

## 2005 BOX OFFICE BACKGROUNDER

This backgrounder provides information on and context to cinema releases in Australia in 2005 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 2005 was \$817.5 million, a decrease of 10 per cent on the previous year. This downturn has been echoed internationally, with box office takings in major overseas territories falling by up to 18 per cent last year.

### How many films were released in Australia?

There were 329 films released into the Australian market in 2005.

- 27 of these were Australian (or 8 per cent of films released),
- 175 were from the US (or 53 per cent of films released), and
- 29 were from the UK (or 9 per cent of films released).

In addition, 101 films released in earlier years were still screening. This brought the total number of films earning box office in 2005 to 430, of which 32 (7 per cent) were Australian, 234 (54 per cent) were from the US, and 38 (9 per cent) were from the UK.

### What was the Australian share of the 2005 box office?

Australian films earned \$23.1 million or 2.8 per cent of the total Australian box office in 2005. This represents an increase from last year's 1.3 per cent but remains below the 10-year average of 4.8 per cent.

#### *Australian films' share of the Australian box office 1996–2005*

Year	Total box office in Australia (\$m)	Australian films' box office gross (\$m)	Australian films' box office share (%)
1996	536.8	43.7	8.3
1997	583.9	28.4	4.9
1998	629.3	25.6	4.0
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

Source: AFC analysis of MPDAA data; figures are to 31/12/05 as reported on 23/01/06.

For results back to 1977 see Get the Picture [www.afc.gov.au/gtp/wcboshare.html](http://www.afc.gov.au/gtp/wcboshare.html)

### Which Australian films earned the most at the 2005 box office?

The top-grossing Australian film, with \$5.8 million, was *Wolf Creek*, an FFC-financed thriller directed by Greg McLean. This was followed by the multi-award winning FFC-financed *Little Fish*, starring Cate Blanchett, Hugo Weaving and Sam Neill at \$3.7 million. *Look Both Ways*, *Oyster Farmer*, *The Proposition* and *Hating Alison Ashley* each took over \$2 million. Apart from *The Proposition* all of these films received FFC financing. Both *Oyster Farmer* and *The Proposition* were Australia/UK co-productions.

*Top five grossing Australian films in 2005*

	<b>Film</b>	<b>Release date</b>	<b>Distributor</b>	<b>Box office</b>
1	Wolf Creek	3 November	Roadshow	\$5.8m
2	Little Fish	8 September	Icon	\$3.7m
3	Look Both Ways	18 August	Dendy/Footprint	\$2.8m
4	Oyster Farmer (Aust/UK)	30 June	Becker/Sherman	\$2.4m
5	The Proposition (Aust/UK)	6 October	Sony	\$2.2m

Source: MPDAA: figures are to 31/12/05 as at 23/01/06

*Top five grossing Australian films in 2004*

	<b>Film</b>	<b>Release date</b>	<b>Distributor</b>	<b>Box office</b>
1	Strange Bedfellows	22 April	Becker	\$4.8m
2	Somersault	16 September	Hopscotch	\$2.0m
3	One Perfect Day	19 February	Roadshow	\$1.2m
4	Love's Brother	1 April	Palace	\$0.9m
5	Thunderstruck	20 May	Icon	\$0.9m

Source: MPDAA

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

US films took the main share of the Australian market in 2005, accounting for 81 per cent of box office receipts. This is similar to 2004 with 86 per cent, and is consistent with the US market share worldwide.<sup>1</sup> UK films ranked second in terms of theatrical market share, taking 10.6 per cent of the 2005 Australian box office, up from 2004's 5.1 per cent. This increase is largely due to the earnings of the UK/US co-production, *Harry Potter and the Goblet of Fire*. Australian films ranked third with 2.8 per cent.

*Box office share in Australia by country of origin 2005*

<b>Country of origin</b>	<b>Box office earned</b>		<b>Films screening*</b>	
	<b>Total</b>	<b>Share</b>	<b>No.</b>	<b>Av. BO per film</b>
US	\$663.8m	81.2%	234	\$2.8m
UK	\$87m	10.6%	38	\$2.3m
Australia	\$23.1m	2.8%	32	\$0.7m
France	\$8.1m	1.0%	26	\$0.3m
Canada	\$2.8m	0.3%	6	\$0.5m
India	\$2.3m	0.3%	36	\$0.1m
Other (aggregate)	\$30.4m	3.7%	58	\$0.5m
<i>All films</i>	<i>\$817.5m</i>	<i>100%</i>	<i>430</i>	<i>\$1.9m</i>

Source: AFC analysis of MPDAA data; figures are to 31/12/05 as reported on 23/01/06

\*Includes a total of 101 titles released pre-2005, mostly in 2004

The average box office per film for all titles released in Australia in 2005 was \$1.9 million. US films earned an average of \$2.8 million each, UK titles \$2.3 million and Australian films \$0.7 million.

<sup>1</sup> *Cinema and Audiovisual Media: a survey on national cinematography*, UNESCO, 2000; cited in *Variety*, 6 November, 2005.

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

The highest-earning films in the Australian market were US films, largely sequels and films related to established brands (eg *Star Wars*, *Batman*).

*Star Wars III: Revenge of the Sith* was ranked number one at the Australian box office with \$35.5 million (*Shrek* earned \$50.3 million in 2004).

In 2005 the top 50 films took \$565.1 million or 69.1 per cent of the total 2005 box office (compared to 68 per cent in 2004). 37 of the top 50 earners were US productions and a further eight were US co-productions. The Australian film *Wolf Creek* was ranked at 44.

The top 10 earning films – nine US productions and one UK/US co-production – grossed an average \$23.2 million per title. Their combined earnings represented more than one quarter of the total box office in Australia in 2005.

### Top 10 titles at the Australian box office 2005

Rank	Title	Country of origin	2005 box office
1	Star Wars III: Revenge of the Sith	USA	\$35.5m
2	Harry Potter and the Goblet of Fire	UK/USA	\$30.8m
3	Madagascar	USA	\$25.4m
4	Charlie and the Chocolate Factory	USA	\$24.5m
5	Meet the Fockers	USA	\$24.1m
6	War of the Worlds	USA	\$21.6m
7	Mr and Mrs Smith	USA	\$20.4m
8	The Incredibles	USA	\$16.9m
9	Wedding Crashers	USA	\$16.7m
10	Batman Begins	USA	\$15.8m

Source: MPDAA; figures are to 31/12/05 as reported on 23/01/06

## What factors affect the domestic box office share?

Domestic box office share is affected by both the results for individual films and the relative number of domestic releases.

### Factors affecting the box office results for individual films

Production and marketing budgets and the size of a release have a dramatic impact on an individual film's box office earnings and net returns.

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 (MPAA), the average cost of production per film for a major Hollywood studio in 2004 was US\$63.6 million (A\$84.8 million). The average cost of a US minor studio film was US\$28.2 million (A\$37.6 million).

The average cost of a UK feature in 2004/05 was £4.9 million (A\$11.5 million),<sup>2</sup> while the average production cost of an Australian feature in 2004/05 was \$4.8 million.<sup>3</sup> These figures include official co-productions.

<sup>2</sup> UK Film Council Statistical Yearbook, Annual Review 2004/05.

<sup>3</sup> National Survey of Feature Film and TV Drama Production 2004/05, AFC.

The average print and advertising (P&A) budget for the US release of a major US studio film in 2004 was US\$34.4 million (A\$45.9 million), while the average P&A budget for a UK feature in the UK market was £0.7 million (A\$1.7 million).

In Australia, the P&A for a limited-release local film ranges between \$0.1 million and \$0.5 million, with larger releases reaching \$1 million or higher.<sup>4</sup>

More than half the Australian films released in 2005 (51.9 per cent) were showing on less than 10 screens at their widest point, and none on more than 200.

By contrast, 59.5 per cent of the US titles released in Australia in 2005 were shown on more than 70 screens at the widest point of their release, with 28 per cent reaching more than 200 screens.

*Release patterns by country of origin for films released in Australia in 2005*

Country of origin	Share of films by release pattern*					
	Unknown	<10 screens	10–29	30–69	70–199	>200
Australia		51.9%	7.4%	22.2%	18.5%	0
UK		32.1%	17.9%	25.0%	10.7%	14.3%
US	1.2%	16.2%	13.9%	10.4%	31.2%	28.3%
Other		70.5%	19.2%	5.1%	5.1%	0
<i>Total</i>	<i>0.9%</i>	<i>21.9%</i>	<i>13.4%</i>	<i>8.6%</i>	<i>32.3%</i>	<i>22.8%</i>

Source: AFC analysis of MPDAA and Nielsen EDI data

\* Number of screens at point of widest release

**Relative number of domestic releases**

Domestic box office share needs to be seen in the context of how many films are actually contributing to that share – ie the number of domestic releases relative to the number of films from other countries.

Over the five years 2000–2004 Australian films accounted for 8.2 per cent of all films released in the Australian market, and 5.2 per cent of box office.

By comparison, over the same period in Canada, Canadian films accounted for 17 per cent of titles released and 3.2 per cent of box office; and in the UK, UK films accounted for 12.7 per cent of titles and 21.2 per cent of box office.

*Average number of domestic releases per year, domestic share of all releases and domestic share of total box office, 2000–2004*

Country	2000–2004		
	Average no. of domestic titles released per year	Domestic share of titles released	Domestic share of box office
Australia	22	8.2%	5.2%
Belgium	36	6.3%	1.6%
Canada	69	17.0%	3.2%
Czech Republic	23	10.2%	18.8%
Denmark	23	9.6%	19.6%
France	214	41.0%	35.8%
Germany	109	27.5%	15.2%
Hungary	6	11.9%	21.8%

<sup>4</sup> AFC estimates based on industry consultation

Italy	105	25.6%	20.2%
Japan	271	42.5%	33.8%
Netherlands	30	11.4%	9.6%
Norway	13	6.1%	13.4%
Spain	109	21.1%	14.2%
Sweden	25	11.6%	21.2%
United Kingdom	79	12.7%	21.2%

Source: AFC analysis of Screen Digest data

### How significant is box office as a performance indicator?

Local share of domestic box office is often used as an indicator of a country's film industry success. However, with the proliferation of platforms and the success of the DVD market, theatrical release constitutes a diminishing proportion of a film's overall audience exposure and financial returns.

The Australian feature *Rabbit-Proof Fence* for example, grossed \$7.5 million at the Australian box office, reaching an estimated cinema audience of around 824,000 people. By the time it had moved through the markets of video and free-to-air television, *Rabbit-Proof Fence* had been seen by almost four million Australians.

Likewise, the children's title *Napoleon*, which earned \$2.1 million at the box office, and was seen by an estimated 300,000 cinema-goers, ended up with a total audience of around 3.8 million when video and free to air TV were included.

### What is happening in other markets around the world?

Recent international reports indicate that the decline in total box office has been consistent around the globe. With the exception of the UK, whose total box office reached a record high in 2005, most major territories have recorded a fall in box office takings, including Spain (down 9.5 per cent), Japan (down 8 per cent), Italy (down 8.1 per cent), Germany (down 18.1 per cent), Brazil (down 17.5 per cent), Netherlands (down by 12.7 per cent), Denmark (down by 1.85 per cent), and North America (down by 4 per cent). Box office increased by one per cent in the UK.<sup>5</sup>

These reports also reveal a range of results for domestic box office shares around the world, with Germany's local market share expected to fall beneath 20 per cent; Hong Kong down to 31.45 per cent, Argentina down to 12.5 per cent of admissions; Brazil down to 12 per cent; Denmark up with 32-33 per cent of admissions; Netherlands up to 13.6 per cent; and Spain up to 16.8 per cent.<sup>6</sup>

<sup>5</sup> 'Spanish box office admissions down by 12.7%,' *Screen Daily*, 10 January 2006; 'Japan's Box Office takings down 8%,' *Screen Daily*, 10 January 2006; 'Italy's box office taking down by 8.1%,' *Screen Daily*, 9 January 2006; 'German box office takings fall by 18.1%,' *Screen Daily*, 9 January 2006; 'Brazil's box office taking drop by 17.5%,' *Screen Daily*, 10 January 2006; 'Netherlands box-office takings fall by 12.7%,' *Screen Daily*, 12 January 2006; 'Danish box-office takings down just 1.85%,' *Screen Daily*, 12 January 2006; 'North American box office down 4% for 2005,' *Screen Daily*, 4 January 2006.

<sup>6</sup> 'German box office takings fall by 18.1%,' *Screen Daily*, 9 January 2006; 'Hong Kong's 2005 box office hits new record lows,' *Screen Daily*, 3 January 2006; 'Box office attendance in Argentina drops by 15% for 2005,' *Screen Daily*, 4 January 2006; 'Brazil's box office taking drop by 17.5%,' *Screen Daily*, 10 January 2006; 'Netherlands box-office takings fall by 12.7%,' *Screen Daily*, 12 January 2006; 'Danish box-office takings down just 1.85%,' *Screen Daily*, 12 January 2006; 'Spanish box office admissions down by 12.7%,' *Screen Daily*, 10 January 2006.

## What Australian films were released in 2005?

27 Australian films were released in 2005: 16 features, seven documentaries (three feature-length), three short features and one short animation.

<b>Film (in order of release)</b>	<b>Distributor</b>	<b>Date of release</b>
Deck Dogz	UIP	06/01/05
Children of Tibet (doco)	Ronin	03/03/05
The Illustrated Family Doctor	Palace	03/03/05
Dreams for Life (short feature)	Music Arts Dance Films	10/03/05
The Hidden History of Homosexual Australia (feature doco)	Fortian Productions	11/03/05
The Comeback Kings (doco)	Film Buff Productions	17/03/05
Hating Alison Ashley	Hoyts	17/03/05
Human Touch	Dendy	14/04/05
The Extra	Hoyts	21/04/05
Three Dollars	Dendy	21/04/05
Land Mines – A Love Story (feature doco)	Miramax	05/05/05
You and Your Stupid Mate	Hoyts	05/05/05
Little Lies	Novofilm Pty Ltd	26/05/05
Peaches	Hopscotch	09/06/05
Chasing God (doco)	Wide Open Productions	10/06/05
Oyster Farmer (Aust/UK)	Dendy	30/06/05
The Widower (short feature)	Gil Scrine Films	30/06/05
Look Both Ways	Dendy	18/08/05
Little Fish	Icon Film	08/09/05
The Magician	Hopscotch	29/09/05
The Proposition (Aust/UK)	Sony	06/10/05
Blowin' in the Wind (feature doco)	Dendy	27/10/05
Jewboy (short feature)	Porchlight	27/10/05
Wolf Creek	Roadshow	03/11/05
Josh Jarman	Instinct Entertainment	10/11/05
Devil Diary (short doco)	Paul Scott Films	18/11/05
The Mysterious Geographic Explorations of Jasper Morello (short animation)	Madman	01/12/05

## What are the upcoming Australian films?

Australian films in the pipeline include:

- ***Book of Revelation***, an erotic mystery with Tom Long, Greta Scacchi, Colin Friels, Anna Torv and Deborah Mailman. (Writers: Andrew Bovell and Ana Kokkinos; Director: Ana Kokkinos; Producer: Al Clark)
- ***Boytown***, a comedy with Mick Molloy and Glenn Robbins. (Writers: Mick Molloy and Richard Molloy; Director: Kevin Carlin; Producers: Mick Molloy and Greg Sitch)
- ***Candy***, starring Heath Ledger, Abbie Cornish and Academy Award winner Geoffrey Rush. (Writers: Neil Armfield and Luke Davies; Director: Neil Armfield; Producers: Margaret Fink and Emile Sherman)
- ***Caterpillar Wish***, a drama starring Wendy Hughes and Susie Porter (Writer/Director: Sandra Sciberras; Producer: Kate Whitbread)
- ***Death Defying Acts***, an Australia/UK co-production drama starring Guy Pearce and Rachel Weisz. (Writers: Tony Grisoni and Brian Ward; Director: Gillian Armstrong; Producer: Chris Curling and Marian Macgowan)
- ***December Boys***, a family adventure with Daniel Radcliffe and Paz Vega. (Writer: Marc Rosenberg; Director: Rod Hardy; Producer: Richard Becker)
- ***Footy Legends***, a drama with Claudia Karvan, Anh Do and Emma Lung. (Writers: Anh Do, Khoa Do and Suzanne Do; Director: Khoa Do; Producer: Megan McMurchy)
- ***48 Shades***, a teen romance with Richard Wilson, Emma Lung and Robin McLeavy. (Writer/Director: Daniel Lapaine; Producer: Rob Marsala)
- ***Gabriel***, an action flick with Andy Whitfield and Samantha Noble. (Writers: Shane Abbess and Matt Todd; Director: Shane Abbess; Producers: Shane Abbess, Anna Cridland and Kristy Vernon)
- ***Guests***, a thriller with Travis Fimmel and Teresa Palmer. (Writer: Dave Warner; Director: David Denneen; Producers: Anna Fawcett, Todd Fellman and Mark Lazarus)
- ***Happy Feet***, an animated family film from production company Kennedy Miller, directed by George Miller
- ***Irresistible***, a thriller with Susan Sarandon, Sam Neill and Emily Blunt. (Writer: Ann Turner; Director: Ann Turner; Producers: Tatiana Kennedy and David Parker)
- ***Jindabyne***, a mystery with Gabriel Byrne, Deborah-Lee Furness, John Howard, Laura Linney and Leah Purcell (Writer: Beatrix Christian; Director: Ray Lawrence; Producer: Catherine Jarman)
- ***The Kokoda Film*** (working title), a war drama with Shane Bourne and William McInnes (Writers: Alister Grierson and John Lonie; Director: Alister Grierson; Producers: Leesa Kahn, Catriona Hughes)
- ***Like Minds***, an Australia/UK co-production thriller with Toni Collette and Richard Roxburgh (Writer/Director: Gregory J Read; Producers: Jonathan Shteinman, Piers Tempest)
- ***Lost and Found***, a drama with Rebecca Gibney, Frankie J Holden, Nicholas Hope and Brett Climo. (Writer/Director/Producer: David Blake)
- ***M (Macbeth)*** a drama with Sam Worthington, Lachy Hulme and Mick Molloy. (Writers: Victoria Hill and Geoffrey Wright; Director: Geoffrey Wright; Producer: Martin Fabinyi)
- ***Opal Dream***, an Australia/UK co-production family film with Vince Colosimo and Jacqueline McKenzie (Writers: Peter Cattaneo, Ben Rice, Phil Traill; Director: Peter Cattaneo; Producers: Lizie Gower, Nick Morris, Emile Sherman)
- ***Suburban Mayhem***, a comedy with Genevieve Lemon and Steve Bastoni (Writer: Alice Bell; Director: Paul Goldman; Producer: Leah Churchill-Brown)
- ***Ten Canoes***, a surreal tragi-comedy in the Ganabingu language (Writer: Rolf de Heer; Director: Rolf de Heer, Peter Djigirr; Producers: Rolf de Heer, Julie Ryan)
- ***Voodoo Lagoon***, an Australia/UK co-production horror film from producers Martin Brown and Nigel Thomas (Writer/Director Nicholas Cohen)
- ***West***, a drama with Khan Chittenden, Nathan Phillips, Michael Dorman, Gillian Alexy, David Field, Tim McCunn, Anthony Hayes (Writer/Director Daniel Kridge; Producers Anne Robinson, Matthew Reeder)