

Service bulletin

Film, Television and Video Post-production

2007



Highlights

- Canada's film, television and video post-production industry posted higher profit margins in 2007. Most of this increase came from a reduction in operating expenses as operating revenue remained relatively flat.
- The industry reported total operating revenues of \$820 million, virtually unchanged from 2006. However, firms managed to reduce their total operating expenses by 2.2% to \$752 million. This helped push profit margins to 8.4% in 2007, up from 6.5% the previous year.
- The cost of goods sold accounted for the largest operating expense at 44.0%, followed by salaries, wages and benefits at 31.9%.
- Ontario firms accounted for 47.8% of total operating revenues in 2007, followed by Quebec firms at 39.4%, and British Columbia firms at 11.1%. Firms in British Columbia posted an operating loss of 2.2%.

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 2007 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 and territory, 2005 to 2007

	Total operating revenue			Salaries, wages and benefits			Total operating expenses			Operating profit margin		
	2007	2006	2005	2007	2006	2005	2007	2006	2005	2007	2006	2005
	thousands of dollars									percent		
Newfoundland and Labrador	x	x	x	x	x	x	x	x	x	x	x	x
Prince Edward Island	x	x	x	x	x	x	x	x	x	x	x	x
Nova Scotia	2,394	2,456	3,030	780	988	1,212	1,684	1,788	2,225	29.6	27.2	26.6
New Brunswick	x	x	135	x	x	25	x	x	90	x	x	32.8
Quebec	323,231	317,592	324,723	77,623	70,252	64,257	299,283	295,987	306,186	7.4	6.8	5.7
Ontario	391,842	400,878	429,550	115,135	90,017	87,212	347,327	376,745	404,577	11.4	6.0	5.8
Manitoba	511	97	79	129	54	28	430	106	94	15.9	-9.1	-19.5
Saskatchewan	2,589	2,353	2,681	1,155	1,291	987	2,290	2,320	2,447	11.5	1.4	8.7
Alberta	8,253	8,989	4,894	3,550	3,171	1,397	7,222	8,035	4,386	12.5	10.6	10.4
British Columbia	90,723	89,530	73,154	41,304	35,283	30,389	92,746	83,863	69,590	-2.2	6.3	4.9
Yukon	x	x	...	x	x	...	x	x	...	x	x	...
Northwest Territories	x	x	x	x	x	x	x	x	x	x	x	x
Nunavut	...	...	...	...	...	...	...	...	...	...	...	...
Canada	820,426	822,230	838,393	239,594	201,154	185,562	751,876	769,171	789,751	8.4	6.5	5.8

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).

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. The survey also collects detailed information on the characteristics of the businesses, such as type of revenue and type of client. 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 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 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 2007 was 43 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.

For this survey, the CVs are excellent (less than 5%) for operating revenue and operating expenses and wages, salaries and benefits of employees variables.

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 59.2%. 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).

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: February 2009

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

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Frequency: Irregular / ISSN 1916-5285

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