The availability of screenings is also a factor when assessing performance. Only 24.0 per cent of Australian films released in 2007 were showing on more than 70 screens at their widest point, while there were no Australian titles showing on more than 200 screens. By comparison, 57.7 per cent of US titles were screened on more than 70 screens at their widest point, with 25.9 per cent showing on more than 200 screens.

Size of release by country of origin for films released in Australia in 2007

Country of origin	Share of films by number of screens*				
	<10	10–29	30–69	70–199	>200
Australia	40.0%	28.0%	8.0%	24.0%	0.0%
UK	20.6%	23.5%	14.7%	26.5%	14.7%
US	17.1%	8.8%	16.5%	31.8%	25.9%
Other	44.8%	40.2%	11.5%	3.4%	0.0%
All screens	26.9%	20.6%	14.2%	22.8%	15.5%

Source: AFC analysis of MPDAA Data; figures are to 31/12/07 as reported on 11/01/08.

* Number of screens at point of widest release.

Most films released into Australian cinemas spend between \$10,000 and \$3 million on advertising and publicity, plus the cost of prints, with the expenditure closely aligned to the size of release.

For example, films that have a maximum release of 70 screens or under typically spend between \$10,000 to \$800,000 with an average of around \$150,000 per film. In comparison, films released on 70–199 screens generally spend from \$100,000 to \$2 million (\$700,000 avg.) and those over 200 screens spend from \$800,000 to over \$3 million (\$1.8m avg.).⁷

Factors affecting the number of releases

The number of local releases often influences the domestic box office share. However, comparisons across territories are complicated by factors such as the advantage that local releases enjoy in non-English speaking territories as well as government intervention and quotas for local films in territories such as South Korea, China, Spain and Brazil.

Over the five years from 2002 to 2006 Australian films accounted for 7.7 per cent of all films released in the Australian market, and 3.6 per cent of box office, whereas UK films in the UK accounted for 20.0 per cent of titles and 23.1 per cent of box office. During the same period, Canadian films in Canada accounted for 17.7 per cent of titles released and 4.1 per cent of box office.

Average number of domestic releases per year, domestic share of all releases and domestic share of total box office, 2002–2006

Country	2002–2006		
	Average no. of domestic titles released per year	Average domestic share of titles released	Average domestic share of box office
Australia	23	7.7%	3.6%
Belgium	46	7.1%	2.7%
Canada	76	17.7%	4.1%
Czech Republic	19	9.7%	23.1%
Denmark	23	10.2%	24.5%
France	227	42.1%	38.2%
Germany	131	30.9%	18.6%
Hungary	23	11.5%	9.8%
Italy	106	26.7%	22.8%
Japan	333	48.0%	38.3%
South Korea	83	28.2%	53.8%*
Spain	123	22.8%	14.8%
UK	91	20.0%	23.1%
US	333	63.9%	94.8%

⁷ AFC estimates based on industry consultation.

Source: AFC analysis of Screen Digest data.

* Average does not include films released in 2003 or box office figures for 2003.

Is box office the only indicator of a film's performance?

Although local share of domestic box office is commonly used as an indicator of a film's performance, other formats, such as DVD retail sales, also play a significant role in overall audience exposure and financial return.

The AFC has analysed the top 1,000 DVD movie titles sold in 2006, ranked by sales value. This represents 69 per cent of all movie titles sold, and is equivalent to \$404.5 million in retail sales. Australian movies in the top 1,000 achieved \$12.2 million in retail sales.⁸

For individual films, DVD release can provide an ongoing revenue stream many years after a film's brief cinematic run. *Chopper*, which grossed almost \$6 million at the box office in 2000, was released on DVD in 2001. In 2006, six years after its original theatrical release, it was the sixth highest selling Australian movie title on DVD.

More recently, data on DVD sales in 2007 highlight the continued popularity of *Kenny* and *Happy Feet*, the top two Australian titles at the box office in 2006.

After its release in December 2006 *Kenny* went on to be the highest-selling movie title in the three weeks leading up to Christmas, ending the year ranked no. 7 by value of all movie titles – not just Australian titles. Continuing its strong sales in 2007, *Kenny* was ranked no. 23 by value of movie titles and ranked no. 32 overall in terms of number of sales. *Happy Feet* was released in April 2007 and at the end of the year was ranked no. 4 by overall value and movies.

What is happening in other markets around the world?

Early reports on 2007 box office performance of international territories indicate varied growth in both total revenues and domestic share.

The total box office for the key markets of North America⁹ and the UK¹⁰ performed well, with increases in the order of five to eight per cent, while Japan, France and Germany experienced falls. Significant growth of around 20–25 per cent has been recorded in the developing markets of Russia and China.¹¹

The local share of domestic box office has also varied considerably in 2007.

For example, domestic shares fell across territories such as Germany (17 per cent in 2007, down from 23 per cent in 2006),¹² Hong Kong (22 per cent, down from 31 per cent),¹³ South Korea (51 per cent, down from 61 per cent),¹⁴ while domestic shares rose in Russia (30 per cent, up from 23 per cent)¹⁵ and Italy (31 per cent, up from 35 per cent).¹⁶ Norway's domestic share held steady at 16 per cent.¹⁷

What Australian films were released in 2007?

25 Australian films were released in 2007: 20 features and five documentaries.

⁸ AFC analysis of GfK Marketing Sell-through Video data.

⁹ 'International Box Office review 2007', *Screen Daily*, 14 December 2007.

¹⁰ 'UK breaks box office records in stellar 2007', *Screen Daily*, 6 January 2008.

¹¹ 'International Box Office review 2007', *Screen Daily*, 14 December 2007.

¹² Nielsen EDI, compiled by *Berlin International Film Festival*, January 2008.

¹³ 'Hong Kong box office up 11% due to multiplex expansion', *Screen Daily*, 8 January 2008.

¹⁴ 'Korean admissions down for first time in a decade', *Screen Daily*, 7 January 2008.

¹⁵ Russian Ministry of Culture, compiled by *Berlin International Film Festival*, January 2008.

¹⁶ 'Italian Box Office Rises 12.28% in 2007', *Screen Daily*, 8 January 2008.

¹⁷ 'Norway's local market share holds steady as admissions fall 105', *Screen Daily*, 3 January 2008.

Film (in order of release)	Distributor	Date of Release
Bra Boys – documentary	Hopscotch	15/3/07
Razzle Dazzle: A Journey into Dance	Palace	15/3/07
Lovestruck: Wrestling's No. 1 Fan – documentary	Level Four	5/4/07
Burke and Wills	Leni	12/4/07
Noise	Madman	3/5/07
Romulus, My Father	Dendy	31/5/07
Clubland	Palace	28/6/07
West	Palace	5/7/07
Lucky Miles	Dendy	19/7/07
Gone (Australia/UK)	Universal	19/7/07
The Jammed	Titan View	16/8/07
4 – documentary	Vast Prod.	16/8/07
The Home Song Stories	Dendy	23/8/07
Dr. Plonk	Palace	13/9/07
The Final Winter	Paramount	6/9/07
Forbidden Lie\$ – documentary	Palace	13/9/07
The Bet	Gerry Can Dist.	13/9/07
December Boys	Roadshow	20/9/07
War on Democracy (Australia/UK) – documentary	Hopscotch	27/9/07
Rogue	Roadshow	8/11/07
Gabriel	Sony	15/11/07
All My Friends Are Leaving Brisbane	Accent	15/11/07
Boxing Day	Smoking Gun	22/11/07
September	Hopscotch	29/11/07
Modern Love	Sputnik	6/12/07

What are the upcoming Australian films?

Australian films due for release in 2008 include:

- **Acolytes** A drama/thriller with Joel Edgerton, Michael Dorman, Hanna Mangan-Lawrence, Seb Gregory and Josh Payne. (Writer: Shayne Armstrong; Director: Jon Hewitt; Producer: Penny Wall, Richard Stewart)
- **Australia** A drama with Nicole Kidman, Hugh Jackman, Jack Thompson, David Wenham, Ben Mendelsohn and David Gulpilil. (Writers: Stuart Beattie, Baz Luhrmann, Ronald Harwood, Richard Flanagan; Director: Baz Luhrmann; Producers: Baz Luhrmann, G Mac Brown, Catherine Knapman, Catherine Martin (co-producer))
- **The Beautiful and the Damned** A drama with Ross Ditcham, Kristen Condon, Norman Yemm, Paul Moder, Michael Carman, Zen Ledden, John Brumpton, Peter Lesley, Tanya Wenczel, Jason Turley, Louise Quill, Cheyne Coates, Brian Canham, Keith Potger, Frank Howson, Alex Spalck, David Thrussell, Peter Christopherson, Greg Pakis, and Colin Savage. (Writer/Director/Producer: Richard Wolstencroft)
- **The Black Balloon** A drama with Toni Collette, Rhys Wakefield, Gemma Ward, Luke Ford and Erik Thomson. (Writers: Elissa Down, Jimmy Jack; Director: Elissa Down; Producer: Tristram Miall)
- **Black Water** A thriller with Diana Glenn, Maeve Dermody, Andy Rodoreda, Ben Oxenbould and Fiona Press. (Writers/Directors/Producers: Andrew Trauchi, David Nerlich; Producer: Michael Robertson)
- **The Boys are Back in Town** An Australian/UK co-production comedy with Clive Owen. (Writer: Alan Cubitt; Director: Scott Hicks; Producers: Timothy White, Greg Brenman)
- **Bright Star** An Australian/UK co-production drama with Abbie Cornish and Ben Wishaw. (Writer/Director: Jane Campion; Producer: Jan Chapman)
- **Cactus** A drama with Travis McMahon, David Lyons, Bryan Brown and Shane Jacobson. (Writer/Director: Jasmine Yuen-Carrucan; Producer: Paul Sullivan)
- **Daybreakers** A horror/thriller with Ethan Hawke, Willem Defoe, Sam Neill and Claudia Karvan. (Writers/Directors: Michael Spierig and Peter Spierig; Producers: Chris Brown, Bryan Furst and Sean Furst)
- **Death Defying Acts** An Australia/UK co-production drama starring Guy Pearce, Catherine Zeta-Jones, Timothy Spall and Saoirse Ronan. (Writers: Tony Grisoni, Brian Ward; Director: Gillian Armstrong; Producers: Marian Macgowan, Chris Curling)
- **Disgrace** A drama with John Malkovich and Jessica Haines. (Writer: Anna Maria Monticelli; Director: Steve Jacobs; Producers: Anna Maria Monticelli, Emile Sherman)
- **Global Haywire** A live action/animation feature documentary. (Writer/Director: Bruce Petty; Producer: Claude Gonzalez)
- **Hey, Hey It's Esther Blueburger** A comedy with Toni Collette, Keisha Castle-Hughes, Danielle Catanzariti, Essie Davis, Christian Byers, and Russell Dykstra. (Writer/Director: Cathy Randall; Producer: Miriam Stein)
- **How to Change in Nine Weeks** A drama/thriller with Kate Bell, Ruth Murphy, Guy Pearce, Miranda Otto, Sam Neill, Rebecca Gibney, Justine Clarke and Jack Finsterer. (Writer/Director: Simone North; Producer: Tony Cavanaugh)
- **Mary and Max** An animated feature with Toni Collette, Eric Bana and Barry Humphries. (Writer/Director: Adam Elliot; Producer: Melanie Coombs)
- **Men's Group** A drama with Grant Dodwell, Paul Gleeson, Steve Le Marquand, Don Reid, Steve Rodgers, Paul Tassone, and William Zappa. (Writer/Director: Michael

Joy; Producer: John L Simpson)

- **Newcastle** A coming-of-age family drama with Lachlan Buchanan, Xavier Samuel, Kirk Jenkins, Reshad Strik, Anthony Hayes, Shane Jacobson and Barry Otto. (Writer/Director: Dan Castle; Producer: Naomi Wenck)
- **Night** A feature documentary featuring Australian nightscapes. (Writer/Director: Lawrence Johnston; Producers: Lizzette Atkins, Lawrence Johnston)
- **Not Quite Hollywood** A feature documentary on Australian genre cinema in the 1970s and 80s. (Writer/Director: Mark Hartley; Producers: Craig Griffin, Michael Lynch)
- **Storm Warning** A horror/thriller with Nadia Fares, Robert Taylor, David Lyons, Mathew Wilkinson and John Brumpton. (Writer: Everett De Roche; Director: Jamie Blanks; Producers: Gary Hamilton, Pete Ford)
- **Ten Empty** A drama with Geoff Morrell, Daniel Frederiksen, Tom Budge, Jack Thompson, Brendan Cowell, Lucy Bell, and Blazey Best. (Writers: Anthony Hayes, Brendan Cowell; Director: Anthony Hayes; Producer: Naomi Wenck)
- **The Tender Hook** A film noir with Hugo Weaving, Rose Byrne and Matthew Le Nevez. (Writer/Director: Jonathan Ogilvie; Producers: Michelle Harrison, John Brousek)
- **Unfinished Sky** A drama/romance with William McInnes, Monic Hendrickx, David Field, Billie Brown and Roy Billing. (Writer/Director: Peter Duncan; Producers: Cathy Overett, Anton Smit)

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