

19th August 2020

The Secretary
Security Industry Joint Labour Committee
Lansdowne House
Lansdowne Road
Dublin 4

Email: info@labourcourt.ie

Re: Proposal for a new Employment Regulation Order (“ERO”) published by the by the Security Industry Joint Labour Committee (“JLC”) pursuant to Section 42B(1) of the Industrial Relations Act 1946 to 2019

Dear Secretary,

We write on behalf of the members of the Irish Security Industry Association (“ISIA”), Guarding Services Division, in relation to the proposed ERO for the security industry, as published by the JLC on the Labour Court website on 30 July 2020.

The ISIA has been representing the needs of the private security industry for nearly 50 years, since its foundation in 1972. The ISIA is the only trade association representing the full spectrum of companies in the private security industry whose members employ a majority of the private security industry workforce in Ireland.

We have consulted widely with our members regarding the implications of the proposed ERO. On behalf of our members, we wish to formally object to the proposed ERO for the security industry.

The proposed ERO, if adopted by the JLC and Labour Court in its current form, would come into effect from 1 June 2020, and the proposed increased rates of pay as set out in the proposed ERO would come into effect from 1 October 2020.

Our members have very serious concerns about the proposed ERO, given the extraordinary (and frankly unprecedented) economic and commercial challenges facing the security industry.

The COVID-19 pandemic has had a serious impact on Ireland’s economy as a whole and the country is experiencing a significant financial crisis, to the extent that the Minister for Finance has formally announced that the country is entering a severe recession.

In this regard, the ISIA members have expressed very serious concerns about both themselves and their clients not being able to pay the proposed increased rates of pay until the country is in a more stable economic position.

In fact, we are advised by our members that as a direct result of the extraordinary pressure on their clients’ businesses, a large number of their clients have actually requested cost reductions, as client revenues continue to decline month on month as a direct result of COVID-19. At this juncture, we

know that numerous clients are reforecasting budgets to implement a fresh wave of cost reductions, which they will partly seek to pass onto our members.

The Economic and Social Research Institute (“ESRI”) is currently modelling scenarios to put potential views together to understand the economic output for year-end 2020. Consumption, investment and net trade are likely to fall sharply, households are likely to cut spending, companies are likely to cancel or postpone investment and external demand for Irish goods and services is likely to fall. In addition to COVID-19, we have yet to see and understand the full impact of Brexit on the Irish economy which also looms large in the background and is anticipated to add further financial pressure to members.

In light of COVID–19 and Brexit, it is now beyond dispute that the Irish economy is in a far weaker position than when the JLC met in 2019 to discuss the terms of a new ERO. It is respectfully submitted that this new landscape simply must be acknowledged in the context of the proposed ERO.

It was reported on 12 August 2020 that the UK economy suffered shrinkage of 20.4%, one of the biggest slumps recorded among advanced economies, placing the UK into recession for the first time in 11 years. As the UK is our nearest trade partner, this will undoubtedly have a detrimental effect on the Irish economy, as our economic fortunes have historically been inextricably linked.

To protect against the effects of these new economic realities faced today by members, and against the grim forecasts which are credible and even more worrying, the members of the ISIA formally request the Chair of the JLC to reconsider the terms of the proposed ERO and to defer the implementation of any new ERO for the security industry for the next 18 months, until we can better understand the economic fall-out resulting from COVID-19 and Brexit.

In principle we fully support the ERO process, however, at this time, we believe it is prudent, appropriate and, for the future of the sector, vital, that the JLC revisits discussions around a new ERO and realigns timelines due to the current economic and commercial landscape.

We look forward to engaging with you and would like to thank you in advance for taking the time to give consideration to our concerns on this matter.

Sincerely,



Gill O’Riordan
Chair, Guarding Services Division