

Service bulletin

Film, Television and Video Post-production



2009

Highlights

- Profit margins in the film, television and video post-production industry in Canada rose to 6.7% in 2009 from 3.5% in 2008. For 2009, operating revenue increased by 7.3% over 2008 (\$843.8 million from \$786.0 million) while operating expenses rose by only 3.8% (\$787.2 million from \$758.6 million) over the same period.
- As in 2008, the cost of goods sold was the largest operating expense for this industry in 2009 at 38%, followed closely by salaries, wages and benefits at 37%.
- The cost of salaries, wages and benefits rose by almost 13% to \$288.6 million in 2009 from \$257.7 million in 2008.
- The vast majority of operating revenues for this industry in 2009 are accounted for by firms in three provinces, as was the case in 2008, with Ontario leading at 51%, followed by Quebec at 34% and British Columbia with 12%.

Note: The film, television and video post-production industry consists of establishments primarily engaged in providing post-production services to the motion picture and video industry. It includes specialized motion picture or video post-production services such as editing, film/tape transferring, subtitling, creating credits, closed captioning, and producing computer graphics, animation and special effects, as well as developing and processing motion picture films.

Data for the 2009 film, television, and video post-production industry should not be compared with data published prior to 2005, as significant changes were made to the survey.

Statistical tables

Table 1

Summary statistics for the film, television and video post-production industry, by province, 2007 to 2009

	Operating revenue	Salaries, wages and benefits	Operating expenses	Operating profit margin	Statistical establishments
	thousands of dollars			percent	number
2009 p					
Newfoundland and Labrador	x	x	x	x	x
Prince Edward Island	x	x	x	x	x
Nova Scotia	8,690	3,120	6,551	24.6	18
New Brunswick	x	x	x	x	x
Quebec	286,998	91,384	266,305	7.2	216
Ontario	431,148	134,768	406,133	5.8	442
Manitoba	x	x	x	x	x
Saskatchewan	2,118	684	1,910	9.8	10
Alberta	10,169	3,492	9,453	7.0	38
British Columbia	99,055	51,399	91,527	7.6	191
Territories ¹	..	..	..	..	..
Canada	843,751	288,593	787,224	6.7	930
2008					
Newfoundland and Labrador	x	x	x	x	x
Prince Edward Island	x	x	x	x	x
Nova Scotia	7,532	3,870	6,286	16.5	19
New Brunswick	x	x	x	x	x
Quebec	271,961	76,683	270,285	0.6	207
Ontario	397,357	120,148	377,767	4.9	446
Manitoba	x	x	x	x	x
Saskatchewan	3,050	1,230	2,908	4.6	10
Alberta	12,032	4,068	10,539	12.4	34
British Columbia	87,853	47,865	84,752	3.5	163
Territories ¹	..	..	..	..	..
Canada	786,041	257,662	758,567	3.5	893
2007 r					
Newfoundland and Labrador	x	x	x	x	x
Prince Edward Island	x	x	x	x	x
Nova Scotia	2,395	781	1,685	29.6	19
New Brunswick	x	x	x	x	x
Quebec	323,231	77,624	299,283	7.4	260
Ontario	391,842	115,136	347,328	11.4	389
Manitoba	511	130	430	15.9	12
Saskatchewan	2,589	1,156	2,291	11.5	13
Alberta	8,254	3,551	7,223	12.5	29
British Columbia	90,724	41,034	92,746	-2.2	217
Yukon	x	x	x	x	x
Northwest Territories	x	x	x	x	x
Nunavut	..	..	..	..	..
Canada	820,427	239,594	751,876	8.4	948

1. Territories includes: Yukon, Northwest Territories and Nunavut.

Note(s): Due to rounding, components may not add to total. Based on the North American Industry Classification System (NAICS) and includes all establishments classified to 512190 (film, television and video post-production).

Table 2
Operating expenses for the film, television and video post-production industry, Canada, 2007, 2008 and 2009

	2009	2008	2007
	percent		
Industry expenditures			
Salaries, wages and benefits	36.7	34.3	32.1
Commissions paid to non-employees	x	x	x
Professional and business services fees	1.3	1.0	1.9
Subcontract expenses	3.4	3.9	2.9
Charges for services provided by Head Office	x	F	F
Cost of goods sold	37.8	41.1	45.0
Office supplies	F	F	F
Rental and leasing	2.6	2.6	2.5
Repair and maintenance	1.8	1.3	1.9
Insurance	F	F	F
Advertising, marketing and promotions	F	F	F
Travel, meals and entertainment	F	1.0	1.2
Utilities and telecommunications expenses	1.2	1.2	1.0
Property and business taxes, licences and permits	x	x	x
Royalties, rights, licensing and franchise fees	x	x	x
Delivery, warehousing, postage and courier	x	x	x
Financial services fees	1.3	x	x
Amortization and depreciation of tangible and intangible assets	6.5	5.3	5.4
Bad debts	x	x	x
All other expenses	3.1	3.6	2.9
Total operating expenses ¹	100.0	100.0	100.0

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

Note(s): Due to rounding, components may not add to total. Based on the North American Industry Classification System (NAICS) and includes all establishments classified to 512190 (film, television and video post-production). Estimates for the most recent year are preliminary. Preliminary data are subject to revision. Due to rounding, components may not add to total (where applicable). The smallest firms, in terms of revenues earned, are not included in these 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 Film, Television and Video Post-production industry in Canada. Commencing with reference year 2006 and every two years thereafter, 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 Film, Television and Video Post-production 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 film, television and video post-production industry (NAICS 512190) according to the North American Industry Classification System (NAICS) during the reference year. This industry comprises establishments primarily engaged in providing post-production services and services to the motion picture and video industries, including specialized motion picture or video post-production services, such as editing, film/tape transferring, dubbing, subtitling, creating credits, closed captioning, and producing computer graphics, animation and special effects, as well as developing and processing motion picture films.

Sampling

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

The survey design was based on probability sampling and only covered the portion of the frame subject to direct data collection.

The basic objective of the survey is to produce estimates for the whole industry for 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 and administrative data for businesses with revenue below the threshold, which are excluded from sampling. The excluded portion represents a substantial proportion of the industry in terms of number of establishments, but its contribution to the overall industry revenue is only about 5%. It should be noted that for this excluded portion, only certain financial information is obtained from administrative sources; e.g., total revenue, expenses such as depreciation and salaries, wages and benefits. Characteristics such as detailed revenue by type of service and employment are collected only for surveyed establishments. (Note: the threshold varies between industries and between provinces in the same survey.)

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 other administrative information. The frame is referred to as the Business Register and is updated regularly using administrative data.

Prior to the selection of a random sample, establishments are classified into homogeneous groups (i.e., groups with the same industry, same geography (province/territory)). 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 on the basis of complex structure characteristics (multi-establishment, multi-legal, multi-NAICS, or multi-province enterprises), as well as selected establishments

whose particular industry characteristics make it essential that they be included. All take-all and must-take firms are selected to the sample. Units in the take-some strata are subject to simple random sampling.

Finally, the sample size is inflated to compensate for firms that are found to no longer belong in the industry, such as those that have gone out of business, changed their primary business activity, are inactive, or are duplicates on the frame. The effective sample size for reference year 2009 was 210 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.

Data quality

While considerable effort is made to ensure high standards throughout all stages of collection and processing, the resulting estimates are inevitably subject to a certain degree of error. These errors can be broken down into two major types: non-sampling and sampling.

Non-sampling error is not related to sampling and may occur for many reasons. For example, non-response is an important source of non-sampling error. Population coverage, differences in the interpretation of questions, incorrect information from respondents, and mistakes in recording, coding and processing data are other examples of non-sampling errors.

Sampling error occurs because population estimates are derived from a sample of the population rather than the entire population. Sampling error depends on factors such as sample size, sampling design, and the method of estimation. An important property of probability sampling is that sampling error can be computed from the sample itself by using a statistical measure called the coefficient of variation (CV). The assumption is that over repeated surveys, the relative difference between a sample estimate and the estimate that would have been obtained from an enumeration of all units in the universe would be less than twice the CV, 95 times out of 100. The range of acceptable data values yielded by a sample is called a confidence interval. Confidence intervals can be constructed around the estimate using the CV. First, we calculate the standard error by multiplying the sample estimate by the CV. The sample estimate plus or minus twice the standard error is then referred to as a 95% confidence interval.

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 that 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 76.5%. CVs were calculated for each estimate and are available upon request.

Related products

CANSIM

Available on CANSIM:

table 361-0011 - Film, television and video post-production, summary statistics, by North American Industry Classification System (NAICS), annual (dollars unless otherwise noted) (52 series).

table 361-0025 - Film, television and video post-production, operating expenses, by North American Industry Classification System (NAICS), annual (percent)

Survey(s)

Definitions, data sources and methods: survey number : 2415 - Annual Survey of Service Industries: Film, television and video post-production.

Publications

Service Industries Newsletter, Catalogue no. 63-018-X.

Guide to Culture Statistics, Catalogue no. 87-008-GIE.

Analytical paper series - Services Industries Division, Catalogue no. 63F0002X.

Release date: January 2011

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 ^s	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

To access this product

This product, Catalogue no. 87-009-X, is available free in electronic format. To obtain a single issue, visit our website at www.statcan.gc.ca and browse by "Key resource" > "Publications."

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