



PSIRA
Private Security Industry Regulatory Authority

**PRIVATE SECURITY
CONSUMER
INFORMATION PACK**

WHO IS PSiRA?

PSiRA is a statutory body established in terms Sec. 2 of Act 56 of 2001 – Private Security Industry Regulation Act – Governance by Council.
The objects of PSiRA are:

- To regulate the private security industry
- To exercise effective control over the practice of the occupation of security service providers in the interest of the public, national interest, and the interest of the industry itself

The PSIR Act came into effect on 14 February 2002. Before this, the industry was regulated by the Security Officers' Board in terms of the 1987 Act.



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ORGANISATIONAL STRUCTURE



- Committees**
- Finance and Investment Committee
 - Social and Ethics Committee
 - Audit and Risk Committee
 - HR and Remuneration Committee
 - Stakeholder and Core Business Committee

Authority's Director Corporate Secretary

- Deputy Director: Law Enforcement**
- Enforcement
 - Compliance
 - Legal Services

- Chief Operations Officer**
- Research and Development
 - CRM Registration
 - Risk and Compliance

- Head of Corporate Services**
- Business Information Systems
 - Human Capital
 - Corporate Legal Services

- Deputy Director: Finance and Admin**
- Finance Accounting
 - Accounts Receivables
 - Asset and Facilities Management

- Deputy Director: Communications and Training**
- Communication and Stakeholder Management
 - Events and Marketing Management
 - Industry Training

- EXCO Committees**
- Regulatory Sub-committee
 - Registration Sub-committee
 - Training Sub-committee
 - IT Steering Committee
 - Firearms Sub-committee
 - Risk Management Committee
 - Research Working Committee



FUNCTIONS OF PSiRA

- The registration of applicant security service providers and the maintenance of a computerised database consisting of all registered security officers and security businesses.
- As part of this process, screening of all persons wanting to enter the security industry, both as employers and employees, to ensure that persons with serious criminal convictions do not enter the security industry.
- Taking steps as may be expedient or necessary in connection with the training of security service providers and prospective security service providers to ensure a high quality of training.
- Inspection of security businesses in order to determine the level of compliance with the law and the prosecution of security officers who break the law, in particular 'fly-by-night' security businesses that exploit employees and unfairly compete with security businesses that abide by the law.
- Advising the Minister of Police on matters relating to the private security industry and regulations.





SECURITY

OBJECTIVES OF REGULATING THE SECURITY INDUSTRY

- Promote a legitimate private security industry by exercising control over the security service providers
- The protection of the public and State interest
- Ensuring that a proper quality of service is rendered to consumers
- The protection of the rights of employee security officers
- The promotion and protection of the status of the occupation of security service provider
- The collection of accurate information on the occupation of security service providers and the private security industry in general

THE RIGHTS AND DUTIES OF A SECURITY SERVICE CONSUMERS

The Code of Conduct for Security Service Providers, 2003 places statutory obligations on security service providers towards clients. Contravention of the Code of Conduct constitutes improper conduct as well as a criminal offence.

The Act also places an explicit legal duty on consumers of private security services to only use legitimate and registered security service providers.

In terms of section 38(3)(g) of the Act, consumers are guilty of a criminal offence and can be prosecuted for intentionally or negligently using the services of security businesses that are non-compliant with the Act.

On conviction of a contravention in terms of this section, a consumer is liable to a fine or to imprisonment for a period not exceeding 24 months, or to both a fine and such imprisonment.



WHAT TO LOOK FOR AS A SECURITY SERVICE CONSUMER

When procuring or acquiring a security service, know who you are dealing with and exercise reasonable care in contracting a security service to ensure that you are contracting without violating the laws governing the sector.

In terms of the Act, a client of a security business must make a reasonable enquiry as to the legitimacy of the security business, its officials and persons deployed by it to provide a security service before making use of its service or to continue to use its service.

In light of the above, PSiRA strongly recommends that the consumer of security services must ascertain the following before concluding a contract with a security service provider or continuing to use their security services:

- Is the security business registered with PSiRA? (A registration certificate to this effect must be made available on request)
- Can the business produce a valid letter of good standing from PSiRA?
- Is the security business registered with COIDA?
- Is the business registered with the Unemployment Insurance Fund (UIF)?

Is the business registered with Private Security Sector Provident Fund (PSSPF)? If exempt, get an exemption letter and proof of registration with another Fund

- Is the business registered with the South African Revenue Service (SARS)?
- Are all the employees deployed to render a security service registered with the Authority?



- Are all the security officers deployed to provide a security service in possession of the necessary training certificates from accredited training establishments?
- Are all the security officers deployed to provide a guarding service paid at least the minimum statutory wage applicable in terms of the Sectoral Determination 6 for the private security industry issued by the Minister for Labour?
- Does the security business guarantee that all the security officers deployed on your premises will adhere to the statutory code of conduct applicable to all security service providers?
- Does the security business guarantee that its security officers are specifically trained for the task that they have been allocated to do?



INSOURCED (IN-HOUSE) VS OUTSOURCED SECURITY SERVICES

Obligations in terms of the PSIR ACT:

- Registration as an in-house employer

Obligations in terms of the Private Security Industry Regulations:

- Only use employees registered as security service providers (ensure registration/training, etc.)
- Comply with deductions of annual amounts payable by security service providers
- Keeping of documents at an accessible administrative office for a minimum of four years
- Updating records within seven days after changes
- Keeping records electronically or in a document format. If electronic, back-up copies must be made

Documents that must be kept include, inter alia, the following:

- Lists of security officers, wage register, true copies of payslips, attendance registers and personnel files

Legal authorisation in respect of firearms, deductions of annual fees:

- Reporting changes to the Authority
- Uniform and firearm requirements (Regulation 13)

Obligations in terms of the Code of Conduct (COC) sRegulations

- Inspections by PSIRA to verify compliance
- Security service providers (in-house) must comply with all obligations in terms of COC
- Appoint responsible persons to manage and oversee security service providers
- Responsible persons must ensure compliance with the Act and Regulations

Non-compliance constitutes improper conduct and a criminal offence (R1 million fine can be imposed in terms of the amended Improper Conduct Regulations).

OTHER FACTORS TO CONSIDER (EMPLOYERS and EMPLOYEES)

- Labour unrest (security industry and in-house environment) and collusion
- Additional security needs for specific time periods/projects
- Uniform/firearm requirements
- Supervision/control (24/7)
- Oversight and regulation by PSiRA/Department of Labour/Bargaining Council, etc.
- Security does not constitute core business (no expertise)
- Annual training to all security service providers on legal provisions regarding regulation of the industry
- Costs of insource vs outsourcing (salaries, pension fund, medical aid, etc.)
- Types of security services to be insourced – only guarding or all, i.e. CCTV/alarm monitoring?



COSTS RELATED TO RENDERING A SECURITY SERVICE

Salaries of security employees are legislated in terms of Sectoral Determination 6 (promulgated by the Minister of Labour in terms of section 50 of the BCEA).

PSIRA developed a contract pricing structure to curb the undercutting of prices and to assist SMEs and newcomers to the industry. The pricing structure serves as a guide ONLY. Since 2009, Sectoral Determination 6 excludes in-house security officers.

Contract pricing structures



Private Security Industry Regulatory Authority
Illustrative Contract Pricing Guideline (with effect from 2 March 2020)
 (Based on the average month, 12 hour shifts every night of such month at a site)

Vers. 2020/1

AREA 1 & AREA 2

Description	Explanation	Grade			Calculations
		A	B	C/D/E	
MONTHLY SALARY		5766,00	5189,00	4585,00	PROMULGATED monthly salary
HOURLY EQUIVALENT RATE	Clause 4(7)(b) NBC Agreement	Clause 4(7)(b)	Clause 4(7)(b)	Clause 4(7)(b)	Monthly salary/hours per week x (3/13)
Ordinary time: i) Primary Sec Officer	4 shifts per week (48 hrs)	5766,00	5189,00	4585,00	Wage as per Bargaining Council Agreement
ii) *Relief Sec Officer	2 shifts per week (24 hrs)	2882,78	2594,30	2292,32	hr x 24 x 4.333
Sunday pay premium	4,333 weeks p/m @ X1.5	2162,08	1945,73	1719,24	12 x 4.333 x hr x 1.5 (Sunday rate)
Public holiday premium	1 shift p/m @ X1	332,65	299,37	264,52	hr x 12 (1x portion already incl. in basic)
Leave provision	21 consecutive days leave	498,98	449,05	396,78	(hr x 12) x 1.5 (reliever)
Sick Pay	1 shift p/m	498,98	449,05	396,78	(hr x 12 x 1.5 (reliever)
Study leave	6 days per annum	249,49	224,52	198,39	(hr x 12 x 6) / 12) x 1.5 (reliever)
Family respons. Leave	5 days per annum	207,91	187,10	165,32	(hr x 12 x 5) / 12) x 1.5 (reliever)
Night shift allowance	6 Rand, p/night shift worked	182,50	182,50	182,50	(365 / 12) x 6
Premium allowance	175 p/m	262,50	262,50	262,50	Premium x 1.5 (reliever)
Provident fund	7.5 % of Fund Salary	648,68	583,76	515,81	Fund Salary X 7.5% x 1.5 (reliever)
Statutory annual bonus	Monthly salary	720,75	648,63	573,13	Monthly salary / 12 x 1.5 (reliever)
SUB TOTAL		14413,30	13015,50	11552,29	A
U/F	1 % of remuneration	128,53	116,16	103,21	(Total income: Primary + reliever) x 1%
COVID/WCA	4,28 % of remuneration	550,12	497,17	441,74	(Total income: Prim + reliever) x 4.07%
Sets of uniform	1500 Rand p/p p.a	187,50	187,50	187,50	(Rand value + reliever(50%) / 12
Training	1 % of remuneration (SDL)	128,53	116,16	103,21	(Total income: Primary + reliever) x 1%
Cleaning Allowance	30 Rand p/m	45,00	45,00	45,00	Allowance x 1.5 (reliever)
TOTAL DIRECT COST		15462,99	13977,49	12432,95	B
Share of overheads	40 % of direct cost (Economy of scale rule applies)	6181,19	5591,00	4973,18	B x 40%
TOTAL COST PER MONTH		21634,18	19568,49	17406,13	C

These calculations include a relief security officer

- NOTE:
- Excludes profit and VAT
 - Applicable rates & conditions of employment are in terms of the Bargaining Council Main Agreement
 - The Authority will not be held responsible in respect of your reliance on the accuracy of the aforesaid information.
 - *Relief Security officer is a permanent employee
 - Share of overheads include inter alia, liability and other insurance, payroll and admin, control centre, transport costs (vehicles, maintenance and fuel), fixed infrastructure, rates & taxes, registers, security aids, occupational health and safety compliance, management and supervision and statutory fees payable.

AREA 1 & 2 COMPRISES Magisterial districts of Alberton, Bellville, Benoni, Boksburg, Bloemfontein, Brakpan, Camperdown, Chatsworth, Durban, East London, Germiston, Goodwood, Ilwaco, Johannesburg, Kempton Park, Kimberley, Klerksdorp, Krugersdorp, Kullisriver, Mitchell's Plain, Nigel, Oberholzer, Paarl, Pietermaritzburg, Pinetown, Port Elizabeth, Pretoria, Randburg, Randfontein, Roodepoort, Sasolburg, Simon's Town, Somerset West, Springs, Stellenbosch, Strand, The Cape, Uitenhage, Vanderbijlpark, Vereeniging, Westonaria, Wonderboom and Wynberg.

AREA 3

These calculations include a relief security officer

Description	Explanation	Grade			Calculations
		A	B	C/D/E	
MONTHLY SALARY		4811,00	4396,00	4358,00	PROMULGATED monthly salary
HOURLY EQUIVALENT RATE	Clause 4(7)(b) NBC Agreement	*Clause 4(7)(b)	*Clause 4(7)(b)	*Clause 4(7)(b)	*Monthly salary/hours per week) x (3/13)
Ordinary time: i) Primary Sec Officer ii) *Relief Sec Officer	4 shifts per week (48 hrs) 2 shifts per week (24 hrs)	4811,00 2405,31	4396,00 2197,83	4358,00 2178,83	Wage as per Bargaining Council Agreement hr x 24 x 4.333
Sunday pay premium	4,333 weeks p/m @ X1.5	1803,99	1648,37	1634,12	hr x 4.333 x hr x 1.5 (Sunday rate)
Public holiday premium	1 shift p/m @ X1	277,56	253,62	251,42	hr x 12 (1x portion already incl. in basic)
Leave provision	21 consecutive days leave	416,34	380,42	377,13	hr x 12) x 1.5 (reliever)
Sick Pay	1 shift p/m	416,34	380,42	377,13	hr x 12 x 1.5 (reliever)
Study leave	6 days per annum	208,17	190,21	188,57	((hr x 12 x 6) / 12) x 1.5 (reliever)
Family respons. Leave	5 days per annum	173,47	158,51	157,14	((hr x 12 x 5) / 12) x 1.5 (reliever)
Night shift allowance	6 Rand , p/night shift worked	182,50	182,50	182,50	/365 / 12) x 6
Premium allowance	175 p/m	262,50	262,50	262,50	Premium x 1.5 (reliever)
Provident fund	7,5 % of Fund Salary	541,24	494,55	490,28	Fund Salary X 7.5% x 1.5 (reliever)
Statutory annual bonus	Monthly salary	601,38	549,50	544,75	Monthly salary / 12 x 1.5 (reliever)
SUB TOTAL		12099,79	11094,44	11002,38	A
UIF	1 % of remuneration	108,06	99,16	98,34	(Total income: Primary + reliever) x 1%
COID/WCA	4,28 % of remuneration	482,48	424,39	420,91	(Total income: Prim + reliever) x 4.07%
Sets of uniform	1500 Rand p/p p.a	187,50	187,50	187,50	(Rand value + reliever(50%) / 12
Training	1 % of remuneration(SDL)	108,06	99,16	98,34	(Total income: Primary + reliever) x 1%
Cleaning Allowance	30 Rand p/m	45,00	45,00	45,00	Allowance x 1.5 (reliever)
TOTAL DIRECT COST		13010,88	11949,65	11852,47	B
Share of overheads	40 % of direct cost (Economy of scale rule applies)	5204,35	4779,86	4740,99	B x 40%
TOTAL COST PER MONTH		18215,23	16729,50	16593,46	C

NOTE:

- Excludes profit and VAT
- Applicable rates & conditions of employment are in terms of the Bargaining Council Main Agreement
- The Authority will not be held responsible in respect of your reliance on the accuracy of the aforesaid information.
- *Relief Security officer is a permanent employee
- Share of overheads include inter alia, liability and other insurance, payroll and admin. control centre, transport costs (vehicles, maintenance and fuel), fixed infrastructure, rates & taxes, registers, security aids, occupational health and safety compliance, management and supervision and statutory fees payable.

AREA 3 **COMPRISES** All other areas



PSIRA/CONSUMER INTERACTION

Consumers of private security should be aware of the following:
Letters of Good Standing of Security Companies are valid for 90 days.
Good standing is based on the company's financial statements being up to date with PSiRA, excluding conduct of the company within the security industry, i.e. payment of salaries to security officers or employment of registered or unregistered security officers.

Information of Security Service Providers can be verified on our website www.psiira.co.za or on our app under online verification – Business Status Verification.

CONTACTS

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