

## Service bulletin

# Amusement and Recreation

2011



### Highlights

The amusement and recreation industry includes amusement parks and arcades, golf courses and country clubs, skiing facilities, fitness and recreational sports centres, as well as a combined group comprised of marinas, bowling centres, and all other amusement and recreation industries.

Amusement parks and arcades saw growth in the industry as companies invested in new attractions. Operating revenue increased by 11.6% to \$460.0 million in 2011 from \$412.3 in 2010. Operating expenditure rose by 5.9% to \$413.3 million in 2011, while salaries, wages and benefits increased by 10.8% to \$145.6 million. Operating profit margin increased from 5.3% in 2010 to 10.2% in 2011.

Wet spring weather, across the country, was a significant factor leading to decreases in revenues and expenses for the golf industry. Operating revenues decreased from \$2,501.7 million in 2010 to \$2,409.2 million in 2011 representing a decrease of 3.7%. Operating expenditure also decreased from \$2,459.5 million in 2010 to \$2,351.4 million in 2011, a 4.4% decrease. Operating profit margin increased from 1.7% in 2010 to 2.4% in 2011.

The 2011 ski season was one of the longest seasons on record. Operating revenues for the skiing industry increased from \$894.2 million in 2010 to \$967.1 million in 2011, an 8.2% increase. Operating expenses increased 9.8% from 2010 outpacing operating revenue which caused a drop in profit margin, from 6.2% in 2010 to 4.7% in 2011.

Operating revenue for fitness and recreational sport centres leveled out in 2011. Operational revenue of \$2.2 billion in 2011 was up 0.3% compared to a 9.1% increase in 2010. Operating expenses decreased by 1.3% to \$2.1 billion in 2011, while in 2010 operating expenses increased 9.3%. Slight growth in revenues combined with a reduction in expenses caused the profit margin to increase from 4.8% in 2010 to 6.3% in 2011.

All other amusement and recreation industries which include marinas, bowling centres, and all other amusement and recreation industries, experienced a slight increase in operating revenue by 0.4% to \$1.9 billion in 2011. Operating expenses increased by 2.4% to \$1.8 billion with a profit margin of 5.2%.

## Statistical tables

Table 1

## Summary statistics for the amusement and recreation industry, Canada, 2009 to 2011

	Operating revenues	Operating expenses	Salaries, wages and benefits	Operating profit margin
	millions of dollars			percent
<b>Amusement parks and arcades</b>				
2011 <sup>p</sup>	460.0	413.3	145.6	10.2
2010 <sup>r</sup>	412.3	390.3	131.4	5.3
2009	414.4	367.0	124.7	11.4
<b>Other amusement and recreation industries <sup>1</sup></b>				
2011 <sup>p</sup>	7,530.2	7,188.0	2,618.4	4.5
2010 <sup>r</sup>	7,536.5	7,197.3	2,636.3	4.5
2009	7,437.6	7,059.2	2,596.9	5.1
<b>Golf courses and country clubs</b>				
2011 <sup>p</sup>	2,409.2	2,351.4	907.0	2.4
2010 <sup>r</sup>	2,501.7	2,459.5	958.9	1.7
2009	2,486.2	2,401.8	944.9	3.4
<b>Skiing facilities</b>				
2011 <sup>p</sup>	967.1	921.6	345.2	4.7
2010 <sup>r</sup>	894.2	839.1	319.8	6.2
2009	934.7	876.8	338.6	6.2
<b>Fitness facilities and recreational sports centres</b>				
2011 <sup>p</sup>	2,216.1	2,077.4	856.8	6.3
2010 <sup>r</sup>	2,209.8	2,104.7	868.5	4.8
2009	2,024.7	1,925.1	799.8	4.9
<b>All other amusement and recreation industries <sup>2</sup></b>				
2011 <sup>p</sup>	1,937.8	1,837.5	509.4	5.2
2010 <sup>r</sup>	1,930.8	1,794.0	489.1	7.1
2009	1,992.0	1,855.4	513.5	6.9

1. Other amusement and recreation industries combine golf courses and country clubs, skiing facilities, fitness facilities and recreational sports centres and all other amusement and recreation industries.

2. All other amusement and recreation industries combine the North American Industry Classification System (NAICS 713930, 713950 and 713990).

**Note(s):** The results in this table are for firms classified under the North American Industry Classification System (NAICS) categories 7131 and 7139. See "Data sources, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total.

**Table 2**  
**Operating expenses for amusement and recreation, Canada, 2011**

	Amusement parks and arcades	Other amusement and recreation industries <sup>1</sup>	Golf courses and country clubs	Skiing facilities	Fitness facilities and recreational sports centres	All other amusement and recreation industries <sup>2</sup>
	percent					
<b>Industry expenditures</b>						
Salaries, wages and benefits	35.9	37.1	38.9	37.8	42.4	28.3
Commissions paid to non-employees	F	F	F	F	F	F
Professional and business services fees	2.0	2.3	1.5	1.2	3.1	2.9
Subcontract expenses	F	1.4	F	F	2.2	1.9
Charges for services provided by head offices	F	F	x	x	F	F
Cost of goods sold	13.0	13.0	14.8	12.0	4.6	20.7
Office supplies	1.9	1.9	2.2	F	1.8	2.0
Rental and leasing	8.9	7.2	2.7	3.6	12.8	8.3
Repair and maintenance	6.6	9.6	11.1	9.9	7.8	9.5
Insurance	1.8	1.3	1.2	1.4	F	1.9
Advertising, marketing and promotions	5.7	2.1	1.3	2.5	2.9	2.0
Travel, meals and entertainment	F	F	F	F	F	F
Utilities and telecommunications	3.4	3.9	3.0	4.0	4.8	3.8
Property and business taxes, licenses and permits	2.5	1.6	2.1	1.3	F	1.9
Royalties, rights, licensing and franchise fees	F	F	F	F	F	F
Delivery, warehousing, postage and courier	x	F	x	x	x	x
Financial services fees	F	F	F	F	1.2	F
Amortization and depreciation of tangible and intangible assets	10.3	8.1	10.0	11.0	7.0	5.7
Bad debts	x	F	x	x	x	x
All other expenses	4.2	7.2	8.4	8.7	5.4	7.2
<b>Total operating expenses <sup>3</sup></b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

1. Other amusement and recreation industries combine golf courses and country clubs, skiing facilities, fitness facilities and recreational sports centres and all other amusement and recreation industries.

2. All other amusement and recreation industries combine the North American Industry Classification System (NAICS) codes 713930, 713950 and 713990.

3. Total operating expenses exclude write-offs, capital losses, extraordinary losses, interest on borrowing, and other non-recurring items.

**Note(s):** The results in this table are for firms classified under the North American Industry Classification System (NAICS) categories 7112, 7113, 7114 and 7115. See "Data sources, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total. Data presented in this table are from the surveyed portion only. The survey portion excludes the smallest firms in terms of revenues earned. These firms account for a relatively small portion of total industry revenues and are not included in the estimates of this table.

## Data sources, definitions and methodology

### Description

This annual sample survey collects data required to produce economic statistics for the Amusement and Recreation industry in Canada.

Data collected from businesses are aggregated with information from other sources to produce official estimates of national and provincial economic production for this industry.

Survey estimates are made available to businesses, governments, investors, associations, and the public. The data are used to monitor industry growth, measure performance, and make comparisons to other data sources to better understand this industry.

### Target population

The target population consists of all establishments classified to the amusement and recreation subsector 713 (NAICS 7131, 713910, 713920, 713930, 713940, 713950, 713990) according to the North American Industry Classification System (NAICS) during the reference year. This subsector comprises establishments primarily engaged in amusement and recreation.

## Sampling

This is a sample survey with a cross-sectional design.

The frame is the list of establishments from which the portion eligible for sampling is determined and the sample is taken. The frame provides basic information about each firm including address, industry classification, and information from administrative data sources. The frame is maintained by Statistics Canada's Business Register Division and is updated using administrative data.

The basic objective of the survey is to produce estimates for the whole industry — incorporated and unincorporated businesses. The data come from two different sources: a sample of all businesses with revenue above or equal to a certain threshold (note: the threshold varies between surveys and sometimes between industries and provinces in the same survey) for which either survey or administrative data may be used; and administrative data only for businesses with revenue below the specified threshold. It should be noted that only financial information is available from businesses below the threshold; e.g., revenue, and expenses such as depreciation and salaries, wages and benefits. Detailed characteristics are collected only for surveyed establishments.

Prior to the selection of a random sample, establishments are classified into homogeneous groups (i.e., groups with the same NAICS codes and same geography). Quality requirements are targeted, and then each group is divided into sub-groups called strata: take-all, must-take, and take-some.

The take-all stratum represents the largest firms in terms of performance (based on revenue) in an industry. The must-take stratum is comprised of units selected based on complex structural characteristics (multi-establishment, multi-legal, multi-NAICS, or multi-province enterprises). All take-all and must-take firms are selected to the sample. Units in the take-some strata are subject to simple random sampling.

The effective sample size for reference year 2011 was 1,375 collection entities.

## Definitions

**Operating revenue** excludes investment income, capital gains, extraordinary gains and other non-recurring items.

**Operating expenses** exclude write-offs, capital losses, extraordinary losses, interest on borrowing, and other non-recurring items.

**Operating profit margin** is derived as follows: operating revenue minus operating expenses, expressed as a percentage of operating revenue. The derived figure excludes corporation income tax paid by incorporated businesses and individual income tax paid by unincorporated businesses. For unincorporated businesses, operating profit margin includes unpaid remuneration to partners and proprietors, which is not recorded as salaries, wages and benefits. Therefore the profit estimate will be higher in industries where unincorporated proprietorships and partnerships are significant contributors.

**Salaries, wages and benefits** include vacation pay and commissions for all employees for whom a T4 slip was completed. This category also includes the employer portion of employee benefits for items such as Canada/Quebec Pension Plan or Employment Insurance premiums. Salaries and wages do not include working owners' dividends nor do they include the remuneration of owners of unincorporated business. Therefore the relative level of salaries, wages and benefits will be lower in industries where unincorporated businesses are significant contributors.

An active **statistical establishment** is one production entity or the smallest grouping of production entities which produces as homogeneous a set of goods and/or services as possible; which does not cross provincial boundaries; and for which records provide data on the value of output together with the cost of principal intermediate inputs used and cost and quantity of labour resources used to produce the output.

### Quality evaluation

Prior to dissemination, combined survey results are analyzed for overall quality; in general, this includes a detailed review of individual responses (especially for the largest companies), an assessment of the general economic conditions portrayed by the data, historic trends, and comparisons with other data sources.

### Disclosure control

Statistics Canada is prohibited by law from releasing any data which would divulge information obtained under the Statistics Act that relates to any identifiable person, business or organization without the prior knowledge or the consent in writing of that person, business or organization. Various confidentiality rules are applied to all data that are released or published to prevent the publication or disclosure of any information deemed confidential. If necessary, data are suppressed to prevent direct or residual disclosure of identifiable data.

### Data accuracy

Of the units contributing to the estimate, the weighted response rate was 83.4%. CVs were calculated for each estimate and are available upon request.

### Related products

#### Selected CANSIM tables from Statistics Canada

361-0015	Amusement and recreation, summary statistics, by North American Industry Classification System (NAICS), annual (dollars unless otherwise noted) (24 series)
361-0021	Amusement and recreation, operating expenses, by North American Industry Classification System (NAICS), annual (percent) (126 series)

### Survey(s)

Definitions, data sources and methods: survey number 2425 - Annual Survey of Service Industries: Amusement and Recreation

Release date: January 2013

### Symbols

The following standard symbols are used in Statistics Canada publications:

.	not available for any reference period
..	not available for a specific reference period
...	not applicable
0	true zero or a value rounded to zero
0 <sup>s</sup>	value rounded to 0 (zero) where there is a meaningful distinction between true zero and the value that was rounded
P	preliminary
r	revised
x	suppressed to meet the confidentiality requirements of the <i>Statistics Act</i>
E	use with caution
F	too unreliable to be published
*	significantly different from reference category ( $p < 0.05$ )

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