



2006 Survey of Service Industries: Engineering

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Reporting Guide

This guide is designed to assist you as you complete the 2006 Survey of Service Industries. If you need more information, please call the Statistics Canada Help Line at the number below.

Help Line: 1 888 881-3666

Your answers are confidential.

The *Statistics Act* protects the confidentiality of information collected by Statistics Canada. All Statistics Canada employees take an oath of secrecy and face severe penalties for any breach of confidentiality. The collected information cannot be disclosed under the *Access to Information Act* or any other Act. **The Canada Revenue Agency cannot access any individual survey records from Statistics Canada.**

All survey results are carefully screened before publication to ensure they cannot be used to derive information about a particular business.

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Table of Contents

	Page
B - Main Business Activity	2
C - Reporting Period Information	2
D - Revenue	2
E - Expenses	3
F - Industry Characteristics	6
G - Personnel	9
H - Sales by Type of Client	10
I - Sales by Client Location	10
J - International Transactions in Services	10
General Information	10
Survey Purpose	10
Data-sharing Agreements	10



B - Main Business Activity

1. Please describe the nature of your business

To ensure that you have received the appropriate questionnaire, you are asked to describe the nature of your business. The description should briefly state the main activities of your business unit.

2. Please check the one main activity which most accurately represents your main source of revenue

Below is a description of each main activity.

Engineering Services

This industry comprises business units primarily engaged in applying principles of engineering in the design, development and utilization of machines, materials, instruments, structures, processes and systems. The assignments undertaken by these establishments may involve any of the following activities: the provision of advice, the preparation of feasibility studies, the preparation of preliminary and final plans and designs, the provision of technical services during the construction or installation phase, the inspection and evaluation of engineering projects, and related services.

Includes:

- acoustical engineering consulting services;
- boat engineering designing services;
- chemical engineering services;
- civil engineering services;
- combustion and heating engineering consultants;
- construction engineering services;
- electrical and electronic engineering services;
- engineering consulting services;
- engineering design services;
- engineers, private practice;
- environmental engineering services;
- erosion control engineering services;
- geological engineering services;
- geophysical engineering services;
- industrial engineering services;
- logging engineering services;
- marine engineering services;
- mechanical engineering services;
- mining engineering services;
- office of engineers;

- petroleum engineering services;
- traffic consultants, engineering services.

Excludes:

- both the design and construction of buildings, highways and other structures;
- managing construction projects;
- gathering, interpreting and mapping geophysical data;
- providing engineering surveying services;
- creating and developing designs and specifications that optimize the function, value and appearance of products;
- planning and designing computer systems that integrate existing hardware, packaged or custom software and communication technologies;
- providing advice and assistance to others on environmental issues, such as the control of environmental contamination from pollutants, toxic substances and hazardous materials.

If none of the above activities describes your main source of revenue, please call **1 888 881-3666** for further instructions.

C - Reporting Period Information

Please report information for your **fiscal year** (normal business year) **ending between** April 1, 2006 and March 31, 2007. Please indicate the reporting period covered by this questionnaire.

D - Revenue

1. Sales of goods and services (e.g., rental and leasing income, commissions, fees, admissions, services revenue). Report net of returns and allowances.

Sales of goods and services are defined as amounts derived from the sale of goods and services (cash or credit), falling within a business's ordinary activities. Sales should be reported net of trade discount, value added tax and other taxes based on sales.

Includes:

- sales from Canadian locations (domestic and export sales);
- transfers to other business units or a head office of your firm.

Excludes:

- transfers into inventory and consignment sales;
- federal, provincial and territorial sales taxes and excise duties and taxes;
- intercompany sales in consolidated financial statements.

2. Grants, subsidies, donations and fundraising

Please report contributions that are allocated to the current operations of the reporting period.

Includes:

- non-repayable grants, contributions and subsidies from all levels of government;
- revenue from private sector (corporate and individual) sponsorships, donations and fundraising.

3. Royalties, rights, licensing and franchise fees

A royalty is defined as a payment received by the holder of a copyright, trademark or patent. Please report revenue received from the sale or use of all intellectual property rights of copyrighted musical, literary, artistic or dramatic works, sound recordings or the broadcasting of communication signals.

4. Investment income (dividends and interest)

Investment income is defined as the portion of a company's income derived from its investments, including dividends and interest on stocks and bonds.

Includes interest from:

- foreign sources;
- bonds and debentures;
- mortgage loans;
- G.I.C. interest;
- loan interest;
- securities interest and deposits with bank interest.

Excludes:

- equity income from investments in subsidiaries or affiliates; these amounts should be reported in **Section E**, at question 27.

5. Other revenue (please specify)

Includes:

- amounts not included in questions 1 to 4 above.

6. Total revenue

The sum of questions 1 to 5.

E - Expenses

1. Salaries and wages of employees who have been issued a T4 statement

Please report all salaries and wages (including taxable allowances and employment commissions **as defined** on the T4 – Statement of Remuneration Paid) before deductions for this reporting period.

Includes:

- vacation pay;
- bonuses (including profit sharing);
- employment commissions;
- taxable allowances (e.g., room and board, vehicle allowances, gifts such as airline tickets for holidays);
- severance pay.

Excludes:

- all payments and expenses associated with casual labour and outside contract workers; please report these amounts in this section, at question 5.

2. Employer portion of employee benefits (include employer contributions to pension, medical/life insurance plans, employment insurance, etc.)

Includes contributions to:

- health plans;
- insurance plans;
- employment insurance;
- pension plans;
- workers' compensation;
- contributions to any other employee benefits such as child care and supplementary unemployment benefit (SUB) plans;
- contributions to provincial and territorial health and education payroll taxes.

3. Commissions paid to non-employees

Please report commission payments to outside workers without a T4 – Statement of Remuneration Paid.

Includes:

- commission payments to independent real estate agents and brokers.

4. Professional and business service fees (e.g., legal, accounting)

Includes the following fees:

- legal;
- accounting and auditing;
- consulting;
- education and training;
- data processing;
- research and development;
- architect;

- appraisal;
- management and administration.

5. Outsourcing (include work contracted out such as payments to freelancers, personnel suppliers, artists, etc.)

Outsourcing refers to the purchasing of services from outside of the company rather than providing them in-house.

Includes:

- hired casual labour and outside contract workers.

6. Charges for services provided by your head office

Includes:

- parent company reimbursement expenses and interdivisional expenses.

7. Cost of goods sold – if applicable (purchases plus opening inventory minus closing inventory)

Report cost of purchased goods that were resold during the reporting period. If applicable, report cost of goods and material used in manufacturing of sold products.

Includes:

- goods purchased for resale: purchases during the period (including freight-in) **plus** opening inventory **less** closing inventory;
- materials used in manufacturing of products sold: report **only** the material component of cost of finished manufactured goods that were sold during the reporting period.

Excludes:

- direct and indirect labour costs (salaries, wages, benefits, and commissions);
- overhead and all other costs normally charged to cost of goods sold, such as depreciation, energy costs, utilities, sub-contracts, royalties, transportation, warehousing, insurance, rental and leasing; these expenses should be reported elsewhere in the detailed categories provided.

8. Office supplies

Includes:

- office stationery and supplies, paper and other supplies for photocopiers, printers and fax machines;
- diskettes and computer upgrade expenses.

Excludes:

- postage and courier;
- telephone, Internet and other telecommunication expenses (please report this amount in this section, at question 15).

9. Rental and leasing (include rental of premises, equipment, motor vehicles, etc.)

Includes:

- lease rental expenses, real estate rental expenses, condominium fees and equipment rental expenses;
- motor vehicle rental and leasing expenses;
- computer and peripheral expenses;
- studio lighting and scaffolding, and other machinery and equipment expenses;
- fuel and other utility costs covered in your rental and leasing contracts.

10. Repair and maintenance (e.g., property, equipment, vehicles)

Includes expenses for the repair and maintenance of:

- buildings and structures;
- vehicles (including vehicle fuel);
- machinery and equipment;
- security equipment;
- costs related to materials, parts and external labour associated with these expenses.

Also **includes** janitorial and cleaning services and garbage removal.

11. Insurance (include professional liability, motor vehicles, etc.)

Includes:

- professional and other liability insurance;
- motor vehicle and property insurance;
- executive life insurance;
- bonding, business interruption insurance and fire insurance.

Insurance recovery income should be deducted from insurance expenses.

12. Advertising, marketing and promotions (report charitable donations at question 22)

Includes:

- newspaper advertising and media expenses;
- catalogues, presentations and displays;
- meeting and convention expenses;
- tickets for theatre, concerts and sporting events for business promotion;
- fundraising expenses.

13. Travel, meals and entertainment

Includes:

- passenger transportation, accommodation and meals while travelling;
- other travel allowances as well as meal, entertainment and hospitality purchases for clients.

14. Utilities (include gas, heating, hydro, water)

Includes:

- diesel, fuel wood, natural gas, oil and propane;
- sewage.

Excludes:

- energy expenses covered in your rental and leasing contracts;
- vehicle fuel.

15. Telephone, Internet and other telecommunication expenses

Includes:

- charges for telephone, fax, cellular phone or pager services;
- Internet access charges and expenses for cable and satellite transmission of television, radio and music programs.

16. Property and business taxes, licences and permits

Includes:

- property taxes paid directly and property transfer taxes;
- vehicle licence fees;
- beverage taxes and business taxes;
- trade licence fees;
- membership fees and professional licence fees.

17. Royalties, rights, licensing and franchise fees

Includes:

- amounts paid to holders of patents, copyrights, performing rights and trademarks;
- gross overriding royalty expenses and direct royalty costs;
- resident and non-resident royalty expenses;
- franchise fees.

18. Delivery, warehousing, postage and courier

Includes:

- amounts paid for courier, customs, delivery and installation;

- distribution, ferry charges and cartage;
- freight and duty, shipping, warehousing and storage.

19. Financial service fees (e.g., bank and credit card charges)

Includes:

- explicit service charges for financial services;
- credit and debit card commissions and charges;
- collection expenses and transfer fees;
- registrar and transfer agent fees;
- security and exchange commission fees;
- other financial service fees.

Excludes:

- interest expenses.

20. Interest expenses

Please report the cost of servicing your company's debt.

Includes interest on:

- short-term and long-term debt;
- capital leases;
- bonds and debentures and mortgages.

21. Amortization and depreciation of tangible and intangible assets

Includes:

- direct cost depreciation of tangible assets and amortization of leasehold improvements;
- amortization of intangible assets (e.g., amortization of goodwill, deferred charges, organizational costs, and research and development costs).

22. Charitable donations

Please report charitable or political donations.

23. Bad debts

A bad debt is the portion of receivables deemed uncollectible, typically from accounts receivable or loans.

Includes:

- allowance for bad debts.

Bad debt recoveries are to be netted from bad debt expenses.

24. All other expenses (please specify)

Includes:

- amounts not included in questions 1 to 23.

25. Total expenses

The sum of questions 1 to 24.

26. Corporate taxes (if applicable)

Includes:

- federal, provincial and territorial current income taxes and federal, provincial and territorial provision for deferred income taxes.

27. Gains (losses) and other items

Includes:

- realized gains/losses on disposal of assets and realized gains/losses on sale of investments;
- foreign exchange gains/losses, subsidiary/affiliate share of income/losses and other division income/losses;
- joint venture income/losses and partnership income/losses;
- unrealized gains/losses, extraordinary items, legal settlements, and other unusual items;
- write-offs.

28. Net profit/loss after tax and other items

Total revenue **less** Total expenses **minus** Corporate taxes **plus** Gains (losses) and other items.

F - Industry Characteristics

Sales by type of service

Please provide a breakdown of your sales. Please indicate if you are reporting in **either** Canadian dollars **or** percentage of total sales by ticking the appropriate box.

Engineering Services

1. Residential building engineering projects

All engineering services related to new and existing homes, row housing, apartments, etc., and mixed-use buildings that are predominantly used for residential housing.

Includes:

- the provision of designs, plans, and studies related to residential building projects;
- engineering advisory services that are related to a specific residential building project;
- engineering design services for residential building design-build projects that are provided on a subcontract basis.

Excludes:

- engineering advisory services that are not related to a specific project; please report this amount in this section, at question 15;

- design-build contracts, in which the contracts cover both the engineering design and construction elements; please report this amount in this section, at question 18.

2. Commercial, public and institutional building engineering projects

All engineering services related to new and existing commercial, public, and institutional buildings, including mixed-use buildings that are predominantly used for commercial, public, or institutional purposes.

Includes:

- office buildings, shopping centres, hotels, restaurants, service stations, warehouses, bus and truck terminals, hospitals, schools, churches, prisons, stadiums and arenas, libraries, and museums;
- the provision of designs, plans, and studies related to commercial, public, and institutional building projects;
- engineering advisory services that are related to a specific commercial, public, or institutional building project;
- engineering design services for commercial, public, or institutional building design-build projects that are provided on a subcontract basis.

Excludes:

- engineering advisory services that are not related to a specific project; please report this amount in this section, at question 15;
- design-build contracts, in which the contracts cover both the engineering design and construction elements; please report this amount in this section, at question 18.

3. Mining and metallurgical plant and process engineering projects

All engineering services related to mining and metallurgical facilities and processes.

Includes:

- integrated facility and process engineering projects;
- all engineering services related to mining and metallurgical processes, such as mineral extraction, smelting, refining and metal forming.

4. Petroleum and petrochemical plant and process engineering projects

All engineering services related to petroleum and petrochemical facilities and processes, such as oil and gas platforms, refineries, pipelines, and petrochemical plants.

Includes:

- integrated facility and process engineering projects;

- all engineering services related to processes for the production of petroleum and petrochemicals, such as extraction, refining, formulation and mixing.

5. Pulp and paper plant and process engineering projects

All engineering services related to pulp and paper facilities and processes, such as pulp and paper mills.

Includes:

- integrated facility and process engineering projects;
- pulp washing, screening, bleaching and drying.

6. Industrial machinery engineering design projects

All engineering services related to the design of industrial machinery.

Includes machinery design for industries such as:

- agriculture;
- construction;
- mining;
- metalworking;
- commercial and service industries;
- heating, ventilating and air-conditioning;
- power transmission machinery.

7. Electronic and electrical equipment engineering design projects

All engineering services related to the design of electronic and electrical equipment.

Includes:

- computers and peripheral equipment;
- communications equipment;
- audio and video equipment;
- semiconductors and other electronic components;
- lighting;
- major and minor appliances, and components thereof.

8. Transportation equipment engineering design projects

All engineering services related to the design of transportation equipment.

Includes:

- motor vehicles;
- aircraft;

- trains;
- marine vessels;
- space vehicles.

9. Other industrial and manufacturing engineering projects

All engineering services related to the design of industrial and manufactured products not elsewhere classified.

10. Transportation engineering projects (e.g., road, rail, air, marine)

All engineering services related to highways, roads, streets, bridges, tunnels, railways, subways, airports, harbours, canals and locks, and other transportation infrastructure.

Includes:

- the provision of designs, plans, and studies related to transportation projects;
- engineering advisory services that are related to a specific transportation project;
- engineering design services for a transportation design-build project that are provided on a subcontract basis.

Excludes:

- engineering advisory services not related to a specific project; please report this amount in this section, at question 15;
- design-build contracts in which the contracts cover both the engineering design and construction elements; please report this amount in this section, at question 18.

11. Municipal utility engineering projects

All engineering services related to municipal utilities.

Includes:

- the provision of designs, plans, and studies related to municipal utility projects;
- engineering advisory services that are related to a specific municipal utility project;
- engineering design services for a municipal utility design-build project that are provided on a subcontract basis.

Excludes:

- engineering advisory services that are not related to a specific project; please report this amount in this section, at question 15;
- design-build contracts, in which the contracts cover both the engineering design and construction elements; please report this amount in this section, at question 18.

12. Power generation and distribution engineering projects

All engineering services related to power generating units, power transmission and distribution lines, and related infrastructure.

Includes:

- the provision of designs, plans, and studies related to power projects;
- engineering advisory services that are related to a specific power project;
- engineering design services for a power design-build project that are provided on a subcontract basis.

Excludes:

- engineering advisory services that are not related to a specific project; please report this amount in this section, at question 15;
- design-build contracts, in which the contracts cover both the engineering design and construction elements; please report this amount in this section, at question 18.

13. Telecommunications and broadcasting engineering projects

All engineering services related to systems for the transmission or distribution of voice, data, and programming.

Includes:

- the provision of designs, plans, and studies related to telecommunications and broadcasting projects;
- engineering advisory services that are related to a specific telecommunications or broadcasting project;
- engineering design services for a telecommunications or broadcasting design-build project that are provided on a subcontract basis.

Excludes:

- engineering advisory services that are not related to a specific project; please report this amount in this section, at question 15;
- design-build contracts, in which the contracts cover both the engineering design and construction elements; please report this amount in this section, at question 18.

14. Hazardous and industrial waste engineering projects

All engineering services related to systems for the collection, treatment, and disposal of hazardous and industrial waste and the control of pollution.

Includes:

- the provision of designs, plans, and studies related to hazardous and industrial waste projects;

- engineering advisory services that are related to a specific hazardous or industrial waste project;
- engineering design services for a hazardous or industrial waste design-build project that are provided on a subcontract basis.

Excludes:

- engineering advisory services that are not related to a specific project; please report this amount in this section, at question 15;
- design-build contracts, in which the contracts cover both the engineering design and construction elements; please report this amount in this section, at question 18.

15. Engineering advisory services (e.g., expert witness, forensic investigation, etc.)

The provision of advice, studies, and reports on engineering matters, except when the advice relates to a specific project. Advice, studies, and reports provided in conjunction with a project are classified based on the project type.

Includes:

- policy analysis;
- regulatory studies;
- audits;
- forensic investigations;
- expert witness services.

16. Other engineering projects or services

Other projects or services provided by engineering firms that are not classified elsewhere.

Secondary activities

17. Project management services

Planning, supervising, and co-ordinating the activities involved in carrying out a project, with regard to time, cost, performance requirements, and other constraints. May also include the arrangement of finances for a project, and procurement of equipment and subcontractors. Project management services refers only to situations in which project management is offered as a stand-alone service.

18. Construction services (including design-build contracts)

Constructing, repairing and renovating buildings and engineering works, as well as subdividing and developing land, through prime contracts or sub-contracts.

Includes:

- construction of buildings;
- heavy and civil engineering construction;
- specialty trade contractors.

Excludes:

- manufacturing and installing building equipment such as power boilers and manufacturing pre-fabricated buildings;
- operating highways, streets and bridges;
- house moving (transportation only);
- project management services, when it is a primary activity ;
- maintenance of rights of way for power, communication and pipe lines;
- cleaning building exteriors after construction.

19. Environmental consulting services

The provision of objective information, advice, and guidance to clients concerning the preservation of air, water, and soil quality; natural resource development; waste management; pollution control; and other environmental issues.

Includes:

- the sale or transfer of technology to a client, which often extends to assisting the client with the organization and monitoring of solution implementation.

Excludes:

- services that involve stand-alone implementation.

20. Other sales

All other engineering services not defined above.

21. Total sales

The sum of questions 1 to 20 above.

Sales by Type of Revenue

Please indicate if you are reporting in **either** Canadian dollars **or** percentage of total sales by ticking the appropriate box.

1. Fee income

Revenues collected by the company for professional service fees rendered.

Excludes:

- reimbursable expenses;
- sub-contract fees awarded to other companies.

2. Sub-contracts

Please report the value of sub-contracts awarded by you to other firms or consultants.

3. Reimbursables**Includes:**

- the cost of all contract-related materials used in a project that are billed to the client.

Excludes:

- sub-contract fees.

5. Total sales

The sum of questions 1 to 4 above.

G - Personnel

To fully measure the contribution of all human capital in this industry, we require information on the number of owners, partners and proprietors as well as the number and classification of workers.

1. Number of non-salaried partners and proprietors (if salaried, report only at question 2 below)

For unincorporated businesses, please report the number of partners and proprietors for whom earnings will be the net income of the partnership or proprietorship.

2. a) Number of paid employees (based on year-end T4 payroll summaries)**Includes:**

- all employees who were issued a T4 for the period covered by this survey.

Excludes:

- non-salaried partners and proprietors reported at question 1 above.

b) Percentage of paid employees who worked full time

Full-time employment consists of persons who usually work 30 hours or more per week. Please specify the percentage of paid employees who have been working full time by rounding the percentage to the nearest whole number.

3. Number of contract workers (for whom you did not issue a T4, such as freelancers and casual workers)

Contract workers are not employees, but workers contracted to perform a specific task or project in your organization for a specific duration, such as self-employed persons, freelancers and casual workers. These workers are not issued a T4 information slip. Please report the number of contract workers employed by your organization during the fiscal year.

4. Number of volunteers (including unpaid interns and co-op students) during the reporting period (estimates are acceptable)

Please report the number of unpaid workers employed by your organization during the fiscal year.

Includes:

- unpaid interns and co-op students.

5. Total number of hours worked by volunteers during the reporting period (estimates are acceptable)

Please report the number of hours recorded by your organization for the work performed by volunteers during the fiscal year.

H - Sales by Type of Client

This section is designed to measure which sector of the economy purchases your services.

Please provide a percentage breakdown of your sales by type of client.

Please ensure that the sum of percentages reported in this section equals 100%.

1. Clients in Canada

a) Businesses

Percentage of sales sold to the business sector should be reported here.

Includes:

- sales to Crown corporations.

b) Individuals and households

Please report the percentage of sales to individuals and households who do not represent the business or government sector.

c) Governments and public institutions (e.g., hospitals, schools)

Percentage of sales to federal, provincial, territorial and municipal governments should be reported here.

Includes:

- sales to hospitals, schools, universities and public utilities.

2. Clients outside Canada

Please report the share of total sales to customers or clients located outside Canada including foreign businesses, foreign individuals, foreign institutions and/or governments.

Includes:

- sales to foreign subsidiaries and affiliates.

I - Sales by Client Location

Please provide a percentage estimate of your total sales (first point of sale) by client location.

Please ensure that the sum of percentages reported in this section equals 100%.

J - International Transactions in Services

This section is intended to measure the value of **imported services** purchased outside Canada as well as the value of **exported services** to clients/customers outside Canada. Such services cover a variety of industrial, professional, trade and business services, as well as royalties and licences.

Excludes:

- imports and exports of goods.

General Information

Survey Purpose

Statistics Canada conducts this survey to obtain detailed and accurate data on this industry, which is recognised as being an important contributor to the Canadian economy. Your responses are critically important to produce reliable statistics used by businesses, non-profit organizations and all levels of government to make informed decisions in many areas.

The information from this survey can be used by your business to benchmark your performance against an industry standard, to plan marketing strategies or to prepare business plans for investors. Governments use the data to develop national and regional economic policies and to develop programs to promote domestic and international competitiveness. The data are also used by trade associations, business analysts and investors to study the economic performance and characteristics of your industry.

Data-sharing Agreements

To avoid duplicating surveys and to ensure more uniform statistics, Statistics Canada has entered into data-sharing agreements with many provincial and territorial statistical agencies.

The objective of these data-sharing agreements is to share data from some surveys for those business establishments operating within their respective jurisdictions. **These agreements require that the shared data be used only for statistical purposes and be kept confidential.** Survey participants are always informed at the time of collection if a sharing agreement applies to a particular survey.

There are two types of data-sharing agreements that exist under the *Statistics Act*:

Agreements under Section 11 of the *Statistics Act* allow the sharing of information from the Unified Enterprise Survey program with the statistical agencies of Newfoundland and Labrador, Nova Scotia, New Brunswick, Quebec, Ontario, Saskatchewan, Alberta, British Columbia and Yukon. These statistical agencies have been established under provincial and territorial legislation authorizing them to collect this information on their own or jointly with Statistics Canada. Their legislation also provides the same confidentiality protection and outlines similar penalties for disclosure of confidential information as the federal *Statistics Act*.

Agreements under Section 12 of the *Statistics Act* allow the sharing of information from the Unified Enterprise Survey program with the statistical

agencies of Prince Edward Island, the Northwest Territories and Nunavut. All these Section 12 agreements require that the information be kept strictly confidential.

Under Section 12, you may refuse to share your information with any of these agencies by writing a letter of objection to the Chief Statistician of Canada and returning it with your completed questionnaire. Please specify those agencies from which data shall be withheld.

Please note that Statistics Canada does not share any individual survey information with the Canada Revenue Agency.

For more information about these data-sharing agreements, please contact Statistics Canada at **1 888 881-3666** or visit our website at **www.statcan.ca**.

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