

## **Security Tripartite Cluster Learning Journey to Stockholm, Sweden**

### **9-13 May 2016**

#### **1. Executive Summary**

- 1.1.** The private security industry in Sweden started during the 1930s and today it plays an important role in supporting the Police to maintain public order and safety. The Swedish Transport Workers Union (“Transport”) and employers’ association (“Almega”) have strong interests in addressing security officers’ needs and developing the private security industry, while the Government provides national legislations to regulate the industry.
- 1.2.** The Collective Bargaining Agreement (CBA) is effective because negotiations are done between Transport and Almega. The top 3 security agencies (Securitas, G4S Avarn and Nokas) in Sweden account for 86% of the workforce. This oligopolistic environment facilitates establishment of industry standards through CBA instead of Government intervention, and ensures that Swedish security officers are paid well.
- 1.3.** Swedish culture places many responsibilities on the society, and this facilitates Transport’s negotiations of collective agreements and industry collaboration. There is no need for a minimum wage policy as the CBA is so pervasive such that if an officer is not a union member, he is disadvantaged.
- 1.4.** Security officers are not low wage jobs in Sweden. Their salaries are pegged to workers in the metal industry, and an experienced security officer in-charge of public order and critical facilities may have higher basic salary than a police officer.
- 1.5.** Swedish security officers take pride in their jobs and hold strong belief that they are doing a critical job. Similarly, employers believe that even an 80 year old officer is able to perform his job if he remains fit, able and qualified. Hence, it is not the age that is the factor, but the professionalism and the standards individuals can achieve.
- 1.6.** Security assessments are conducted to ensure right use of security technology and systems to provide effective security outcomes. Physical guarding is deployed only when needed so that there is efficient use of manpower resources.
- 1.7.** The BYA Security Guards School is uniquely founded by Transport and Almega, and funded by security agencies through contributing 0.3% of annual payroll to BYA. This model encourages security agencies to send their officers for training.
- 1.8.** The Police regulate the training requirement and standardise the uniform and classification of different groups of officers, thereby raising the overall industry standard and image.
- 1.9.** Government procurement practices are governed by legislation to ensure adherence to the principles of non-discrimination, equal treatment, proportionality, transparency and mutual recognition, so as to prevent illegal direct award of contracts.

#### **2. Overview of the Swedish Private Security Industry**

- 2.1.** In terms of productivity, with a 9.8 million population, Sweden has a low security guard to population ratio of 1: 476. In contrast, Singapore has a population of 5.5 million and has a higher ratio of 1:128.
- 2.2.** The relatively lower dependency on physical security can be attributed to several factors:
- 2.2.1. Wide use of surveillance cameras and alarm systems – Surveillance cameras and alarm systems are commonly deployed at residential apartments, retail outlets and office buildings to cut down on the need for physical guarding. In the event of a burglary alarm, monitoring centre would activate security officers on mobile patrol to client's site to investigate.
  - 2.2.2. Aggregation of security demand – Retail store owners could come together to aggregate their demand for security needs instead of individually approaching the security agencies for services. Security officers on mobile patrol could cover a wide area of the retail shopping streets and readily respond to their clients when an emergency alarm is activated.
  - 2.2.3. Security assessments – Security assessments are conducted before awarding of contracts to ensure proper review of security manpower and technology to meet security needs.
  - 2.2.4. Design of the building – Buildings are designed with security needs in mind so that security systems could be implemented easily.
  - 2.2.5. Deployment of security officers on needs basis– Security officers are deployed only when the job functions required, for example Security Concierge, or when the job is better performed by a trained security personnel instead of relying on security systems, for example public area crowd control.
- 2.3.** Security is a respected profession which requires deep skillsets and commands good pay. There is strong industry partnership between the Swedish Transport Workers Union (“Transport”) and employers’ association (“Almega”) with little governmental intervention preferred, particularly in industry collective bargaining and training.
- 2.3.1. Industry collective bargaining agreement: Transport and Almega negotiate industry collective bargaining agreements (CBA) and set the wages for security officers, amongst other terms. The CBA covers 90% of the workforce in the industry. In the event of a deadlock, the union will conduct industrial action. The last strike took place 3 years ago during lunch hour to minimize disruption to the economy and work processes.
  - 2.3.2. BYA Security Guard School: Both parties jointly set up a school for security training, BYA, to provide basic, refresher, specialist and additional training courses to security officers who are employees of security agencies under Almega. It is governed by an Executive Board and various steering committees which comprise representatives from the industry. All security agencies that are covered by the CBA contribute 0.3% of their annual payroll to fund BYA. As all course fees, with the exception of Guarding Training Part 1 (GT1), are covered by the annual fee contributed by the security agencies, this also encourages security agencies to send their officers for training at BYA.

- 2.4.** The Swedish Police rely on private security to do public security guarding due to high competence in the security officers. Security officers receive regular training and attend mandatory 3 days refresher courses every 4 years to ensure their skillsets remain relevant.
- 2.5.** Security officers are graded into 4 main categories to provide protection to general public, maintain public order, secure critical facilities and provide airport security. Each grade is identified by its badge, which is designated by the Police, to be worn visibly on the uniforms. Uniform is standardised to facilitate identification of security officers.

Badge	Grade	
	Security Officer	<ul style="list-style-type: none"> <li>– To protect customers by preventing, hindering or stopping crime, fire or accidents.</li> </ul>
	Security Officers with Special Commission – Public Order	<ul style="list-style-type: none"> <li>– Officers may be armed guards.</li> <li>– Assist police to maintain good public order in a (geographically) limited area.</li> <li>– Deployed at public gatherings, concerts, sporting events, restaurants, malls and shops.</li> <li>– Work under the control of police authorities and must follow orders issued by the police.</li> </ul>
	Security Officers with Special Commission – Critical Facilities	<ul style="list-style-type: none"> <li>– Officers may be armed guards.</li> <li>– Protect critical facilities from sabotage, terrorist attacks and espionage.</li> <li>– Deployed at defence, state administration buildings, police stations, rescue services, energy and water supply, broadcasting, radio and telecommunication facilities.</li> <li>– Covered by special legislation. Security officers have the same authorisation as the police to detain individuals</li> </ul>
	Security Officers with Special Commission – Airport Facilities	<ul style="list-style-type: none"> <li>– Officers may be armed guards.</li> <li>– Deployed at airport to conduct security checks on visitors and airport facilities.</li> </ul>

### 3. Conclusion

- 3.1.** The learnings from Swedish private security industry provide new insights to professionalizing the private security industry and raising industry standards in Singapore. In terms of application, one has to also consider the differences between Sweden and Singapore in terms of our social cultures and industry profiles. Sweden has a strong culture of community involvement in policing and social safety, which contributes to the overall

wellbeing and security of the society. Private security is hence seen as professional, respected and important work.

**3.2.** In addition, the nature of the industry in Sweden is vastly different from Singapore which is more fragmented and dominated by more than 200 agencies. Even the largest player in Singapore covers less than 10% of the market. Due to the highly fragmented nature of security industry in Singapore, industry standards take time to establish and implement widely, usually requiring the intervention of the authorities.

**3.3.** Refer to Annex for notes of meeting.

**MEETING WITH SWEDISH TRANSPORT WORKERS UNION**

Mr. Lars Lindgren, President of Swedish Transport Workers Union

Mr. Magnus Falk, International Political Secretary

**About Swedish Transport Workers Union**

1. The Swedish Transport Workers Union (“Transport”) has over 63,000 members, of which 4,000 are elected as representatives. Its members are from 28 different occupation groups, with vast majority of the members being truck and lorry drivers. Transport represents the most number of security guards in Sweden in collective bargaining.
2. The following are the core benefits of being a union member of Transport:
  - Collective Agreement (CBA)
  - Legal Aid
  - Unemployment Benefits
  - Free home insurance
  - Education subsidy
  - Monetary and logistic support for strikes

**Collective Bargaining Agreement**

3. Transport and Almega negotiate industry collective bargaining agreement (CBA) and set the wages for security officers. The CBA covers 90% of the workforce in the industry. In the event of a deadlock, the union may conduct industrial action. The last strike took place 3 years ago during lunch hour to minimize disruption to the economy and work processes but nonetheless an important tool in the Union’s arsenal when failing to reach common grounds with the employers’ association. Smaller agencies that are not covered by the CBA will also want to adhere to the CBA as they do not want to deal with the Union separately and be subjected to clauses that may be less advantageous.
4. The duration of the CBA is negotiated between Transport and Almega and both parties take into consideration prevailing economic climate. Stable economic climate generally favour a longer CBA duration whereas a shorter CBA tenure is to tackle the unpredictability of the industry. It is noted that the previous CA between Transport and Almega lasted for 37 months whereas the most recent CBA concluded in May 2016 has a duration of 12 months.
5. Wage level for security officer is benchmarked against workers in the metal industry which is prone to international competition and needs to ensure competitive wages. In deciding the annual increment for security officers, Transport and Almega consider reports by scholars and organizations that specialize in industry and economic statistics. It is also noted that the CBA does not have a clause on the provision of bonuses as the Swedes believe in 12 months total annual salary package.

- It is important to note that security officers in Sweden do not face wage reset whenever their existing employer loses a contract. As the wages and annual increments are stipulated in the CBA, the service providers are able to present the total manpower cost to their clients, and compete for contract based on factors such as security methodology, technology and services.

### **MEETING WITH BYA SECURITY GUARD SCHOOL**

Mr. Martin Bjurhem, BYA Chief Executive Officer  
 Mr. Mikael Granquist, Guarding School Training manager  
 Ms. Bodil Henrikson, Security College, Department manager  
 Mr. Per Martelius, Health and Safety Department, Project manager

### **BYA Security Guard School**

- The BYA Security Guard School is a non-profit organisation that is co-own by Transport and Almega. It provides basic, refresher, specialist and additional training courses to security officers who are employees of security agencies under Almega. It is governed by an Executive Board and various steering committees which comprise representatives from the industry.
- All security agencies that are covered by the CBA contribute 0.3% of annual payroll to fund BYA. As all course fees, with the exception of Guarding Training Part 1 (GT1), are covered by the annual fee contributed by the security agencies, this also encourages security agencies to send their officers for training.
- The training of security officers is regulated by the Police. The maximum class size is kept at 25 students to ensure optimal learning. The basic training for security officers consists of 2 modules (Guard Training 1 and Guard Training 2) and officers are required to undergo on-the-job training (OJT) at an assignment to become a full fledge officer. Each officer will have to attend a mandatory 3 days refresher course every 4 years, failure which he has to complete the basic training again. Training certificates are to be sent to the authorities, or else the officer will lose his security license. (refer to Chart 1)

**Chart 1: Basic and Refresher Security Officers Training**



- BYA hires trainers from security agencies to conduct training. To incentivise the security agencies to release their trainers to conduct training, BYA pays a fee of 80 Euro per hour to

the security agency to cover the hourly wage of the trainer. Aspiring trainers need to undergo 6 months of training to be able to teach.

### Security College

11. BYA houses a security college for post-secondary vocation training for students between 16 and 19 years old. Upon completion of training, students will be interviewed by security agencies and suitable candidates will be employed directly by the agencies.

### Security Uniform

12. Security officers are graded into 4 main categories to provide protection to general public, maintain public order, secure critical facilities and provide airport security. Each grade is identified by its badge, which is designated by the Police, to be worn visibly on their uniforms. The company which hired the officers may place its company's logo directly below the badges.

Badge	Grade	
	Security Officer	<ul style="list-style-type: none"> <li>– To protect customers by preventing, hindering or stopping crime, fire or accidents.</li> </ul>
	Security Officers with Special Commission – Public Order	<ul style="list-style-type: none"> <li>– Officers may be armed guards.</li> <li>– Assist police to maintain good public order in a (geographically) limited area.</li> <li>– Deployed at public gatherings, concerts, sporting events, restaurants, malls and shops.</li> <li>– Work under the control of police authorities and must follow orders issued by the police.</li> </ul>
	Security Officers with Special Commission – Critical Facilities	<ul style="list-style-type: none"> <li>– Officers may be armed guards.</li> <li>– Protect critical facilities from sabotage, terrorist attacks and espionage.</li> <li>– Deployed at defence, state administration buildings, police stations, rescue services, energy and water supply, broadcasting, radio and telecommunication facilities.</li> <li>– Covered by special legislation. Security officers have the same authorisation as the police to detain individuals</li> </ul>
	Security Officers with Special Commission – Airport Facilities	<ul style="list-style-type: none"> <li>– Officers may be armed guards.</li> <li>– Deployed at airport to conduct security checks on visitors and airport facilities.</li> </ul>

### Wages of Security Officers

13. Security officers with special commission in critical facilities are higher paid than ordinary security officers. Security officer in-charge of public order and critical facilities, after 1 year of service in the industry, may have higher basic salary than a police officer. It is noted that police officer has other allowances.

#### **MEETING WITH SWEDEN MINISTRY OF JUSTICE**

Ms. Helena Swenzén (Head of Division, Division for Public Order and Safety)

Ms. Anna Westin (Legal Adviser)

Ms. Katarina Bilge (Legal Adviser)

### About Ministry of Justice

14. The Ministry of Justice is responsible for legislation concerning the constitution and general administrative law, civil law, procedural law and criminal law. Internal security which includes the police authority and monitoring of the private security companies also comes under this Ministry.

### Legislation and county administrative board

15. The County Administrative Board (CAB) is the regulatory body for private security companies and examines issues of authorisation and approval of private security officers.
16. The security agencies are governed by following legislations:
  - a. Act (1974:191) on security companies,
  - b. Order (1989:149) on security companies, and
  - c. Rules and general advices to the law and the ordinance issued by the Swedish Police Authority (RPSFS 2012:18, FAP 579-2)
17. Security officers are protected by legislation and hitting a security officer is akin to hitting a government official and the offender faces same penalty.
18. To embark a career as security officer, one has to fulfil the following pre-requisites:
  - Sweden citizen
  - Must be proficient in Swedish Language
  - Must go through approved training with 186 practical training hours
  - If officers are performing security duties with a dog, both officer and hound must go through training courses for dogs together
19. CAB governs the types of equipment to be used in the security officer's job function. The security officers are allowed to use the following equipment:
  - Handcuffs
  - Rubber baton and expandable baton
  - Dog (Required to undergo test, dog is owned by the security officer)
  - Firearm (Only for self-defence and to prevent others from committing a criminal act)

20. Security officers are granted the right to detain, reject and remove people who disturbs public order or constitutes an imminent danger to the public. He may use force if other means are not feasible.
21. The Swedish Police Authority regulation stipulates that training is to be conducted by authorised educational and training companies. Security officers are required to receive practical professional training, 128 hours of classroom training for basic course and 160 hours of on-the-job training (OJT). Officers are required to attend refresher course every 4 yearly.

### **MEETING WITH SWEDEN MINISTRY OF EMPLOYMENT**

Ms. Karin Söderberg (Head of Division, Division for Labour Law and Work Environment)

#### About Ministry of Employment

22. The Ministry of Employment is responsible for the following areas: Working life policy, labour market policy, integration policy, discrimination issues, human rights at national level, Swedish citizenship and minority policy.

#### Collective Bargaining

23. Sweden does not have a minimum wage policy. Wages and key employment benefits are negotiated between trade union and employers' associations due to their strong social partnership. A total of 650 industry level CBAs exist in Sweden.
24. Trade union and employers' associations may negotiate for employment terms beyond the existing laws and legislations. For example, the Working Time Act stipulates that the normal working hours is 40 hours per week due to EU regulations. However, in the Security Industry CBA, the working hours can be greater than 40 hours per week due to industry's requirement.
25. Companies that do not join employers' associations may negotiate enterprise level collective agreement (Local CA) with the union. The enforcement of employment standards are performed by inspectors from work environment authority as well as trade union. Trade union may take employers to court for non-compliances.
26. The official retirement age in Swedish is 65 years old but workers may continue to work beyond 65 if he is fit for the job.
27. To setup a security agency, one needs to put 50,000 Swedish krona as paid up capital and meet the authorisation requirements from the County Administrative Board.

## **MEETING WITH ALMEGA**

Mr Björn Ericsson, Private Security Expert, Almega Security Firms

### About Almega

28. Almega AB is an employers' association that supports service companies in Sweden. The organisation has more than 10,000 member companies employing some 500,000 people. Almega Security Firms, a branch under Almega AB, represents 180 private security companies.

### Swedish Private Security Industry

29. In 1974, mandatory licensing of security companies was introduced through the Security Companies Act. This requirement arose as the Government and Parliament realised that there was a need for additional security services alongside the work done by the police and other emergency services.
30. Communities in Sweden and whole of Europe have become increasingly reliant on private security. Besides industries and companies require additional security from private contractors, private individuals, local authorities, public authorities and the Government also need private security services. Ministers, politicians, people in authority and the general public are therefore increasingly appreciating the role of private security as a complement to public security.
31. The Swedish Police introduced several regulations to regulate security officers, crowd control, maritime security, cash in transit, store detective, personal protection and airport security. Crowd control security officers are regulated by the law to be physically fit and these officers can hold batons and handcuffs.
32. The Swedish Police have authority to re-deploy any crowd control security officers to assist in time of emergencies but rarely do so as it might cause the service provider to suffer liquidated damages for breach of contract.

### Private sector handling refugees

33. The Syrian Civil War has resulted in many Syrian citizens fleeing the country and leading to an influx of asylum seekers in Sweden. This sudden influx of refugees meant that more manpower is required to provide security services to guard the refugee camps.
34. Almega took cognizance of this issue and initiated talks with the Swedish Police on the urgency to train more security officers. The Police granted BYA exemption to increase class size from 25 to 30 persons per class, and this enabled BYA to train about 500 officers within 2.5 months.
35. Private security officers were deployed to guard refugee camps and conduct security checks at train stations where the Syrian refugees were entering the country via Denmark. The refugees situation was eventually kept under control.

## Collective Bargaining Agreement

36. The average wage increase is between 2 and 3 percent yearly. With rising wages, the security companies have to convince their buyers to increase contract prices and this is done by sharing a wage index calculated by Almega. The index includes the cost required to provide security services based on the wage level specified in the CBA. Each company then submit a total contract value based on the wage index, fees for other security services (technology, consultation, etc) and its desired profit margins.

## Salary and Grades

37. The salary of security officer is pegged to his job grade (Group) and salary levels are stipulated in the CBA. For 2015, the salary levels are as follow:

<b>Salary</b>	<b>Full-time Month (SEK)</b>	<b>Part-time Hour (SEK)</b>
Beginner (After GT1 Training)	19,425	117.30
After 6 months	20,709	125.05
After 15 months / Group B	24,648	148.84
Group C	25,025	151.12
Group D	25,780	155.68
Group E	26,156	157.95

Noted: Sweden has a progressive income tax ranged from 30% to 60%

38. Security officers are classified into 4 groups (B, C, D, E), where Group B is a regular security officer while Group E is the Supervisor level.
39. Overtime rate is usually payable at 1.5 times per hourly rate and dependent on the time and day of performing overtime work. For example, OT will start after 6pm from Monday to Thursday but OT will start on different timings on weekends, and the OT rate will differ depending on the time of the day. It is understood that the Swedes value work-life balance highly, and it will cost much more to get them to work overtime on periods where they could actually spend time with their families.

## Security Service Contract

40. Private sector security contract is typically 2 to 3 years duration with option to extend for a further 1 or 2 years, while Government contract is 5 years with the option to extend for a further 1 year.

## **MEETING WITH SECURITAS AB**

Mr. Joachim Källholm, CEO, Securitas Sweden AB

### **About Securitas**

41. Securitas enjoys 12% of market shares worldwide in security contracts, employs about 250,000 employees worldwide, and has 1,800 branch offices worldwide.
42. In Sweden, Securitas has 61.9% market shares and employs 9,800 security officers of which 5,600 are employed full-time. It has 82 branch offices, 2 monitoring centres, 2 dispatch centres, 2 camera centres and 1,080 security vehicles.
43. 8 to 10 operators support the monitoring centre and coordinate with the dispatch centre to deploy security officers to clients' premises. The centres work in harmony to provide real-time support to clients in the event a burglary alarm sounds off. Security officer from a quick response team will be tasked to enter the premise to investigate. It is noted that security officers possess a key to each of the houses that engage the security services. There is a high level of trust from the public on the professionalism of the security officers.
44. 10% of Securitas' officers is deployed in cash and transit escort, 15% is deployed at public environments such as shopping malls, hospital, airports, etc and 75% is deployed at non-public areas. All officers work 7 days in two weeks and 12 hours each workday.

### **Public Procurement Act**

45. Public procurement is governed by the Swedish Public Procurement Act (2007:1091 – LOU), which is largely based on EU Directive concerning public procurement.
46. The Swedish Competition Authority is the supervisory body for public procurement, to ensure an effective public procurement which benefits the society and the participants in the markets. Such supervision activities are prioritised with an orientation towards illegal direct award of contracts. The Swedish Public Procurement Act was amended on 15 July 2010 to include new guidelines which give the Swedish Competition Authority the possibility of taking cases of illegal direct award of contracts to court.
47. The Public Procurement Act has 5 principles as follows:

The principle of non-discrimination	The contracting authority may not impose requirements that only Swedish company knows or can do to meet.
The principle of equal treatment	All vendors shall have the same base for evaluation
The principle of proportionality	Requirements and conditions of the contract must be in reasonable proportion to the procured
The principle of transparency	Data relating to the contract may not be kept secret, the procurement should be advertised publicly, and the vendors who participated in the tender procedure should be informed of the outcome.
The principle of mutual recognition	The principle of mutual recognition means that certificates and certificates issued by a Member State's authorities should also apply in other EU and EEA countries.

## Overview of the Procurement Process

- Tenders have to be posted on public for 10 days
- Agencies are given 3 months to adequately prepare for the contract specifications
- Interested companies to send in their tender proposals
- Procurement process begins for a period of 3 weeks
- Award decision to be made known for 10 days (Standstill)
- Security agencies who wish to appeal the tender decision can only do so if the awarded tender does not comply with the 5 principles.
- If appeal is successful, the tender process may restart again.

