

**The Security Institute**  
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**THE SECURITY  
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The Secretary  
Security Industry Joint Labour Committee  
Lansdowne House  
Lansdowne Road  
Dublin 4

**By Email**

**Re: Proposal for a new ERO**

Dear Secretary,

I write to you on behalf of our members regarding the proposals for a new ERO and ISIA correspondence of 4<sup>th</sup> November provided to the Committee members. It is important to realise that the position of the ISIA is not representative of the entire security guarding industry.

In relation to the proposals, it is important to note the position since 2011 which was the final phase of the ERO immediately preceding the High Court decision on the constitutionality of the JLC system:

In 2011 the minimum hourly rate for Security Officers with 3 years of service in the industry was €10.75 per hour and, in addition, under the ERO in operation at that time, they were entitled to: overtime after 39 hours; €16.80 per shift for unsocial hours; and €3.44 per hour for work on a Sunday. They were also entitled to enhanced payments for work on Bank Holidays.

As a result of the changes caused by the 2012 Amendment Act, the subsequent ERO's, including the latest 2017 ERO (S.I. No. 231 of 2017) discontinued mention of the unsocial hours premium Sunday payments and enhanced Bank Holiday element but brought the minimum hourly rate for all Security Officers over the period to €11.65 which, in the absence of a new ERO, will remain the case in 2021.

Although this new hourly rate represents an increase of 8.1% over the 10 year period, the real situation for a security guard working a 48 hour rolling roster (including nights and weekends) is a €113 *reduction* in pay per week, from €672 to €559. Even those working only weekdays see a *reduction* from €564 to €559

Meanwhile, during the same period a person employed on the National Minimum Wage working 48 hours would have earned €367 in January 2011 and will earn €489 in January 2021, an *increase* of 33%.

**Most importantly, the difference between possible earnings for a person on the NMW in 2011 and a shift working security guard was €305 (a very attractive 83% lift in earnings from one to the other) but in January 2021 it will only be €70 (a 14%**

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**differential) and this will impact even more on the already impossible task of the industry competing with other sectors for employees.**

Given that Security wage costs typically represent 90% of the bill rate to clients - a margin that is not seen in the vast majority of other Irish industrial sectors, even in Cleaning which has to take into account equipment, supplies and consumables – clients of Security companies have not had cost increases on a par with the increases they would have incurred with their NMW cost-based labour and, as a result, they have enjoyed unprecedented cost stability.

Another stabilising outcome of the JLC process has been the absolute industrial harmony that has been enjoyed by employers and clients, with all stakeholders agreeing to be bound within the realms of the Committee in the knowledge that reasonable negotiations with reasonable outcomes would be achieved via this process. This has been achieved despite the differential in wage increases enjoyed by those on NMW compared to those in the Security industry.

### **The ISIA correspondence**

In relation to the ISIA correspondence and the statements contained therein:

*Our members, Guarding Services employers, generate approximately 70% of the industry's turnover and employ over 7,000 employees.*

It is widely accepted and understood that the industry employs some 14,000 to 16,000 people, which would indicate there are 7,000 to 9,000 people NOT represented by the ISIA who are dependent upon their views being represented by the members of the Committee.

*.....that our members have very serious concerns about their and their clients' inability to pay the proposed increased rates of pay until the country is in a more stable economic position. Numerous ISIA members have in fact received requests for cost reductions from clients*

These are unsupported general statements and do not reflect anecdotal evidence which would indicate that clients with reduced activity levels due to Covid 19 are seeking to reduce their cost of security through changes in the way security is structured but not in the hourly rate. In addition there is an inability to pay provision within the legislation.

*we understand that at least four ISIA members, including Mitie, Bidvest Noonan, OCS and Synergy, individually made submissions to the JLC*

We are not aware of any submission received from Synergy

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*We have serious concerns that due consideration was not given to the representations submitted by the ISIA and our members*

**AND**

*We understand that, during the recent JLC discussions, a material amendment was made to the proposals, before the proposals were sent to the Labour Court. This material amendment provided for a deferral of the proposed first pay increase from 1 October 2020 until 1 January 2021*

This amendment (which the Committee decided was not material) was a direct result of the discussions around the submissions received from the ISIA and three of its member companies

*Many of the sectors most negatively impacted by the fallout of Covid-19 are those in which a large number/proportion of ISIA member clients operate. These include the Retail Industry, Airline Industry, Corporate Business sectors, **Entertainment and sporting events sector along with the licensed vintners and hospitality trades.***

Security personnel provided to the licensed sectors, which would, in the main, also include a significant number, if not the majority, of personnel provided to the entertainment and hospitality trades, would be personnel that must be licensed under the DSP regime of the PSA and are not covered by the ERO, and subsequent economic data and views related to these industries and mentioned in the subsequent paragraphs, are irrelevant.

*Because many ISIA's members' service the sectors most negatively impacted by the fallout of Covid-19, this in turn is already putting pressure on ISIA members, as demand for services has (obviously) reduced*

Again, anecdotal evidence is to the contrary of this and companies are expressing concern over the inability to service the increasing requirements of clients, especially due to the inability to attract employees into the industry.

*The 2017 ERO for the Security Industry, S.I. No. 231 of 2017, provided for pay increases of approximately 2.6%, once a year, for three years. The proposed ERO (as amended) seeks to provide for two pay increases during the first half of 2021*

This is the unfortunate outcome of having provided deferrals and delays to deal both with Covid and the submissions received subsequent to the public consultation phase and it would be deeply unfair to employees that have forgone the increases they would have expected in June 2020 to then be punished for that forbearance.

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*The government announced earlier this month that the national minimum wage will increase by 10c from 1 January 2021, which is less than a 1% increase on the current national minimum wage<sup>1</sup>. With the exception of 2011, this is the lowest*

*increase implemented by the government since the introduction of the National Minimum Wage Act 2000, and is indicative in our view of the government's recognition of the limitations on employers' abilities to pay increased wages during this time.*

Previous NMW increases were also indicative of the government's recognition of employers' abilities to pay increased wages during the period 2011 to 2021 yet within the same timeframe the ERO was way behind with 8% versus 30% for the NMW.

The Government, in issuing another increase in the NMW is cognisant of the need to increase minimum wages for those who are low paid.



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John Byrne  
Chief Executive Officer  
18<sup>th</sup> Nov 2020