

## Service bulletin

# Repair and Maintenance Services

2007



### Highlights

- Operating revenues for the Repair and Maintenance service industry rose 5.2% from 2006 to \$19.9 billion.
- Firms in the automotive repair and maintenance service industry, the largest of the group, represented 59.7% of total operating revenues earning \$ 11.9 billion in 2007, up 2% from 2006.
- The Operating profit margin for the auto industry was 6.9% in 2007, up from 6.6% in 2006. Modest increase in operating revenues left profits relatively unchanged.
- Operating expense rose 1.6% to \$11.1 billion from previous year. Cost of good sold remain the largest operating expense item at 43% followed by Salaries and wages and benefits at 28%.
- Industry revenue growth was driven by smaller firms as the top 20 largest firms represented only 6% of the total operating revenues in 2007.
- Provision of electrical, commercial and industrial machinery and equipment repair service firms accounted for the remainder, earning \$8.0 billion in operating revenues in 2007, up 10.2% from 2006.
- It's operating expense increased by 9.8%, reaching \$7.3 Billion in 2007. Rising expenses were due in part to increase in salaries and wages. As a result its operating profit margin increased slightly from 9.1% in 2006 to 9.4% in 2007. Salaries and wages and benefits represented 31% of total operating expense.

**Note:** This survey excludes vehicle repairs provided by gasoline stations, retailers such as car dealers and retail chain stores. The salary and wage expense does not include fees paid to contract workers. All data are expressed in current dollars.

## Statistical tables

Table 1

Summary statistics for repair and maintenance services, Canada, 2005 to 2007<sup>1</sup>

	Operating revenue	Salaries, wages and benefits	Operating expenses	Operating profit margin
	millions of dollars			percent
<b>2007</b>				
Newfoundland and Labrador	210.2	72.4	195.7	6.9
Prince Edward Island	48.8	11.6	44.0	9.8
Nova Scotia	323.2	92.6	295.5	8.6
New Brunswick	290.6	81.4	271.3	6.6
Quebec	4,184.7	1,119.9	3,831.7	8.4
Ontario	6,214.5	1,798.9	5,905.1	5.0
Manitoba	629.4	180.3	582.3	7.5
Saskatchewan	661.5	181.9	581.4	12.1
Alberta	4,560.5	1,320.9	4,063.3	10.9
British Columbia	2,790.0	841.3	2,568.4	7.9
Territories <sup>2</sup>	x	x	x	x
<b>Canada</b>	<b>19,943.3</b>	<b>5,708.3</b>	<b>18,364.4</b>	<b>7.9</b>
<b>2006 <sup>r</sup></b>				
Newfoundland and Labrador	203.1	73.5	194.0	4.5
Prince Edward Island	45.9	11.7	41.9	8.6
Nova Scotia	324.1	89.3	303.7	6.3
New Brunswick	297.4	73.0	279.1	6.1
Quebec	4,124.1	1,065.8	3,860.9	6.4
Ontario	5,918.1	1,639.1	5,571.3	5.9
Manitoba	555.5	176.9	525.5	5.4
Saskatchewan	595.3	184.5	549.5	7.7
Alberta	4,242.9	1,221.9	3,761.2	11.4
British Columbia	2,633.5	808.6	2,423.4	8.0
Territories <sup>2</sup>	x	x	x	x
<b>Canada</b>	<b>18,965.2</b>	<b>5,350.7</b>	<b>17,532.4</b>	<b>7.6</b>
<b>2005</b>				
Newfoundland and Labrador	178.2	49.5	172.0	3.5
Prince Edward Island	50.3	11.4	46.4	7.8
Nova Scotia	345.7	91.9	325.2	5.9
New Brunswick	298.4	75.5	283.8	4.9
Quebec	4,331.6	1,124.4	4,031.1	6.9
Ontario	5,914.3	1,679.6	5,605.5	5.2
Manitoba	524.2	148.9	489.1	6.7
Saskatchewan	513.1	140.9	465.1	9.3
Alberta	3,661.1	1,045.0	3,346.5	8.6
British Columbia	2,353.5	729.5	2,204.2	6.3
Territories <sup>2</sup>	x	x	x	x
<b>Canada</b>	<b>18,198.3</b>	<b>5,104</b>	<b>16,993.9</b>	<b>6.6</b>

1. Estimates for the most recent year are preliminary. Preliminary data are subject to revision.

2. Territories include: Yukon, Northwest Territories and Nunavut.

**Note(s):** According to the North American Industry Classification System (NAICS 811). See "Data source, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total.

**Table 2**  
**Summary statistics for automotive repair and maintenance, Canada, 2005 to 2007<sup>1</sup>**

	Operating revenue	Salaries, wages and benefits	Operating expenses	Operating profit margin
	millions of dollars			percent
<b>2007</b>				
Newfoundland and Labrador	106.0	29.0	99.5	6.2
Prince Edward Island	37.1	8.8	33.5	9.6
Nova Scotia	226.3	61.2	206.8	8.6
New Brunswick	196.7	54.0	183.1	6.9
Quebec	2,669.7	665.4	2,447.2	8.3
Ontario	4,175.8	1,171.5	3,998.3	4.3
Manitoba	493.8	138.3	461.8	6.5
Saskatchewan	394.1	109.2	356.5	9.6
Alberta	1,809.9	521.4	1,625.7	10.2
British Columbia	1,767.4	534.1	1,647.3	6.8
Territories <sup>2</sup>	x	x	x	x
<b>Canada</b>	<b>11,898.4</b>	<b>3,298.1</b>	<b>11,078.7</b>	<b>6.9</b>
<b>2006 <sup>r</sup></b>				
Newfoundland and Labrador	112.3	36.6	108.3	3.5
Prince Edward Island	36.3	9.1	33.1	8.8
Nova Scotia	228.8	57.3	214.0	6.5
New Brunswick	205.1	46.9	192.9	6.0
Quebec	2,780.5	672.6	2,562.1	7.9
Ontario	4,125.7	1,116.8	3,912.6	5.2
Manitoba	436.5	136.8	408.8	6.3
Saskatchewan	367.7	123.2	358.2	2.6
Alberta	1,644.5	501.5	1,498.7	8.9
British Columbia	1,711.5	529.2	1,595.5	6.8
Territories <sup>2</sup>	x	x	x	x
<b>Canada</b>	<b>11,666.2</b>	<b>3,234.5</b>	<b>10,899.4</b>	<b>6.6</b>
<b>2005</b>				
Newfoundland and Labrador	111.9	30.7	108.2	3.3
Prince Edward Island	41.0	8.9	38.0	7.2
Nova Scotia	225.7	55.2	211.7	6.2
New Brunswick	211.8	50.9	202.8	4.3
Quebec	2,977.7	731.6	2,777.8	6.7
Ontario	4,205.2	1,191.0	4,037.8	4.0
Manitoba	410.2	114.2	383.6	6.5
Saskatchewan	340.5	99.0	318.1	6.6
Alberta	1,530.1	444.3	1,440.7	5.8
British Columbia	1,660.2	523.7	1,573.2	5.2
Territories <sup>2</sup>	x	x	x	x
<b>Canada</b>	<b>11,731.4</b>	<b>3,254.3</b>	<b>11,107.4</b>	<b>5.3</b>

1. Estimates for the most recent year are preliminary. Preliminary data are subject to revision.

2. Territories include: Yukon, Northwest Territories and Nunavut.

**Note(s):** According to the North American Industry Classification System (NAICS 8111). See "Data source, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total.

Table 3

Summary statistics for electronic, precision equipment and commercial and industrial machinery and equipment repair and maintenance, Canada, 2005 to 2007<sup>1</sup>

	Operating revenue	Salaries, wages and benefits	Operating expenses	Operating profit margin
	millions of dollars			percent
<b>2007</b>				
Newfoundland and Labrador	104.2	43.4	96.3	7.6
Prince Edward Island	11.7	2.8	10.5	10.4
Nova Scotia	96.9	31.4	88.7	8.5
New Brunswick	93.8	27.4	88.2	6.0
Quebec	1,515.0	454.5	1,384.5	8.6
Ontario	2,038.7	627.4	1,906.8	6.5
Manitoba	135.6	42.0	120.6	11.1
Saskatchewan	267.3	72.6	224.9	15.9
Alberta	2,750.6	799.4	2,437.6	11.4
British Columbia	1,022.5	307.2	921.1	9.9
Territories <sup>2</sup>	x	x	x	x
<b>Canada</b>	<b>8,044.9</b>	<b>2,410.2</b>	<b>7,285.7</b>	<b>9.4</b>
<b>2006 <sup>r</sup></b>				
Newfoundland and Labrador	90.8	36.8	85.7	5.7
Prince Edward Island	9.6	2.6	8.8	8.0
Nova Scotia	95.2	32.0	89.8	5.7
New Brunswick	92.3	26.1	86.3	6.5
Quebec	1,343.6	393.1	1,298.8	3.3
Ontario	1,792.4	522.3	1,658.6	7.5
Manitoba	119.1	40.1	116.7	2.0
Saskatchewan	227.6	61.3	191.3	16.0
Alberta	2,598.3	720.4	2,262.4	12.9
British Columbia	922.0	279.4	827.9	10.2
Territories <sup>2</sup>	x	x	x	x
<b>Canada</b>	<b>7,299.0</b>	<b>2,116.2</b>	<b>6,633.0</b>	<b>9.1</b>
<b>2005</b>				
Newfoundland and Labrador	66.4	18.7	63.8	3.9
Prince Edward Island	9.3	2.5	8.4	10.3
Nova Scotia	120.0	36.7	113.5	5.5
New Brunswick	86.6	24.6	81.1	6.4
Quebec	1,353.9	392.8	1,253.4	7.4
Ontario	1,709.1	488.6	1,567.7	8.3
Manitoba	114.1	34.7	105.5	7.5
Saskatchewan	172.5	41.9	147.0	14.8
Alberta	2,131.0	600.7	1,905.8	10.6
British Columbia	693.3	205.8	631.0	9.0
Territories <sup>2</sup>	x	x	x	x
<b>Canada</b>	<b>6,466.9</b>	<b>1,849.9</b>	<b>5,886.5</b>	<b>9.0</b>

1. Estimates for the most recent year are preliminary. Preliminary data are subject to revision.

2. Territories include: Yukon, Northwest Territories and Nunavut.

**Note(s):** According to the North American Industry Classification System (NAICS 8112 and 8113). See "Data source, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total.

**Table 4**  
**Distribution of operating expenses for automotive repair and maintenance services, Canada, 2007<sup>1</sup>**

	Operating expenses
	percent
Salaries and wages of employees who have been issued a T4 statement	28
Employer portion of employee benefits	3
Commissions paid to non-employees	0
Professional and business services fees	2
Subcontract expenses	2
Charges for services provided by your head office	0
Cost of goods sold	43
Office supplies	1
Rental and leasing	5
Repair and maintenance	3
Insurance	1
Advertising, marketing and promotions	1
Travel, meals and entertainment	1
Utilities and telecommunications	2
Property and business taxes, licenses and permits	1
Royalties, rights, licensing and franchise fees	0
Delivery, warehousing, postage and courier	0
Financial service fees	1
Amortization and depreciation of tangible and intangible assets	2
Bad debts	0
All other expenses	3
<b>Total operating expenses</b>	<b>100</b>

1. Estimates for the most recent year are preliminary. Preliminary data are subject to revision.

**Note(s):** According to the North American Industry Classification System (NAICS 8111). Surveyed portion only. See "Data source, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total.

**Table 5**  
**Distribution of operating expenses for electronic, precision and commercial and industrial machinery and equipment repair and maintenance services, Canada, 2007<sup>1</sup>**

	Operating expenses
	percent
Salaries and wages of employees who have been issued a T4 statement	31
Employer portion of employee benefits	3
Commissions paid to non-employees	0
Professional and business services fees	2
Subcontract expenses	6
Charges for services provided by your head office	0
Cost of goods sold	35
Office supplies	1
Rental and leasing	3
Repair and maintenance	4
Insurance	1
Advertising, marketing and promotions	1
Travel, meals and entertainment	1
Utilities and telecommunications	2
Property and business taxes, licenses and permits	0
Royalties, rights, licensing and franchise fees	0
Delivery, warehousing, postage and courier	0
Financial service fees	1
Amortization and depreciation of tangible and intangible assets	4
Bad debts	0
All other expenses	5
<b>Total operating expenses</b>	<b>100</b>

1. Estimates for the most recent year are preliminary. Preliminary data are subject to revision.

**Note(s):** According to the North American Industry Classification System (NAICS 8112 and 8113). Surveyed portion only. See "Data source, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total.

## Data source, definitions and methodology

### Description

This annual sample survey collects the financial and operating data needed to produce statistics on the Repair and Maintenance Services industry in Canada. Commencing with reference year 2005, 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 Repair and Maintenance Services 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 statistical establishments (sometimes referred to as firms or units) classified as Repair and Maintenance (NAICS 811) according to the North American Industry Classification System 2002 (NAICS 2002) during the reference year. The Repair and Maintenance sector covers five NAICS 2002: Automotive Mechanical and Electrical Repair and Maintenance (NAICS 81111), Automotive Body, Paint, Interior and Glass Repair (NAICS 81112), Other Automotive Repair and Maintenance (NAICS 81119), Electronic and Precision Equipment Repair and Maintenance (NAICS 81121) and Commercial and Industrial Machinery and Equipment (except Automotive and Electronic) Repair and Maintenance (NAICS 81131).

This subsector comprises establishments primarily engaged in repairing and maintaining motor vehicles, machinery, equipment and other products. These establishments repair or perform general or routine maintenance on such products, to ensure that they work efficiently.

### Sampling

This is a sample 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 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 4,042 collection entities.

## Definitions

- **Operating revenue** excludes investment income, capital gains, extraordinary gains and other non-recurring items.
- **Salaries, wages and benefits** include vacation pay and commissions for all employees for whom T4 slips were completed. This category also includes the employer portion of employee benefits for items such as Canada/Québec 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.
- **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.
- An active **statistical establishment** is one production entity or the smallest grouping of production entities which produces as homogenous a set of goods and/or services as possible; which does not cross provincial boundaries, and for which records provide data on the value of output together with the cost of principal intermediate inputs used and cost and quantity of labour resources used to produce the output.

## 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 82.6%. The coefficients of variation (CVs) were calculated for each estimate and are available upon request.

## Related products

### CANSIM

Available on CANSIM: table 361-0006 - Definitions, data sources and methods: survey numbers, including related surveys, 4720, 4721 and 4722.

## Publications

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

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

Release date: April 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 <sup>s</sup>	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. 63-247-X, is available free in electronic format. To obtain a single issue, visit our website at [www.statcan.gc.ca](http://www.statcan.gc.ca) and select "Publications."

Frequency: Annual / ISSN 1916-7946

For information on the wide range of data available from Statistics Canada, please call our national inquiries line at 1-800-263-1136.

La version française de cette publication est disponible sur demande (n° 63-247-X au catalogue).

Published by authority of the Minister responsible for Statistics Canada. © Minister of Industry, 2009. All rights reserved. The content of this electronic publication may be reproduced, in whole or in part, and by any means, without further permission from Statistics Canada, subject to the following conditions: that it be done solely for the purposes of private study, research, criticism, review or newspaper summary, and/or for non-commercial purposes; and that Statistics Canada be fully acknowledged as follows: Source (or "Adapted from", if appropriate): Statistics Canada, year of publication, name of product, catalogue number, volume and issue numbers, reference period and page(s). Otherwise, no part of this publication may be reproduced, stored in a retrieval system or transmitted in any form, by any means—electronic, mechanical or photocopy—or for any purposes without prior written permission of Licensing Services, Client Services Division, Statistics Canada, Ottawa, Ontario, Canada K1A 0T6.

### Standards of service to the public

Statistics Canada is committed to serving its clients in a prompt, reliable and courteous manner. To this end, Statistics Canada has developed *standards of service* that its employees observe.

To obtain a copy of these service standards, please contact Statistics Canada toll-free at 1-800-263-1136. The service standards are also published on [www.statcan.gc.ca](http://www.statcan.gc.ca) under "About us" > "Providing services to Canadians."

### Note of appreciation

Canada owes the success of its statistical system to a long standing partnership between Statistics Canada, the citizens of Canada, its businesses, governments and other institutions. Accurate and timely statistical information could not be produced without their continued cooperation and goodwill.