## Service bulletin

## Amusement and Recreation

## 2006



## Highlights

- Of all amusement and recreation industries, golf courses and country clubs recorded the largest increase in operating revenues in 2006, according to new estimates from the Survey of Service Industries: Amusement and Recreation.
- Operating revenues at golf courses and country clubs climbed $5.8 \%$ in 2006 and accounted for one-third of the $\$ 7.1$ billion in operating revenues generated by businesses classified to amusement and recreation industries.
- These results are from a new data series that covers golf courses and country clubs, skiing facilities, fitness and recreational sports centres, amusement parks and arcades and all other amusement and recreational industries, excluding gambling.
- Fitness and recreational sports centres generated about $\$ 1.7$ billion in operating revenues, up $5.2 \%$, while skiing facilities reported operating revenues of about $\$ 0.9$ billion, an increase of $4.5 \%$.
- Amusement parks and arcades industry recorded the largest operating profit margin (10.8\%).
- Skiing facilities were a close second with a margin of $10.6 \%$, followed by the all other amusement and recreation industries group ( $6.1 \%$ ) and the golf courses and country clubs industry (4.9\%). In comparison to 2005, operating profit margins remained relatively stable for these industries.

Note: The Annual Survey of Arts, Entertainment and Recreation Services formerly covered activities related to amusement and recreation and spectator sports, event promoters, agents, artists and related industries. Beginning with the reference year 2006, these industries were split into two new surveys: the Annual Survey of Service Industries: Amusement and Recreation and the Annual Survey of Service Industries: Spectator Sports, Event Promoters, Artists and Related Industries.

Statistics

## Statistical tables

## Table 1

Summary statistics for amusement and recreation, Canada, 2006

|  | $2006^{p}$ |
| :--- | ---: |
|  | millions |
| Operating revenues | $7,124.9$ |
| Operating expenses | $6,726.8$ |
| Salaries, wages and benefits 1 | $2,321.6$ |
| Operating profit margin (percent) | 5.6 |

1. Commissions paid to non-employees are not included.

Note(s): According to the North American Industry Classification System (NAICS 7131 and 7139). See "Data sources, definitions and methodology" at the end of tables for definition of terms. The smallest firms, in terms of revenues earned, are not included in the estimates. These firms account for a relatively small portion of total industry revenues.

Table 2
Distribution of total revenue by type of service for amusement and recreation, Canada, 2006

|  | $2006^{p}$ |
| :--- | ---: |
|  | percent |
| Sales of goods and services | 96.3 |
| Grants, subsidies, donations and fundraising | 0.9 |
| Royalties, rights, licensing and franchise fees | 0.1 |
| Investment income (dividends and interest) | 1.5 |
| Other revenue | 1.2 |

Note(s): According to the North American Industry Classification System (NAICS 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. The smallest firms, in terms of revenues earned, are not included in the estimates. These firms account for a relatively small portion of total industry revenues.

Table 3
Expenditures as a percentage of operating revenue for amusement and recreation, Canada, 2006

|  | $2006{ }^{\mathrm{p}}$ |
| :--- | ---: |
|  |  |
|  |  |
| Cost of goods sold 1 |  |
| Salaries, wages and benefits 2 | 13.2 |
| Rental and leasing expenses 3 | 33.5 |
| Repair and maintenance 4 | 5.8 |
| Advertising | 7.5 |
| Depreciation | 2.2 |
| Occupancy expense | 7.6 |
| All other expenses 5 |  |
| Total operating expenses | $24 .{ }^{2}$ |

1. Includes only purchases (or transfers) of all goods for resale and excludes opening and closing inventories.
2. Commissions paid to non-employees are included in other operating expenses.
3. Includes rental of premises, equipment, motor vehicles, etc.
4. Repair and maintenance includes property, equipment and vehicles.
5. All other expenses include commission paid to non-employees, professional and business service fees, charges for services provided by the head office, office supplies, insurance, travel, meals and entertainment, utilities, telephone and other telecommunication expenses, property and business taxes, licences and permits, royalties, rights and licensing and franchise fees, delivery, warehousing, postage and courier services, financial service fees, interest expenses, charitable donations and bad debts.
Note(s): According to the North American Industry Classification System (NAICS 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. The smallest firms, in terms of revenues earned, are not included in the estimates. These firms account for a relatively small portion of total industry revenues.

## Data sources, definitions and methodology

## Description

This annual sample survey collects the financial and operating data needed to produce statistics on the amusement and recreation industry in Canada. The survey also collects detailed information on the characteristics of the businesses, such as type of revenue and type of client.

These data are aggregated with information from other sources to produce official estimates of the national and provincial economic production of the amusement and recreation industry industry in Canada. The results from this survey provide data to businesses, governments, investors, and associations. These data allow these groups to monitor the growth of the industry, measure performance, allow comparison across similar businesses and to better understand this industry to react to trends and patterns.

## Target population

The target population consists of all establishments classified to the amusement and recreation industry (NAICS 7131, 713910, 713920, 713930, 713940, 713950, 713990) according to the North American Industry Classification System (NAICS) during the reference year. This industry 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 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 2006 was 1,463 collection entities.

## Definitions

Estimates for the most recent year are preliminary. Preliminary data are subject to revision.
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/Québec 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.

## Quality evaluation

Prior to dissemination, combined survey results are analyzed for comparability; in general, this includes a detailed review of individual responses (especially for the largest companies), general economic conditions, 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 $61.4 \%$. CVs were calculated for each estimate and are available upon request.

## Related products

## CANSIM

Available on CANSIM: table 361-0015 - Amusement and recreation, summary statistics, by North American Industry Classification System (NAICS), annual (dollars unless otherwise noted) (24 series)

## Survey(s)

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

## Publications

Service Industries Newsletter, Catalogue no. 63-018-X.
Analytical paper series - Service Industries Division, Catalogue no. 63F0002X.

Amusement and Recreation

## Release date: November 2008

## 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
true zero or a value rounded to zero
value rounded to 0 (zero) where there is a meaningful distinction between true zero and the value that was rounded
preliminary
revised
suppressed to meet the confidentiality requirements of the Statistics Act
use with caution
too unreliable to be published
```


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