



# **Annual Report 2018**

## **Statistics Netherlands**

The original financial statements were drafted in Dutch. This document is an English translation of the original. In the case of any discrepancies between the English and the Dutch text, the latter will prevail.

# Contents

<b>Management report</b>	<b>3</b>
<b>1. Introduction</b>	<b>4</b>
<b>2. Statistical programme</b>	<b>8</b>
2.1 Basic programme	8
2.2 Programme renewal	10
2.3 New European obligations	11
2.4 Additional statistical services	12
2.5 Actual output	18
2.6 Communications	19
<b>3. Innovation and efficiency</b>	<b>21</b>
<b>4. Operations</b>	<b>25</b>
4.1 Human resources	25
4.2 Socially responsible operation	28
4.3 Information security, quality assurance and codes of conduct	29
4.4 Performance indicators	30
<b>5. Governance</b>	<b>33</b>
5.1 Tasks of the Advisory Council	33
5.2 Composition of the Advisory Council	33
5.3 Advisory Council in 2018	34
5.4 Opinion on the annual report and financial statements	35
<b>6. Finance</b>	<b>36</b>
6.1 Financial outlook	36
6.2 External accounting model (statistics costs)	37
6.3 In control statement	39
<b>Financial Statements</b>	<b>44</b>
<b>Other information</b>	<b>69</b>
<b>Independent auditor's report</b>	<b>70</b>
<b>Appendices</b>	<b>74</b>
Appendix A. Organisation at 31 December 2018	75
Appendix B. Users Councils	76
Appendix C. Guide	77

## **Management report**

# 1. Introduction

*In a society in which information is growing exponentially, the free availability of reliable and comprehensive data is crucial. Statistics Netherlands (CBS), as the statistical agency of the Netherlands, supplies reliable statistical information and data providing insight into social issues. That enables CBS to inform the public debate, policy development and decision-making, thereby contributing to well-being, welfare and democracy.*

With its statistical information CBS contributes to effective policy formation and decision-making, public debate and research. Demand for statistical information on the part of the government, politicians, business, academia and media is evolving and growing as a result of social developments. CBS is constantly looking for ways to meet this changing demand as fully as possible. In this annual report CBS reviews the main developments and results in 2018.

## **Basic programme**

CBS operates a basic programme consisting primarily of statistics based on European legislation. Examples are estimates of gross domestic product and government debt. The basic programme also includes statistics that are of importance for practice, policy and academic purposes but are not required by European legislation. In order to implement the basic programme, CBS receives a multi-annual contribution from the Ministry of Economic Affairs and Climate Policy. This contribution constitutes the basic budget.

## **Additional services**

The need for statistics is growing, and CBS cannot meet all of the demand with its basic budget. It therefore provides additional statistical services alongside the basic programme. These are funded directly by users (mainly ministries, local authorities and provincial governments) and are growing in terms of both the number of statistics and the budget. In 2018, for example, CBS conducted the second measurement of progress achieved with the UN Sustainable Development Goals, which was funded by the Ministry of Foreign Affairs. CBS published the Monitor of Well-being for the Accountability Debate in the House of Representatives for the first time in 2018. This describes the developments in well-being in the Netherlands, in terms of economic and ecological aspects as well as social and societal aspects.

Where possible, CBS obtains external funding, including European subsidies, in order to meet all the demand for statistical information, services, renewal and innovation. It also enters into partnerships to achieve the necessary innovations.

## **Social developments**

CBS has to contend with three major developments when performing its core tasks. Firstly, demand in society for accurate and up-to-date statistics is growing. Secondly, the process of producing statistics is changing due to social developments such as the increasing use of smartphones and the availability of new data sources such as the internet and sensors. Finally, society requires statistics to be produced efficiently with the least possible administrative burden. In view of the declining rate response to surveys, CBS is continually looking for new sources of data, including Big Data, as well as alternative and efficient means of data collection.

### **Data centres**

CBS collaborates in data centres to meet the needs of government users of statistics. In a data centre CBS works closely with a local authority (Urban Data Centre), region (Euregional Data Centre), provincial government (Provincial Data Centre) or ministry (Departmental Data Centre). The aim of the data centre is to broaden, deepen and improve the data available in the organisation by combining the knowledge, data and expertise of CBS and the government. The result is a factual, data-driven basis for policy and decision-making and for savings achieved through intelligent or smarter use of data. The eleventh Urban Data Centre, the Research Data Centre in Schagen, entered service in 2018. CBS also signed a partnership agreement with the Province of Limburg to establish the first Provincial Data Centre, the CBS Brightlands Data Centre.

### **Reach and communication**

CBS aims to reach the widest possible public and to provide the most accessible information possible on relevant statistical data. To this end it uses a wide range of communication channels, such as the CBS website, Facebook, Instagram, LinkedIn, Twitter and YouTube. In 2018 the number of CBS productions grew to 933 (2017: 889). CBS was also mentioned over 58,000 times in the media (2017: 49,000 times). That represents a substantial increase compared to the preceding years.

In 2018 the first steps were taken towards the creation of a virtual CBS assistant within the Information Dialogue innovation programme. This will enable end-users to enter into a spoken or written dialogue with CBS by means of a chatbot application and obtain immediate answers to requests for specific information.

### **Finance**

The contribution CBS receives from the Ministry of Economic Affairs and Climate Policy to carry out its basic programme has decreased. The spending cuts made under Prime Minister Rutte's first and second governments and the Spring Agreement have reduced the basic budget by over €50 million. That is equivalent to more than 25 percent of the original budget of €188 million in 2011.

A deficit of €4 million was recorded for 2018. That is more positive than budgeted (deficit of €4.5 million). Equity therefore fell to a negative amount of €4 million in 2018. CBS has obtained consent from the Ministry of Economic Affairs and Climate Policy to budget for negative equity up to a maximum of approximately €5 million over the next few years. Positive results are expected again after 2018. Equity is expected to turn positive again at the end of the 2019-2023 multi-annual programme period.

### **Strategic multi-annual programme 2014-2018**

The 2014-2018 multi-annual programme was completed in 2018. A substantial set of results was obtained within the multi-annual programme, some examples of which are set out below.

#### *Improvements in information security, privacy and quality management*

CBS was certified in accordance with ISO 27001 in both 2017 and 2018 and the standards under ISO 27002 are assessed annually by means of privacy audits. CBS thus demonstrably complies also with all the standards in the Public Sector Information Security Baseline (BIR). The handling of personal data is assessed externally each year on the basis of the NOREA framework. This has resulted in the issuing of the privacy-proof statement.

CBS has introduced a quality management system based on ISO 9001 to further improve the processes and services and to meet society's needs and expectations even more effectively. The aim of securing ISO 9001 certification at CBS level in 2019 was already achieved in 2018.

#### *Greater efficiency and limits on the number of statistics*

As a result of the financial targets the production of some statistics has been terminated, cut back or reduced in frequency. Most of the targets were met, however, by means of efficiency measures which led to a structural cost reduction. A large proportion of CBS employees have used the Lean Six Sigma methodology, Lean Operational Management (LOM) and Agile and Scrum working methods.

#### *Research into the statistical potential of Big Data*

In the autumn of 2016, CBS established the Center for Big Data Statistics (CBDS). This brings together national and international public authorities, enterprises, academics and the education sector to explore the potential of Big Data technologies. The aim is to develop new statistics and methods and to achieve faster and more up-to-date output at lower cost and with less regulatory pressure. The CBDS supplied 12 beta products in 2018. Anonymous telephony data was used to produce an interactive map showing the level of crowding in cities. This mobile telephony data is a useful supplement to the standard registration data.

#### *Programme renewal*

The needs of users were assessed in the production of the 2014-2018 multi-annual programme. There turned out to be a need for additional information on business developments, labour market flexibility and household wealth.

In the business developments theme, more cohesion was brought to the information used for statistics on internationalisation and the Dutch economy. The information on regional economic developments was also expanded to include the effects of new sites, business closures and relocations, the formation of clusters and regional business-cycle information. Finally, figures are now also being published on sales to consumers via the internet as a phenomenon in sales statistics.

In order to gain a fuller picture of labour market flexibility, information on self-employed persons has been considerably expanded, including more information on incomes of self-employed persons in each region. New figures have also become available on matters such as the length of time employees spend in the flexible shell, the flow from the flexible shell to permanent employment and the employee's educational level.

Finally, CBS can now present a clearer picture of household wealth. In order to achieve greater coherence in the system of income, spending and wealth statistics and the national accounts, a fuller picture of the household wealth was produced, broken down by the type of income and debt, such as investments, mortgages and non-mortgage debt.

#### **Strategic multi-annual programme 2019-2023**

CBS is introducing a new strategic multi-annual programme in 2019. For the purposes of the multi-annual programme, CBS carried out a business environment analysis by consulting more than 60 users and other stakeholders. The analysis also addressed their satisfaction with CBS' existing products and services, as well as any additional requirements they might have. Users are satisfied with the basic programme. This programme will be continued in the same way as in 2018. Improvements in the basic programme will result among other things from more modern processes used to produce the existing statistics. This will allow faster and more flexible delivery of the results.

Where possible CBS will produce richer statistics by using higher-quality source information or linking data from multiple sources. The multi-annual programme contains an overview of users' needs that CBS cannot fulfil because it has insufficient resources.

The combination of growing public demand for more accurate and up-to-date statistics and a changing data landscape compels CBS to evolve constantly in order to continue producing statistics with maximum efficiency and a minimum administrative burden. Innovation plays an important role in this regard, so it is an important pillar of the new strategic multi-annual programme for the period 2019-2023. CBS aims to reduce the negative equity in the first years of the new multi-annual programme. This aim, combined with the limited budgetary framework, means that in the years ahead CBS will seek to increase its efficiency so as to continue meeting the changing demand from society. This will include investments to secure access to new data sources (including Big Data), new methods and new technology for the data infrastructure, as well as automated processing systems. Obsolete ICT systems also require investment. In view of the risks posed by obsolete systems, these investments are urgently required. Given the limited budget, the risks, costs and benefits will have to be weighed carefully in deciding which projects relating to ICT and the redesign of processes will be carried out.

CBS will endeavour to continue meeting users' needs for statistical services within the legal framework. Existing user-funded projects and programmes will be continued or expanded. There is strong interest, for example, in regional and urban statistics, partly due to the decentralisation of government functions. CBS is anticipating this requirement by consulting closely with social actors and government and decentralised authorities to promote the provision of statistical information in this field. CBS will also strengthen its role as a data hub for the government in close collaboration with all relevant partners.

The Hague, 29 March 2019

Director General of Statistics Netherlands

T.B.P.M. Tjin-A-Tsoi

## 2. Statistical programme

### 2.1 Basic programme

The **basic programme** forms the core of CBS' output and encompasses a wide range of subjects. Most of the output comprises statistical information that CBS is obliged to produce under European legislation. Every day, CBS publishes tables and media releases with the very latest information. Section 2.4 contains a table with 2018 output arranged by theme.

For many years, CBS has published detailed figures in StatLine, a free database. Its entire database is also available as open data. The use of open data sets provided by CBS also grew substantially in 2018. The number of requests grew threefold in 2018 to more than 1 million per month by the end of the year. The number of unique users also grew from over 50,000 in December 2017 to over 250,000 in December 2018.

On 24 May 2018 CBS published the first results of the **revision of the national accounts** for the 2015 baseline year. New estimates of macroeconomic indicators consequently became available, such as gross domestic product, gross national income (GNI), the government deficit, government debt, the trade balance, total receivables from the rest of the world and the labour volume.

As part of the revision, the balance of payments statistics and the international investment position in the national accounts were also successfully harmonised in **collaboration with De Nederlandsche Bank (DNB)**. DNB and CBS created a joint production process for the sector accounts (CBS statistics) and the balance of payments (DNB statistics) in 2018. The full integration of the compilation of national accounts and the balance of payments led to consistency and simultaneous publication.

Other activities related to **appropriate measurement of the economy**. Because the world and the economic environment are constantly changing, further work was carried out on a programme aimed at ensuring continued appropriate measurement of the economy. Attention was devoted, for example, to new economic activities as a result of digitisation, such as sharing and exchanging goods and services, secondhand purchases and sales via the internet, temporary lettings of homes (Airbnb) and transport services provided by private individuals (Uber). To describe this phenomenon CBS worked on a survey of exports of digital services, which the European Commission is financing by means of a subsidy. A survey was also established to assess the economic interest of other parts of the platform economy.

CBS published figures on the **use of ICT by small businesses** for the first time in 2018. In the publication entitled *ICT, Kennis en Economie 2018* (ICT, Knowledge and the Economy 2018), which was issued for the first time as a web publication, CBS also assessed the results of exploratory work on the **platform economy**.

Attention was also devoted to **inflation**. The development of consumer prices is an important measure in this regard, but inflation is a phenomenon that manifests itself much more widely. Trends in prices of financial assets (such as shares) and non-financial assets (such as real estate) also play a role. In 2017 a price dashboard was compiled showing the development of various price indicators and the relationships between them. CBS followed this up in 2018 with the release of a quarterly publication containing a description of the concept of inflation and the development of the various inflation measures.



Various products on the theme of sustainability were further developed in 2018. The publication *Groene groei in Nederland* (Green Growth in the Netherlands), which provides better and faster access to indicators on green growth, was further improved and updated. Dutch imports and exports were converted into raw material equivalents on the basis of a Eurostat model. These figures make it possible to determine the material footprint for the Netherlands. This indicator was taken into production in 2018 and was published on StatLine. The indicator for the circular economy was taken into production in 2017 and was recalculated and published. The method for calculating the carbon footprint was taken into production in 2018. With these indicators and data from the Materials Monitor, CBS contributed actively to the monitoring for the Government-wide programme for the Circular Economy.

Various activities aimed at producing quantitative information on **energy savings in companies** were continued or completed in 2018. For example, the set of indicators on the breakdown of specific energy consumption by a large part of the utility construction in service sectors was taken into production, classified by main activity, year of construction and surface area. These figures enable energy savings in the service sectors to be monitored. Further advances were made with the preparations to make such indicators available for the agriculture, construction and manufacturing sectors.

The **pension claim statistics** were redesigned and resurveyed in 2017 and 2018. The results for the 2015 and 2016 reporting years were published. CBS issued a memorandum explaining the results for 2015 and giving an account of the methods and techniques used.

In May 2018 CBS published the first results of the **revision of the care accounts**, in the form of provisional figures for the years 2015-2017. This revision includes the latest insights from various statistics and information sources. The intention was to publish the adjusted figures for 2015-2017 and the revised figures for 1998-2014 by the end of 2018, but the publication of these figures was delayed until early 2019 due to additional quality improvements.

A new method was also developed in 2018 to measure **price and volume developments in specialist medical care**. The method is based on the claims that hospitals submit to care insurers, taking account of annual changes in the product structure.

Preparations were made for the third wave of the **European Health Survey** (EHIS), which takes place in 2019. The EHIS was fully integrated into the annual CBS health survey. The questionnaire was revised in 2018 to comply with the EHIS obligations.

On the basis of the **Labour Force Survey**, monthly, quarterly and annual figures are compiled on unemployment and the labour force, based on individuals' characteristics, such as education level, and employment, such as profession, working hours and position. The structure of this continuous survey remained largely unchanged in 2018. The proportion of face-to-face surveys decreased. Preparations were also made for a redesign as a result of a new European regulation on social statistics. This requires adjustments to be made to both the questionnaire and the sample design.

The **labour cost survey** was published at the end of June 2018. This provides information on labour costs of companies and institutions. It is a four-yearly survey and this edition concerns the 2016 reporting year. A saving was achieved in the conduct of the 2016 labour cost survey compared to the previous edition from 2012.

The standard labour market statistics based on the **Policy administration** – the register of all employment relationships, remuneration, social benefits, annuities and pensions – were accelerated by one month in 2018. This means that the monthly figures are available on StatLine three months after the end of a reporting month. In 2017 they were available four months after the end of a reporting month.

The study of the quality of the variable **contract hours and contract pay** in the Policy administration was completed in 2018. The quality of the data is generally good, but because the data are not mandatory, some are missing. CBS has decided to use the data as ancillary data in the compilation of the labour market statistics.

The **National Cohort Survey on Education** led to the production of a report on the development of school pupils (internal return) and what pupils do after they leave education (external return). This information is mainly used by schools.

CBS improved the information flow in 2018, partly with regard to **criminal court cases** with new personalised register information. This information is also included in the System of Social Statistical Databases by which CBS enables surveys of background characteristics to be conducted.

## 2.2 Programme renewal

The strategic multi-year programme for 2014-2018 included three principal themes for the programme renewal: business developments, labour market flexibility and household wealth. Following the spending cuts made by Prime Minister Rutte's second government in 2017, fewer than 10 FTEs were available for this renewal in the basic budget in 2018. A number of development activities were carried out as additional statistical services funded by ministries. In addition to the three principal themes, a key aim of the programme renewal was even greater accessibility of the information at regional level.

### Labour market flexibility

In the programme renewal project on labour market flexibility new labour market statistics were developed, for example concerning the self-employed. The statistics on the length of stay in the flexible shell were supplemented with a new inflow cohort. CBS issued a news release and a background article covering the duration of jobs. An article was also written on the careers of new entrants in the flexible shell in cooperation with Vrije Universiteit Amsterdam and an article was published on the relationship between flexibility and companies' activities. The study of the relationship between knowledge migrants and the operating result in cooperation with the Research Centre for Education and the Labour Market was completed.

### Developments in business

The publication of the monthly statistics on retail internet sales continued in 2018. CBS was able to publish quarterly data on trends in the turnover of European webshops, thanks to innovative research involving the linking of various data sources and the use of web scraping in 2018.

In addition to the regular publication of trends in the turnover of Dutch and European online sales, further research into online sales by non-European webshops to Dutch consumers took place in 2018. A survey was carried out of part of these sales.

### **Household wealth**

The aim of the household wealth project was to obtain a full picture of household wealth at micro and macro level. The intention was to incorporate new files in the current interlinked system of income, expenditure and wealth statistics and the financial account of the household sector of the national accounts. That aim was partly achieved. Important wealth components such as student debt and overdrafts have now been incorporated in the regular wealth statistics. This has produced a cleaner and more complete picture of non-mortgage debt. The linking and opening up of wealth data within savings and investment-based mortgages, however, proved more complex than expected. The surveying of these mortgage data was nevertheless improved successfully in cooperation with DNB, so future supplies will be of better quality. The acquisition of new data on consumer credit and credit card debt proved unsuccessful. There are no central registers of such data and CBS does not yet have access to such data held by companies.

### **Access to information at sub-provincial level**

Demand among users for information at sub-provincial level continues to increase, particularly as local authorities have taken over tasks from central government. CBS' sub-provincial data were expanded during the programme period and are being published faster. The new data and the geographic information already available have been made more accessible and easier to find on the CBS website. This project also included the visualisation of the data and the comparability of the data across national boundaries. The publication of grid-based statistics (map areas) was expanded and a new postcode statistics publication appeared in 2018.

The CBSinuwBuurt.nl website has been further developed and is being used a great deal. The user gains a deeper, factual understanding of the phenomenon that he is investigating because multiple indicators are shown in a regional context. The techniques used, however, offer insufficient scope for improvement. Work therefore started on the development of an entirely new website in 2018.

As part of the programme renewal, work took place in 2016 and 2017 on the publication of companies' regional turnover data. In 2016 this led to a StatLine table containing retail data at provincial level broken down into 10 underlying sectors. Regional figures were developed and published for other sectors at COROP level in 2017. These data were updated in 2018 using funding received from the Ministry of Economic Affairs and Climate Policy.

## **2.3 New European obligations**

The statistics based on European obligations support the formulation of national policy but also the development, monitoring and evaluation of EU policy with reliable, objective, comparable and coherent information.

In 2018 CBS worked on meeting the following new European obligations:

- **Quality reports for national accounts**  
The quality report on national and regional accounts must contain both quantitative indicators and qualitative descriptions of the issued data. The European Commission (Eurostat) supplies member states with the results of the quantitative indicators. These are calculated on the basis of the submitted data. The member states interpret and comment on these results in accordance with their methodology and statistical production process. The result is included in a quality report compiled by Eurostat on the European System of

National and Regional Accounts (ESA) supply programme. In the report published in 2018, Eurostat gave a high rating for the quality, comprehensiveness and documentation of the Dutch national accounts.

- Expansion of reports and questionnaires as part of the BNI  
At the request of the European Court of Auditors the European Commission (Eurostat) intensified and accelerated the BNI verification. As a result, the rules and the quantity of information that the member states are required to supply to the Commission have increased greatly in recent years. Eurostat now uses the GNI Inventory Assessment Questionnaire (GIAQ). This is intended to ensure systematic, consistent verification of the BNI data. The consequence of the GIAQ is that Eurostat makes much higher demands on the meta information that member states are required to provide. The number of questions directed to member states is also much higher than in previous verification rounds. CBS answered these questions as requested in 2018. No reservations have so far been imposed on the Netherlands in the BNI verification. CBS has dealt with some of the points in the revision of the national accounts published in 2018.

The European Commission submitted the legislative proposal for the Framework Regulation Integrating Business Statistics (FRIBS) to the EU legislature in 2017. The proposal is to introduce a framework regulation for a large number of business statistics, including short-term business statistics (STS), structural business statistics (SBS) and international trade statistics in goods (Intrastat). The negotiations on the legislative proposal began in the Council and between the Council and the European Parliament in 2018. In anticipation of this legislation the European Commission will provide cofinancing from the EU budget by means of subsidies. CBS has registered for the relevant subsidies and taken a number of preparatory steps for the future implementation of parts of the framework regulation.

The regulation on international trade statistics in goods (Intrastat) will change fundamentally as a result of the FRIBS legislative proposal. The European statistical agencies will exchange microdata on exports to EU countries in order to achieve a substantial reduction of the administrative burden involved in conducting the Intrastat survey. The intention is to use these microdata to determine the exports from EU countries, so as to reduce the primary survey of imports. CBS carried out preparatory work and conducted a test to facilitate this exchange of microdata with the 27 EU states in 2018. This work was financed by a subsidy. Companies' privacy was of course guaranteed.

The framework regulation on European integrated farm statistics came into force in 2018.

The negotiations between the European Parliament and the Council on the European statistics regulation relating to persons and households continued in 2018 and have not yet produced a definitive compromise.

## **2.4 Additional statistical services**

The law provides that the costs of performing CBS' statutory tasks are paid from the central government budget. In practice, this means that CBS receives a multi-annual contribution from the Ministry of Economic Affairs and Climate Policy. This contribution constitutes CBS' basic budget. The activities financed from the basic budget constitute CBS' basic programme. The basic programme consists of two components: statistics based on European legislation and additional statistics that

are of importance for practice, policy and academic purposes. Every year, the Director General (DG) of CBS draws up the basic programme.

By far the largest part of the basic budget is devoted to compliance with EU obligations. These statistics encompass various domains and are used not only to support the formulation and monitoring of the EU's policies, but also to address national policy issues. CBS uses the remainder of the basic budget to meet demand for other statistics. The criteria for including statistics in the basic programme are:

- The statistics must be of major social value and be widely used.
- The statistics constitute a building block of CBS' data infrastructure.
- The statistics should preferably be compiled and published by CBS in the light of its position and capacity.

The volume of non-European statistics in the basic programme has declined substantially in recent years due to targets that have been set. There was also little scope to respond to new demands. Consequently, the part of the basic programme comprising non-European statistics can only meet the other demand for statistics to a limited extent.

An external study conducted among more than 60 stakeholders revealed a high level of satisfaction with the content of the basic programme. New statistics were also requested in various areas, however. The basic budget is insufficient to fully meet the demand for statistics, so users, usually ministries, increasingly provide direct funding for the statistics they need. These include larger, multi-annual statistical programmes, but also one-off surveys. CBS can offer these statistics at cost, partly due to its knowledge, data sources and good infrastructure. Wherever possible, CBS concludes multi-annual agreements on these statistical programmes to guarantee their continuity and coherence and avoid gaps in time series.

The results of the additional research are published on the CBS website and are therefore available to everyone.

This section includes some examples of the additional research conducted in 2018.

As a follow-up to the first measurement in 2016 (published in 2017) a second measurement of the **Sustainable Development Goals** was carried out, funded by the Ministry of Foreign Affairs. These comprise 17 sustainable development goals prescribed by the UN, which are seen worldwide as the most important policy themes for the period up to and including 2030. Thanks to an extensive public consultation among more than 30 organisations (ministries, government institutions, universities and NGOs), the reporting coverage of the indicators was substantially increased in 2018 compared to 2017, from 33 to 51 percent.

The first Monitor of Well-being appeared on 16 May 2018. It was produced at the Government's request as a follow-up to the recommendations of the Temporary Committee on a Broad Definition of Welfare (Grashoff Committee) in 2016. The Monitor was included among the reports to be discussed in the Accountability debate by the House of Representatives, together with the response from the government. The Monitor describes the development of well-being in the Netherlands in the broad sense. This concerns the economic as well as ecological and social aspects of well-being. The Monitor of Well-being also looks at the pressure which the pursuit of well-being may put on subsequent generations in the Netherlands, or on other countries. The Monitor also considers how widely the well-being is spread and provides descriptions of well-being for 16 policy themes. The long-term trend and international position are determined for each indicator.

The **globalisation development programme** funded by the Ministry of Foreign Affairs was implemented. This included an assessment of the phenomenon of carry-along trade, which concerns the business models of Dutch exporters and the way in which they develop, through exports of Dutch-produced goods and/or other products. An access-to-finance indicator was also developed for Dutch SMEs and a preliminary study was initiated to identify a uniform approach, definition and typology of special financial institutions. Finally, an assessment was made to determine which groups of working people benefit from globalisation and who is disadvantaged by it. As part of this programme CBS published a quarterly Internationalisation Monitor. The Monitors always highlight one specific theme from different perspectives. The themes for 2018 were:

- Geographic patterns;
- Winners/losers of globalisation;
- Financialisation;
- The Netherlands as a manufacturing country versus a trading country.

For the series **De Nederlandse Samenleving** (Dutch society): **Kwaliteit van Leven** (Quality of life), funded by the Ministry of Social Affairs and Employment, is a statistical method developed to repair discontinuities in the time series of perceived happiness and perceived satisfaction. Corrected time series were published for the years 1997-2017. CBS also enabled a comparison to be made of the concept of well-being over time and initiated a dynamic analysis following two cohorts of elderly people between 60 and 65 to obtain a picture of the timing of retirement.

The **Safety Monitor** is a large-scale two-yearly survey conducted among persons aged 15 and over, co-financed by the Ministry of Justice and Security. The results of the 2017 Safety Monitor were published on 1 March 2018. No Safety Monitor was produced in 2018 and this period was used to improve the surveying of citizens who had fallen victims to digital crime. To this end CBS conducted a large-scale pilot survey with the National Police among persons aged 12 and over in the autumn of 2018.

With funding from the national emissions register and in collaboration with TNO, CBS developed a method for calculating **road traffic emissions** using traffic performance (the number of kilometres travelled) in 2018. The number of kilometres travelled is linked to emission factors so as to calculate the total emissions to air from motor vehicles.

The Ministry of Infrastructure and Water Management, Rijkswaterstaat, the KiM Netherlands Institute for Transport Policy Analysis and CBS collaborated again in 2018 on the Dutch national travel survey **Onderweg in Nederland** (ODIN). This surveys the mobility behaviour of people in the Netherlands. The Amsterdam city region and the Rotterdam-The Hague metropolitan region took advantage of the possibility of expanding the study locally.

The National Coordinator for Groningen funded the continuation of the research into the **development of the housing market around the Groningen gas field**. This illustrated the extent to which there is a discrepancy between the development of the housing market in the area affected by earthquakes and a comparable area in the vicinity. The half-yearly figures were published twice in 2018, including quality margins.

In past years CBS has developed **statistical information on SMEs** in cooperation with the Ministry of Economic Affairs and Climate Policy and published it at [www.staatvanhetmkb.nl](http://www.staatvanhetmkb.nl). In 2018 the figures were updated and a number of new indicators were added to provide insight into the speed of

growth of specific groups of businesses in the SME sector. The results formed the basis for the Ministry's publication *Jaarbericht staat van het MKB 2018 (Annual Report on the State of SMEs)*.

CBS uses a range of economic statistics at national level. The statistics on international trade in goods, international trade in services, R&D and innovation, turnover and investments are funded by the Ministry of Economic Affairs and Climate Policy and **produced on a regional basis**.

Work was carried out to develop natural capital accounts (**ecosystem accounts**) for the Netherlands with funding from the Ministries of Economic Affairs and Climate Policy and Infrastructure & Water Management. This project is being conducted in cooperation with Wageningen University. It involves the development of detailed physical natural capital accounts for the whole of the Netherlands and experiments with monetary natural capital accounts in accordance with the international guidelines of the System of Environmental-Economic Accounting - Experimental Ecosystem Accounting (SEEA-EEA). This experimental accounting system measures the contribution from natural resources (in the form of ecosystem services) to the economy and well-being. The physical accounts (provision and use of 13 ecosystem services such as natural recreation, particulate capture, carbon storage) and thematic accounts for carbon and the ecosystem condition were completed in 2018. Experiments were conducted with a number of different valuation methods for 11 ecosystem services. This is being followed up in 2019.

In 2018 a further study was conducted in cooperation with the Land Registry Office on the development of the **price index for commercial property**. The study showed that the quality of the index was still insufficient for publication, particularly due to low coverage of large transactions in the cities. The potential for quality improvement is being investigated with the aid of a Eurostat subsidy. A study was also made of new price index figures for newbuild homes. These figures were published in 2018.

In 2018 CBS took over the management of the **register for the Standards for Remuneration Act (WNT)** from the Ministry of the Interior and Kingdom Relations. The WNT register contains relevant information on semipublic organisations that fall within the scope of the WNT. For the drafting of statistics on government finances CBS determines whether an organisation or company should be considered part of the government or is supervised by the government, for example through financing. These analyses show strong similarities with the work required for the production of the WNT register. The assignment of these analyses for the WNT register to CBS avoids duplicated work.

CBS continued the study for the **Lifestyle Monitor** in 2018. The Lifestyle Monitor is funded by various users and contains data relating to lifestyle, such as smoking, alcohol and drug use, exercise and nutrition.

CBS contributes to **cross-border statistics**, in which it increasingly plays a leading role in Europe. The Ministry of the Interior and Kingdom Relations finances the production of these statistics on a regular basis.

There is strong interest in **regional and urban statistics on the part of the government**, partly due to the decentralisation of government functions. CBS is anticipating this requirement by consulting closely with social actors and government and decentralised authorities to promote the provision of statistical information in this field. For example, an Urban Data Centre was created in Schagen in 2018.

In mid-2018 CBS started making a multi-annual contribution to the **labour market, care and welfare (AZW)** research programme. This cooperation with the Ministry of Health, Welfare and Sport is aimed among other things at providing reliable information for the care sector. At the end of 2018 the first tables with new figures on developments in the labour market in the care and welfare, youth care and child care sectors were published.

The statistics on **migration motives** were published in the second quarter. The statistics are financed by the Ministry of Justice and Security and draw a distinction between migrants moving for asylum, labour, family and study reasons.

The **annual report on integration** was published in November 2018 in close cooperation with the Netherlands Interdisciplinary Demographic Institute. This consists of a monitor section and two in-depth chapters.

June 2018 saw the release of the second publication concerning CBS' **Cohort Survey on Asylum Migration and Integration**. This survey was conducted in response to the large inflow of asylum seekers in 2014, 2015 and 2016 and its consequences for Dutch society. This statistical research was funded by various ministries. The publication focuses particularly on the size, household composition, residence situation, family reunification, accommodation, socioeconomic position (employment or benefits), education, civic integration and crime.

CBS managed the digital platform entitled **Criminaliteit in beeld** (Crime Illustrated) jointly with the Dutch Research and Document Centre (WODC), the Council for the Judiciary, the Public Prosecution Department and the Dutch National Police in 2018. CBS produced a blueprint for the expansion of this platform into a clearly arranged platform with key figures and open data on security and crime in 2018.

In 2017 and 2018 CBS implemented **WoonOnderzoek Nederland** (WoOn - Netherlands housing research), funded by the Ministry of the Interior and Kingdom Relations. This involves the gathering of statistical information on the current, previous and desired housing situation (homes and living environment) of households and individuals, including housing costs.

The **residents' survey of the 2018 Energy Module** of the WoON, financed by the Ministry of the Interior and Kingdom Relations, was conducted. The residents' survey concerns households' energy behaviour and their opinion on energy conservation measures in the home.

Figures were compiled for the output of **youth assistance, youth protection and juvenile rehabilitation** and the results of the youth assistance policy with funding from the Ministry of Health, Welfare and Sport and the Association of Netherlands Municipalities in 2018. The figures were also made more accessible with a dashboard for municipal councillors among others. This enables local authorities to compare themselves to other local authorities in their youth region and across the Netherlands.

The **Long-term Care Monitor**, financed by the Ministry of Health, Welfare and Sport, was updated in 2018 and expanded to include new information from data sources related to the Social Support Act (Wmo) and the Long-term Care Act (Wlz). The Monitor thus provides a comprehensive picture of long-term care funded under the Wlz, Wmo and the Care Insurance Act for the years 2015-2017.



Each year CBS carries out the calculation of the **Hospital Standardised Mortality Ratios** for Dutch hospitals, funded by Dutch Hospital Data. As an extension to this, CBS produced a calculation model for the readmissions ratio, another quality indicator for hospitals, in 2018. This also includes cross-hospital readmissions.

In 2017 CBS conducted the **School Leavers Survey 2017** in collaboration with the Ministry of Education, Culture and Science (OCW) and the Research Centre for Education and the Labour Market at Maastricht University. The results of this survey were published in the spring of 2018.

The **indicators of educational disadvantage in primary education** were taken into production in the fourth quarter of 2018. These are calculated annually. These indicators are used in particular by schools and local authorities.

CBS worked on an initial **culture account** in 2018, funded by the Ministry of Education, Culture and Science. The figures were published at the beginning of 2019 and provide a picture of the impact of culture-related matters on the economy according to the methods used in the national accounts.

## 2.5 Actual output

Output 2018									
Theme	Media releases	StatLine tables		Publications	Eurostat deliveries	Microdatabases	Information (infoservice)**		
	quantity	of which new		electronic*	databases		by telephone	e-mail (including letters and faxes)	Twitter**
Labour and social security	63	497	26	6	87	158	616	1130	
Enterprises	62	197	10	1	33	68	304	449	
Population	38	288	13	10	8	55	476	1026	
Construction and housing	32	199	11	2	37	27	156	259	
Financial and business services	4	24	6		14		9	60	
Health and well-being	37	164	19	3	10	98	392	637	
Trade, hotels and restaurants	33	48	6		16		88	195	
Manufacturing and energy	27	330	8	1	131	2	64	256	
Income and spending	47	98	21	5	9	118	195	568	
International trade	28	148	4	9	51	3	128	252	
Agriculture	26	110	16	4	91	1	93	160	
Macroeconomics	49	133	40	18	116		91	352	
Nature and the environment	15	70	1	2	14		57	173	
Education	18	156	20	3	9	64	123	193	
Government and politics	10	63	5	3			54	138	
Prices	32	112	2		90	8	2366	1506	
Security and justice	24	55	5	5	120	132	139	269	
Traffic and transport	33	135	2	1	106	8	102	255	
Leisure and culture	16	122	11	7	31	2	174	279	
People with a foreign background							116	109	
The Dutch Caribbean		78	6	1					
Business cycle									
Emancipation									
European Union							47	147	
Globalisation									
Historical series		0	0						
Life course									
Regional statistics Netherlands		39	4				197	443	
Investment climate									
The ageing population									
Censuses		37	0						
Other	2	591	8	117	1	236	1122	1018	508
Total	596	3694	244	198	974	980	7109	9874	508

\* Since 2016 all publications have been fully electronic. CBS' policy since then has been that only 'Etalageboekjes' such as Trends in the Netherlands and certain customised publications which are fully financed externally are published on paper.

\*\* Tweets are not broken down by subject.

## 2.6 Communications

In order to increase the value of CBS to society, collaboration with news organisations was intensified in 2018. CBS worked with a number of public and commercial broadcasters such as WNL, RTL and NOS on current affairs or news programmes based on CBS statistics. Examples are WNL Stand van Nederland, WNL op Zaterdag (radio), RTL Nieuws and RTL Z, Nieuwsuur, EenVandaag (TV and radio) and Brandpunt+. Cooperation with newspapers was also intensified. Never before have so many articles, reports and news items been produced on the basis of CBS figures in Dutch printed media, on the radio, TV and in online media. The reach of the CBS news reports, measured by mentions in the media, increased by 16 percent in 2018.

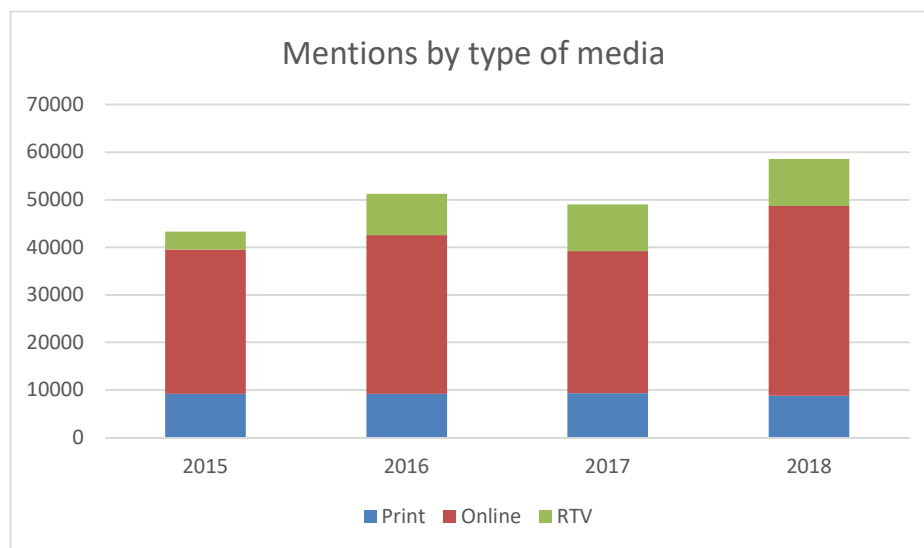


Figure 2.1: Number of mentions of CBS by type of media (2015-2018)

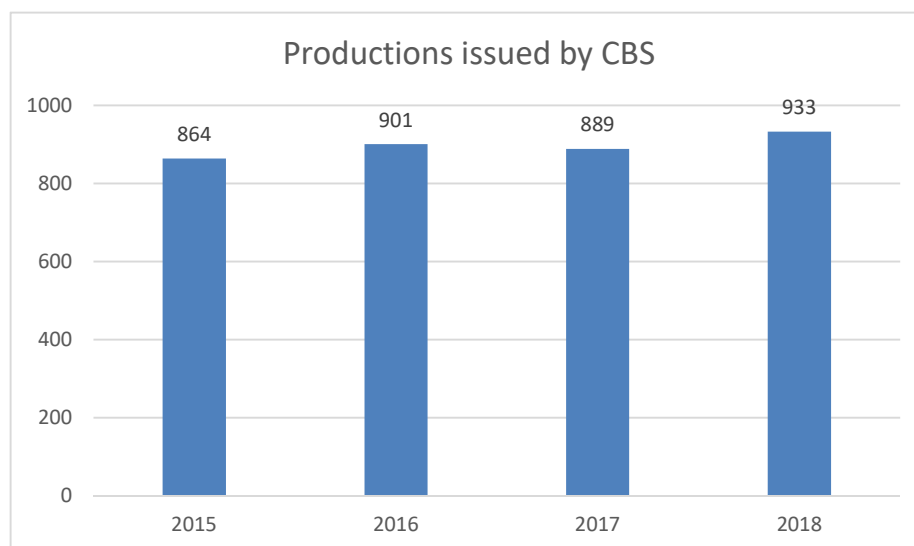


Figure 2.2: Number of productions issued by CBS (2015-2018)

CBS also frequently provided information directly for the public and specific target groups in 2018, including through its own online channels. CBS' reach on social media such as Instagram, LinkedIn and YouTube is growing substantially. CBS videos were viewed on average by around 3,000 users each and received over half a million views in total in 2018. The videos are also increasingly being used by other media, so the effective range is much higher. The output and hence production efficiency was increased. CBS' reach on Twitter is extensive for a public body and stabilised in 2018.

A number of larger **related and phenomenon-based productions** were created in 2018. The Monitor of Well-being was the most successful publication in terms of media reach and among the public in 2018. The broader studies on poverty and well-being in the Netherlands, the new National Youth Monitor and the new dashboard on the labour market were often quoted in the media in 2018.

CBS increasingly provides specific **dashboards and visualisations** that enable the public to consult the latest information on a broad theme at any time. In previous years a visualisation of the housing market in the Netherlands was produced, including the average selling prices in each local authority area. This visualisation was expanded in 2018 to include various housing market indicators, such as the development of house prices and selling prices in each local authority area. Visualisations were also produced for regional turnover data, the price dashboard, the owner-occupied housing market monitor and the Brexit monitor.

### 3. Innovation and efficiency

CBS also actively investigated the possibilities offered by new technology, data flows and analysis techniques in 2018, including in the field of Big Data and internet sources and the use of data science techniques. The objectives are:

- Improved quality of existing statistics, for example by reducing adjustments;
- Expansion of existing statistics to include more details, for example;
- Development of entirely new statistical products;
- Increased efficiency;
- Reduced regulatory pressure where possible.

The shifts of emphasis in data collection continued in 2018. For example, there was less demand for more expensive forms of observation such as telephone and face-to-face interviews. Internet questionnaires are the alternative. The rate of response to surveys remains under pressure, partly due to greater public sensitivity concerning privacy. The quality level is being maintained, albeit with some difficulty, thanks to new strategies based on a target group approach. Since the response rate is under pressure, secondary observation, such as the use of Big Data, is increasingly important. Primary observation remains important in target groups that are difficult to approach and for themes where secondary observation generates little data.

With the Phoenix+ large-scale multi-annual programme, CBS is creating a **new data collection process** that is effective and carries out primary and secondary observation at the lowest possible cost. When the programme is completed at the end of 2020, it will achieve a structural saving of 15 FTEs, accelerate the data collection process, provide better safeguards of business continuity in data collection and make surveys more flexible and user-friendly for participants. By the end of 2018 over 70 percent of the intended functionality had been delivered and the observation of 38 of the total of 121<sup>1</sup> statistical surveys had been integrated into the new process.

The Innovation Price Observation programme (IPC) was completed in 2018. This has greatly modernised **price observation** for the **consumer price index** and enabled the number of store visits for price observation in the 2015-2018 period to be reduced gradually from over 1,900 to over 400. The decrease in store observation delivered a structural saving of approximately seven FTEs. The modernisation was achieved through developments in several areas: for example, new web scrapers were built with uniform operating methods, generic methods were developed to process Big Data and practical tools were used for manual price observation.

Research was conducted into the possibilities of using data science techniques and Big Data and Internet sources in order to improve and accelerate existing statistics. Nowcasting techniques were developed to fill gaps in current data. Work was also carried on the optimum use of the existing information systems to measure economic growth in services as accurately as possible at an early stage.

An investigation was conducted to determine whether the use of data science techniques and Big Data sources could help improve the first measurement of the growth of the economy (flash estimate). Using data from the Rijkswaterstaat Information and Safety System (ISS), for example, a model was created to estimate the development of the production and added value of inland

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<sup>1</sup> The exact number changes regularly, because new surveys are added and others are terminated, for example when a secondary source can be used.

shipping. The results are promising and are currently being used as a reference value alongside figures based on the traditional turnover and price statistics.

The second part of the ESSnet Big Data: Workpackage Automatic Identification System (AIS) was successfully completed. AIS is a signal transmitted by ships that provides information on the ship's location and voyage. This work package includes research into the possibilities of improving existing statistics on the basis of AIS data and developing new statistics based on this source. The results are promising, for example for inland shipping, maritime shipping and emission statistics. In November 2018 a new ESSnet workpackage was launched with the aim of actually implementing AIS in existing statistics. The implementation of AIS in the inland shipping process has been included in it. AIS will be used for inland shipping to fill gaps in the current observation.

In the past few years the surveying of SMEs for a large part of the quarterly statistics has been replaced by information from VAT records. This has led to lower regulatory pressure and more efficient processing. VAT data were used in 2018 for the transport sector, among others, obviating the need for primary observation.

Work started in 2017 on the development of a so-called **Data Lake** to combine information from different data sets. This is a platform on which data that are not necessarily in the same database can be linked together and made readily accessible for internal and external use. The planned minimal variant of the Data Lake was produced in 2018. Using a highly advanced metadata management system it is now possible to search (including associatively) on variables, classifications, codes and data set designs.

**Methodological modernisation**, usually supported by new statistical software, was carried out on various subjects. This involves the surveying of improbable data, used in the statistics on international trade in goods (editing with soft control rules), research into the linking of files without a unique connection key (probabilistic linking, used in Big Data research), research into uncertainties in the output when missing data are estimated, used in the analysis of natural statistics, and research into the determination of the effect of classification errors on distortion and margins of output, used in consumption through webshops.

A substantial efficiency gain was achieved in **microdata services**. In four years the service has doubled, the quality level has been increased, customer satisfaction has been raised and the number of available files has grown threefold. This has been achieved with personnel growth of less than 15 percent.

In order to harmonise **geodata** in the EU (framework directive on Infrastructure for Spatial Information in Europe (INSPIRE)) and due to the increasing demand for table data to be linked to geography, CBS and Publieke Dienstverlening Op de Kaart (PDOK) are jointly developing a Table Joining Service (TJS). This TJS is an innovative online service based on open data that enables statistical data to be linked to a geographic visualisation. This enables CBS figures to be easily incorporated in various (external) applications with a map.

In order to meet the demand for new statistical information on the network of the Dutch economy, further work was conducted on a micro file that describes the network of the Dutch economy and shows the relations between consumers, companies, employers, employees and other parties in the economy. The method for this was elaborated in 2018 and software was developed to create the file on the basis of different data sources.

**Big data is a CBS-wide strategic theme** in the innovation programme. In the CBDS data scientists from CBS work with postgraduates, students and specialists from various national and international institutions on new products, the exploitation of new data sources and research. 45 partners are now affiliated with the CBDS, which also provides training. Within the CBDS, 15 internships have been completed, six PhDs have joined the centre and various secondments from other government organisations and exchanges with foreign statistical agencies have taken place. The CBDS thus has a clear workshop function for the use of Big Data in official statistics. This includes the further development and application of methods such as text mining, web scraping and machine learning. The international conference on Methods for Big Data in Official Statistics was held in October 2018 to share experiences and learn from partners. In a European context CBS acts as a coordinator of the ESSnet Big Data, an EU-funded project in which almost all European statistical agencies are taking part.

In 2018 CBS gained access to six Big Data sources, mostly in the private sector, in areas such as viewing figures and vacancies.

Twelve beta products were published in 2018 on the innovation page of the CBS website [www.cbs.nl/innovatie](http://www.cbs.nl/innovatie), on which feedback can be given. The publications provide insight into the feasibility of the products and anticipate the information needs of a growing number of users. The site had around 40,000 unique visitors in 2018 and a large number of mentions in national media. CBS published information on the innovation page about the classification of occupations in online vacancies in 2018. This was the result of a survey launched in 2017 on the possibilities of splitting CBS figures on vacancies into more background characteristics on the basis of Big Data.

CBS submitted a proposal to the European Space Agency to explore possibilities with various partners for monitoring **Sustainable Development Goals** with satellite observations. This proposal was not taken up.

Lean Six Sigma projects were implemented in 2018 to improve the control of operating processes within CBS and increase efficiency. The use of Lean Operational Management (LOM) was expanded during the reporting year. By the end of 2018 nearly 90 percent of employees were using LOM. In line with the objective, the introduction of LOM resulted in more efficient and more effective collaboration between employees. The use of Scrum in information technology development projects resulted in greater focus and better alignment between business and IT in 2018, leading to more useful results. A CBS-wide Agile transition was initiated in 2018 to anticipate changes more effectively.

CBS contributed to the further development of open data use in the Netherlands in 2018. At the request of the Ministries of the Interior and Kingdom Relations and Economic Affairs and Climate Policy CBS worked to improve the visibility and reusability of open data in collaboration with the Land Registry Office, the Association of Netherlands Municipalities and the Knowledge and Exploitation Centre for Official Government Publications (KOOP). This involved among other things the development of data stories in which stories are recounted on the basis of data. Data were also grouped by coherent themes and reference data sets were made available. Reference data sets are essential to promote the use of government data and serve as so-called anchor points.

Communication and information consumption in society is changing fast. The future of the dissemination of statistical information lies in direct dialogue with end-users, whether they are policymakers, academics, journalists or the general public. The personal mobile screen, smartphone or tablet, will play a central role. New technology is rapidly coming on stream such as Google Assistant, Apple Siri, Amazon Echo, and Microsoft Cortana, allowing an automated dialogue in natural speech between the end-user and the information provider. The **Information Dialogue** innovation programme aims to answer questions from end-users looking for factual information and statistics, wherever and whenever they ask them. The programme has two tracks. The first track involves accessing existing open data for these types of questions by means of a chatbot application through which users can enter into a spoken or written dialogue with CBS. The second track is intended to generate answers to questions for which the existing open data provide no answers. To that end the system must be able to create search algorithms automatically (automated queries) that search and analyse the underlying CBS data. Artificial intelligence and machine learning are essential for this technology. The system must also automatically and immediately protect the answers to guarantee the privacy of suppliers of data to CBS at all times (confidentiality on the fly). Work started on the design of the project in 2018 and the aim was to maintain consistency with partners in the international world of statistics. An initial alpha version of a chatbot was produced in 2018 that answers questions on the basis of CBS open data. The first test version will be made available to the public in 2019 as an operational beta version.



## 4. Operations

### 4.1 Human resources

#### The workforce in figures

At the end of 2018, CBS had 1,962 employees. The average operational workforce decreased from 1,816 FTEs in 2017 to 1,776 in 2018. The workforce in each directorate is shown in table 4.1. As in previous years the workforce declined due to the spending cuts made under Prime Minister Rutte's first government and the Spring Agreement. On the other hand the workforce grew due to the increase in additional statistical services, the conversion of external hires (particularly in IT activities) into employee appointments at CBS and recruitment by CBS to offset forthcoming retirements. In many cases these new appointments were temporary.

EBN Economic and Business Statistics and National Accounts	485
SER Social and Spatial Statistics	530
DVZ Data collection	234
BIM Corporate Services, IT and Methodology	400
CCN CBS Communication and News	74
Other	53
	<b>1,776</b>

Table 4.1: Workforce (FTE) in 2018 per directorate

The **average age** of CBS employees at the end of 2018 was 50.2 years. At the end of 2018, 54.7 percent of employees were aged 50 or over (see figure 4.1). In the 2017 reporting year, this proportion was 59.4 percent.

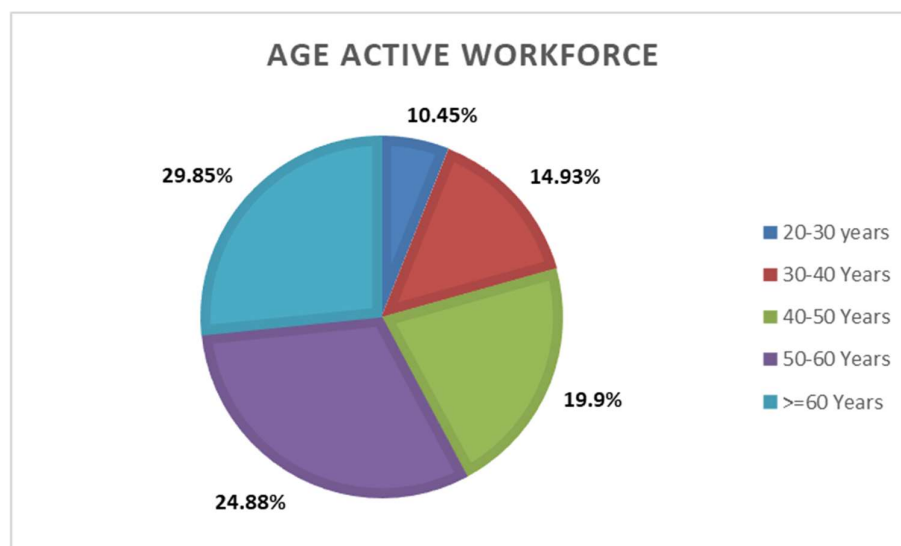


Figure 4.1: CBS workforce 2018 by age category (percentages)

At the end of 2018 the forecast was that 285 employees would leave CBS in the years 2019-2023 on reaching the **state pension age** (see figure 4.2).

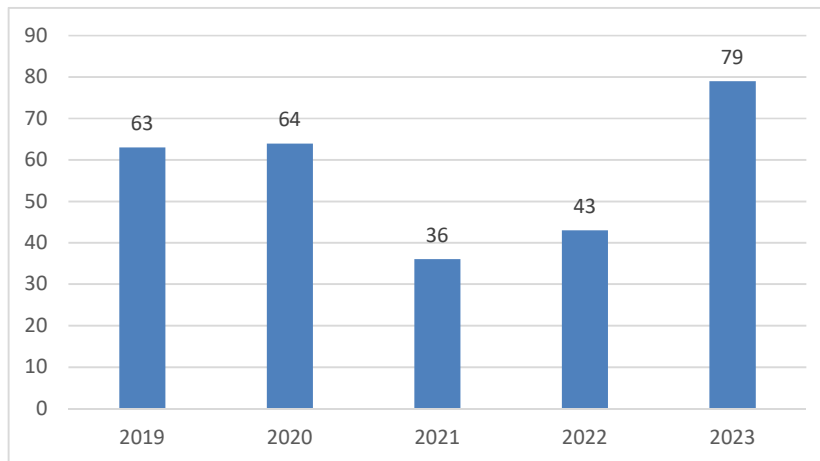


Figure 4.2: Expected outflow of CBS employees due to retirement (2019-2023)

CBS will achieve part of the required spending cuts by means of this outflow. Another part of the outflow will be replaced. CBS will meet this requirement by maintaining a timely and recognisable presence in the **labour market**, partly by means of an active internship policy, a new trainee programme and close contacts with universities and universities of applied sciences.

#### Working conditions

CBS attaches great importance to good working conditions for its staff. It aims to have lively and healthy employees who can be deployed sustainably now and in the future. In Vitality Week attention was devoted to improving and maintaining vitality with lectures and workshops. Employees were also able to take a short health check involving measurements of glucose, blood pressure and BMI.

Jointly with the Occupational Health & Safety Committee the roles of the various counsellors in the field of social support (confidential advisor, welfare advisor and ombudsman) were examined and brought to the attention of employees. The role and profile of the prevention officer was redesigned jointly with the Occupational Health & Safety committee. This led to the reappointment of a prevention officer at each site.

In 2018 the Social Affairs and Employment Inspectorate visited CBS as part of a nationwide approach to psychosocial workload due to discrimination in the workplace. In order to draw attention to this and combat discrimination, an e-learning module was developed for all managers.

The decline in the sickness absence did not continue in 2018. **Sickness absence** in 2018 amounted to 5.1 percent. In 2017 the figure was 4.1 percent. Sickness absence at CBS calculated according to the 'Verbaan'<sup>2</sup> method was 4.42 percent. There was an increase in particular in long-term sickness absence. Following an initial analysis no conclusions can be drawn about specific groups or environments. CBS is investigating this more closely in collaboration with the Occupational Health & Safety service.

<sup>2</sup> The Verbaan standard provides an indication of the level of sickness absence on the basis of the workforce in the organisation as compared to the estimated achievable level of sickness absence in the Netherlands.

The Director General attaches great importance to constructive consultations with the **Works Council**. In April 2018 the composition of the Works Council changed slightly following elections, with fewer Works Council members and some new faces. This had no impact on the consultation structure. The following subjects were among those discussed in 2018 in formal and informal meetings with the Works Council and the organised negotiations with the trades unions: the temporary employment organisation in the data collection unit, CBS' status as an own risk bearer under the Sickness Act and the irregular hours allowance in the survey corps. There were no reorganisations in 2018, but the reorganisations in the CBS Communications and News and Operations, IT and Methodology directorates were evaluated.

### Workforce development

The increase in the proportion of more highly qualified personnel is continuing as a result of the increase in the complexity and automation of the statistical processes. At the end of 2018, 81.4 percent of employees were on scale 9 or above (at least higher vocational). In 1995 this figure was 50 percent (see figure 4.3).

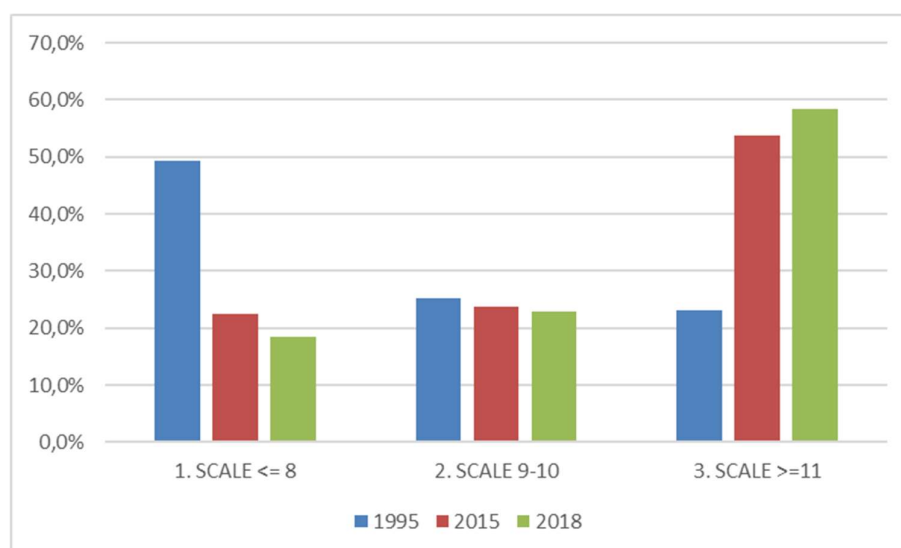


Figure 4.3: CBS employees (%) by job grade in 1995, 2015 and 2018

CBS is continually on the move and becoming increasingly efficient. That makes high demands on employees. CBS endeavours to maintain a nimble organisation and recruit and retain sufficient professional and motivated employees. The stimulation of development and growth is central in four themes:

- Increasing leadership skills and **managerial** entrepreneurship

Managers have an important role in fulfilling the strategy of CBS. A new management profile was adopted for CBS in 2017 with a focus on *Charting the course, Achieving implementation and Challenges, development & inspiration*. Following an initial management review a new management development policy was adopted in 2018 for the development of managers. This included the introduction of a CBS-wide peer review procedure for managers and a module on team effectiveness, dynamics and development.

- Improving the **quality and performance of employees** by providing more feedback, dialogue and performance direction

The interview cycle introduced in 2017 between managers and employees was evaluated in 2018. In a changing organisation proper dialogue on an employee's contribution to the formulated objectives is of constant importance. Employees are invited to take control of their own career and development. A number of themed weeks were organised in 2018 on long-term employability, including workshops on part-time working and job applications and career interviews as well as invitations to look at other departments.
- Visibly positioning CBS as an **employer** of choice in order to attract and retain the right people

The labour market is becoming increasingly tight, particularly in the IT field. CBS is responding to this on various fronts. The recruitment process was professionalised in 2018 with an additional IT recruiter and a new applicant tracking system. New people joined CBS again in 2018, including CBS professional trainees. The professional traineeship positions CBS in the labour market as an employer that is pleasant to work for and where employees can develop.
- Stimulating **career development**, partly by means of mobility

The CBS Academy was launched in 2018. This streamlines internal curricula and increases the training offer. CBS has the statutory responsibility to promote the provision of statistics. CBS does this efficiently by sharing knowledge and capability in the field of statistics, partly through trainings for statistical departments of other organisations and government departments. In September, for example, a group of central government trainees started an in-service traineeship with the National Data Science Programme, in which the CBS Academy provides expertise and support. A digital training platform for CBS employees was also introduced in 2018, enabling them to explore options for training, courses or development requirements. A cooperative relationship was entered into with CIBG, an executive organisation of the Ministry of Health, Welfare and Sport, in which employees are loaned between the two organisations. That enables peaks and troughs in the workflow to be absorbed quickly and appropriately while extending and broadening employees' development. In 2018 four CBS employees were seconded to work in donor registration and carry out the registration under the Individual Health Care Professions Act (BIG).

## 4.2 Socially responsible operation

With **socially responsible operation** CBS focuses particularly on sustainability. For example, offices are heated and cooled using sustainable energy. The offices in The Hague are heated entirely by means of thermal storage. In Heerlen the offices are around 50 percent heated and cooled sustainably using water from disused mines.

As in previous years, CO<sub>2</sub> emissions from the use of natural gas were fully offset by international Gold Standard certificates.

Energy is an important component of socially responsible operation. For that reason CBS commissioned a study on energy savings during the past year. A number of new facilities contracts were put out to tender in 2018 with sustainability being part of the requirement.

CBS has the ambition of further greening its waste policy and making it visible at the workplaces. All the waste is separated before it leaves the building.

The contract with the coffee supplier includes a contribution to the Made Blue Foundation. This foundation ensures that for each litre of water that the coffee machine consumes a litre of clean drinking water is provided for people who have not previously had access to clean drinking water. During the past year CBS employees and visitors consumed 194,177 litres of water from the 39 coffee machines at the two sites. That means CBS gave 19 children 10 years of access to clean drinking water.

## **4.3 Information security, quality assurance and codes of conduct**

### **Information security**

CBS holds substantial amounts of confidential data and data security is vital. People, enterprises and institutions that entrust their data to CBS must be able to rely on this information remaining confidential. The Statistics Netherlands Act states that data collected by CBS may only be used for statistical purposes. CBS has excellent technical and organisational facilities in place to secure these data. It also sets high standards for the quality of information security. It is therefore demonstrably compliant with the Civil Service Information Security Baseline (BIR), a set of standards based on ISO 27001 and 27002 including measures for all parts of the operations relevant to information security. CBS was again certified in accordance with ISO 27001 in 2018. The ISO 27002 requirements are assessed in the annual privacy audits. CBS has been demonstrably privacy-proof since 2018, which means it complies fully with the new General Data Protection Regulation (GDPR) that came into force in May 2018. The privacy standards resulting from the GDPR refer largely to the ISO 27001 standards, so there is an overlap between privacy audits and information security audits. A proposal was drawn up in 2018 to develop an integrated process to achieve privacy-proof certification and external certification of information security.

### **Quality assurance**

CBS introduced quality management based on the ISO 9001 standard to improve its products, processes and services and to meet the needs and expectations of society, customers and other interested parties even more effectively. The aim of securing ISO 9001 certification at CBS level in 2019 was already achieved in 2018. In this way, CBS is showing that it regards quality management as very important and is furthermore acting on one of the recommendations of the peer review performed in 2015 in connection with the European Statistics Code of Practice, which reads: *“Statistics Netherlands should take measures to embed more deeply its quality management throughout the organisation and consider also the adoption of recognised industry certification systems.”* The certification of processes is confirmation that CBS makes active use of the plan-do-check-act (PDCA) cycle (a cycle of standards in quality management), that management measures are adequately anticipating risks and that systematic attention is devoted to continuous improvement.

### **Codes of conduct**

CBS complies with the European Statistics Code of Practice referred to above. The CBS Code of Conduct sets out how the principles of impartiality, reliability, relevance, efficiency, statistical confidentiality and transparency are important for society as a whole, for users of statistics, for parties which provide CBS with information that form the basis for statistics and for CBS employees themselves.

In accordance with the CBS Board Regulations, CBS has an Integrity Code setting out its policy on integrity. CBS ensures that employees are able to report suspected irregularities or breaches of

codes of conduct or legislation and regulations without jeopardising their legal position. CBS also has external and internal complaints procedures. These were used as follows in 2018:

- CBS received a total of 66 external complaints in 2018. These complaints were all resolved – usually informally – to the satisfaction of the complainant and none led to a follow-up complaint to the National Ombudsman. CBS dealt with three complaints which were sent directly to the National Ombudsman. These were not follow-up complaints.
- The bulk of the objections received by CBS relate to the exercise by CBS of its statutory enforcement powers. Five objections which had already been submitted in 2017 were adjudged to be unfounded in 2018 and 45 new objections were lodged. Twelve of these new objections were handled informally, after which they were withdrawn in writing. Of the remaining 33 objections, 19 were deemed inadmissible or unfounded. The other 14 will be dealt with in 2019. No appeal was lodged in response to the decisions taken on objections in 2018.
- In 2018 CBS received seven objections from staff members with regard to labour and public service law. Six of these were dealt with in 2018 and one led to appeal proceedings at the administrative court. These proceedings will be continued in 2019.
- No objections were lodged in 2018 against the rejection of a request under the Government Information (Public Access) Act or against an access request under the Data Protection Act or GDPR.
- To supplement this publication policy, CBS also drew up a complaints procedure with regard to the CBS publication policy in 2017. This procedure was not used in 2018.

#### 4.4 Performance indicators

CBS' performance indicators are an important component within the planning and control cycle. CBS' objectives are enshrined in critical success factors and non-financial performance indicators and thus serve as an external accountability instrument and an internal management tool. An overview of the non-financial performance indicators and results is provided in table 4.2.

*Table 4.2: CBS non-financial performance indicators 2014 - 2018*

Name and description	Target for 2018	2018 outturn	2017 outturn	2016 outturn	2015 outturn	2014 outturn
<b>Publication calendar – press releases</b> Proportion of press releases published on the planned date.	At least 90 percent of the planned press releases were published on the scheduled publication date.	100%	100%	100%	100%	100%
<b>Publication calendar – compulsory deliveries to Eurostat</b> Proportion of deliveries to Eurostat made on the planned date.	At least 90 percent of the data deliveries to Eurostat took place on the scheduled date.	97%	98%	100%	97%	96%
<b>Number of formal corrections to publications</b> Number of press releases corrected or replaced with another press release.	A maximum of three press releases a year.	3 press releases	2 press releases	1 press release	1 press release	0 press releases
<b>Discrepancies between provisional and definitive figures – economic growth</b>	The discrepancy for at least three quarters of a year is	reference year 2015	reference year 2014	reference year 2013	reference year 2012	reference year 2011

Name and description	Target for 2018	2018 outturn	2017 outturn	2016 outturn	2015 outturn	2014 outturn
The number of times the final quarterly economic growth figures for a year differ by more than 0.75 percentage points from the flash estimates for the quarters of that year.	less than 0.75 of a percentage point.	satisfactory (4 quarters OK)	unsatisfactory (2 quarters OK)	unsatisfactory (2 quarters OK)	satisfactory (4 quarters OK)	satisfactory (4 quarters OK)
<b>Discrepancies between provisional and definitive figures – international trade</b>	At least 80 percent of the differences are less than 4 percent.	reference year 2017	reference year 2016	reference year 2015	reference year 2014	reference year 2013
The number of discrepancies of more than 4 percent between the provisional and definitive figures of the components of the six-week version of the monthly international trade figures.		92%	90%	90%	100%	100%
<b>Discrepancies between provisional and definitive figures – population growth</b>	Accumulated over 12 months, the discrepancy must be no greater than 16,000.	reference year 2017	reference year 2016	reference year 2015	reference year 2014	reference year 2013
Subindicator, annual figure: the absolute discrepancy of the sum of the preliminary monthly population growth figures from the definitive annual figure.	For at least eight of the 12 months, the discrepancy in the monthly figure is less than 4,000.	satisfactory (annual total: 2,926; all months discrepancy <4,000)	satisfactory (annual total: 8,183; all months discrepancy <4,000)	satisfactory (annual total: 929, all months discrepancy <4,000)	satisfactory annual total: 1420, all months discrepancy <4,000)	satisfactory annual total: 1514; all months discrepancy <4,000)
Subindicator, monthly figures: the number of times the definitive population growth figures for the months of the previous calendar year differ by more than 4,000 from the provisional figures.						
<b>Reduction of regulatory pressure</b>	The administrative burden resulting from regulatory pressure on business must be no greater in 2017 than in 2016. <sup>3</sup>	satisfactory (final figure for 2017: €19 million)	satisfactory (final figure for 2016: €19 million)			
The outcome of the annual administrative burden measurement.						

One of the performance indicators concerns the regulatory pressure caused by mandatory surveys. CBS collects data in such a way as to keep the regulatory pressure for enterprises and institutions to a minimum and where possible draws on existing records. In recent years CBS has done and achieved a great deal to reduce regulatory pressure. Attention in 2018 was focused on three main themes:

<sup>3</sup> The regulatory pressure for year t is known at the end of year t+1.

- Further improvement to communication and intensification of the target group approach, including dialogue with companies. CBS made company visits among aimed at including the needs of companies in the pilot for a new enforcement policy. Companies state among other things that CBS should make clear why company data are absolutely necessary and that it cannot obtain them in any other way. This was actively addressed in 2018.
- More efficient surveying and lower administrative burden for companies in the Netherlands. CBS met this requirement in part by conducting a single joint survey with DNB. This initially generates additional work for the companies concerned because the questions differ, but it subsequently reduces the regulatory pressure on a permanent basis. In order to ease the transition a companies day was organised with information on the new CBS-DNB quarterly survey, for example.
- Monitoring and detailed methodological analyses of the CBS survey of companies. This generated good insights and specific leads for further improvements in relation to target groups and respondents from 2019, such as devoting extra attention to companies that have to supply relatively large volumes of data to CBS.

Another performance indicator concerns adjustments to the economic growth figures. It became clear in 2018 that CBS met this performance indicator for the 2015 reporting year. This was not the case in the 2013 and 2014 reporting years. The norm for this indicator is that the adjustment between the first and last estimate of economic growth per quarter may exceed 0.75 percentage points in a maximum of one quarter of a reporting year. The first estimate is the flash estimate that is published 45 days after the end of the quarter; the last estimate is published two and half years after the end of the reporting year. For each quarter of 2015 the adjustment between the first and last estimate was smaller than 0.75 percentage points. The programme aimed at reducing the adjustments to economic growth was started in 2017 and completed in 2018.



## 5. Governance

### 5.1 Tasks of the Advisory Council

The CBS advisory council was established by law with effect from 1 January 2017. The CBS Board Regulations include arrangements with regard to the Advisory Council.

One of the tasks of the Advisory Council is to provide the Director General with solicited and unsolicited advice on the performance of his tasks and the exercise of his powers. Subjects on which the Advisory Council will advise the Director General in any case include:

- CBS' multi-annual programme and work programme;
- Measures that can be taken to improve the accuracy and completeness of the statistics to be published on behalf of the government so that they meet the needs of professionals, policymakers and academics;
- CBS' operations and efficient use of resources.

When the position of the Director General becomes vacant, the Advisory Council will draw up a profile, select candidates on the basis of a procedure that is transparent and based exclusively on professional criteria and make a recommendation to the Minister.

The Advisory Council can appoint committees, from among its members but also including persons other than members of the advisory board, to prepare advisory reports. Advisory reports will be adopted by the Advisory Council. The advisory committees will be chaired by a member of the Advisory Council. The Advisory Council has appointed the following advisory committees:

- an Audit Committee, which will prepare the advisory reports for the Director General concerning operations, including the financial reporting and risk management policy;
- an IT committee, which will prepare the advisory reports for the Director General concerning CBS' strategy and policy in relation to information protection and IT and their implementation;
- a programme committee, which will prepare the advisory reports for the Director General concerning the multi-annual programme, the work programme and measures to promote the accuracy and completeness of the statistical programme.

### 5.2 Composition of the Advisory Council

In accordance with the Statistics Netherlands Act, Advisory Council members are appointed by the Minister. Members of subcommittees are appointed by the Director General. In accordance with the Statistics Netherlands Regulations of the Board, the Director General sets financial compensation of the Council members.

The CBS website<sup>4</sup> details the other positions of the members of the Advisory Council and its subcommittees. It also shows the members' terms of office<sup>5</sup>.

The members of the Advisory Council at the end of 2018 were:

- G. (Gerrit) Zalm (chair of the Advisory Council)
- J. (Johan) van Hall (deputy chair of the Advisory Council, chair of the ICT Committee)
- C.C.M. (Kees) Vendrik (chair of the Programme Committee)

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<sup>4</sup> <https://www.cbs.nl/nl-nl/over-ons/organisatie/raad-van-advies/neven--functies-leden-raad-van-advies-en-subcommissies>

<sup>5</sup> <https://www.cbs.nl/nl-nl/over-ons/organisatie/raad-van-advies>

- Prof. F. (Frans) van der Wel (chair of the Audit Committee)

The term of office of C.M. (Corien) Wortmann-Kool ended on 1 June 2018. On 1 January 2019 Prof. E.A. (Liesbet) van Zoonen and A.M.A.E. (Anne-Marie) Rakhorst were appointed by the Minister of Economic Affairs and Climate Policy as members of the Advisory Council.

The members of the Audit Committee are

- Prof. F. (Frans) van der Wel (chair)
- C.M. (Charlotte) Insinger MBA
- P.J.C.M. (Peter) van den Berg

The ICT Committee comprises

- J. (Johan) van Hall (chair)
- C.M. (Tini) Hooymans
- F.K. (Karel) van Lambalgen
- Prof. B. (Bibi) van den Berg

The Programme Committee comprises

- C.C.M. (Kees) Vendrik (chair)
- Prof. S. (Steven) Brakman
- A.M.A.E. (Anne-Marie) Rakhorst
- Prof. E.A. (Liesbet) van Zoonen

### 5.3 Advisory Council in 2018

The Advisory Council made recommendations to the Minister of Economic Affairs and Climate Policy for the appointment or members in 2018. The Minister followed these recommendations and appointed Anne-Marie Rakhorst and Liesbet van Zoonen as members with effect from 1 January 2019.

At the end of 2017, the Director General of CBS sent the new 2019-2023 multi-annual programme to the Minister of Economic Affairs and Climate Policy, together with the opinion of the Advisory Council. After the Minister approved the multi-annual programme in 2018, this opinion was published on the CBS website at the same time as the multi-annual programme.

The Advisory Council issued a positive opinion on the 2017 annual report and financial statements and on the 2019 annual plan and budget.

The Advisory Council's opinions were prepared by the Audit Committee, the Programme Committee and the ICT Committee.

The Advisory Council met four times in 2018, the Audit Committee four times and the ICT Committee three times. The Programme Committee met on four occasions, including three occasions jointly with the Advisory Council.

The agenda for the meetings of the Advisory Council and the Programme Committee included CBS' annual report and financial statements and the legal and policy framework in relation to the technological and social developments. The discussions covered the CBS Center for Big Data Statistics (CBDS), the Blaise computer-assisted system developed by CBS for surveys and the processing of survey results, the Monitor of Well-being and the provision of statistics on the energy transition.

The ICT Committee discussed security, the Phoenix data collection renewal programme, the agile working method, software quality in an agile world, the international perspective of IT and modernisation, the future IT landscape and IT aspects of new data sources of the CBDS.

The Audit Committee discussed the details of the annual report and financial statements, including in the presence of the public auditor, as well as the financial position and the quarterly reports. Discussion subjects included the follow-up of the recommendations from the five-yearly legal evaluation of CBS, risk management, the control plan and the cost structure.

## 5.4 Opinion on the annual report and financial statements

In accordance with its statutory duties, the Advisory Council issues an opinion on the annual report and financial statements.

### **Statement of the CBS Advisory Council**

The Advisory Council has examined the CBS 2018 annual report and financial statements. Based on its authority laid down in the Statistics Netherlands Act, it recommends the Director General of Statistics Netherlands to adopt the 2018 annual report and the 2018 financial statements.

The Hague, 29 March 2019

Gerrit Zalm, chair

## 6. Finance

### 6.1 Financial outlook

The financial framework resulting from the targets of Prime Minister Rutte's second government became clear in mid-July 2017. CBS received a contribution of €12 million from the Ministry of Economic Affairs and Climate Policy in 2017 to strengthen its equity. This contribution has been paid in tranches equivalent to the remaining tranches specified in the targets of Prime Minister Rutte's second government, i.e. €4 million in 2016, €2 million in 2017, €4 million in 2018 and €2 million in 2019. After 2019 CBS will be required to meet the remainder of these targets itself within its budget. The annual contribution to CBS from the Ministry of Economic Affairs and Climate Policy will also be reduced by €2 million for a period of six years from 2021 to 2026. The coalition agreement under Prime Minister Rutte's third government has not imposed any new targets on autonomous administrative authorities.

The spending cuts will be implemented in part through a reduction in the statistical programme from 2017. Since most of the statistical programme arises from EU obligations with no scope for savings, this reduction affected statistics in the work programme that are not required by the EU. In 2016, CBS requested the relevant ministries to fund these statistics by alternative means. As a result, CBS will be able to continue to provide most of the statistics not required by the EU. A small part of the non-mandatory programme was terminated on 1 January 2017. Additional savings were also achieved as a result of a further increase in efficiency and cuts in the materials budget.

As a result of the targets, equity has decreased in recent years, reaching a negative figure of €4 million at the end of 2018. This was provided for in the long-term financial outlook of the 2014-2018 multi-year programme. In order to absorb the spending cuts under Prime Minister Rutte's first and second governments and the Spring Agreement (total of over €54 million), equity is expected to remain slightly negative in the years 2019-2023. For those years CBS has permission from the Ministry of Economic Affairs and Climate Policy to budget for slightly negative equity. Equity is expected to turn positive again at the end of the 2019-2023 multi-annual programme period. On the basis of the current estimates, liquidity will remain positive despite the expected negative equity. CBS also has an additional €10 million credit facility. The expected developments in equity, results and cash and cash equivalents are shown in figure 6.1.

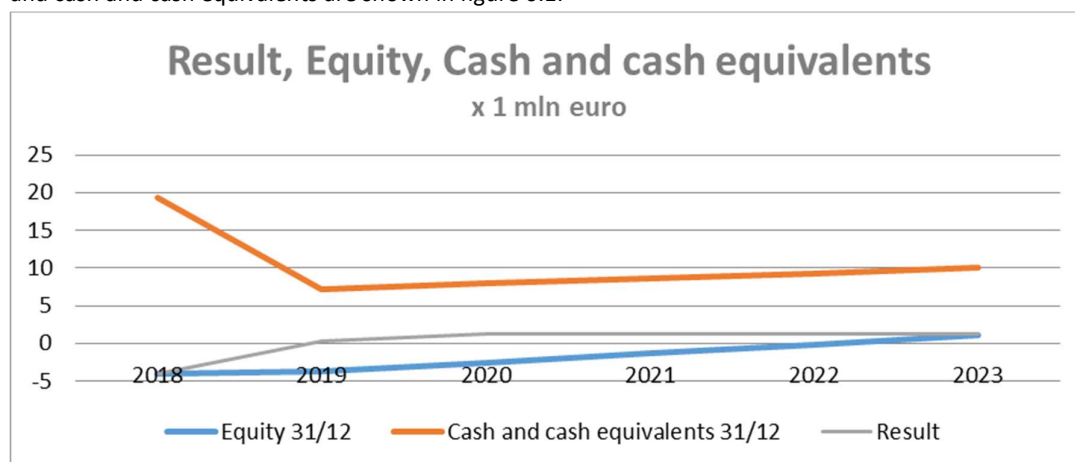


Figure 6.1: Expected developments in CBS result, equity, cash and cash equivalents (2019-2023)

## 6.2 External accounting model (statistics costs)

The CBS accounting model allocates the full cost for 2018 to CBS' statistical activities. These costs amount to a total of €191.7 million (excluding the €0.2 million allocation to the reorganisation provisions).

A summary of the 2018 costs is provided in table 6.2. A distinction is drawn between the cost of the basic programme (paid from the basic budget of the Ministry of Economic Affairs and Climate Policy) and the cost of additional statistical services. The costs of additional statistical services are based on the total full cost charged by CBS.

*Table 6.2: Cost of the CBS standard programme and cost of additional statistical services (2018 and 2017)*

	Basic programme 2018 paid from basic budget of Ministry of Economic Affairs and Climate Policy	Additional statistical services and other income 2018	Total costs 2018	Basic programme 2017 paid from basic budget of Ministry of Economic Affairs and Climate Policy	Additional statistical services and other income 2017	Total costs 2017
<b>Cost per statistical group (thousands of euros)</b>						
Labour, income and living conditions	9.0	3.9	12.9	10.0	3.4	13.4
Business statistics	30.7	3.3	34.0	29.1	3.2	32.3
Data collection	33.9	7.4	41.3	35.7	7.6	43.3
Demographic and socioeconomic statistics	8.3	4.0	12.3	8.7	3.7	12.4
Services and provision of information	1.3	6.6	7.9	2.3	5.6	7.9
Environmental	9.6	3.1	12.7	9.1	3.0	12.1
National accounts	17.1	1.3	18.4	15.5	1.5	17.0
Government finances and consumer prices	13.7	0.7	14.4	13.3	0.8	14.1
Quaternary sector	6.8	4.6	11.4	7.9	3.7	11.6
Corporate register	7.7	0	7.7	7.4	0	7.4
Traffic and transport	4.7	0.4	5.1	4.6	0.4	5.0
Other statistical groups	0	2.7	2.7	0	2.9	2.9
Blaise	0	3.4	3.4	0	3.4	3.4
Presentation of CBS figures	7.5	0	7.5	7.4	0	7.4
<b>Totals</b>	<b>150.3</b>	<b>41.4</b>	<b>191.7</b>	<b>151.0</b>	<b>39.2</b>	<b>190.2</b>

Table 6.2 shows that the cost of the basic programme in 2018 amounted to €150.3 million. The cost of additional statistical services in 2018 amounted to €41.4 million.

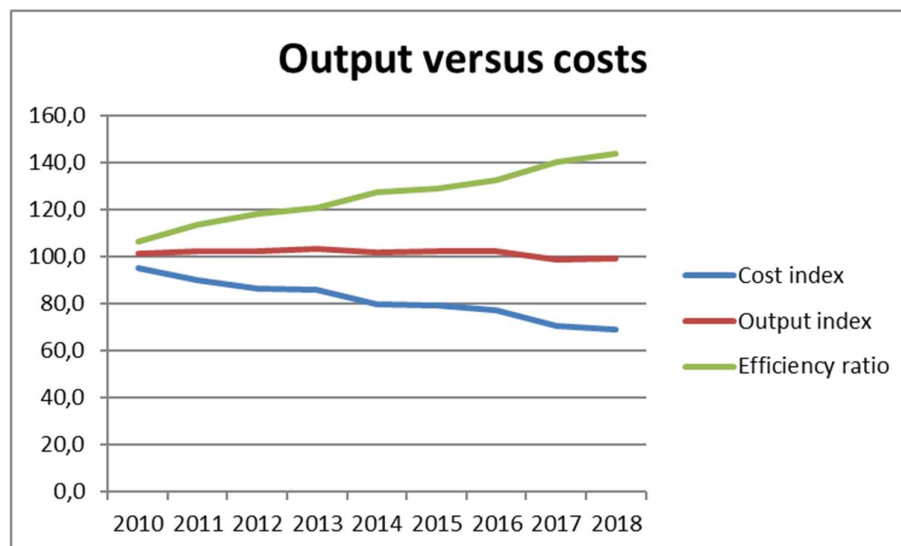
Table 6.3 shows CBS' financial indicators for the period from 2009 to 2018. Table 6.3 shows that the statistical annual programme remained constant between 2009 and 2013. From 2014, statistics amounting to €4 million were reduced, discontinued or financed by the user of the statistics as a result of the targets imposed. The budget of the Ministry of Economic Affairs and Climate Policy for regular non-mandatory statistics decreased further by €7 million in 2017. The majority of these

statistics are now funded by the ministries that use them. On the other hand, new EU obligations came into force.

Table 6.3: CBS' financial indicators in the period from 2009 to 2018

Year:	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
(amounts in € millions)										
Wages and salaries	113.0	112.9	110.0	106.8	104.4	101.7	103.7	111.0	111.3	114.1
Pension charges and social security contributions	25.1	26.0	26.2	27.7	28.5	28.1	26.4	28.4	29.7	31.0
Hired personnel	16.0	15.6	11.8	11.0	11.7	8.5	12.1	9.6	7.9	7.8
Other operating expenses	41.0	39.0	39.3	39.1	39.4	36.9	39.2	36.7	35.5	34.1
Depreciation charges	9.4	12.5	9.1	9.3	9.3	7.4	6.4	5.9	5.8	4.7
<b>Total costs 2014.5</b>		<b>206.0</b>	<b>196.4</b>	<b>193.9</b>	<b>193.3</b>	<b>182.6</b>	<b>187.8</b>	<b>191.6</b>	<b>190.2</b>	<b>191.7</b>
Additional statistical services and other revenue	-17.9	-21.4	-22.0	-25.0	-22.3	-22.9	-27.3	-29.5	-39.2	-41.4
<b>Cost of standard programme (paid from basic budget of Ministry of Economic Affairs and Climate Policy)</b>	<b>186.6</b>	<b>184.6</b>	<b>174.4</b>	<b>168.9</b>	<b>171.0</b>	<b>159.7</b>	<b>160.5</b>	<b>162.1</b>	<b>151.0</b>	<b>150.3</b>
Cost of standard programme excluding changes 2009-2018	184.9	182.2	170.1	164.6	163.9	156.5	156.2	157.5	153.3	152.3
Additional EU obligations from 2009	1.7	2.4	4.3	4.3	7.1	7.2	8.3	8.6	8.7	9.0
Reduction in non-mandatory statistics	0.0	0.0	0.0	0.0	0.0	-4.0	-4.0	-4.0	-11.0	-11.0
Cost of standard programme including changes 2009-2018	<b>186.6</b>	<b>184.6</b>	<b>174.4</b>	<b>168.9</b>	<b>171.0</b>	<b>159.7</b>	<b>160.5</b>	<b>162.1</b>	<b>151.0</b>	<b>150.3</b>
Price rise compared to previous year		3.80%	0.30%	0.60%	2.00%	0.60%	1.60%	4.00%	2.00%	2.00%
<b>Cost of standard programme excluding 2009-2017 changes corrected for price rises</b>	<b>184.9</b>	<b>175.5</b>	<b>163.4</b>	<b>157.2</b>	<b>153.4</b>	<b>145.6</b>	<b>143.1</b>	<b>138.7</b>	<b>132.3</b>	<b>131.5</b>
Average number of FTEs	2,140	2,059	1,964	1,875	1,833	1,777	1,780	1,864	1,816	1,776
Labour costs per FTE x €1,000	64.5	67.5	69.3	71.7	72.5	73.0	73.1	74.8	77.6	81.7

The net total cost of the basic programme (paid from the basic budget) in the period from 2009 to 2018 decreased from €184.9 million in 2009 to €152.3 million in 2018. Adjusted for wage and price rises (approximately 17 percent over the 2009-2018 period), total costs decreased to €131.5 million in 2018. The ratio of output to costs is shown in figure 6.4.



## 6.3 In control statement

### a. Introduction

The management system of CBS is a vital part of its operations. It assists the management in achieving the specified goals. The design and operation of the management system are reviewed periodically. In addition to the Good Governance Code for Public Service Providers, CBS also regards the Common Standards Framework for Financial Management, Accountability and Internal Supervision as significant criteria for CBS being in control. Key elements of the control system are:

- Strategic planning process
- Risk management
- Internal controls and a proper planning and control system
- Governance system
- In control statement.

These subjects are explained in this section.

### b. Strategic planning process

The strategic planning process is an essential part of the management system. Strategy is developed in a multi-annual programme in accordance with Section 14 of the Statistics Netherlands Act. The activities to be carried out by CBS in the coming years are outlined in the multi-annual programme. The multi-annual programme includes a description of the medium- and long-term goals, an outline of the policy lines leading to these goals, and the financial and organisational conditions. The Minister of Economic Affairs and Climate Policy approved the 2019-2023 multi-annual programme in 2018.

CBS translates the multi-annual programme into annual work programmes which detail the activities CBS will carry out in a particular year within the specified annual budget. The directorates' internal annual plans describe how the various CBS directorates contribute to the CBS work programme.

### c. Risk management

CBS wants a clear view of the risks that could jeopardise the achievement of its goals. Risk management is aimed at controlling or reducing these risks. As part of the risk management process, risks are regularly reviewed and recalibrated, with particular attention devoted to their relationship with the multi-annual programme. CBS' risks fall into four categories:

- Strategic risks;
- Financial risks;
- Compliance risks;
- Operational risks;

Appropriate measures are taken in line with the risk analysis. CBS has also determined when risks are acceptable and when they are no longer deemed acceptable. The main remaining risks are set out below.

#### ***Strategic risks***

##### *Limited budget for IT*

The basic budget provides limited scope for changes to the IT landscape that are important to avoid risks to continuity and quality. The costs and benefits of IT and process redesign projects will therefore have to be weighed carefully. Important investments in this area will therefore have to be deferred: replacement projects will not start and the scope of other projects will be reduced or the

projects will be delayed. The ultimate effect of this is that systems will become even more outdated. Many of them have been upgraded time and again over many years to meet the continually changing circumstances. This poses risks in terms of the continuity of statistics production and the costs of managing the systems. Those risks can be mitigated by taking measures to manage processes and by closely monitoring the performance of systems. CBS sets priorities carefully, giving precedence to projects that are essential for the continuity of the statistical processes and for managing risks or which make an important contribution to efficiency. This also applies to modifications to the data collection process (Phoenix+).

CBS uses Scrum and Agile techniques in the implementation of IT projects. These techniques enable CBS to achieve the highest possible return on the available capacity. This has led to a structural reduction in costs, including in the completion of a number of major redesigns.

### ***Financial risks***

#### *Contracting budget due to targets*

The contribution CBS receives from the Ministry of Economic Affairs and Climate Policy to carry out its basic programme has fallen sharply since 2012. The spending cuts made under Prime Minister Rutte's first and second governments and the Spring Agreement have reduced the basic budget by over €50 million. That is equivalent to more than 25 percent of the original budget of €188 million in 2011. CBS has cut spending by means of efficiency measures and by terminating part of the statistics. CBS uses Lean Six Sigma to achieve the same performance with fewer resources. This is a method for making small-scale structural improvements to processes. CBS also uses Scrum and Agile techniques and made further progress with the CBS-wide introduction of LOM during the reporting year. LOM is a working method designed to lower the threshold in resolving process bottlenecks so that critical performance indicators can be achieved.

Because it would take time to implement the efficiency projects, the 2014-2018 multi-annual programme proposed meeting the cost of the targets from the accrued equity. No provision was made in the 2014-2018 multi-annual programme for meeting the targets of prime minister Rutte's second government, however. CBS also had to contend with a number of other setbacks in recent years. CBS has therefore taken additional measures. Material expenditures and the costs of employees' fringe benefits have been reduced.

CBS received a contribution of €12 million from the Ministry of Economic Affairs and Climate Policy in 2017 to strengthen its equity. This contribution has been paid in tranches equivalent to the remaining tranches specified in the targets of Prime Minister Rutte's second government, i.e. €4 million in 2016, €2 million in 2017, €4 million in 2018 and €2 million in 2019. After 2019, CBS will be required to meet the remainder of these targets (€4 million) itself within its budget. The annual contribution to CBS from the Ministry of Economic Affairs and Climate Policy will also be reduced by €2 million for a period of six years from 2021 to 2026. CBS has obtained consent from the Ministry of Economic Affairs and Climate Policy to budget for slightly negative equity in the next few years up to a maximum of approximately €5 million. In 2018 the equity was negative in line with the budget. Positive results are expected again after 2018 and equity is expected turn positive again at the end of the new multi-annual programme period from 2019 to 2023. On the basis of the current estimates, liquidity is expected to remain positive despite the expected negative equity. The new coalition agreement under Prime Minister Rutte's third government has imposed no new targets on autonomous administrative authorities.

The current coalition agreement includes no new targets for autonomous administrative authorities. A reduction in the budget in the 2019-2023 planning period would pose a risk to CBS. A budget



reduction can only be absorbed by making changes to the multi-annual programme or finding alternative funding for some of the statistics in the basic programme. CBS would also be unable to absorb a shortfall in compensation for collectively agreed wage increases, pension costs or price rises without consequences for the statistical programme. If such a risk materialises, CBS will consult the Ministry of Economic Affairs and Climate Policy to agree appropriate solutions.

### ***Compliance risks***

#### *Information security*

The internal monitoring of the protection of personal and business data is performed primarily by the line management. A data protection officer (DPO) and a chief information security officer (CISO) have also been appointed. These officers have a supervisory and advisory role. The DPO's supervisory tasks result in part from the European regulation on data protection (GDPR) and the Statistics Netherlands Act. The DPO monitors compliance with the GDPR. CBS employees are required to notify the DPO in advance of any use of personal data. The latter will carry out the necessary checks and place the notification in the notification register of CBS. The CISO is responsible for drawing up, amending, renewing and revising the information security policy, including monitoring of the operation of and compliance with this policy. Two objectives have also been formulated in relation to privacy protection and information security. First and foremost, CBS wishes to remain fully compliant with the BIR and the ESS-IT security framework. Secondly, CBS wants to be able to show at all times that it is entirely privacy-proof, thereby ensuring that it continues to meet the highest standards for protecting privacy.

#### *Quality assurance*

In order to maintain the quality of the statistics, CBS will continue the policy of minimising general errors, measurement errors, adjustments and revisions, using international best practices in terms of methodology and exploiting new technological possibilities. To minimise the risk of errors, manual operations in data processing are being automated wherever possible. The CBS management system is aimed at continuous improvement based on risk analysis and the plan-do-check-act cycle. The aim is to learn constantly from successes and avoid repeating mistakes. User experiences are an important indicator in the check phase of the cycle, which is not confined to CBS' own processes, since CBS' process chain is usually part of a longer chain that extends to external parties. CBS will continue to devote attention to integration and coordination with external chain partners, suppliers and users. Attention to quality and efficiency are combined by applying the management principles of Lean Six Sigma and LOM. The quality of all processes is guaranteed with the ISO 9001 certification. CBS aims to be able to show at all time that it is entirely ISO 9001-proof. Processes are subjected to internal audits as part of the plan-do-check-act cycle associated with ISO certification. The quality of the CBS figures is also reviewed in other areas, while some statistical processes are validated by external experts, for example the determination of the government deficit as a percentage of gross domestic product. As part of the agreements made within the EU in relation to the Stability and Growth Pact to safeguard the stability of the European Monetary Union, the European Commission arranges a dialogue visit every two years to assess CBS' methods, processes, revision policy, etc. The European Commission also verifies the gross national income. Eurostat requests various quality reports on mandatory European statistics each year. These reports contain information for a large number of variables relating to completeness (relevance), accuracy, reliability, timeliness, accessibility, transparency, coherence and comparability. They also include information on the revision policy, metadata, disclosure of methods and sources, and the length and composition of the time series. CBS strives to provide insight into the accuracy of all statistics.

### *Codes of conduct*

CBS endorses the European Statistics Code of Practice and puts it into practice. The Code of Practice is intended to guarantee public trust in the statistical authorities and European statistics. The code describes how the European statistics are developed, produced and disseminated in accordance with the principles of professional independence, impartiality, objectivity, reliability, statistical confidentiality, cost effectiveness and the statistical practice. CBS also operates a code of conduct and an integrity code. The CBS Code of Conduct explains how the principles of impartiality, reliability, relevance, efficiency, statistical confidentiality and transparency are important for society as a whole, for users of statistics, for parties that provide CBS with information and for CBS employees themselves. In accordance with the CBS Board Regulations, the policy on integrity is set out in an Integrity Code. CBS ensures that employees are able to report suspected irregularities or breaches of codes of conduct or legislation and regulations without jeopardising their legal position. CBS also has external and internal complaints procedures.

### ***Operational risks***

#### *Knowledge management*

The disappearance of knowledge as a result of personnel retiring is an important consideration. In recent years a great deal of attention has been focused on transferring and sharing knowledge. When employees leave CBS, arrangements are made at an early stage to pass on and document their knowledge. CBS also uses training budgets efficiently by encouraging those who have already been trained to pass on their new knowledge to others. For example, employees who have been trained to the level of Lean Six Sigma Black Belts will provide internal training for Green Belts and Orange Belts. New developments at CBS in the field of Big Data research and new observation techniques are used to enhance CBS' profile as an attractive employer for IT personnel.

In recruitment the main priority is to attract IT personnel and data scientists, not only to offset the outflow of retiring personnel but also because the labour market for IT personnel and data scientists is becoming tighter. In addition, a recruitment team focuses on an optimum website for applicants and enhanced labour market communication.

CBS also invests in the necessary skills and competences of the current personnel. An annual staff survey provides insight into the potential of the existing personnel and allows for flexible deployment of the staff, which in turn means that internal talent can be used to the best effect.

#### **d. Internal controls and a proper planning and control system**

The powers of the directors and sector managers are set out in the Statistics Netherlands Mandate, Authorisation and Empowerment Decree. This includes the maximum amounts that directors can sign for in contracts and their authority in respect of staff matters.

The BISNIS corporate information system helps CBS to meet its legitimacy requirements. The reliability and continuity of automated data processing is important in this regard. In addition, segregation of duties and internal controls are built into the system, which is in line with the organisation structure and authorities. The Director General of CBS enters into individual annual management contracts with all heads of directorates. The management contract lists the head of the directorate's responsibilities, including the performance of duties within the agreed budget and reporting on bottlenecks, variances and the achievement of the agreed output. Interim reports are issued on progress and retrospective reports on the actual performance in the form of quarterly reports which include performance indicators. The performance indicators were recalibrated in 2018

and are being included in the planning & control cycle in 2019. Closing procedures for the quarterly reports are embedded in the organisation. In addition to the quarterly reports, monthly financial reports are prepared at CBS, directorate and sector level. These internal monthly reports show the achievement of the budget and a forecast.

**e. Governance system**

The main structure of CBS consists of the Director General, the Deputy Director General, the heads of directorates for statistics, corporate services, data collection, communications and the head of the policy staff. Notwithstanding his position in the CBS organisation, the group controller can report directly to the Director General. The Director General holds weekly meetings with the board of directors to perform his statutory duties, exercise his authority and manage day-to-day operations. The board of directors discusses matters that cross individual directorates' boundaries, including policy development, strategy, communications, quality and the statistical programme. The checks and balances on the actions of the Director General are based mainly on the Statistics Netherlands Act, the Autonomous Administrative Authorities Framework Act and CBS Board Regulations. Supervision by the Ministry of Economic Affairs and Climate Policy is based on a working arrangements protocol between the Ministry and CBS. These agreements were updated in 2017 following the amendment of the Statistics Netherlands Act establishing the Advisory Council. From 1 January 2017 the Advisory Council will advise the Director General in any case on:

- The multi-annual programme;
- CBS' work programme;
- Measures that can be taken to improve the accuracy and completeness of the statistics to be published on behalf of the government so that these statistics meet the needs of professionals, policymakers and academics;
- The operations of CBS;
- Efficient use of resources.

As well as the statutory checks and balances, there are a number of additional control mechanisms in force, such as the annual audit (in which the public auditor relies in part on the internal risk management and control systems), supervision of data protection by the Dutch Data Protection Authority, international audits of the quality of statistics, and Eurostat's periodic peer review.

**f. In control statement**

The Director General of CBS is responsible for the internal risk management and control systems of CBS. These systems are designed to manage significant risks and ensure that strategic, compliance, financial and operational risks are properly managed. The Director General of CBS considers that the risk management and control systems have been properly implemented in accordance with elements in the Common standards framework for financial management, accountability and internal supervision and provide adequate assurance that the quality of operations is appropriate and that financial reporting meets the requirements.

## Financial Statements

The financial statements of Statistics Netherlands for 2018 show that the result for the year came to EUR 4 million negative.

The financial statements and the notes thereto are included further below in this annual report. The financial statements were audited by KPMG Accountants N.V., which has issued an unqualified independent auditor's report. The latter is included below the financial statements.

Balance at 31 December 2018 (after result appropriation)			
		31-12-2018	31-12-2017
<i>Amounts in thousands of euros</i>			
<b>NON-CURRENT ASSETS</b>			
<b>1) Tangible fixed assets</b>			
New-build (modifications of building shell)	3.154	5.088	
IT resources	1.895	2.770	
Plant and equipment	1.121	1.160	
Other fixed operating assets	<u>1.423</u>	<u>1.529</u>	
	7.593		10.547
<b>2) Financial fixed assets</b>			
Other financial fixed assets	<u>361</u>	<u>1.639</u>	
	<u>361</u>		<u>1.639</u>
<b>Total non-current assets</b>		7.954	12.186
<b>CURRENT ASSETS</b>			
<b>3) Receivables</b>			
Debtors	4.742	4.821	
Other receivables	<u>12.585</u>	<u>11.771</u>	
	17.326		16.592
<b>4) Cash and cash equivalents</b>			
Cash and cash equivalents	<u>19.321</u>	<u>24.161</u>	
<b>Total current assets</b>		<u>36.647</u>	<u>40.753</u>
<b>TOTAL ASSETS</b>		<u><u>44.601</u></u>	<u><u>52.939</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>5) Equity</b>			
Equalisation reserve		-4.029	20
<b>6) Provisions</b>			
Unemployment benefits	8.697	10.291	
Restructuring in 2000	91	113	
Long-service awards	3.580	2.675	
Long-term sickness	<u>328</u>	<u>125</u>	
	12.696		13.204
<b>7) Current liabilities</b>			
Taxes and social insurance contributions	5.450	5.907	
Other liabilities	<u>30.484</u>	<u>33.808</u>	
	35.934		39.714
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>44.601</u></u>	<u><u>52.939</u></u>

## Statement of income and expenditure for 2018

	Actual 2018	Budgeted 2018	Actual 2017
<i>Amounts in thousands of euros</i>			
<b>INCOME</b>			
<b>8) INCOME</b>			
Ministry of Economic Affairs & Climate Policy	146.457	143.193	151.067
Additional statistical services	40.830	37.609	38.620
	<u>187.287</u>	<u>180.802</u>	<u>189.687</u>
Other income	602	500	591
<b>TOTALE INCOME</b>	<u>187.890</u>	<u>181.302</u>	<u>190.277</u>
<b>9) EXPENSES</b>			
Wages and salaries	122.244	115.144	120.206
Pension and social charges	30.972	29.658	29.702
Depreciation of tangible fixed assets	4.576	5.532	5.693
Other operating expenses	34.147	35.500	35.689
<b>TOTAL EXPENDITURE</b>	<u>191.938</u>	<u>185.834</u>	<u>191.289</u>
<b>Net income (expense)</b>	<u>-4.049</u>	<u>-4.532</u>	<u>-1.012</u>
<b>10) Financial income and expenses</b>			
Interest income	0	0	0
Interest expenses	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
<b>RESULT FOR THE YEAR</b>	<u><u>-4.049</u></u>	<u><u>-4.532</u></u>	<u><u>-1.012</u></u>

### Result appropriation

The result for 2018 of EUR 4 million negative has been withdrawn from the equalisation reserve.

## Cash flow statement for 2018

	2018	2017
Amounts in thousands of euros		
<b>Net income (expense)</b>	-4.049	-1.012
<b>Adjustments for:</b>		
Addition to less release of provisions	1.920	1.747
Depreciation	4.576	5.693
Change in financial fixed assets	1.278	1.567
Withdrawal of provisions	-2.428	-2.371
Book profit/(loss) on sale of fixed assets	147	57
Change in debtors	79	-814
Change in other receivables	-814	2.177
Change in creditors	-829	963
Change in other payables/taxes and social contributions	<u>-2.953</u>	<u>5.631</u>
Change in working capital, excluding cash and cash equivalents	<u>-4.517</u>	<u>7.957</u>
	976	14.650
Interest received	0	0
<b>Cash flow from operating activities</b>	-3.073	13.639
Investments in property, plant and equipment	<u>-1.767</u>	<u>-2.255</u>
<b>Cash flow from investing activities</b>	-1.767	-2.255
<b>Cash flow from financing activities</b>	0	0
<b>Change in cash and cash equivalents</b>	-4.840	11.384
<b>Balance of cash and cash equivalents</b>		
Balance at 31 December	19.321	24.161
Balance at 1 January	<u>-24.161</u>	<u>-12.778</u>
	-4.840	11.384

## Notes to the financial statements for 2018

### ***General***

Statistics Netherlands, with offices in The Hague, Heerlen and Bonaire, is an autonomous administrative body (Zelfstandig Bestuursorgaan (ZBO)). Statistics Netherlands has its registered office in The Hague and is registered in the Business Register under number 51197073. Its duties, authorities and working method are laid down in the Statistics Netherlands Act (CBS-wet).

Statistics Netherlands is tasked by the Dutch central government with conducting statistical research and publishing the resulting aggregated statistics for the purposes of practical, policy-related and scientific uses.

Statistics Netherlands has one administrative body, the Director-General.

The financial statements of Statistics Netherlands are prepared in accordance with the ZBO Framework Act, the CBS Act and the other agreements reached with the ministry of Economic Affairs and Climate Policy (EZK) concerning the financial statements (as contained in the EZ-CBS work agreements protocol signed on 2 October 2017). The financial statements of Statistics Netherlands are prepared in accordance with the aforementioned framework and, where possible, based on the same rules as apply under Title 9, Book 2 of the Dutch Civil Code. Based on the Dutch Accounting Standards (Richtlijnen voor de jaarverslaggeving (RJ)), Statistics Netherlands follows the recommendation to also apply the requirements of RJ 640 Not-For-Profit Organisations (Organisaties zonder winststreven), where applicable and not contrary to Title 9, Book 2 of the Dutch Civil Code. In addition, Statistics Netherlands applies the stipulations of and pursuant to the Remuneration of Senior Officials in the Public and Semi-Public Sector Act (WNT).

The financial statements relate to the financial year 2018, which ended on 31 December 2018. The financial statements are presented in euros, which is the functional currency of Statistics Netherlands. All financial information in euros has been rounded to the nearest thousand.

The financial statements have been prepared using the going concern basis of accounting. In response to the Rutte I and Rutte II spending cuts, Statistics Netherlands has agreed a future-proof budget with the ministry of EZK for implementing the multi-year programme that will guarantee the continuity of the organisation.



## ***Accounting policies***

The principles for the valuation of assets and liabilities and determining the result are based on the historical cost convention. Unless stated otherwise, the assets and liabilities presented in the financial statements are stated in thousands of euros.

An asset is recognised on the balance sheet when it is probable that the associated future economic benefits will flow to the organisation and the value of the asset can be determined reliably. Assets that do not fulfil this criterion are not recognised in the balance sheet but are classified as off-balance sheet assets. A liability is recognised in the balance sheet when it is probable that its settlement will result in an outflow of resources embodying economic benefits and the amount at which the settlement will take place can be determined reliably. If a transaction relating to a recognised asset or liability does not lead to a significant change in the economic substance of the asset or liability, the relevant asset or liability is not derecognised. Liabilities that do not fulfil this criterion are not recognised in the balance sheet but are designated as off-balance sheet liabilities. An asset or liability must be derecognised if a transaction results in the transfer to a third party of all or substantially all economic benefits and all or substantially all the risks associated with that asset or liability. An asset or liability is also derecognised when it no longer meets the requirements of probability of the future economic benefits and/or its value can no longer be determined reliably.

Income is recognised in the statement of income and expenditure when an increase in future economic benefits related to an increase in an asset or a decrease in a liability has arisen that can be determined reliably. Expenses are recognised when a decrease in future economic benefits related to a decrease in an asset or an increase in a liability has arisen that can be determined reliably. Income and expenses are attributed to the period to which they relate and losses are recognised as soon as they are foreseeable.

The preparation of the financial statements requires that management makes judgements, estimates and assumptions that influence the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and the underlying assumptions are constantly assessed. Revisions of estimates are recognised in the period in which the estimate is revised and in the future periods affected by the revision.

The accounting policies with respect to the useful life of the non-current assets and the provisions are in the opinion of management of the most critical importance to the presentation of the financial position and require making estimates and assumptions.

Transactions denominated in foreign currency are translated into euros at the exchange rate applying on the transaction date. Monetary assets and liabilities denominated in foreign currency are translated into euros at the balance sheet date at the exchange rate applying on that date. Exchange differences arising from the settlement of monetary items, or from the translation of monetary items denominated in foreign currency, are recognised in the statement of income and expenditure in the period in which they occur.

If Statistics Netherlands judges that an asset has become obsolete or generates significantly lower economic performances than expected, the asset has sustained a permanent impairment loss. This may be the case, for example, when changes in legislation lead to changes in the services provided by Statistics Netherlands, a result of which the asset will no longer support the changed services or support these to a lesser extent. The actual output may differ from these estimates. Impairment losses are recognised in the statement of income and expenditure. If, in a subsequent period, the recoverable amount of a previously impaired asset increases and this increase can be related objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed and the reversal (up to the amount of the original cost) is recognised in the statement of income and expenditure. Statistics Netherlands holds financial instruments, which comprise financial fixed assets, receivables, cash and cash equivalents and current liabilities. Financial assets and financial liabilities are recognised in the balance sheet at the time when contractual rights or obligations are created in respect of this instrument. A financial instrument is derecognised if a transaction results in the transfer of all or substantially all rights to economic benefits and all or substantially all risks relating to the position have been transferred to a third party. Upon initial recognition, financial instruments are measured at fair value. For instruments not measured at fair value through the statement of income and expenditure, any directly attributable transaction costs are included in their initial measurement. The financial instruments are measured in accordance with the following principles for the valuation of assets and liabilities. Statistics Netherlands does not use derivative financial instruments (derivatives).

## **Principles for the valuation of assets and liabilities**

### **Assets**

#### **Non-current assets**

##### ***Intangible fixed assets***

Statistics Netherlands continually implements development projects. IT development is directly related to the statistics production. A fixed annual budget is available (approximately EUR 10 million) within which projects are prioritised. The expenditure for IT development is funded from the annual lumpsum contribution from the ministry of EZK. Where Dutch Accounting Standards with regard to intangible fixed assets appear to support the capitalisation of development project costs, Statistics Netherlands, in line with the method applied by similar organisations, applies a valuation method under which the project development costs are consistently charged directly to the statement of income and expenditure.

##### ***Tangible fixed assets***

Tangible fixed assets are stated at cost less cumulative depreciation and any impairment losses. Cost comprises the cost of acquisition or manufacture and additional costs incurred in bringing the assets to their location and in the condition required for their intended use.

Depreciation is calculated as a percentage of the cost of acquisition according to the straight-line method on the basis of the asset's useful life. Land and tangible fixed operating assets are not depreciated, nor are prepayments on tangible fixed assets amortised. The recognition of depreciation charges starts when an asset is available for its intended use and ends upon its decommissioning or disposal. The depreciation period for each asset category is shown in the table below.

<i>Non-current assets</i>	<i>Depreciation period</i>
New-build (modifications of building shell)	5-10 years
IT resources	3-5 years
Plant and equipment	5-10 years
Other fixed operating assets	5 years

Statistics Netherlands determines the amount to be depreciated without taking any residual value into account.

#### ***Disposal of non-current assets***

Assets available for sale are stated at the lower of their carrying amount and net realisable value.

#### ***Financial fixed assets***

Financial fixed assets are stated at the lower of their amortised cost and fair value. Write-downs to lower fair value are recognised in the statement of income and expenditure. Financial assets stated at amortised cost are tested at each reporting date to determine whether there is objective evidence of impairment. The accounting policies for the financial fixed assets are described in the 'Financial instruments' section.

#### ***Receivables***

The accounting policies for receivables are described in the 'Financial instruments' section.

The item 'yet to be billed' included under the receivables concerns the unbilled portion of additional statistical services based on the work progress as at year-end. The pre-billed portion of projects for additional statistical services is included under the item 'pre-billed income' under other debts.

#### ***Cash and cash equivalents***

Cash and cash equivalents are stated at nominal value. Unless stated otherwise, cash and cash equivalents are at the free disposal of Statistics Netherlands.

#### ***Financial instruments***

After initial recognition, receivables are stated at amortised cost using the effective interest method, less impairment losses. After initial recognition, non-current and current liabilities and other financial liabilities are stated at amortised cost using the effective interest method. Evidence of impairment of financial assets is considered both at the level of individual assets and on a collective basis. All individually significant financial assets are specifically tested for impairment. Impairment losses and reversals of impairment losses are recognised in the statement of income and expenditure. A financial asset and a financial liability are offset and the net amount is presented on the balance sheet if the organisation has a sound legal instrument to settle the financial asset or financial instrument on a net basis and the organisation has the firm intention to settle the balance as such on a net basis or simultaneously.

#### ***Equity***

Under Section 33 of the Autonomous Administrative Bodies Framework Act, an autonomous administrative body must create an equalisation reserve. The difference between the actual income and actual expenditure is credited or debited, as applicable, to the equalisation reserve.

### ***Provisions***

A provision is recognised if:

- the entity has a present legal or constructive obligation as a result of a past event; and
- a reliable estimate can be made of the amount of obligation; and
- if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

The provisions are valued based on the best possible estimate of the expenditure required to settle the obligations and losses. The personnel provisions are stated at present value; when calculating the present value, it is assumed that the interest rate as at 31 December of the financial year, which is used for the calculation of the present value, equals the expected indexation of the personnel charges for the years ahead.

The provision for long-service awards represents the estimated present value of the future long-service awards. The calculation is based on commitments made, likelihood of staying, age and the collective labour agreement wage increase as at 1 July 2019 and 1 January 2020.

This provision concerns future obligations to employees on sick leave whose full or partial incapacity for work is expected to be permanent and who are therefore entitled to up to two years of continued salary payment.

### **Principles for result determination**

#### ***Revenue recognition***

Amounts received by Statistics Netherlands for its own account are recognised as revenue. Amounts received by Statistics Netherlands on behalf of third parties are not recognised as revenue. Amounts received in advance (both current and non-current) are accounted for as liabilities and included under accruals and deferred income.

The contribution from the Ministry of Economic Affairs and Climate Policy is recognised in the statement of income and expenditure in the financial year in which the corresponding (statutory) tasks were performed.

Revenue from additional statistical services is recognised in the statement of income and expenditure when the amount of the revenues can be reliably determined, the collection of the receivable revenue is likely, the degree to which the work will be completed as at balance sheet date can be reliably determined and the costs already incurred and the costs that (may) still have to be incurred to complete the work can be reliably determined.

If the result of certain activities to deliver services cannot be reliably determined, the revenue is recognised to the amount of the costs of the service delivery that is covered by the revenue.

Revenues from additional statistical services are recognised in the statement of income and expenditure in proportion to the stage of completion of the work as at balance sheet date. The stage of completion is determined based on the costs incurred at that moment in relation to the costs of the total work to be done, with no account being taken of indexations. Revenue from sales of licences is recognised in the statement of income and expenditure in proportion to the term of the licence.

Losses expected on work in progress are recognised immediately in the statement of income and expenditure. The amount of the loss is determined irrespective of whether the project has already been started, the progress of the project, or the amount in profit that is expected on other, unrelated projects. Other revenue is recognised in the statement of income and expenditure when a judicial and/or administrative penalty is imposed on companies that have failed to meet obligations to respond.

Interest income is recognised in the period to which it relates, taking into account the effective interest rate for the relevant asset. Any gains or losses are recognised under financial income or expenses.

### ***Employee benefits***

Employee benefits are recognised as an expense in the statement of income and expenditure in the period in which the service is rendered or, if the relevant employee benefits have not yet been paid out, as a liability on the balance sheet. If the amounts paid out exceed the employee benefits payable, the surplus is recognised under prepayments and accrued income to the extent that the amounts will be repaid by the relevant employees or settled against future payments by the organisation.

The liability in respect of benefits payable during the period of service is stated at the nominal value of the expenditures expected to be required to settle the obligation.

If employee benefits are paid that do not result in the accrual of benefits (such as continuing wage payments during sickness or work incapacity), the expected expenses are accounted for in the period in which these benefits are payable. A provision for long-term sickness benefits is recognised for any obligation at the balance sheet date to continue paying employee benefits to employees who are expected to be unable to perform part or all of their work due to sickness or work incapacity. The provision is stated at the best estimate of the amounts expected to be required to settle the relevant obligation at the balance sheet date. This best estimate is based on the contractual agreements with the employees (collective agreement (CAO) and individual employment contracts). Additions to and releases of provisions are debited and credited, respectively, to the statement of income and expenditure.

### ***Pensions***

The basic principle is that the pension charge to be recognised for the reporting period is equal to the pension contributions payable to the pension fund for that period. Insofar as payable contributions have not yet been paid as at balance sheet date, a liability is recognised. If at balance sheet date the actual contributions paid exceed the payable contributions, a receivable is recognised to account for any repayment by the fund or settlement against contributions payable in future.

The pension scheme is administered by ABP, the pension fund for employees in the public sector. This is an industry-wide pension fund, and Statistics Netherlands is not obliged to make additional payments in the event of a deficit at the fund, other than paying in higher future contributions when necessary.

### ***Termination benefits***

Termination benefits are benefits awarded to employees in return for the termination of their employment contract. A redundancy benefit is recognised as an expense when the organisation has demonstrably committed itself unconditionally to paying the redundancy benefit. If redundancies

are part of a restructuring, the costs of the relevant redundancy benefits are accounted for by creating a restructuring provision. For further information, see the 'Provisions' section.

Redundancy benefits are valued based on the best estimate of the amounts required to settle the obligation.

#### ***Cost recognition***

Costs are recognised in accordance with the aforementioned accounting policies and allocated to the financial year to which they relate. (Foreseeable) liabilities and potential losses arising from events that occurred before year-end are accounted for if they became apparent before the preparation of the financial statements and meet the conditions for the recognition of provisions.

#### ***Taxes***

CBS was not liable for VAT in 2018, except for income from secondments for a period longer than 1 year. In addition, CBS is not liable for corporation tax.

#### **Cash flow statement**

The cash flow statement has been prepared according to the indirect method. Cash flows in foreign currency are translated into euros using the average weighted exchange rates for the relevant periods. Accordingly, in presenting the cash flows, adjustments are made to the reported result for the financial year to account for items that do not relate to income and expenses during the financial year and for changes in financing, provisions and working capital.

#### **Related parties**

Transactions with related parties apply when there is a relationship between the Statistics Netherlands and a natural person or entity that is related to Statistics Netherlands. This includes relationships between Statistics Netherlands and its senior management officials and key management personnel. Transactions include any transfer of resources, services or obligations, irrespective of whether an amount was billed. There were no transactions with related parties that were not at arm's length.

## Notes to the balance sheet as at 31 December 2018

### 1) Tangible fixed assets

<i>Amounts in thousands of euros</i>	<b>New-build (modifications of building shell)</b>	<b>IT resources</b>	<b>Plant and equipment</b>	<b>Other fixed operating assets</b>	<b>Total</b>
<b>Balance at 31/12/2017</b>					
Cost of acquisition	28.084	19.135	4.390	13.822	65.431
Cumulative depreciation	22.996-	16.365-	3.230-	12.293-	54.884-
<b>Carrying amount at 31/12/2017</b>	<b>5.088</b>	<b>2.770</b>	<b>1.160</b>	<b>1.529</b>	<b>10.547</b>
<b>Change in carrying amount</b>					
Investments	411	766	306	284	1.767
Disposals	0	7.195-	245-	464-	7.904-
Depreciation for the year	2.346-	1.498-	345-	388-	4.577-
Cumulative depreciation on disposals	0	7.051	244	462	7.757
<b>Change in carrying amount</b>	<b>1.935-</b>	<b>876-</b>	<b>40-</b>	<b>106-</b>	<b>2.957-</b>
<b>Balance at 31/12/2018</b>					
Cost of acquisition	28.496	12.707	4.452	13.642	59.297
Cumulative depreciation	25.342-	10.812-	3.331-	12.219-	51.704-
<b>Carrying amount at 31/12/2018</b>	<b>3.154</b>	<b>1.895</b>	<b>1.121</b>	<b>1.423</b>	<b>7.593</b>

### 2) Financial fixed assets

#### *Other financial fixed assets*

<i>Amounts in thousands of euros</i>	<b>31-12-2018</b>	<b>31-12-2017</b>
Prepaid compensation of losses due to VAT	361	1.639

As Statistics Netherlands is exempt from VAT, the lessor of the newly built premises in The Hague and Heerlen cannot claim back the VAT on its investments in these buildings. Statistics Netherlands has compensated the lessor for this VAT issue by paying EUR 9.2 million in respect of the loss incurred in 2008 on the premises in The Hague and EUR 6.5 million in respect of the loss incurred in 2009 on the premises in Heerlen. The maximum VAT loss-compensation period is ten years, in accordance with the VAT revision period (acquisition of immovable property – ‘herzieningsperiode BTW aanschaf onroerend goed’). Accordingly, the amounts are therefore charged to the statement of income and expenditure over a period of ten years. Accordingly, EUR 1.2 million was charged to accommodation costs in 2018 (2017: EUR 1.6 million). This item has a maturity of less than one year.

**Current assets****3) Receivables****Debtors**

<i>Amounts in thousands of euros</i>	<b>31-12-2018</b>	<b>31-12-2017</b>
Debtors	4.950	5.056
Bad debt provision	-208	-235
<b>Total</b>	<b>4.742</b>	<b>4.821</b>

The bad debt provision largely relates to receivables from companies that failed to meet obligations to respond and/or on which a judicial and/or administrative penalty has been imposed.

**Other receivables**

<i>Amounts in thousands of euros</i>	<b>31-12-2018</b>	<b>31-12-2017</b>
Prepaid expenses	6.540	4.374
Contracts yet to be billed	5.974	7.392
Other receivables	70	4
<b>Total</b>	<b>12.585</b>	<b>11.771</b>

The 'prepaid expenses' item mostly consist of prepaid maintenance contracts and prepaid rent.

The item 'yet to be billed' included under the receivables concerns the unbilled portion of additional statistical services based on the work progress as at year-end.

The other liabilities mostly have maturities of less than one year.

**4) Cash and cash equivalents**

<i>Amounts in thousands of euros</i>	<b>31-12-2018</b>	<b>31-12-2017</b>
Bank balance	19.321	24.161
<b>Total</b>	<b>19.321</b>	<b>24.161</b>

Changes in cash and cash equivalents are presented in the cash flow statement. The bank balance is at the free disposal of Statistics Netherlands.

Statistics Netherlands has a debit limit on the current account with the Ministry of Finance of EUR 10 million.



## 5) Equity

<i>Amounts in thousands of euros</i>	<b>Equalisation reserve</b>
<b>Balance at 1/1/2017</b>	1.032
Result for 2017	-1.012
<b>Balance at 1/1/2018</b>	20
Result for 2018	-4.049
<b>Balance at 31/12/2018</b>	-4.028

The result appropriation (withdrawal from the equalisation reserve) is in accordance with the agreement with EZK.

## 6) Provisions

<i>Amounts in thousands of euros</i>	<b>Restructuring in 2005</b>	<b>Restructuring in 2004</b>	<b>Unemployment benefits</b>	<b>Restructuring in 2000</b>	<b>Long-service awards</b>	<b>Long-term sickness</b>	<b>Total*</b>
<b>Balance at 31/12/2017</b>	0	0	10.291	113	2.675	125	13.204
Addition in 2018	0	0	269	3	1.320	328	1.920
Withdrawal in 2018	0	0	-1.863	-25	-415	-125	-2.428
Release	0	0	0	0	0	0	-
<b>Balance at 31/12/2018</b>	0	0	8.697	91	3.580	328	12.696

\* The addition to/release of the provisions is recognised as expenditure ("addition to/release of provisions") under the wages and salaries.

### **Unemployment benefits**

This provision concerns obligations under the unemployment compensation benefit scheme for civil servants, whereby former employees receive benefits to compensate them for their loss of employment. A situation of non-voluntary termination of the employment contract with CBS may also arise without restructuring. This specifically concerns dismissal procedures pursuant to the official civil servants regulation (ARAR), section 98 (incapacity or incompetence), or ARAR section 99 (honourable discharge for reasons other than section 98) and expiry of temporary appointments. This can result in statutory and non-statutory unemployment benefits. Statistics Netherlands has opted to self-insure itself for the costs it incurs as an employer in the event of work incapacity. Accordingly, it has made a provision for these costs at the centralised level. An upward adjustment was made to the provision in connection with dismissals in 2018 that related to the raising of the state pension (AOW) age. On the other hand, part of the provision was released due to the fact that a number of former employees found a new job or are expected to find a new job within one year.

The table below shows the expected maturities of the obligations in respect of unemployment benefits:

<i>Amounts in thousands of euros</i>	<b>2019</b>	<b>2020 through 2023</b>	<b>2024 and beyond</b>	<b>Total</b>
Unemployment benefits	1.605	4.263	2.829	8.697
<b>Total</b>	<b>1.605</b>	<b>4.263</b>	<b>2.829</b>	<b>8.697</b>

#### ***Restructuring in 2000***

The provision was made to cover the redundancy costs of the employees who were designated as candidates for reposting under the restructuring in 2000, but whose employment was not terminated prior to 3 January 2004. EZK has committed an amount of some EUR 10.8 million to cover the redundancy costs. The redundancy costs comprise the personnel expenses during the 18-month reposting period and the expected unemployment compensation benefits and other benefits payable by Statistics Netherlands.

The table below shows the expected breakdown for each period of the obligations arising from the restructuring started in 2000:

<i>Amounts in thousands of euros</i>	<b>2019</b>	<b>2020 through 2023</b>	<b>2024 and beyond</b>	<b>Total</b>
Restructuring in 2000	23	68	0	91
<b>Total</b>	<b>23</b>	<b>68</b>	<b>0</b>	<b>91</b>

#### ***Long-service awards***

This provision concerns future obligations for 12.5, 25, 40 and 50-year service awards.

#### ***Long-term sickness***

This provision concerns future obligations to employees on sick leave whose full or partial incapacity for work is expected to be permanent and who are therefore entitled to up to two years of continued salary payment (Statistics Netherlands has opted to self-insure itself for these costs).

## 7) Current liabilities

### *Taxes and social insurance contributions*

<i>Amounts in thousands of euros</i>	<b>31-12-2018</b>	<b>31-12-2017</b>
Wage tax and social charges	3.540	4.145
Pensions	1.911	1.763
<b>Total</b>	<b>5.450</b>	<b>5.907</b>

### *Other liabilities*

<i>Amounts in thousands of euros</i>	<b>31-12-2018</b>	<b>31-12-2017</b>
Amounts received in advance from Ministry of EACP	2.000	6.000
Income billed in advance	9.495	8.296
Outstanding expenses	1.904	3.767
Creditors	4.531	5.360
Advance contribution from project developer	133	455
Outstanding holiday allowance	4.726	4.608
Outstanding leave payable	4.766	4.514
Redundancy costs	2.070	0
Year-end bonuses	682	667
Other liabilities	178	141
<b>Total</b>	<b>30.484</b>	<b>33.808</b>

In connection with the remainder of the Rutte II mission, CBS received EUR 12 million from EZK in 2017. Of this amount, EUR 2 million relates to 2019.

The income billed in advance concerns the portion of the additional statistical services yet to be billed based on the progress of work at year-end.

The outstanding expenses consist mostly of recurring costs for which the invoice was still to be received as at year-end.

The payables mainly concern the outstanding purchase invoices as at year-end.

The 'advance contribution from project developer' item concerns one-off contributions received for rental costs for the next ten years, one in 2008 for the office in The Hague and the other in 2009 for the Heerlen office.

The item for outstanding holiday allowance concerns the reserve for the months from June to the end of December, to be paid out in May 2019.

The item for outstanding paid leave concerns the unused leave entitlement as at year-end.

The item for redundancy costs concerns the payable salary costs for employees with whom redundancy has been agreed.

Year-end bonuses concern the amount reserved in December 2018 for the year-end bonuses that will be paid in November 2019.

The other liabilities mostly have maturities of less than one year.

### **Financial instruments**

As part of its ordinary activities, Statistics Netherlands uses various financial instruments that expose it to market, credit and/or liquidity risks. These financial instruments are stated on the balance sheet.

Statistics Netherlands does not trade in these financial instruments and has procedures and guidelines to limit the size of the risks. If a counterparty defaults on payments due to Statistics Netherlands, any resulting losses are limited to the fair market value of the relevant instruments. Statistics Netherlands does not use derivative financial instruments.

### **Treasury policy**

Under the service income and expenditure scheme, Statistics Netherlands has a duty to participate in treasury banking with the Central Accounts Department (Rijkshoofdboekhouding) of the Ministry of Finance. This department is responsible for the accounts of the Dutch treasury.

Treasury banking means that cash items may only be deposited in a current account with the Central Accounts Department and that loans may only be concluded with this department. Statistics Netherlands concludes the contracts and agrees the conditions with the Central Accounts Department in respect of any deposit accounts or loans.

Treasury banking is a way of maintaining a central treasury for public funds. Treasury banking is based on the principle that outflows of public funds from the treasury should be timed to occur only when they are needed to perform a public task. Through treasury banking, Statistics Netherlands ensures that its cash flow management is as risk-free as possible.

Each day, the current account balance (maximum of EUR 2 million) with the principal banker is reduced to nil.

### **Credit risk**

Statistics Netherlands is exposed to credit risks on the receivables presented on the balance sheet. As the debtors mostly concern government institutions, the credit risk exposure is limited.

### **Liquidity risk**

Statistics Netherlands monitors its liquidity position by means of its multi-annual budget. Statistics Netherlands ensures that it also has sufficient liquidity to meet its obligations. Statistics Netherlands has a debit limit on the current account with the Ministry of Finance of EUR 10 million.

### **Fair value**

The fair value of the financial instruments stated on the balance sheet, including financial fixed assets, receivables, cash and cash equivalents and current liabilities, approximates their carrying amount.

## Off-balance sheet assets and liabilities

### Multi-annual financial obligations

<i>Amounts in thousands of euros</i>	<b>2019</b>	<b>2020 through 2024</b>	<b>2025 and beyond</b>
Rent for offices in The Hague and Heerlen	5.600	29.600	59.300
<b>Total</b>	<b>5.600</b>	<b>29.600</b>	<b>59.300</b>

### *Rented premises*

The lease for the building in The Hague is valid until the end of 2033. The lease for the building in Heerlen is valid until the end of 2034.

### Off-balance sheet liabilities

There is a pending dispute with an ex-employee concerning a maximum possible compensation of EUR 0.2 million.

### Finance agreements

In response to the Rutte I and Rutte II spending cuts, Statistics Netherlands has agreed a future-proof budget with the ministry of EZK for implementing the multi-year programme. To strengthen the equity position of CBS, it received an additional contribution of EUR 12 million in 2017. This amount relates to the remainder of the Rutte II tasking, consisting of EUR 4 million in 2016, EUR 2 million in 2017, EUR 4 million in 2018 and EUR 2 million in 2019. Thereafter, the contribution Statistics Netherlands receives from the Ministry of Economic Affairs will be temporarily reduced by EUR 2 million for a period of six years, from 2021 through to 2026.

## Notes to the statement of operating income and expenditure for 2018

### 8) Income

The income is the sum of:

- contribution from the Ministry of Economic Affairs and Climate Policy;
- additional statistical services;
- other income.

#### ***Contribution from Ministry of Economic Affairs and Climate Policy***

<i>Amounts in thousands of euros</i>	<b>Actual 2018</b>	<b>Budgeted 2018</b>	<b>Actual 2017</b>
Budgetary contribution	139.193	139.193	141.357
Received earlier, but implemented subsequently	0	0	419
Wage and price adjustment	3.264	0	4.790
One-off contribution for restructuring in 2000	0	0	2.501
Contribution from Ministry of EACP for remainder of Rutte	4.000	4.000	2.000
<b>Total</b>	<b>146.457</b>	<b>143.193</b>	<b>151.067</b>

The contribution from the Ministry of Economic Affairs and Climate Policy is a budgetary contribution. Statistics Netherlands receives this contribution based on the Multi-Annual Plan for 2014-2018.

The wage and price adjustment concerns the compensation for the increased wages and pension charges.

In connection with the remainder of the Rutte II mission, CBS received EUR 12 million from EZK. Of this amount, EUR 4 million relates to 2018.

#### ***Additional statistical services***

The table below shows the turnover from additional statistical services by region.

<i>Amounts in thousands of euros</i>	<b>Actual 2018</b>	<b>Budgeted 2018</b>	<b>Actual 2017</b>
The Netherlands	34.951	32.641	32.738
EU countries	4.161	3.569	4.228
Other countries	1.718	1.399	1.654
<b>Total</b>	<b>40.830</b>	<b>37.609</b>	<b>38.620</b>

The item 'additional statistical services' concerns the realised revenue from performed activities. This includes activities to which the government makes a specific financial contribution, revenues from making data available and the licence fees for Blaise (a software system developed by CBS for computer-based research methods).

The breakdown of turnover from additional statistical services by type of client is as follows:

<i>Amounts in thousands of euros</i>	<b>Actual 2018</b>	<b>Budgeted 2018</b>	<b>Actual 2017</b>
Government and government-related	30.887	27.330	29.275
Foreign statistical agencies	1.587	1.655	1.473
Research institutions	5.543	5.311	4.916
European Commission and Eurostat	1.898	2.483	2.172
Third parties	915	830	784
<b>Total</b>	<b>40.830</b>	<b>37.609</b>	<b>38.620</b>

#### **Other income**

The other income mainly comprises revenue from enforcement.

#### **9) Expenses**

##### ***Wages and salaries***

<i>Amounts in thousands of euros</i>	<b>Actual 2018</b>	<b>Budgeted 2018</b>	<b>Actual 2017</b>
Wages and salaries of own staff	112.477	105.888	110.546
Addition to less release of provisions	1.920	2.000	1.747
Insourced staff	7.847	7.256	7.913
<b>Total</b>	<b>122.244</b>	<b>115.144</b>	<b>120.206</b>

The cost of wages and salaries was higher than budgeted. This was due to the 3% pay rise under the collective agreement additional staff because the additional statistical services exceeded the budgeted level.

Under the addition to/release of provisions, the addition (total EUR 1.9 million) is recognised under personnel provisions.

In 2018, the average number of full-time employees (FTEs) at Statistics Netherlands was 1,776 (2017: 1,816 FTEs). Three employees worked outside of the Netherlands.

The breakdown by chief directorate was as follows:

<i>Average number of FTEs per chief directorate</i>	<b>2018</b>	<b>2017</b>
Economic and business statistics and national accounts	485	495
Social and spatial statistics	530	531
Data collection	234	254
Corporate services, IT and methodology	400	401
Other	127	135
	<b>1.776</b>	<b>1.816</b>

### Remuneration of Director-General

Disclosure pursuant to the Remuneration of Senior Officials in the Public and Semi-Public Sector Act (WNT).

<i>Managerial senior officials in 2018</i>		
Amounts in euros	Dr T.B.P.M. Tjin-A-Tsoi	Dr A.H. Kroese
Position(s)	Director-General	Acting Director-General
Term of employment in 2018	1/1 – 31/12	1/1 – 31/12
Size of employment in FTEs	1	1
Former senior official	no	no
(Imputed or explicit) employment contract	yes	yes
<b>Remuneration</b>		
Remuneration	158.956	139.291
Taxable expense allowance	6.600	4.950
Long-term and post-employment benefits	19.317	18.508
<b>Total remuneration</b>	184.873	162.749
Applicable WNT maximum	189.000	189.000
Explanation of any remuneration in excess of maximum	N/A	N/A

<i>Managerial senior officials in 2017</i>		
Amounts in euros	Dr T.B.P.M. Tjin-A-Tsoi	Dr A.H. Kroese
Position(s)	Director-General	Acting Director-General
Term of employment in 2017	1/1 – 31/12	1/1 – 31/12
Size of employment in FTEs	1	1
Former senior official	no	no
(Imputed or explicit) employment contract	yes	yes
<b>Remuneration</b>		
Remuneration	156.693	137.323
Taxable expense allowance	5.961	4.876
Long-term and post-employment benefits	17.964	17.195
<b>Total remuneration</b>	180.618	159.394
Applicable WNT maximum	181.000	181.000
Explanation of any remuneration in excess of maximum	N/A	N/A



**Remuneration of Advisory Council (formerly: Central Commission for Statistics)**

The Advisory Council has several tasks related to CBS and the government's provision of statistical information. At year-end 2018, the Advisory Council comprised four members; the total compensation for the Advisory Council for 2018 was EUR 44,583. The compensation of the members of the Advisory Council is charged to the budget of Statistics Netherlands.

*Advisory Council officials in 2018*

Advisory Council members	Position	Remuneration in 2018	Period of appointment	Remuneration in 2017
Dr G. Zalm	Chair of the Advisory Council	12.500	from 1/1/2018 until 1/1/2022*	0
I. Brakman	Chair of the Advisory Council	0	from 1/1/2010 until 1/1/2018	12.500
J. van Hall, RA RE	Member of Advisory Council	10.000	from 1/4/2014 until	10.000
Prof. F. van der Wel RA	Member of Advisory Council	10.000	from 1/1/2013 until 1/1/2021	10.000
C.C.M. Vendrik	Member of Advisory Council	10.000	from 1/9/2017 until 1/9/2021	3.333
(Ms) C.W. Wortmann-Kool	Member of Advisory Council	2.083	from 1/6/2014 until 1/6/2018	5.000

\* eligible for reappointment for a period of four years

The compensation of the members of the Advisory Council is in accordance with the regulations on the compensation of members of the Advisory Council (Regeling vaststelling schadeloosstelling leden Raad van Advies).

**Pension and social charges**

<i>Amounts in thousands of euros</i>	<b>Actual 2018</b>	<b>Budgeted 2018</b>	<b>Actual 2017</b>
Pension charges	16.926	15.921	15.917
Social charges	14.046	13.738	13.783
<b>Total</b>	<b>30.972</b>	<b>29.658</b>	<b>29.702</b>

The pension scheme is administered by ABP, the pension fund for employees in the public sector. This is an industry-wide pension fund, and Statistics Netherlands is not obliged to make additional payments in the event of a deficit at the fund, other than paying in higher future contributions when necessary. As at year-end 2018, ABP had a coverage ratio (market value of plan assets expressed as a percentage of the defined benefit obligation pursuant to the principles set by the Dutch central bank) of 103.8% (99.6% of the required coverage ratio of 104.2% set by the Dutch central bank). If a pension fund falls below the minimum coverage ratio, it must agree a recovery plan with the regulatory authority.

The properties of the pension plan in 2018 are as follows:

Average-wage	pension plan
Holiday allowance	8%
Pension computation age	68 years
Pensionable earnings	Pensionable salary minus franchise
Surviving dependents' pension	70% of the old-age pension upon death
Orphans' pension	14% of the old-age pension
Franchise (2018)	EUR 13,350
Accrual rate	1.875% of the pensionable earnings

**Depreciation of tangible fixed assets**

<i>Amounts in thousands of euros</i>	<b>Actual 2018</b>	<b>Budgeted 2018</b>	<b>Actual 2017</b>
Depreciation charges	4.576	5.532	5.693

The depreciation charges concern the depreciation of building-shell modifications and depreciation of IT resources. The depreciation charges decreased due to further reductions in investment levels.

**Other operating expenses**

<i>Amounts in thousands of euros</i>	<b>Actual 2018</b>	<b>Budgeted 2018</b>	<b>Actual 2017</b>
Accommodation costs	11.657	12.345	12.023
Other personnel costs	2.714	2.638	2.553
Office costs	3.713	4.667	4.271
Official journeys	3.668	3.714	3.648
External advice	1.790	1.733	2.122
Computerisation	7.514	7.360	7.720
Other costs	3.091	3.043	3.352
<b>Total</b>	<b>34.147</b>	<b>35.500</b>	<b>35.689</b>

**Accommodation costs**

Accommodation costs include rental as well as energy costs and building-related costs, such as cleaning, security and the operation of the company restaurant. Accommodation costs have decreased following further disposal of building sections and because of lower rental prices following extension of the lease contracts.

**Other personnel costs**

Other personnel costs include, among other things, the costs of courses, employment market communications, occupational health services and catering.

**Office costs**

Office costs consist of the costs of telecommunications, postage, outsourced printing for publications, and library costs. These costs decreased because of lower postal charges.

**Official journeys**

The travel and accommodation costs comprise commuting costs and domestic and internal travel and accommodation expenses.

**External advice**

Advisory costs include, among other things, the costs of legal advice, tax advice, the costs of outsourcing payroll accounting, annual auditor's fees and the costs of IT advice. The advisory costs have decreased due to a further cut-back to advisory services.

**Computerisation**

This concerns the costs of outsourced administration services, as well as hardware maintenance and licenses.

### Other

The other costs consist of project-related costs, the costs of purchasing raw statistical data and incentives.

The following amounts were reimbursed to the Director-General, the Acting Director-General and the chief directors for business expenses:

<i>Reimbursed expenses (amounts in euros)</i>	2018	2017
Director-General	2.951	2.863
Acting Director-General	3.578	4.025
Chief Director of Economic and Business Statistics and National Accounts	0	705
Chief Director of Social and Spatial Statistics	111	286
Chief Director of Data Collection	535	425
Chief Director of Corporate Services, IT and Methodology	910	626
Chief Director of Communications and News	1.351	1.966
	<u>9.436</u>	<u>10.896</u>

The following fees of KPMG Accountants N.V. and other member firms of the KPMG network, including VAT, were billed to Statistics Netherlands:

<i>Amounts in thousands of euros</i>	KPMG Accountants NV 2018	Other member firms of KPMG network 2018	Total KPMG 2018
Audit of the financial statements	109	0	109
Other audit engagements	23	0	23
Tax advisory services	0	4	4
Other non-audit engagements	0	0	0
	<u>132</u>	<u>4</u>	<u>136</u>

<i>Amounts in thousands of euros</i>	KPMG Accountants NV 2017	Other member firms of KPMG network 2017	Total KPMG 2017
Audit of the financial statements	87	0	87
Other audit engagements	68	0	68
Tax advisory services	0	19	19
Other non-audit engagements	7	0	7
	<u>162</u>	<u>19</u>	<u>181</u>

These fees were allocated to the financial year in which the work was performed.

## **10) Financial income and expenses**

### ***Interest income***

The 'interest income' item concerns the interest received on the balance in the current account with the Ministry of Finance. As the interest rate was nil, the interest income was nil.

## **11) Subsequent events**

There were no events of material significance to the financial statements for 2018 after the balance sheet date.

The Hague, 29 March 2019  
Director-General of Statistics Netherlands  
Dr T.B.P.M. Tjin-A-Tsoi

## Other information

### **Provisions in the articles of association governing the result appropriation**

Under Section 33 of the Autonomous Administrative Bodies Framework Act, an autonomous administrative body must create an equalisation reserve. The difference between the actual income and actual expenditure of the autonomous administrative body is credited or debited, as applicable, to the equalisation reserve. The result for 2018 has been accounted for in the financial statements in accordance with these provisions.

# Independent auditor's report

To: Director-General (hereinafter "management") of Statistics Netherlands

## Report on the financial statements for 2018 included in the annual report

### *Our opinion*

We have audited the financial statements for 2018 of Statistics Netherlands, based in The Hague.

In our opinion:

- the financial statements give a true and fair view of the financial position of Statistics Netherlands as at 31 December 2018 and of its result for 2018 in accordance with the Statistics Netherlands Act, the Protocol of work agreements between the Ministry of Economic Affairs and Statistics Netherlands, and the requirements of the 'Wet Normering Topinkomens' (WNT, Standards for Remuneration Act (the Netherlands));
- the income and expenditure and changes in the balance sheet recognised in these financial statements for 2018 have been recognised lawfully in all material respects in accordance with the provisions of the relevant legislation and regulations, as referred to in the Auditing Protocol for the financial statements of Statistics Netherlands for 2018.

The financial statements comprise:

1. the balance sheet as at 31 December 2018;
2. the statement of income and expenditure for 2018;
3. the cash flow statement for 2018; and
4. the notes, comprising a summary of the accounting policies and other explanatory information.

### **Basis for our opinion**

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing, the WNT Auditing Protocol Regulation 2018 and the Auditing Protocol for the financial statements of Statistics Netherlands (October 2017 version). Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Statistics Netherlands in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Compliance with WNT anti-cumulation rule not audited**

In accordance with the 2018 WNT Audit Protocol, we did not audit the anti-cumulation rule of section 1.6a WNT and section 5(1)(j) of WNT implementation regulation. This means that we have not verified whether there had been any breaches of the norms by a managerial senior official through any employment as managerial senior official at other institutions regulated by the WNT, nor whether the information required in this context is correct and complete.

**Report on the other information included in the annual report**

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- the management report;
- the other information;
- the appendices.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains all the information that must be provided pursuant to the Statistics Netherlands Act and the Protocol of work agreements between the Ministry of Economic Affairs and Statistics Netherlands.

We have read the other information and based on our knowledge and our understanding, obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of the Dutch Standard 720 and the Auditing Protocol for the financial statements of Statistics Netherlands (October 2017 version). The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the management report and the other information in accordance with the Statistics Netherlands Act and the Protocol of work agreements between the Ministry of Economic Affairs and Statistics Netherlands.

**Description of responsibilities with respect to the financial statements*****Management's responsibilities with respect to the financial statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Statistics Netherlands Act, the Protocol of work agreements between the Ministry of Economic Affairs and Statistics Netherlands, and the requirements of the WNT.

Management is responsible for ensuring that the income and expenditure and changes in the balance sheet recognised in the financial statements have been recognised lawfully in accordance with the provisions of the relevant legislation and regulations, as referred to in the Auditing Protocol for the financial statements of Statistics Netherlands (version October 2017).

In this context, management is responsible for such internal control as it determines is necessary to enable compliance with those relevant laws and regulations and the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the ability of Statistics Netherlands to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting, unless it has no realistic alternative but to cease the organisation's operations.

Management should disclose events and circumstances that may cast significant doubt on the organisation's ability to continue as a going concern in the financial statements.

***Our responsibilities for the audit of financial statements***

Our responsibility is to plan and perform an audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all material errors and fraud during the audit.

Misstatements can arise from fraud or errors and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional scepticism and have maintained professional scepticism throughout the audit, in accordance with the Dutch Standards on Auditing, the WNT Auditing Protocol Regulation 2018, the Auditing Protocol for the financial statements of Statistics Netherlands (October 2017 version), ethical standards and the independence requirements. Our audit included e.g.:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, as well as the risk of any unlawful recognition of income or expenditure or changes in the balance sheet, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from errors, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Statistics Netherlands' internal control;
- evaluating the appropriateness of the accounting policies used and the financial lawfulness criteria applied, as well as evaluating the reasonableness of the accounting estimates made by management and the related disclosures in the financial statements;
- concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Statistics Netherlands' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organisation ceasing to continue as a going concern.
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements give a true and fair view of the underlying transactions and events, and whether the income and expenditure and changes in the balance



sheet recognised in these financial statements have been recognised lawfully in all material respects.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

The Hague, 29 March 2019  
KPMG Accountants N.V.  
W.A. Touw, RA

## Appendices

## **Appendix A. Organisation at 31 December 2018**

### **Director General**

Dr T.B.P.M. (Tjark) Tjin-A-Tsoi

### **Deputy Director General**

Dr A.H. (Bert) Kroese

### **CBS Communication and News**

M.P.M. (Mike) Ackermans

T.J.M. (Thomas) Ruigrok (deputy)

### **Corporate Services, IT and Methodology directorate**

W. (Wim) van Nunspeet

M. (Marijke) Renaud (deputy)

### **Data Collection directorate**

Dr A. (Astrid) Boeijen

J.H. (Jeroen) van Velzen (deputy)

### **Economic and Business Statistics and National Accounts directorate**

J.C.M. (Hanneke) Imbens

H.J.C.M. (Hank) Hermans (deputy)

### **Socioeconomic and Spatial Statistics directorate**

Dr H. (Huib) van de Stadt

M.J.M. (Marleen) Verbruggen (deputy)

### **Central Bureau for Policy and Management Support**

V.J. (Vera) de Witte

### **Chief Information Office**

M. (Matjaz) Jug

### **Blaise**

H.J.A. (Harry) Wijnhoven (acting)

## Appendix B. Users Councils

Various councils have been set up to advise the heads of CBS directorates on specific themes and subjects. The chairs of these councils take part in meetings with the DG.

### At the end of 2018, the chairs of these councils were:

M.A. (Michaël) van Straalen	Business Respondents' Users' Council
E.E. (Eduard) van de Lustgraaf	Economic Statistics Users' Council
Prof. I. (Ionica) Smeets	Communication Council
Dr A. (Albert) van der Horst	Macroeconomic Statistics Users' Council
Prof. P.G.M. (Peter) van der Heijden	Methodology Advisory Board
Dr M.J. (Michiel) Bijlsma	Microdata Users' Council
Dr V.C.M. (Véronique) Timmerhuis	Social Statistics Users' Council
Prof. P.J. (Peter) Boelhouwer	Statistics of the Living Environment Users' Council

## Appendix C. Guide

CBS collects data on individuals, companies and institutions and releases the results of its surveys using various methods at the earliest opportunity.

### CBS website ([www.cbs.nl](http://www.cbs.nl))

The current website provides access to the output of CBS surveys, together with information and key figures about the Netherlands, organised by theme. All the publications are laid out clearly on the website and detailed figures are published in the free StatLine database. The website also has an up-to-date publication calendar and product catalogue.

CBS also provides information for specific target groups on its website. See:

- <https://www.cbs.nl/en-gb/about-us/careers-at-cbs>;
- [www.cbsinuwbuurt.nl](http://www.cbsinuwbuurt.nl);
- <https://www.cbs.nl/en-gb/deelnemers%20enquetes/overzicht/bedrijven>;
- [www.cbs.nl/cbsindeklas](http://www.cbs.nl/cbsindeklas).

### YouTube, Twitter, Facebook

In addition to its website, CBS also distributes its output via

- YouTube (<http://www.youtube.com/statistiekcbs>);
- Twitter (<http://www.twitter.com/statistiekcbs>);
- Facebook (<https://www.facebook.com/statistiekcbs>);
- Instagram (<https://www.instagram.com/statistiekcbs/>);
- LinkedIn (<https://www.linkedin.com/company/centraal-bureau-voor-de-statistiek/>).

### Open data

Since 2014, CBS has provided all tables in StatLine as open data in the form of data sets (<http://opendata.cbs.nl/dataportaal/portal.html#la=nl>). There is also a web app that uses open data and can display all tables in StatLine as graphs or maps (<http://opendata.cbs.nl/dataportaal/index.html>). This web app has been optimised for tablets.

### Corporate news

CBS publishes topical articles on its organisation at CBS corporate news (<https://www.cbs.nl/en-gb/about-us/cbs-corporate-news>). The subjects covered include new services and products, innovations, international developments and events. The articles are intended for CBS' external customers, such as government bodies, companies, journalists and all those interested in news about CBS.

### **Innovation portal**

On the innovation portal (<https://www.cbs.nl/en-gb/our-services/innovation>), CBS showcases the innovative services and products it is developing.

### **Sales of CBS products**

CBS products can be ordered through the Customer Service department, P.O. Box 4481, 6401 CZ Heerlen, The Netherlands, by telephone on +31 88 570 70 70, or by e-mail at: [verkoop@cbs.nl](mailto:verkoop@cbs.nl).

### **Information service**

The central information desk for general questions about CBS and its products can be contacted by telephone on +31 88 570 70 70, or by e-mail at [infoservice@cbs.nl](mailto:infoservice@cbs.nl).

### **European Statistical Data Support**

Statistical information about Europe sourced from Eurostat can be requested by telephone on +31 88 570 70 70 (option 5), or by e-mail at [infoservice@cbs.nl](mailto:infoservice@cbs.nl).

### **CBS Contact Centre**

Companies, institutions and the public can contact this central information desk with any questions about CBS questionnaires or other survey material by telephone on +31 45 570 64 00, by e-mail at [contactcenter@cbs.nl](mailto:contactcenter@cbs.nl) or by using the contact form on the CBS website: [www.cbs.nl/contactcenter](http://www.cbs.nl/contactcenter).

### **Press office**

The central information desk for the media can be contacted by telephone on +31 70 337 44 44 or by e-mail at [persdienst@cbs.nl](mailto:persdienst@cbs.nl). There is more information on the CBS website: <https://www.cbs.nl/en-gb/about-us/contact/press-office>.

### **Centre for Policy Related Statistics**

The Centre for Policy Related Statistics provides a variety of services:

- Additional statistical research based on available source material.
- Advising users of statistical information, such as ministries and public policy and research institutes, large local authorities and other government agencies, on finding, organising and using information required for policy formulation and evaluation.
- Subject to authorisation by the Director General, providing researchers with access to microdata sets to perform their own analyses under strict security conditions. For the catalogue, see <https://www.cbs.nl/en-gb/our-services/customised-services-microdata/microdata-conducting-your-own-research/microdata-catalogue>.

The Centre for Policy Related Statistics charges for its services. More information can be obtained by telephone on +31 88 570 70 70, at <https://www.cbs.nl/en-gb/our->

[services/customised-services-microdata](#) or by e-mail: [maatwerk@cbs.nl](mailto:maatwerk@cbs.nl) or [microdata@cbs.nl](mailto:microdata@cbs.nl).

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