

2019  
Jurisdictional Scan: Annual Revenue Forecasting

**Does your jurisdiction use specific forecasting tools taking into account external factors like weather, economic trends, population growth, etc.?  
Do you use previous year's revenue or average of previous years?**

JURISDICTION	REPLIED	YES/NO	CONTACT NAME
B.C PARKS	X		
ALBERTA PARKS	Inquiring Jurisdiction		<a href="#">Scott Jones</a>

Original Email:

Alberta Parks is interested in knowing what processes are used across the country in determining annual revenue forecasting for the upcoming budget year. Do you use specific forecasting tools taking into account external factors like weather, economic trends, population growth etc. Do you use previous year's revenue or averages of previous years? Something else?

We'll compile all the info that we receive and distribute it back out.

Please send a contact for us to follow-up with and/or your responses to Caroline Crell (cc'd) by November 29th.

SASKATCHEWAN PARKS	✓	NO/YES	Bruce McCannel
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COMMENTS:

We base our budget forecasts largely off of **past year actuals** then make **adjustments for changes to fees or programming**. We incorporate **three year averages** for some revenue items when past year actuals include variations not expected to continue. We consider factors like weather events or economic trends more so on reviewing past years, part of determining whether or not the past year actuals are appropriate to use or to use three year actuals. We do not use population growth or other external factors to forecast out year revenue though I would like to be able to.

MANITOBA PARKS	✓	NO/NO	J.P Perreault
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COMMENTS:

Manitoba **does not use tools** when forecasting revenue for budget preparation. We only consider adjustments in revenue when there are changes to fees.

ONTARIO PARKS	✓	NO/YES	Michael Magnus
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COMMENTS:

Ontario Parks uses **three year average** and well as approved multi-year fee increases to forecast revenue for the up-coming budget year. We hope to get more sophisticated as our new reservation and registration service is now up and running.

SEPAQ (QUEBEC)	<input checked="" type="checkbox"/>	YES/YES	Anne Bourget
<p>COMMENTS:  <b>(Français)</b>  Auxquels on ajoute ou enlève :  - L'indexation, en fonction de la tarification approuvée pour l'année N sans aucune variation de volume, mais en incluant les refontes de tarification;  - La croissance organique prévue, en fonction de l'historique des trois dernières années pour la demande, les taux d'occupation et les revenus, des tendances du marché et de l'offre résiduelle.  - La croissance prévue due à de nouvelles infrastructures, services ou activités de l'année N;  - La croissance prévue due à l'ouverture ou la disponibilité sur une année complète de nouvelles infrastructures, services ou activités de l'année N-1 qui étaient ouverts ou disponibles une portion de l'année seulement en N-1;  - Les autres mouvements dans l'ouverture ou la disponibilité des infrastructures, services ou activités (exemple : fermeture pour des travaux, démolition d'une infrastructure, abandon d'un service ou d'une activité...);  - Les événements spéciaux mesurables qui ont influencé l'année N-1 et qui ne se reproduiront plus dans l'année N (exemple : Contrainte météorologique inhabituelle, bris important non récurrent, grève, contexte social...).  = Projection pour l'année N.</p> <p><b>(English)</b>  "To which we add or remove:  - Indexing, according to the approved pricing for year N without any change in volume, but including pricing redesigns;  - The expected organic growth, based on the <b>history of the last three years</b> for demand, occupancy rates and revenues, market trends and residual supply.  - The <b>expected growth due to new infrastructures, services or activities</b> in year N;  - The expected growth due to the opening or availability over a full year of new infrastructures, services or activities of year N-1 which were open or available a portion of the year only in N-1;  - Other movements in the opening or availability of infrastructure, services or activities (example: closure for works, demolition of an infrastructure, abandonment of a service or activity ...);  - The <b>measurable special events</b> which influenced the year N-1 and which will not happen again in the year N (example: Unusual weather constraint, significant non-recurring breakage, strike, social context ...).  = Projection for year N.</p>			
NEWFOUNDLAND & LABRADOR PARKS	<input checked="" type="checkbox"/>	NO/YES	Sian French
<p>COMMENTS:  We just use <b>previous year's</b> revenue. All revenue here goes directly to consolidated general revenue.</p>			
NOVA SCOTIA PARKS	<input checked="" type="checkbox"/>	NO/YES	Matt Parker
COMMENTS:			

As a rule of thumb, we forecast our revenue by taking the **previous three-year avg trend** (up or down) and applying it to the forecast. For example, if the avg growth has been 5% over the last three years we will use previous years revenue plus 5% as our forecast. In addition to this, our finance person and myself have a discussion to ensure we are considering any external factors. For example, next year Parks Canada is closing approximately 300 front country campsites for redevelopment in Nova Scotia, we anticipate our growth to be more next year and declining a bit the next year. This is factored into our forecast.

<b>PARKS NEW BRUNSWICK</b>	X		
<b>P.E.I PARKS</b>	✓	NO/YES	Shane Arbig
<p>COMMENTS: In PEI we use the <b>previous years</b> revenue to forecast the coming fiscal. We do take into account weather and will look back a few years to determine a number if we have had an usually poor weather season. Hope this helps. Anything else let me know. Thanks.</p>			
<b>GOVERNMENT OF NORTHWEST TERRITORIES PARKS</b>	X		
<b>NUNAVUT PARKS</b>	X		
<b>YUKON PARKS</b>	✓	NO/YES	
<p>COMMENTS: Yukon uses a <b>persistence forecast</b>- they predict revenue based on the same values as the previous year and adjust their fees accordingly in line with expenditures. Target for recovery is 20% but currently they achieve about 10%.</p>			
<b>PARKS CANADA</b>	✓	YES/YES	Michael Nadler
<p>COMMENTS: We do <b>both</b>. We have a formal revenue forecast that we develop with our Chief Financial Officer that allows us to populate business unit budgets each April. This forecast is based largely on the <b>previous year's revenues</b> for each business unit. However, we also have a small group that does <b>visitation forecasting</b>. We could walk you through our model, but it does take into account variables like weather and economic trends. We can estimate possible increases in visitation from this, and so make estimates on revenues. However, we are finding right now that our visitors are spending more per visit than in the past, so something is happening that our models don't perfectly capture.</p>			

**Response Rate:** 9/13 for **69%**

**Key Findings:**

- It is most common to forecast a budget based on either the previous years revenues or on the average of the past three years revenues. Each was reported with equal frequency. Saskatchewan parks normally rely on the past year model,

incorporating the three year model when the past year included items that were specific to that year.

- It is uncommon to use tools such as weather forecasting and economic trends in budget forecasting, however there is an interest in these more sophisticated models.
- Sepaq also uses anticipated growth of infrastructure and services to help budget their forecast.
- Weather and other influencers can be used to understand past years revenues to better forecast future budgets

**Future Questions to Ask:**

- Some jurisdictions seem to have better access to/more thoroughly developed tools for forecasting their budgets. Can these be shared with other jurisdictions to use at their discretion? What tools are most efficient in which jurisdictions?
- Is there a forecasting tool that would be most effective for all jurisdictions? What is the experience of each jurisdiction with their current budget forecasting procedure?

**Links to Resources:**

- [Original Summary from Alberta Parks](#)