

FINANCE REPORT 2012-2016

Report to Congress

AUGUST 2017



**30th PSI World Congress
30 October to 3 November 2017
Geneva, Switzerland**

“Ultimately, unions do not get stronger
by growing smaller. A more powerful
PSI requires the commitment of the
whole PSI family to grow.”

- INTRODUCTION

**Public Services International
2017**

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Introduction: PSI Finance Report 2012 - 2016

The global financial crisis has hit public sector unions hard. The reality of cuts to public services, attacks on trade union rights and outsourcing has put pressure on public sector unions' membership at exactly the time they need to fight crippling austerity, privatisation and renewed global threats.

After the 2012 Congress, PSI faced both significant deficits and calls to expand its activity. PSI Executive Board confronted the situation by endorsing a financial action plan for 2013-2017 to assure the financial sustainability of PSI.

The plan has ensured that, after an initial deficit in 2013, the accounts have been balanced, or in surplus, as from 2014. The Executive Board agreed on an increase of affiliation fees by six eurocents, spread over 2014 and 2015, but with no further increases of fees in 2016 or 2017.

All efforts have been made to ensure that the Strategic Activities budget, necessary for the implementation of the Programme of Action 2013-2017, has not been reduced. At the same time, the projects budget has been stabilised and then significantly increased, so that work on our political priorities could be expanded.

The financial action plan has required reorganisation in Head Office (HO) and in the regions and sub-regions, putting into place savings initiatives, finding better ways to work and creating the conditions for a long-term approach to organising and growth of PSI membership. It also required rationalisation of constitutional meetings, including combining regional conferences with the relevant regional executive and sub-regional advisory committee meetings. The 2012 Durban Congress generated a significant deficit and, with the consent of affiliates from the Asia-Pacific region, the 2017 Congress was moved from Singapore to Geneva, thus creating significant savings through reductions in venue and operational costs.

These measures have not been easy, and their success was possible only because of the active support and participation of the PSI Executive Board and affiliates. Staff have also played an important role by accepting a freeze of salaries at the Head Office and in most parts of the regions for two years, followed by only moderate increases.

We have added extra steps, each of 5%, to the affiliation fee indexation system. This increases the flexibility and allows more frequent adjustments, to facilitate contributions from affiliates which are more representative of their real financial capacity.

While the accounts are currently balanced and income has stabilised over the last three years, our financial and human resources are fully stretched. In the current conditions, further expansion of activity will not be possible without an increase in human resources and a commensurate increase in affiliation fees and/or growth of affiliation.

Ultimately, unions do not get stronger by growing smaller. Our ability to continue to achieve real change relies on our ability to expand. While we have attracted some new affiliates in the past years, our growth has not matched our expanded activity and profile. A more powerful PSI requires the commitment of the whole PSI family to grow.

Consolidated Profit and Loss Statement @ 31/12/2016

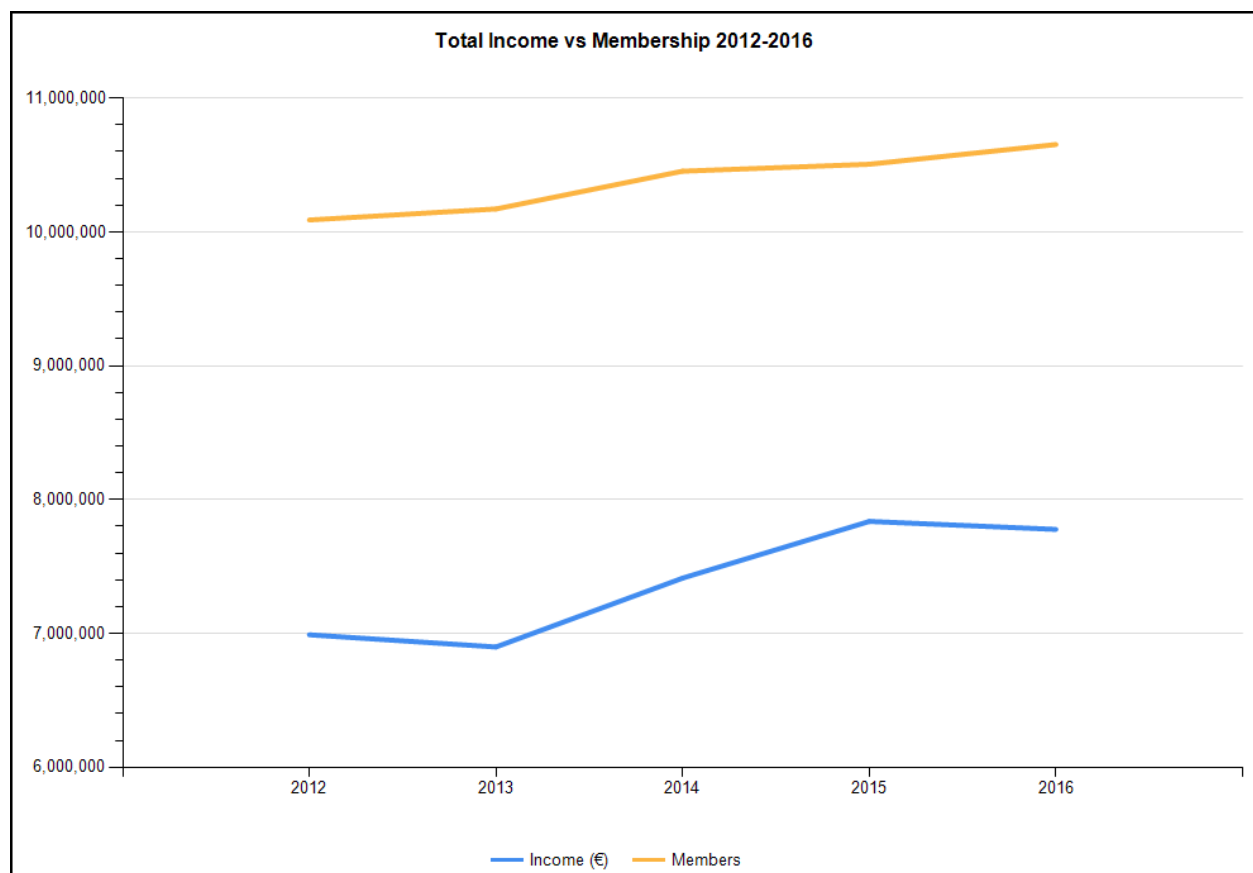
		Balance 2012	Balance 2013	Balance 2014	Balance 2015	Balance 2016	Total 2012-2016
	INCOME						
100	Affiliation Fees	€7,602,029	€7,126,498	€7,789,224	€7,790,200	€7,712,839	€38,020,789
120	Extraordinary Sources of Income	€265,428	€25,873	€23,298	€355,744	€132,598	€802,941
130	Interest and Investment Income	€159,612	€85,779	€100,095	€59,167	€71,951	€476,604
140	Reimbursements	€57,042	€73,290	€94,260	€73,885	€30,708	€329,184
160	Extraordinary Income	€186,887	€177,042	€79,940	€58,720	€68,124	€570,712
170	Contributions to Funds	€159,578	€287,225	€229,543	€172,260	€185,328	€1,033,935
180	Sponsors' Contribution to Administration of Projects	€460,009	€436,737	€482,017	€489,722	€449,046	€2,317,530
	Total Income before Projects	€8,890,584	€8,212,443	€8,798,377	€8,999,698	€8,650,594	€43,551,695
190	Income from Sponsors	€1,435,011	€1,161,988	€1,243,023	€1,817,096	€2,150,599	€7,807,716
191	Income from Sponsors received locally	€0	€25,206	€0	€0	€0	€25,206
	Total Income	€10,325,595	€9,399,637	€10,041,399	€10,816,793	€10,801,192	€51,384,617
	EXPENDITURE						
	Strategic Activities						
	Priority Areas						
205	Fighting Privatisation	€0	€61,453	€86,354	€63,372	€79,790	€290,970
206	Influencing Global Policy	€0	€18,356	€52,568	€112,630	€52,276	€235,830
207	Organising and Growth	€0	€20,332	€13,930	€17,161	€25,560	€76,983
210	Trade Union Rights	€42,698	€65,199	€62,405	€57,840	€32,227	€260,369
211	Gender Equality, Equity and Diversity	€53,960	€31,997	€41,368	€40,172	€79,494	€246,992
	Total Priority Areas	€96,659	€197,336	€256,625	€291,176	€269,347	€1,111,144
	Sectoral Activities						
200	National Administration	€29,284	€11,552	€20,852	€6,622	€12,480	€80,790
201	Local and Regional Government	€90,966	€28,573	€7,356	€7,486	€49,602	€183,982
202	Health and Social Services	€121,256	€43,536	€43,699	€12,031	€80,621	€301,142
203	Utilities	€92,740	€41,556	€35,538	€37,291	€36,268	€243,393
204	Recruitment and Maintenance	€383	€0	€0	€0	€0	€383
208	Education Support and Culture Workers	€0	€0	€8,545	€18,465	€12,171	€39,182
209	First Responders & Emergency and Disaster Working Group	€0	€1,489	€0	€0	€0	€1,489
	Total Sectoral Activities	€334,629	€126,705	€115,991	€81,895	€191,141	€850,361
	Generic Activities						
212	Migration	€45,619	€19,345	€10,164	€5,357	€26,689	€107,175
213	Capacity Building	€0	€24,290	€5,878	€3,768	€9,346	€43,281
216	Pensions	€0	€1,190	€1,009	€955	€225	€3,379
219	Union Development (UD)	€35,971	€34,495	€38,429	€43,885	€35,178	€187,958
220	Global Governance	€9,339	€0	€0	€0	€0	€9,339
230	Research	€83,556	€80,256	€76,630	€85,725	€76,606	€402,773
	Total Generic Activities	€174,486	€159,577	€132,110	€139,690	€148,043	€753,905
240	Special Activities	€116,896	€25,936	€6,884	€24,843	€121	€174,681
250	(Sub-)Regional Activities	€212,698	€157,786	€213,972	€168,036	€78,972	€831,465
	Total Strategic Activities	€935,368	€667,341	€725,582	€705,640	€687,625	€3,721,556
	Constitutional Bodies						
300	Congress	€1,695,453	€11,528	€0	€466	€0	€1,707,448
310	Executive Board (EB)	€360,946	€113,249	€95,328	€94,463	€201,962	€865,948
311	Women's Committee (WOC)	€98,549	€49,618	€37,285	€44,223	€70,937	€300,613
312	Steering Committee (SC)	€29,967	€63,869	€60,381	€52,075	€10,846	€217,138
314	Trustees	€2,064	€375	€317	€346	€206	€3,307
325	Regional Conferences	€0	€0	€13,376	€331,453	€186,017	€530,846

		Balance 2012	Balance 2013	Balance 2014	Balance 2015	Balance 2016	Total 2012-2016
326	Regional Executive Committees (RECs)	€143,839	€95,337	€100,278	€81,824	€67,006	€488,283
327	Regional Women's Committees	€15,164	€22,045	€7,661	€17,525	€21,643	€84,038
328	Sub-regional Advisory Committees (SUBRACs)	€311,987	€287,657	€245,648	€111,722	€130,029	€1,087,043
	Total Constitutional Bodies	€2,657,968	€643,678	€560,273	€734,097	€688,646	€5,284,662
	Meetings and Events						
330	Council of Global Unions	€1,500	€24	€736	€0	€0	€2,260
340	EPSU Meetings	€5,941	€3,037	€6,104	€3,111	€1,447	€19,639
341	Constitutional Working Group (CWG)	€0	€0	€0	€1,916	€13,350	€15,267
350	Management Representation/Co-ordination	€59,508	€51,562	€48,652	€88,575	€56,433	€304,731
351	Head Office Controlling/Co-ordination	€9,869	€11,984	€5,108	€456	€3,644	€31,061
352	Head Office Team Co-ordination	€1,579	€0	€0	€210	€0	€1,789
	Total Meetings and Events	€78,398	€66,607	€60,600	€94,268	€74,874	€374,747
355	(Sub-)Regional Representation	€156,371	€115,085	€119,902	€142,209	€133,210	€666,778
360	PSI-EPSU Co-operation Agreement	€903,044	€875,000	€855,359	€875,000	€850,000	€4,358,403
370	Communications	€172,751	€124,024	€109,589	€77,123	€111,194	€594,681
380	Kluncker Wurf Award	€0	€0	€15,000	€12,426	€15,000	€42,426
390	Contributions	€40,639	€23,285	€23,585	€8,237	€8,227	€103,972
	Staff Costs						
400	Head Office Staff Costs	€3,280,425	€3,311,415	€3,279,946	€3,365,284	€3,536,218	€16,773,288
410	(Sub-)Regional Staff Costs	€1,411,934	€1,340,693	€1,367,970	€1,280,603	€1,357,208	€6,758,408
	Total Staff Costs	€4,692,359	€4,652,109	€4,647,916	€4,645,886	€4,893,426	€23,531,696
	Office Costs						
420	Head Office Costs	€411,585	€341,444	€317,584	€286,397	€326,637	€1,683,647
430	(Sub-)Regional Office Costs	€415,891	€309,199	€274,869	€282,698	€263,682	€1,546,339
	Total Office Costs	€827,475	€650,644	€592,453	€569,095	€590,319	€3,229,986
440	Staff/Office Costs allocated to Projects	-€460,009	-€436,737	-€482,017	-€489,722	-€449,046	-€2,317,530
	Net Staff/Office Costs	€5,059,825	€4,866,016	€4,758,353	€4,725,259	€5,034,699	€24,444,151
460	Audit	€120,007	€108,290	€75,384	€91,395	€79,890	€474,967
470	Donations (expenditure)	€118,549	€21,953	€109,834	€97,288	€33,856	€381,480
480	Extraordinary expenditure	€108,427	€325,903	-€11,098	€619,828	€57,040	€1,100,101
490	Sponsored Projects	€1,895,020	€1,619,451	€1,725,040	€2,306,818	€2,599,644	€10,145,973
491	Sponsored Project Funds received locally	€0	€4,479	€0	€0	€0	€4,479
	Total expenditure before depreciation and provisions	€12,246,367	€9,461,113	€9,127,402	€10,489,588	€10,373,906	€51,698,376
510	Depreciations	€47,406	€41,258	€33,496	€55,539	€45,734	€223,433
520	Provisions	€59,000	€462,000	€424,891	€414,765	€490,518	€1,851,174
530	Provisions for Aid and Solidarity Fund Surpluses	€80,008	€269,017	€122,377	€74,972	€151,472	€697,846
550	Drawn down from Provisions	-€1,543,699	-€418,347	€0	-€240,000	-€166,500	-€2,368,546
560	Drawn down from Reserves	€0	€0	€0	€0	-€97,940	-€97,940
570	Drawn down from Aid and Solidarity Fund Provisions	-€41,351	-€3,745	-€2,668	€0	€0	-€47,764
	Total Amount Drawn Down	-€1,585,050	-€422,092	-€2,668	-€240,000	-€264,440	-€2,514,250
	Total Expenditure	€10,847,731	€9,811,297	€9,705,499	€10,794,864	€10,797,190	€51,956,580
	Surplus/Deficit	-€522,136	-€411,660	€335,901	€21,929	€4,003	

Notes on consolidated Profit and Loss 2012-2016¹

INCOME

1. **Affiliation fees:** Traditionally, in the year following Congress, less fees are collected. This was the case in 2013 with only €7,126,000 collected compared to €7,602,000 in 2012. In terms of overall membership during the Congress period, we can see a steady increase, compensating for membership reductions in some of the PSI sub-regions.



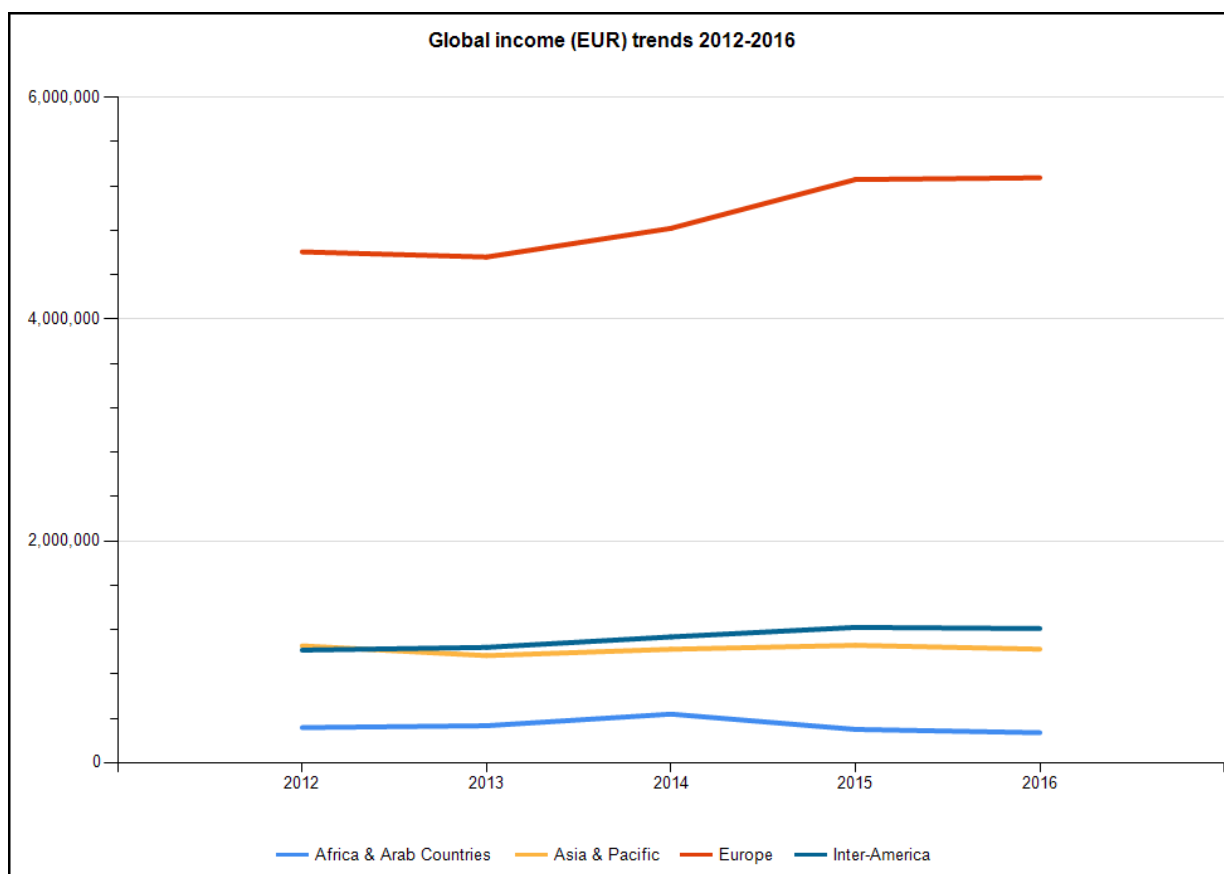
At the regional level, the Africa and Arab Countries region has seen an overall drop in membership and income. The most significant membership variations were noted in Southern Africa, due mainly to the withdrawal of two of the largest affiliates in South Africa. English-speaking Africa has seen a significant increase in membership, not reflected in income as a result of the unstable economic and financial situation in much of the sub-region.

In the Asia and Pacific region, decreases in membership in Oceania and to a lesser extent in East Asia have resulted in a slight drop in net income.

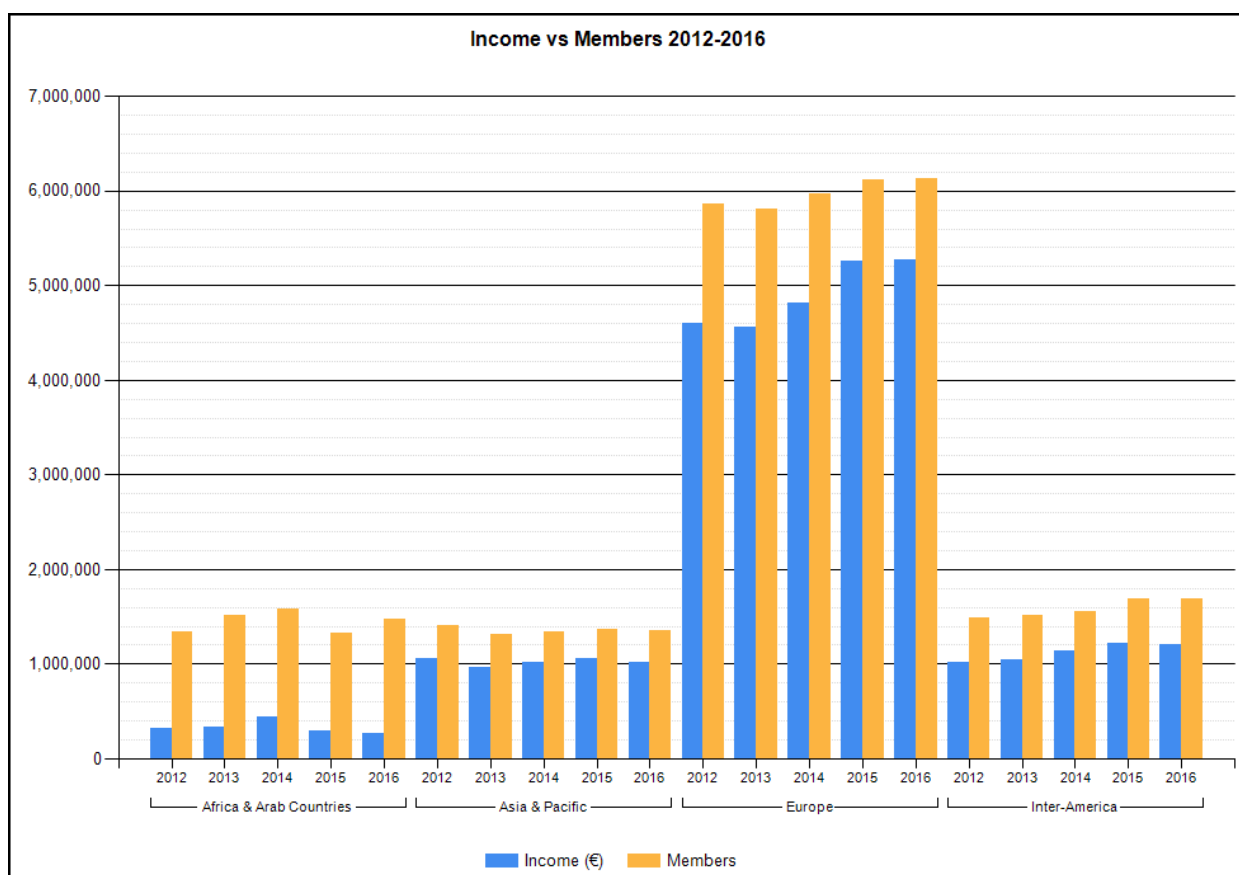
In Europe, most sub-regions have shown a slight drop in membership, except for Benelux and France and the Nordic countries. The increases in these two sub-regions have outweighed the losses elsewhere in the region.

In Interamerica, an increase of paying membership in the USA of about 130,000 members has counterbalanced small losses in some of the sub-regions.

¹ Annual audited statements for each financial year of the Congress period are available in all official PSI languages.



While the moderate increase of three Euro cents in 2015 and another three Euro cents in 2016 have compensated for membership loss, the overall income remains insufficient to address the increasing needs of affiliates fighting privatisation and other austerity measures.



EXPENSES

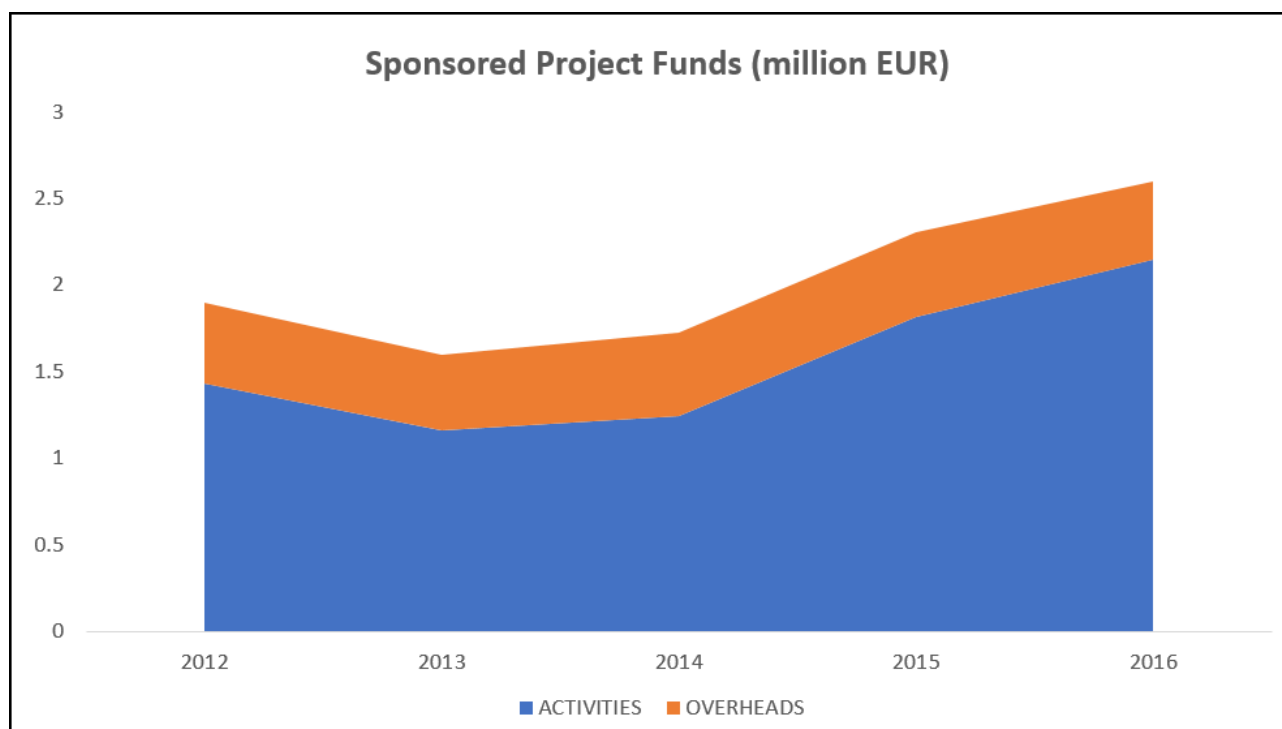
1. Strategic Activities:

Despite considerable efforts to reduce expenses, particular attention was paid to maintaining the amount dedicated to Strategic Activities, aimed at implementing the Programme of Action and supporting PSI affiliates worldwide.

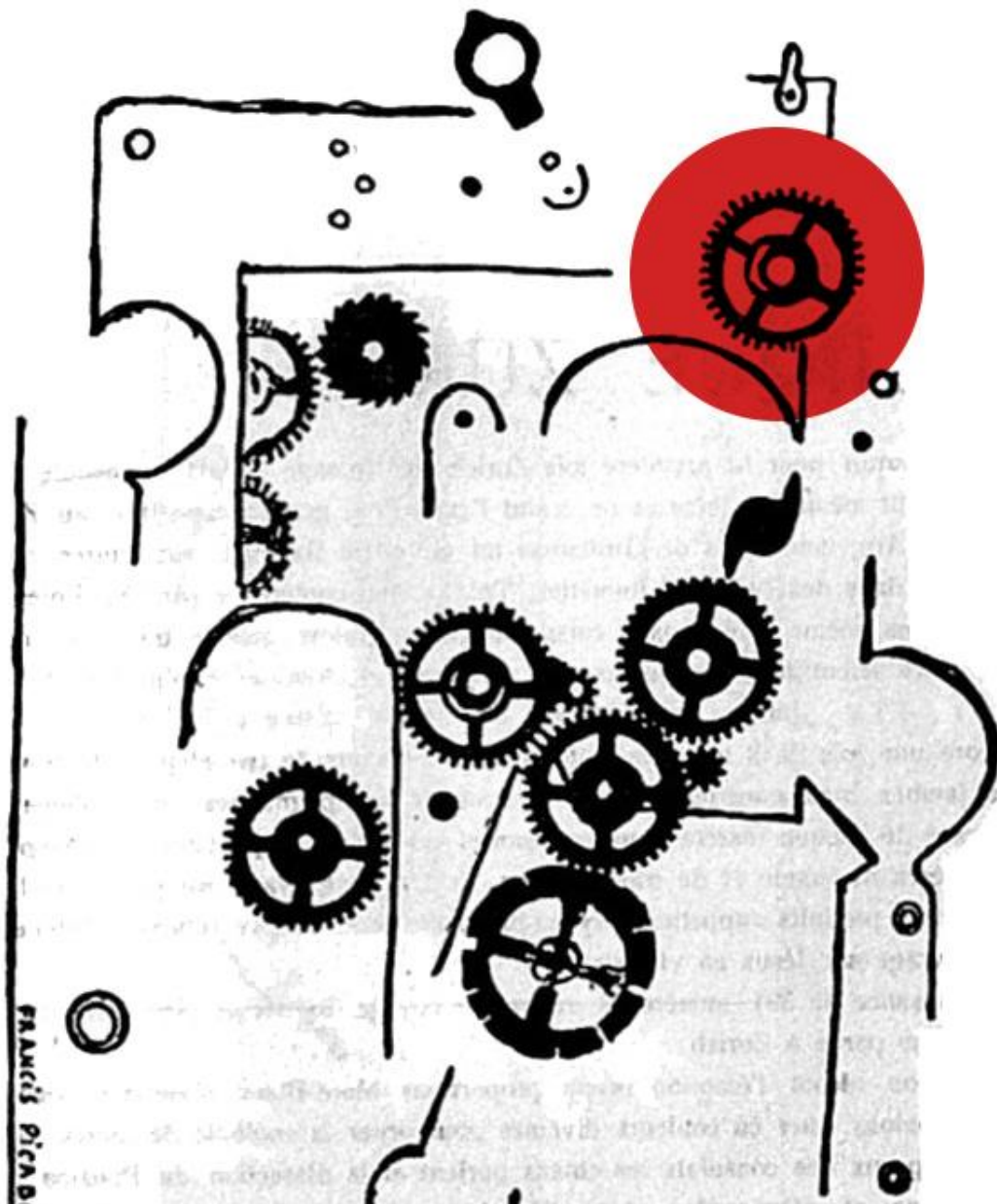
A comprehensive implementation plan was initiated in the 2013-17 period, focusing on priority areas, such as: fighting privatisation (291K€), influencing global policy (236K€), organising and growth (77K€), trade union rights (260K€), and gender equality, equity and diversity (247K€). During this Congress period, a total of €1,111,000 was spent from the PSI budget on these priority areas, out of a total of €3,721,000 spent on Strategic Activities overall.

2. Sponsored Projects:

Additional activities were co-funded by solidarity support organisations. Despite reduced funding by several of these, PSI managed to stabilise and consolidate project funds for activities taking place mainly in Africa, Asia-Pacific and Latin America, as well as some global projects such as the Global Migration Programme and the Trade and Tax Justice project. A total of €10,146,000 was spent on sponsored projects (2012-16).



Public Services International is a global trade union federation representing 20 million working women and men who deliver vital public services in 150 countries. PSI champions human rights, advocates for social justice and promotes universal access to quality public services. PSI works with the United Nations system and in partnership with labour, civil society and other organisations.



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