

Measurement methodology

The information in this report is presented on an annualised basis. Thus, the figures presented for a quarterly survey, for example, represent the sum of four (quarterly) survey instances in the relevant year.

Details of the number of survey forms issued and the number of survey forms returned (partially or wholly completed) were obtained from each business survey section within the CSO. Note that the term “form” as used in this report comprises both paper and electronic information requests and returns.

Completion time

With the exception of the Balance of Payments surveys and Intrastat, the average time taken to complete a single survey form was derived from responses to the question “How long did it take you to complete this form?” included on the survey forms.

For the Balance of Payments surveys, estimates of the average time taken were made by survey experts based on contacts with a small sample of respondents.

For each survey, the burden on Irish business, in terms of hours, was calculated as the product of the total number of survey forms issued (full compliance basis) or returned (actual compliance basis) by the average time taken to complete a single form.

Intrastat

Traders are required to submit monthly Intrastat returns if their imports from the EU exceed €500,000 (prior to 2016, this threshold was €191,000) or exports exceed €635,000 per annum.

Prior to the 2013 Intrastat Response Burden Survey, an hourly wage cost of €44.83 was used to value the time taken to make Intrastat returns for the period 2005 to 2012. Average times for a monthly imports declaration of 123 minutes and of 43 minutes for a monthly exports declaration were used by the CSO during this period. Using this methodology, in 2009, there were 82,800 import declarations which were costed at €7.6m and 21,900 export declarations which were costed at €0.7m.

It was recognised that a more correct measurement of burden was required given the technology advances in both traders’ IT systems and the Intrastat data capture system. To improve the qualitative and quantitative measures of the Intrastat burden, the CSO and VIMA¹ conducted an Intrastat Response Burden Survey (RBS) based on May 2013 Intrastat

returns. The financial monthly Intrastat burden was calculated using the time taken to prepare and complete a declaration and the wage cost of the staff preparing and submitting the declarations.

¹ VIMA is the branch of the Revenue Commissioners which conducts the intra-EU Intrastat survey and collects customs-based extra-EU Extrastat returns.

Changes to the methodology include splitting the categories of Imports and Exports by the addition of a further category of Two Way Trade, consisting of enterprises that would have previously been reported twice, in both Imports and Exports. The cost is calculated per return, as opposed to the hourly wage cost previously used, and is subject to the grade of staff required for filling in the returns, agent fees etc. To ensure comparability, these changes were applied retrospectively to previous years of the Response Burden Barometer.

Administrative Costs and Base Year

With the exception of Intrastat mentioned above, the only survey that is costed per form rather than per hour, the hourly administrative cost was based on the National Employment Survey (NES) 2009 “Managers and administrators” average hourly earnings, €30.80. As it was decided to make the index more relevant by updating the base year from 2005 to 2013, and the NES was discontinued after 2009, the Earnings, Hours and Employment Costs survey (EHECS), begun in 2006, was used to trend the NES figure forward to 2013 and provide an estimate for the “Managers and administrators” average hourly earnings for that year.

Figures from the EHECS survey suggest that total labour costs are approximately 15% greater than earnings. Accordingly, the earnings figure determined above was increased by 15%. An additional 25% was added to represent the cost of overheads, this percentage being suggested in the *International Standard Cost Model Manual*². Thus, the hourly administrative cost figure used in the calculations was €44.00. This figure was multiplied by the total number of hours taken, on both a full and actual compliance basis, to arrive at the total administrative costs (full and actual compliance) of CSO surveys to Irish business.

² <http://www.oecd.org/gov/regulatory-policy/34227698.pdf>

Derivation of Administrative Burden

Business-as-usual costs are those administrative costs which the business would incur even if there were no regulation (survey) in place. Administrative burden is defined as administrative costs less business-as-usual costs. Note that administrative burden cannot be determined at

individual survey level without resort to interviews with respondents on business-as-usual costs for each survey. However, the *Standard Cost Model Report*³ found, based on a measurement conducted for reference year 2007, that the administrative burden of CSO surveys was 60.32% of the administrative costs figure. This proportion was applied for all years in the present report to derive administrative burden from administrative costs at the all-surveys level.

³<http://www.cso.ie/en/media/csoie/releasespublications/documents/otherreleases/stdcostmodrep.pdf>

Deviations from the Standard Cost Model (SCM) methodology

The SCM methodology, as laid out in the *International Standard Cost Model Manual*, recommends that the time expended by business in complying with regulation be obtained by means of interviews with a small sample of enterprises. In this report, the time expended in partially or wholly completing a survey form is calculated (with the two previously mentioned exceptions) by averaging the responses to the question “How long did it take you to complete this form?” included on the survey form. This statistically-rigorous approach is advocated in the European Statistical System (ESS) for measurement of burden due to statistical surveys.

The SCM methodology specifies measurement on a full-compliance basis. In the case of a statistical survey, full compliance would mean that every survey form, once issued, is subsequently completed (partially or wholly) and returned. The European Statistical System, recognising that statistical surveys are different from general government regulation, recommends that burden due to statistical surveys be calculated on an actual compliance basis.

This report presents results on the basis of actual compliance and also on the basis of full compliance. The actual compliance figures are the basis on which the CSO provides annual administrative burden estimates to Eurostat, the Directorate-General of the European Commission with responsibility for official EU statistics. The full compliance figures, notwithstanding the qualifications above, may be deemed to be an approximation of figures which would be obtained with a strict adherence to the SCM methodology.

Active business enterprises

The figures shown for number of active business enterprises are based on the CSO’s Central Business Register (for non-farming enterprises) and the results of the Farm Structures Surveys of 2010, 2013 and 2016. Businesses are known to be active or otherwise from

administrative records provided to the CSO by the Office of the Revenue Commissioners and by the Department of Agriculture, Food and the Marine. The figures cover sections A through S of the NACE Rev. 2 activity classification. (See table below.)

In 2016, the CSO completed a methodological review that examined what constituted an active enterprise and comparisons between various data sources, creating a more coherent product and bringing the methodology in line with Eurostat rules. The result of this is an increased number of enterprises for years 2008-2013 and a break in the series prior to 2008. Data prior to 2008 is no longer published.

Further information on the methodological review can be seen at:

[Business Demography and Structural Business Statistics Information Notice](#)

Previous year revisions

There were no revisions to the data for 2018 and prior years.

NACE Rev. 2 classification, section level

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| A | Agriculture, Forestry and Fishing, NACE Rev.2 codes 01-03 |
| B | Mining and Quarrying, NACE Rev.2 codes 05-09 |
| C | Manufacturing, NACE Rev.2 codes 10-33 |
| D | Electricity, Gas and Water Supply, NACE Rev.2 code 35 |
| E | Water Supply; Sewerage, Waste Management and Remediation Activities, NACE Rev.2 codes 36-39 |
| F | Construction, NACE Rev.2 codes 41-43 |
| G | Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles, NACE Rev.2 codes 45-47 |
| H | Transport and Storage, NACE Rev.2 codes 49-53 |
| I | Accommodation and Food Service Activities, NACE Rev.2 codes 55 and 56 |
| J | Information and Communication, NACE Rev.2 codes 58-63 |
| K | Financial and Insurance Activities, (excludes NACE code 64.20 Activities of holding companies), NACE Rev.2 codes 64-66 excluding 64.20 |
| L | Real Estate Activities, NACE Rev.2 code 68 |
| M | Professional, Scientific and Technical Activities, NACE Rev.2 codes 69-75 |
| N | Administrative and Support Service Activities, NACE Rev.2 codes 77-82 |

- O Public Administration and Defence; Compulsory Social Security
- P Education, NACE Rev.2 code 85
- Q Human Health and Social Work Activities, NACE Rev.2 codes 86-88
- R Arts, Entertainment and Recreation, NACE Rev.2 codes 90-93
- S Other Service Activities, NACE Rev.2 codes 94-96
- T Activities of Households as Employers; Undifferentiated Goods- and Services-producing Activities of Households for Own Use, NACE Rev.2 codes 97 and 98
- U Activities of Extraterritorial Organisations and Bodies, NACE Rev.2 code 99