



2008 BOX OFFICE BACKGROUNDER

This backgrounder provides information and context on the number of local and internationally produced films with reported box office earnings in Australian cinemas from 1 January to 31 December 2008.

What was the total box office in Australia?

In 2008, the Australian box office was \$945.4 million, the highest annual gross on record. These earnings mark a rise of 5.6 per cent on the previous year and an increase of 4.2 per cent on 2004, the only other year to record a gross of more than \$900 million.

How many films were released in Australia?

There were 301 films released into the Australian market in 2008:

- 33 of these were Australian (or 11.0 per cent of films released), 22 features and 11 documentaries
- 158 were from the US (or 52.5 per cent of films released), and
- 24 were from the UK (or 8.0 per cent of films released).

In addition, 89 films released in earlier years were still screening, plus two films due to be released in 2009 that had preview screenings in 2008. This brought the total number of films earning box office in 2008 to 392, of which 40 (10.2 per cent) were Australian, 213 (54.3 per cent) were from the US and 29 (7.4 per cent) were from the UK.

What was the Australian share of the 2008 box office?

Australian films earned \$35.5 million or 3.8 per cent of the total Australian box office in 2008 (includes all Australian films earning box office in 2008, irrespective of their original year of release). This represents a fall from last year's 4.0 per cent and is below the 10-year average of 4.4 per cent.

Year	Total box office in Australia (\$m)	Australian films' box office gross (\$m)	Australian films' box office share (%)
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
2008	945.4	35.5	3.8
10-year average	834.9	35.7	4.4

Australian films' share of the Australian box office, 1999–2008

Source: Screen Australia analysis of MPDAA data; figures are to 31/12/08 as reported on 8/1/09. For results back to 1977 see Get the Picture www.afc.gov.au/gtp/wcboshare.html

Which Australian films earned the most at the 2008 box office?

Baz Luhrmann's *Australia* was the top-grossing Australian film in 2008. Starring Hugh Jackman and Nicole Kidman, the film was released on over 600 screens, achieving a gross of \$7.8 million by the end of its opening weekend. Although still in theatrical release, *Australia* had reached \$26.9 million in Australia with worldwide earnings of over US\$120 million by the close of 2008.¹

The multi award-winning debut feature for director/co-writer Elissa Down, *The Black Balloon*, was the second highest grossing Australian film. The film earned \$2.3 million in Australia and has opened across a number of foreign markets, including the US.

In third position the first-ever official co-production with China (and Germany), *Children of the Silk Road*, grossed \$1.2 million. Rounding out the top five was *Unfinished Sky* and *Hey Hey It's Esther Blueburger* with \$1.0 million and \$0.8 million respectively.

Top five grossing Australian films in 2008

	Film	Release date	Distributor	Box office
1	Australia	26 November 2008	Fox	\$26.9m
2	The Black Balloon	6 March 2008	Icon	\$2.3m
3	Children of the Silk Road (Australia/China/Germany)	3 July 2008	Fox	\$1.2m
4	Unfinished Sky	19 June 2008	Palace	\$1.0m
5	Hey Hey It's Esther Blueburger	20 March 2008	Disney	\$0.8m

Source: MPDAA: figures are to 31/12/08 as reported on 8/1/09.

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 11/1/08.

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

US films took the largest share of the Australian box office in 2008, accounting for 84.2 per cent of receipts, an increase from 2007's figure of 77.7 per cent.² 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.³ UK films ranked second in terms of theatrical market share, taking 8.0 per cent of the Australian box office, down from 2007's 13.9 per cent.⁴ Australian films ranked third with 3.8 per cent.

¹ IMDbPro, 2 January 2009.

² 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.

³ 'Film Production and Distribution Profile', Screen Digest, July 2008, p.211.

⁴ 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.

Box office share in Australia by country of origin in 2008

Country of origin	Box o	office earned*	Fi	Ims screening*
	Total	Share	No.	Av. BO per film
US	\$795.9m	84.2%	213	\$3.7m
UK	\$75.3m	8.0%	29	\$2.6m
Australia	\$35.5m	3.8%	40	\$0.9m
France	\$16.6m	1.8%	29	\$0.6m
India	\$4.3m	0.5%	39	\$0.1m
Germany	\$4.9m	0.5%	5	\$1.0m
Canada	\$2.6m	0.3%	10	\$0.3m
Other (aggregate)	\$10.2m	1.1%	27	\$0.4m
All films	\$945.4m	100%	392	\$2.4m

Source: Screen Australia analysis of MPDAA data; figures are to 31/12/08 as reported on 8/1/09. * Includes a total of 89 films released pre-2008, mostly in 2007, and preview earnings for two films to be released in 2009.

The average box office per film for all titles released in Australia in 2008 was \$2.4 million. US films earned an average of \$3.7 million each, UK titles \$2.6 million and Australian films \$0.9 million.

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

The Dark Knight was ranked number one at the Australian box office in 2008 with \$45.8 million, over \$10 million more than the highest earning title in 2006, *Harry Potter and the Order of the Phoenix* (\$35.5 million).

In 2008, the top 50 films took \$657.5 million or 69.5 per cent of the total box office (compared to 69.9 per cent in 2007). Forty-six of the top 50 earners were US productions, of which five films were produced in partnership with other countries. There were two films from the UK and one from France. *Australia* was the only Australian title, ranked sixth overall.

The top 10 earning films grossed an average of \$27.9 million per title. Their combined earnings of \$279.2 million represent almost a third (29.5 per cent) of the total box office in 2008.

Top 10 titles at the Australian box office in 2008

	Title	Country of origin	2008 box office
1	The Dark Knight	US	\$45.8m
2	Mamma Mia!	UK/US	\$31.7m
3	Indiana Jones and the Kingdom of the Crystal Skull	US	\$29.3m
4	Quantum of Solace	US/UK	\$28.9m
5	Sex and the City	US	\$27.0m
6	Australia	Aust	\$26.9m
7	Kung Fu Panda	US	\$25.8m
8	I Am Legend	US	\$23.2m
9	Hancock	UK	\$20.6m
10	Iron Man	US	\$20.0m

Source: MPDAA: figures are to 31/12/08 as reported on 8/1/09.

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 2007 the average cost of

production for a major Hollywood studio film was US\$70.8 million (A\$100.5 million), plus an average marketing spend of US\$35.9 million (A\$60.0 million). Minor US studio films cost an average of US\$49.2 million (A\$69.8 million) in production costs and US\$25.7 million (A\$39.0 million) in marketing costs.⁵

The average production cost of a UK domestic feature in 2006/07 was GB \pm 2.5 million (A \pm 5.5 million),⁶ while the average production cost of an Australian feature in 2007/08 was \pm 6.5 million.⁷ These figures include co-productions.

The availability of screenings is also a factor when assessing performance. Only five Australian films released in 2008 (15.1 per cent) were showing on more than 70 screens at their widest point, just one title (*Australia*) was on more than 200 screens. By comparison, 106 US titles (67.1 per cent) were screened on more than 70 screens at their widest point, with 54 (34.2 per cent) showing on more than 200 screens.

Share of films by number of screens*										
Country of origin	<	10	10·	-29	30	-69	70-	-199	>2	200
	No.	%								
Australia	18	54.5%	4	12.1%	6	18.2%	4	12.1%	1	3.0%
US	16	10.1%	11	7.0%	25	15.8%	52	32.9%	54	34.2%
UK	4	16.7%	5	20.8%	4	16.7%	7	29.2%	4	16.7%
Other	39	45.3%	34	39.5%	11	12.8%	1	1.2%	1	1.2%
All screens	77	25.6%	54	17.9%	46	15.3%	64	21.3%	60	19.9%

Size of release by country of origin for films released in Australia in 2008

Source: Screen Australia analysis of MPDAA data; figures are to 31/12/08 as reported on 8/1/09. * 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 average) and those over 200 screens spend from \$800,000 to over \$3 million (\$1.8 million average).⁸

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 2003 to 2007 Australian films accounted for 7.7 per cent of all films released in the Australian market, and 3.4 per cent of box office, whereas UK films in the UK accounted for 19.8 per cent of titles and 23.8 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.

⁵ 2007 Theatrical Market Statistics, Motion Picture Association of America, p.7; US\$1 = A\$1.42.

⁶ Statistical Yearbook 2006/07, UK Film Council, chapter 15; GB£1 = A\$2.21.

⁷ National Survey of Feature Film and TV Drama Production 2007/08, Screen Australia.

⁸ Australian Film Commission estimates based on industry consultation.

Average number of domestic releases per year, domestic share of all releases and domestic share of total box office in selected countries, 2003–2007

Country	Average no. of domestic titles released per year	2003–2007 Average domestic share of titles released	Average domestic share of box office
Australia	24	7.7%	3.4%
Belgium	47	7.1%	3.8%
Canada	88	17.7%	4.1%
Czech Republic	21	10.3%	27.5%
Denmark	24	10.6%	24.1%
France	239	43.0%	38.5%
Germany	142	32.2%	20.5%
Hungary	24	11.9%	10.3%
Italy	105	26.9%	24.8%
Japan	355	48.9%	42.5%
South Korea	90	28.6%	53.8%
Spain	126	23.0%	14.9%
UK	95	19.8%	23.8%
US	391	67.3%	94.9%

Source: Screen Australia analysis of Screen Digest data.

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 Australian Film Commission analysed the top 1,000 DVD movie titles sold in 2007, ranked by sales value. The top 1,000 represents 64 per cent of the value from all movie titles sold, equivalent to \$434.6 million in retail sales. Australian movies in the top 1,000 achieved \$17.1 million in retail sales.⁹

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 2007, seven years after its original theatrical release, it was number 14 on the list of highest selling Australian movie titles on DVD.

What is happening in other markets around the world?

In 2008 there were mixed fortunes in box office performance across international territories. Early reports for the UK suggest an increase in earnings while Japan is expected to remain flat. Brazil, France and South Korea are all on the verge of falls.¹⁰

Of those countries that have already reported end-of-year earnings, increases were recorded in China (up 27 per cent),¹¹ Hong Kong (8 per cent),¹² and Germany (4 per cent),¹³ while a fall was seen in Italy (down 4 per cent).¹⁴ In the US, the estimated box office for 2008 was US\$9.6 billion, the same as the year before.¹⁵

⁹ AFC analysis of GfK Marketing Sell-through Video data.

¹⁰ 'In Focus: International box office', *Screen Daily*, 5 December 2008.

¹¹ 'China's box office up by 27% to \$617m in 2008', *Screen Daily*, 9 January 2009.

¹² 'Hong Kong box office up by 8% despite downturn', *Screen Daily*, 6 January 2009.

¹³ 'German 2008 box office up 3.5%, year on year, admissions up 1.57%', *Screen Daily*, 9 January 2009.

¹⁴ 'Italy 's box office dips 3.85% for 2008', *Screen Daily*, 9 January 2009.

¹⁵ 'Box office resists recession', *Variety*, 4 January 2009.

What Australian films were released in 2008?

32 Australian films were released in 2008: 22 features and 10 documentaries.

Film (in order of release)	Distributor	Date of Release
Night (documentary)	Dendy	7/2/08
Something in the Water (documentary)	WBMC	7/2/08
The Black Balloon	Icon	6/3/08
Death Defying Acts (Australia/UK)	Dendy	13/3/08
Hey Hey It's Esther Blueburger	Disney	20/3/08
Global Haywire (documentary)	Hopscotch	10/4/08
Black Water	A.I. Ent.	24/4/08
Broken Sun	Jacka Films	24/4/08
Cactus	Hoyts	1/5/08
Rats and Cats	Rats And Cats	15/5/08
Unfinished Sky	Palace	19/6/08
Hope (documentary)	GSF	19/6/08
Children of the Silk Road (Australia/China/Germany)	Fox	3/7/08
Ten Empty	Icon	3/7/08
Salute (documentary)	Paramount	17/7/08
The Square	Roadshow	31/7/08
Son of a Lion	GSF	21/8/08
Not Quite Hollywood (documentary)	Madman	28/8/08
The Tender Hook	Icon	18/9/08
Whaledreamers (documentary)	LA Ent.	18/9/08
Bitter & Twisted	AFS	18/9/08
Whatever Happened to Brenda Hean? (documentary)	GSF	9/10/08
Crooked Business	PIC	16/10/08
The View from Greenhaven	MNC	16/10/08
Lionel (documentary)	Siren	16/10/08
Celebrity: Dominick Dunne (documentary)	Film Art Media	23/10/08
Monkey Puzzle	Totem	23/10/08
Dying Breed	Hoyts	6/11/08
Newcastle	Icon	6/11/08
Men's Group	Titan View	6/11/08
Rock 'n' Roll Nerd (documentary)	Madman	13/11/08
Glass: A Portrait of Philip in Twelve Parts (documentary)	Sharmill	13/11/08
Australia	Fox	26/11/08

What are the upcoming Australian films?

Title	Genre	Cast	Producer	Director	Writer
\$9.99 (Australia/Israel)	Animation	Voices of Geoffrey Rush, Anthony LaPaglia, Joel Edgerton, Ben Mendelsohn, Claudia Karvan, Samuel Johnson, Barry Otto, Leeanna Walsman	Amir Harel, Emile Sherman	Tatia Rosenthal	Tatia Rosenthal, Etgar Keret
Accidents Happen	Drama	Geena Davis, Harrison Gilbertson, Joel Tobeck, Sebastian Gregory, Sarah Woods, Rebecca Massey, Erik Thomson	Anthony Anderson	Andrew Lancaster	Brian Carbee
Acolytes	Thriller	Joel Edgerton, Michael Dorman, Sebastian Gregory, Hanna Mangan-Lawrence, Josh Payne, Belinda McClory	Penny Wall, Richard Stewart	Jon Hewitt	Shane Krause, Shayne Armstrong, Jon Hewitt
Animal Kingdom	Drama	Guy Pearce, Luke Ford, Joel Edgerton, Ben Mendelsohn, Jacki Weaver	Liz Watts	David Michod	David Michod
Balibo	Drama	Anthony LaPaglia, Oscar Isaac, Gyton Grantley, Damon Gameau, Nathan Phillips, Mark Winter, Thomas Wright	John Maynard, Rebecca Williamson	Robert Connolly	Robert Connolly, David Williamson
Beautiful	Drama	Deborra-Lee Furness, Peta Wilson, Sebastian Gregory, Tahyna Tozzi, Socratis Otto	Kent Smith	Dean O'Flaherty	
The Beautiful and Damned	Erotic	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	Richard Wolstencroft	Richard Wolstencroft	Richard Wolstencroft
Beautiful Kate	Drama	Ben Mendelsohn, Bryan Brown, Rachel Griffiths, Maeve Dermody, Sophie Lowe	Leah Churchill- Brown, Bryan Brown	Rachel Ward	Rachel Ward
Blessed	Drama	Frances O'Connor, Miranda Otto, Deborra-Lee Furness, Victoria Haralabidou, Tasma Walton, William McInnes, Wayne Blair, Monica Maughan	Al Clark	Ana Kokkinos	Andrew Bovell, Melissa Reeves, Patricia Cornelius, Christos Tsiolkas
The Boys Are Back (Australia/UK)	Drama	Clive Owen, Emma Booth, Laura Fraser, George MacKay, Erik Thomson, Julia Blake, Chris Haywood, Emma Lung, Nicholas McAnulty	Timothy White, Greg Brenman	Scott Hicks	Alan Cubitt
Bran Nue Dae	Drama	Geoffrey Rush, Magda Szubanski, Tom Budge, Ernie Dingo, Deborah Mailman	Robyn Kershaw, Graeme Isaac	Rachel Perkins	Rachel Perkins, Reg Cribb
Bright Star (Australia/UK)	Drama	Abbie Cornish, Ben Whishaw, Paul Schneider, Kerry Fox	Jan Chapman, Caroline Hewitt	Jane Campion	Jane Campion

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Title	Genre	Cast	Producer	Director	Writer
Cedar Boys	Crime	Les Chantery, Rachael Taylor, Waddah Sari, Buddy Danoun, Martin Henderson, Daniel Amalm, Jake Wall	Jeff Purser, Ranko Markovic, Matthew Dabner	Serhat Caradee	Serhat Caradee
Charlie and Boots	Comedy	Paul Hogan, Shane Jacobsen	David Redman, Shana Levine, Dean Murphy	Dean Murphy	Stewart Faichney, Dean Murphy
Coffin Rock	Horror	Lisa Chappell, Robert Taylor, Sam Parsonson	David Lightfoot, Ayisha Davies	Rupert Glasson	Rupert Glasson
The Cup	Drama	Ray Winstone, Stephen Curry	Jan Bladier, David Lee, Lance Hool	Simon Wincer	Eric O'Keefe, Simon Wincer
Daybreakers	Horror	Ethan Hawke, Sam Neill, Claudia Karvan, Willem Dafoe	Chris Brown, Bryan Furst, Sean Furst	Michael Spierig, Peter Spierig	Michael Spierig, Peter Spierig
Dirt Music	Drama	Rachel Weisz, Colin Farrell	Miranda Culley, Phillip Noyce	Phillip Noyce	Justin Monjo, Pip Karmel
Disgrace	Drama	John Malkovich, Jessica Haines	Anna Maria Monticelli, Emile Sherman, Steve Jacobs	Steve Jacobs	Anna Maria Monticelli
Elise	Drama	Natalie Imbruglia, Daniel Frederiksen, Deborah Kennedy, Tony Martin, Danielle Catanzariti, Tiahn Mabarrack	Ben Grant, Kent Smith	James Bogle	James Bogle
Home	Thriller	Toby Wallace, Aden Young, Pip Miller, Hannah Mangan- Lawrence, Eamon Farren, Neil Pigot, Robert Menzies, Helmut Bakaitis	Kristian Moliere	Kriv Stenders	Andy Cox
How to Change in Nine Weeks	Crime	Kate Bell, Ruth Murphy, Guy Pearce, Miranda Otto, Sam Neill, Rebecca Gibney, Justine Clarke, Jack Finsterer	Tony Cavanaugh	Simone North	Simone North
I Wish I Were Stephanie V	Romance	Chloe Traicos, Jill Mckay, Clayton Watson, Nathan D Ramsay, Danielle Crane, Aimee Falzon, Kain O'Keefe, Bree Desborough	Laura Sivis	J D Cohen	Chloe Traicos
Knowing	Mystery	Nicolas Cage, Rose Byrne, Chandler Canterbury	Todd Black, Jason Blumenthal, Steve Tisch	Alex Proyas	Ryne Pearson, Richard Kelly, Juliet Snowden, Stiles White, Stuart Hazeldine, Alex Proyas
Last Man (Australia/UK)	Drama	Guy Pearce, David Wenham, Simon Baker, Martin Henderson, Joel Edgerton, Sam Worthington	Warwick Young, George Mannix, Martin Brown, Bill Chamberlain, Fred Schepisi	Fred Schepisi	Fred Schepisi, Graham Brammer, Chris Wheeler, Ian Barry
Last Ride	Drama	Hugo Weaving, Tom Russell, Anita Hegh, John Brumpton	Nicholas Cole, Antonia Barnard	Glendyn Ivin	Mac Gudgeon

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Title	Genre	Cast	Producer	Director	Writer
Love the Beast	Documentary	Eric Bana, Jay Leno, Jeremy Clarkson, Dr Phil McGraw	Eric Bana, Peter Hill, Matt Hill	Eric Bana	
The Loved Ones	Drama	Richard Wilson, Jesse Mcnamee, Victoria Thaine, John Brumpton	Mark Lazarus	Sean Byrne	
Mao's Last Dancer	Drama	Kyle McLachlan, Bruce Greenwood, Joan Chen, Jack Thompson, Aden Young, Amanda Schull, Shungbao Wang	Jane Scott, Geng Ling	Bruce Beresford	Jan Sardi
Mary & Max	Animation	Voices of Toni Collette, Philip Seymour Hoffman, Barry Humphries, Eric Bana	Melanie Coombs	Adam Elliot	Adam Elliot
My Year Without Sex	Romance	Matt Day, Sacha Horler, Katie Wall, Fred Whitlock	Bridget Ikin	Sarah Watt	Sarah Watt
Prime Mover	Drama	Emily Barclay, Michael Dorman, Ben Mendelsohn, William McInnes, Anthony Hayes	Vincent Sheehan	David Caesar	David Caesar
Salvation	Drama	Natalia Novakova, Bruce Myles, Wendy Hughes, Kim Gyngell, Alex Menglet, Richard Piper, Maggie Miles, Chris Haywood, Deidre Rubenstein, Loene Carmen, Barry Humphries, Terry Norris, Charles 'Bud' Tingwell, Monica Maughan, Tony Llewellyn- Jones, Rodney Afif	Paul Cox	Paul Cox	Paul Cox
Samson and Delilah	Epic	Rowan McNamara, Marissa Gibson, Mitjili Gibson, Scott Thornton	Kath Shelper	Warwick Thornton	Warwick Thornton
Subdivision	Comedy	Gary Sweet, Steve Bisley, Bruce Spence, Ashley Bradnam, Brooke Satchwell, Kris McQuade, Aaron Fa'Aoso, Kathryn Beck, John Batchelor, Andrea Moor	Trish Lake, Owen Johnston	Sue Brooks	Janice Bradnam, Ashley Bradnam, Terry McCann
To Hell and Back	Comedy	Luke Carroll, Leon Burchill, David Page, Valentino Del Toro	Ross Hutchens, Colin South	Richard Frankland	Richard Frankland
Two Fists One Heart	Drama	Daniel Amalm, Ennio Fantastichini, Jessica Marais, Rai Fazio, Paul Pantano, Louisa Mignone, Rosemarie Lenzo, Tim Minchin	David Elfick	Shawn Seet	Rai Fazio