



2005 Survey of Service Industries: Employment Services

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Reporting Guide

This guide is designed to assist you as you complete the 2005 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 Customs and 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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B - Main Business Activity

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.

In order to help you choose the category that best describes the activity of your business, here is a short description of each category:

Employment placement agency services - This industry comprises business units primarily engaged in listing employment vacancies and selecting, referring and placing applicants in employment on a permanent basis. The individuals placed are not employees of the placement agencies. The placement agencies receive a fee from the client firms for services rendered.

Temporary staffing services - This industry comprises business units supplying workers for limited periods of time to supplement the workforce of the client. The individuals provided are either salaried employees of the temporary help service business unit, or non-salaried contractors who are paid by the temporary help service business unit for services rendered to the client firm.

Co-employment staffing services/Professional employer organization services (PEO'S) - This industry comprises business units primarily engaged in providing human resources and human resource management services to clients. These business units typically acquire and lease back some or all of the employees of their clients and serve as the employer of the leased employees for payroll, benefits and related purposes.

D - Revenue

1. Sales

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 and provincial sales taxes and excise duties and taxes;
- inter-company sales in consolidated financial statements.

2. Grants and subsidies

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

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

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

5. Other revenue

Includes amounts not included in items 1 to 4 above.

E - Expenses

1. Salaries and wages of employees

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

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 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

Includes:

- legal fees;
- accounting and auditing fees;
- consulting fees;
- education and training fees;
- data processing fees;
- research and development expenses;
- architect fees;
- appraisal fees;
- management and administration fees.

5. Outsourcing

Purchasing of services from outside of the company rather than providing them in-house.

Includes hired casual labour and outside contract workers.

6. Payments for services provided by your head office

Includes parent company reimbursement expenses, interdivisional expenses.

7. Cost of goods sold

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 and other telecommunication expenses.

9. Rental and leasing

Includes:

- lease rental expenses, real estate rental expenses, condominium fees, 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

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.

Include also janitorial and cleaning services and garbage removal.

11. Insurance

Includes:

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

Insurance recovery income should be deducted from the insurance expenses.

12. Advertising, marketing and promotions

Includes:

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

13. Travel, meals and entertainment

Includes:

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

14. Utilities

Includes:

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

Excludes:

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

15. Telephone 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, property transfer taxes;
- vehicle licence fees;

- beverage taxes and business taxes;
- trade licence fees;
- health and education taxes;
- membership fees, 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, 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

Includes:

- explicit service charges for financial services;
- credit and debit card commissions and charges;
- collection expenses, 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 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

Includes amounts not included in items 1 to 23.

26. Corporate taxes (if applicable)

Includes federal and provincial current income taxes and federal and provincial provision for deferred income taxes.

27. Gains (losses) and other items

Includes:

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

F - Industry Characteristics

1. Placement fees (including executive search)

Fees earned for recruiting, selecting and referring candidates to the client to fill positions on a permanent (indeterminate) basis. The services may include testing, interviewing, checking references, evaluation and counselling of prospective employees. The service provider acts as an employment intermediary. The candidate is selected and hired by the client. This product includes permanent placement services for a complete range of occupations from entry-level to management employees, including domestic and international job placements.

2. Revenue earned for temporary employees and contractors (T4 recipients only)

Revenue earned from supplying personnel for temporary work assignments. The temporary staffing firm hires its own employees and assigns them to support or supplement the client's workforce during employee absences, temporary skill shortages, seasonal workloads, and special assignments and projects. Employees are on the payroll of the

temporary staffing firm, which specifies pay and benefits, and issues T4 forms.

3. Revenue earned for non-T4 contractors

Revenue earned for finding individual contractors to fill positions on the basis of written contracts that stipulate the deliverables for which the client has contracted, as well as specific terms and conditions of employment. Under the terms of this agreement, the service provider has legal rights and duties with respect to the individual contractors. The individual contractors are normally responsible for their own payroll deductions and government filings.

4. Other sales

Other sales and services produced include revenue generated from the sales of goods and services not covered by questions 1 to 3, above, and may include co-employment staffing services, outplacement services, managed services, payroll services, and education and training services. Please specify the major items that account for more than 10% of your total sales. Sales from these goods and services, while not generally part of your principal source of revenue, complete the financial picture of the activities of your business unit.

Personnel Costs and Hours Billed

Please report salaries, wages and benefits paid

Include all salaries and wages, before deductions, paid to employees who were issued a *T4 - Statement of Remuneration Paid*, including vacation pay, severance pay, directors' fees, administrators' fees, taxable allowances, retroactive wage payments, commissions, bonuses (including profit sharing) and gratuities. Employer portion of benefits include contributions to health plans, insurance plans, employment insurance, pension plans, workers' compensation, retiring allowances or lump sum payments to employees upon termination or retirement as well as contributions to any other employee benefits such as child care and supplementary unemployment benefit (SUB) plans and contributions to provincial health and education payroll taxes.

6. Internal office staff

Staffing firm employees (e.g., administrative staff and staffing consultants) whose work is mainly carried out in the office(s) of the staffing firm.

7. Temporary employees and contractors (T4 recipients only)

Staffing firm employees (and T4 contractors) who are sent to client organizations on short-term or extended assignments, and whose staffing firm remains responsible for salaries and all benefits. The assignment work of these employees is carried out under the direct supervision provided by the client firm.

Note: All payments and expenses associated with **outside contract workers** and payments to casual labourers not issued a *T4 – Statement of Remuneration Paid* should be reported in **Section E**, question 5.

8. Hours billed for temporary employees and contractors (T4 recipients only)

Please provide your best estimate, if this number is not readily available.

Occupational Groups

Number of placements

Include those individuals placed with client firms on a permanent basis.

Number of temporary employees and contractors (T4 recipients only)

Staffing firm employees who are sent to client organizations on short-term or extended assignments. The assignment work of these employees is carried out under the direct supervision provided by the client firm. Please base your count on year-end T4 payroll summaries.

Number of non-T4 contractors

Individual contractors or self-employed individuals who, with the assistance of the staffing firm, are temporarily placed in positions on the basis of written contracts that stipulate deliverables as well as specific terms and conditions of employment. The individual contractors are normally responsible for their own payroll deductions and government filings.

Number of internal office staff

Includes:

- employees whose work is mainly carried out in the office of the staffing firm;
- administrative staff and staffing consultants working with client firms

Please base your internal office employee count on year-end T4 payroll summaries.

Excludes:

- partners and working proprietors of unincorporated businesses;
- field employees of firms providing temporary staffing services;
- contract workers employed as internal office staff.

9. Management (including executives)

Includes: managers, administrators, directors, executives and other professional and management personnel.

Excludes: information technology personnel.

10. Office/clerical and administrative support

Includes: administrative officers, accounts payable/receivable clerks, bookkeepers, clerks, court reporters, customer service representatives, estimators, loan officers, personnel officers, purchasing agents, receptionists, secretaries, stenographers, switchboard operators, tellers and other office/clerical and administrative support personnel.

11. Information technology (IT)

Includes: computer programmers, computer systems analysts, database developers, network administrators, operating systems specialists, platform specialists, programmer analysts, software designers, software developers, software engineers, web site developers and other information technology (IT) personnel.

12. Professional (excluding IT)

Includes: accountants, actuaries, architects, auditors, counsellors, creative and performing artists, engineers, financial analysts, health care practitioners, interpreters, journalists, lawyers, librarians, scientists, surveyors, teachers, therapists, translators, urban planners, writers and other professional personnel.

13. Technical (excluding IT)

Includes: denturists, draftsmen, industrial designers, opticians, paramedics, pilots, technical assistants, technical inspectors, technicians, technologists, traffic controllers and other technical personnel.

Exclude: information technology personnel.

14. Industrial/trades

Includes: assemblers, carpenters, drivers, equipment operators, fishers, forestry workers, janitors, labourers, locksmiths, machinists, maintenance workers, mechanics, model makers, movers, repairmen, roofers, seamstresses, shippers, tailors, tool and die makers, tradesmen, warehousemen and other industrial/trades personnel.

15. Sales/marketing

Includes: account executives, cashiers, demonstrators, sales agents, sales clerks and associates, sales representatives, telemarketers and other sales/marketing personnel.

16. Other

Includes: domestics, food service workers, health care aides, illustrators, lifeguards, lumberjacks, models, security guards, ushers and other personnel not elsewhere classified.

17. Total

For each column, at question 17, please report the sum of the individuals reported at questions 9 to 16 above.

H - Sales by Type of Client

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

Please ensure that the percentages reported in this section add to 100%.

1. Clients in Canada

a) Businesses

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

The percentage of sales to federal, provincial/territorial and municipal governments should be reported here. Include sales to hospitals, schools, universities and public utilities.

2. Clients outside Canada

Report the share of total sales to customers or clients located outside Canada including foreign businesses, foreign individuals, foreign institutions and/or governments. Please also include 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 percentages reported in this section add to 100%.

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, plan marketing strategies or 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 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 Canada Customs and Revenue Agency.

For more information about these data-sharing agreements, please contact Statistics Canada at **1 888 881-3666**.

Thank you!