

The Private Security Industry (PSI)– An overview

PRESENTATION BY THE SECURITY INDUSTRY ALLIANCE (SIA) TO
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About the Security Industry Alliance - SIA

- SIA was formed in 2003 to be the one voice to and from the industry.
- SIA is an alliance representing security associations and individual companies in SA.
- Industry body which represents common interests across all sub-sectors.
- All members must comply with PSIRA Act and Regulations to remain members of SIA.
- All members (both local and multi-national companies) are controlled, managed and staffed by South African citizens in compliance with SA law.
- Members employ nearly 200,000 South Africans.
- Excellent working relationship with regulator, PSIRA and SAPS.
- Member companies are required to subscribe to a code of conduct and comply with all legislation requirements.

The SIA Commitment

The Security Industry Alliance is driven by the following commitments:

A commitment to:

- Be the avenue between Government and the PSI.
- To work closely AND maintain excellent relationships with the Regulator, PSIRA to improve the PSI.
- To promote effective Partnerships with Stakeholders (Inc.SAPS) to impact on crime (Has ability to act as **SAPS's community-based 'eyes and ears'** – Honeydew as a success case.)
- To the creation of sustainable employment opportunities for South Africans.
- To be fully compliant with the laws of the Country inc. PSIRA Act and the Regulations.

What is SIA NOT

The SIA MEMBERS are bound by the PSIRA Act of 2001 and:

- Do not get involved in any Intelligence gathering (law prohibits this).
- Do not get involved in any Mercenary Activities (law prohibits this).
- Are not a threat to National Security (law requires all employees/managers to be South African).

About the Industry

- After Government, the Private Security Industry is the **largest employer of entry level jobs** for South Africans.
- Sector employs 455 510 employees:
 - vast majority being between **ages of 18 and 25**
 - created in the region of **150 000 jobs in the last 5 years.**
- The industry **invests significantly in training and skills development**, specifically in the entry level segment of the market. E.g. the largest company in the industry **trained 24 000 employees and invested more than R110 million** on training in 2014.
- Sector serves its customers and is **only mandated to proactively guard and protect assets and people**. It proactively prevents events for its customers but **does not** have any, nor does it **engage in any policing functions.**

About the Industry

Sector is responsible for just 1.61% of all legal firearm licences in South Africa

- **Private security personnel have same powers as ordinary citizens;** only authorised to make citizens arrests, banish trespassers and deny entry, search personal property by virtue of status mandated by property owners/employers.
- Security guards may only carry and use firearms subject to the same restrictions and licenses as ordinary citizens.
- Very few personnel are authorised to carry firearms. They have to be authorised under a regulated authorisation process, which includes South African nationality as a mandatory test.

In a presentation to Parliament by PSIRA in March 2015, 1908 private security companies are responsible for 75 450 firearms. The regulator confirmed the total legal firearm count in SA is 4.6 million – therefore, the sector accounts for just 1.61% of all legal firearm licences in SA.

About the Industry

The Sector has grown in line with developed countries such as Australia, US

- It is true that the private security industry has grown in the last decade, but not to the point that the ratio between security guards and police officers is any different to countries like Australia and the United States.

According to a report by the *United Nations Office on Drugs and Crime (UNODC)*, South Africa is not different to many other countries in terms of ratio of Police Officers to Private Security personnel. "In fact, South Africa's ratio of private security officers to police officers did not differ much from that of developed countries, and compares favourably to other middle-income or developing countries, as can be seen below:"

South Africa	2,25 :1	Honduras	4,88 :1
USA	2,26 :1	Guatemala	6,01 :1
Australia	2,19 :1	India	4,98 :1

PSIRA Amendment Act – A necessary progression

- SIA supports the vast majority of the PSIRA Act, as it will strengthen governance and oversight of the industry and catalyst for implementation of 'fit for purpose' regulations
- SIA very much part of the process of bringing necessary amendments
- Strong re-positioning / much-needed resourcing of PSIRA
- Greater control and monitoring of firearms in the industry
- Active promotion of crime prevention partnerships between SAPS and Private Security
- More significant penalties for non-compliance

Only concern is with Section 20 of PSIRA Act

1. Does not address perceived **National Security** concerns
2. Will be in breach of SA's international **trade obligations**
3. **Damaging to local and foreign investment** in SA Inc
4. Reason to believe it is **unconstitutional**
5. The **process** by which it was introduced was **flawed**
6. **Many unintended and damaging consequences**

What plagues the Private Security Industry?

- Unrelenting proliferation of non-compliant, unregistered operators.
- Customer compliance not currently enforced.
- Absence of consumer obligation to hire compliant operators.
- A specialised Service has become a Commodity.
- Increased Usage of **Self Employed Security Officers**.

The Practical reality in the PSI?

- An increased tendency to make use of Non Compliant Service Providers.
- Non compliant Providers undercut the Market and operate under the Statutory minimum levels of remuneration.
- Declared employee figures to the Regulator has dropped significantly and Resulting in loss of monthly income.
- Service providers who extended their service levels to lower income areas have withdrawn that service due to many non compliant operators undercutting in that market.

- **The Regulator and the PSI is BLEEDING!!!**

And the Reason?

- To achieve an unfair advantage in a highly competitive market
- To satisfy consumer pressure for “more for less”
- Non-compliant firms using untrained, unscreened and unregistered persons as security officers, more often than not undocumented foreigners
- **GREEDI!**

The solution

- Urgent Support and action required to strengthen the Regulator powers.
- The immediate introduction of measures to ensure self-compliance **NOT NEXT YEAR, NOT NEXT MONTH, BUT IMMEDIATELY.**
 - **HOW?**
- By making the consumer personally liable for using the Services of a non compliant Service Provider.

Conclusion

- **The Security Industry Alliance is Committed to work with Government and the Regulator in order to turn this industry around in the shortest possible time in order to level the playing Fields.**

Thank you