

The rising cost of retail theft? Trends in steal from retail to June 2023

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SUMMARY

As with many property crimes, incidents of retail theft fell significantly during the COVID-19 pandemic. Since October 2021, however, retail theft offences have been steadily increasing, up 47.5% year-on-year to June 2023. This paper considers the increase in retail theft up to June 2023 focusing on the regions where retail theft is increasing, what items is being stolen and from where, and who appears to be responsible. Findings show:

- The sharp increase in retail theft following the removal of pandemic related restrictions has brought retail theft volumes back to equivalence with pre-pandemic figures in both Greater Sydney and Regional NSW. The absence of an increase in theft reports beyond what was reported prior to the pandemic suggests the upward trend reflects a return to pre-pandemic offending levels. The trend does not support emerging external factors, such as the cost-of-living crisis, driving an increase in this offence.
- The most frequently reported stolen item in retail theft is liquor, including bourbon, whiskey, and vodka (stolen in 37% of incidents), followed by clothing (22%). Retail theft of personal items, such as perfume and cosmetics, has declined in the past five years (stolen in 13% of incidents).
- Locations recording the biggest increase in steal from retail incidents over the past five years are licenced premises and general wholesalers. Department or clothing stores and chemists have reported the largest decreases.
- \$440 was the average value of items stolen in retail theft incidents in 2022/23.
- Almost half of all retail theft offenders are aged 30 to 39 years but after accounting for population, young people aged 14 to 17 years had the highest rate of involvement with NSW Police.

KEYWORDS

Retail theft

Crime statistics

INTRODUCTION

'The nation's retailers are facing a crime spree at their stores from shoplifters since Covid-19'¹,
The Australian, 12 March 2023

'Shoplifting and organised crime has increased as cost of living pressures rise'², The Canberra
Times, March 14 2023

'Shoplifters' revenge the new worry for retailers'³, Financial Review, 25 August 2023

As can be seen by the headlines above, there has been a considerable recent media attention on the rise of retail theft. Theft from retail premises is one of the most common property crimes. Of the stealing offences reported to NSW Police in 2022, 13% related to retail theft. The most recent Australia and New Zealand Retail Crime Study reported that customer theft accounted for half of all crime-related losses experienced by businesses (53%), with the total value of all retail theft amounting to \$2.3 billion in the 2021/22 financial year (Townsend & Hutchins, 2023).

With the onset of the COVID-19 pandemic in early 2020 the incidence of many property crimes fell significantly, but none fell more than retail theft. Within six weeks of the commencement of the first NSW lockdown in March 2020, incidents of retail theft reported to police had fallen 55%, more than any other property crime relative to the forecast (Kim & Leung 2020). Since the removal of most major pandemic related restrictions in late 2021, recorded incidents of retail theft have begun to increase. As with the decline, the recovery in retail theft offences has also been faster than for many other property crimes. In the last 12 months to June 2023 recorded incidents of retail theft rose 48% on the previous year.

To properly understand the recent increase in retail theft, we need to consider the extent to which the increase reflects a recovery from the decline in property crime during the pandemic or whether there may be other independent drivers. One concern is that high rates of inflation and rising cost of living pressures may be partly behind the rise in retail theft. Coles Chief Executive, Leah Weckert, has suggested a rising trend in stock loss attributed to well-coordinated organised crime groups who steal many of the same products and then resell for financial gain (The Australian, 2023; Sydney Morning Herald, 2023).

This paper considers trends in recorded incidents of retail theft up to June 2023 guided by these questions:

- How does retail theft compare now versus prior to the COVID-19 pandemic?
- Are there particular geographic areas experiencing larger increases in retail theft?
- What items are commonly being stolen?
- Which types of shops are experiencing retail theft more frequently?
- Who is responsible?

1 <https://www.theaustralian.com.au/business/retail/the-nations-retailers-are-facing-a-crime-sprees-at-their-stores-from-shoplifters-since-covid19/news-story/9c6e8cd6578acb2d4512fdb06975d59e>

2 <https://www.canberratimes.com.au/story/8120745/professional-shoplifting-on-the-rise-as-retailers-band-together/>

3 <https://www.afr.com/companies/retail/shoplifters-revenge-the-new-worry-for-retailers-20230824-p5dz6o>

Data limitations

This paper reports retail theft trends based on incidents recorded by NSW Police. Unfortunately, this data source offers a limited view of retail theft as it only includes incidents reported to police. This is certainly a significant undercount of the true volume of retail theft which is underreported for various reasons, including:

- Other than when a shoplifting offence is witnessed, retail theft is often undetected (or detected sometime after the incident through a stock audit)
- Many offences are of low or negligible value
- Reporting to police costs businesses’ time and money
- Without a known or suspected offender, there may be little action that can be taken by police (Nelson & Perrone, 2000).

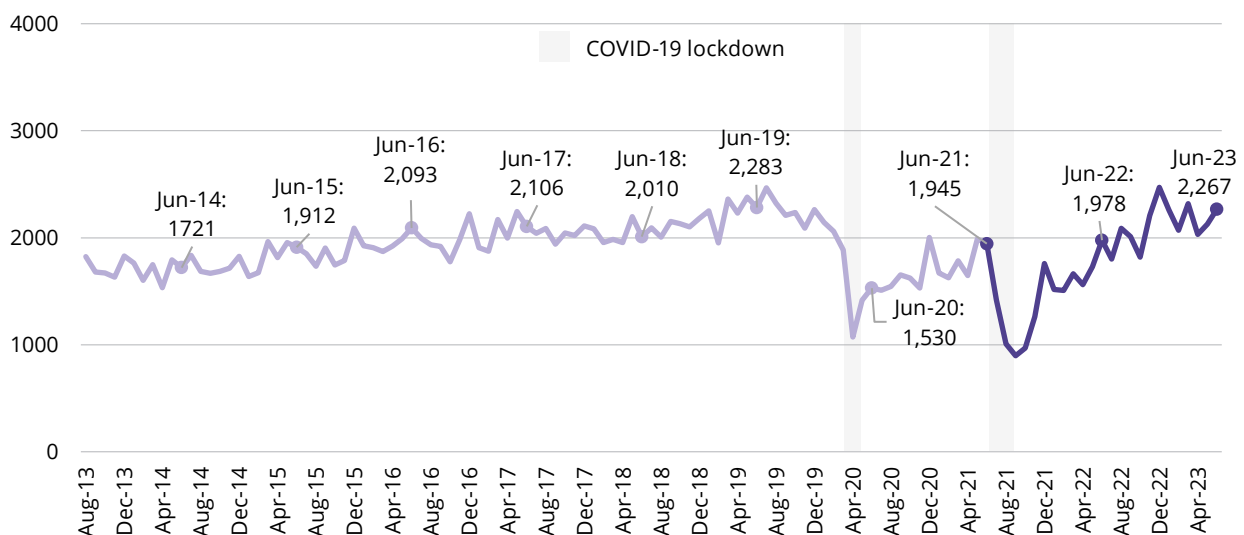
Given this, many retailers may perceive that, on balance, the costs of reporting outweigh the benefits. For this reason, caution needs to be applied when considering retail theft patterns in recorded offences.

Trends in retail theft

Figure 1 shows the monthly number of ‘steal from retail store’ incidents recorded by NSW Police in the ten years to June 2023. The dark purple portion of the line indicates the most recent 24 months data to June 2023 and the shaded vertical bars indicate the two NSW COVID lockdowns. The pale purple line shows a gradual increase in retail theft between 2013 to 2019. Between July 2013 and June 2019, recorded incidents of steal from retail store increased by 4.7% per year on average. Two sharp declines are observable from March 2020 and August 2021, coinciding with the first and second COVID-19 lockdowns in NSW. The dark purple line indicates that, since the record-low number of thefts recorded in September 2021, reports of retail theft increased steadily to reach equivalence with the pre-pandemic figures. In the year to June 2023, NSW Police recorded 25,478 incidents of retail theft - roughly the same volume as the year prior to the pandemic (26,131 in the year to June 2019).

The increase in incidents since October 2021 aligns closely with the reopening of retailers and businesses following the end of the pandemic. Accordingly, a reasonable explanation is that the recent increase in retail theft reflects a return to pre-pandemic offending levels as community mobility has gradually increased.

Figure 1. Recorded incidents of retail theft in NSW, July 2013 to June 2023



Where is retail theft increasing?

Figure 2 shows trends in retail theft in Greater Sydney and Regional NSW. There are several noteworthy elements of this chart. Firstly, while the volume is higher in Sydney, the general pattern of retail theft is similar across the two regions: steady increase from 2013 to 2019, sharp decline coincident with the COVID lockdowns and recovery from late 2021. Both the COVID falls and the subsequent rise have been greater in Sydney compared with Regional NSW. From July 2021 to June 2023 recorded retail theft increased 56% year-on-year in Greater Sydney, compared with 36% in Regional NSW (see Table 1). The other point to note is that in both Greater Sydney and Regional NSW the level of retail theft in the first half of 2023 is equivalent to pre-pandemic figures in 2019 (and not higher).

Figure 2. Recorded incidents of retail theft in Regional NSW and Greater Sydney, July 2013 to June 2023

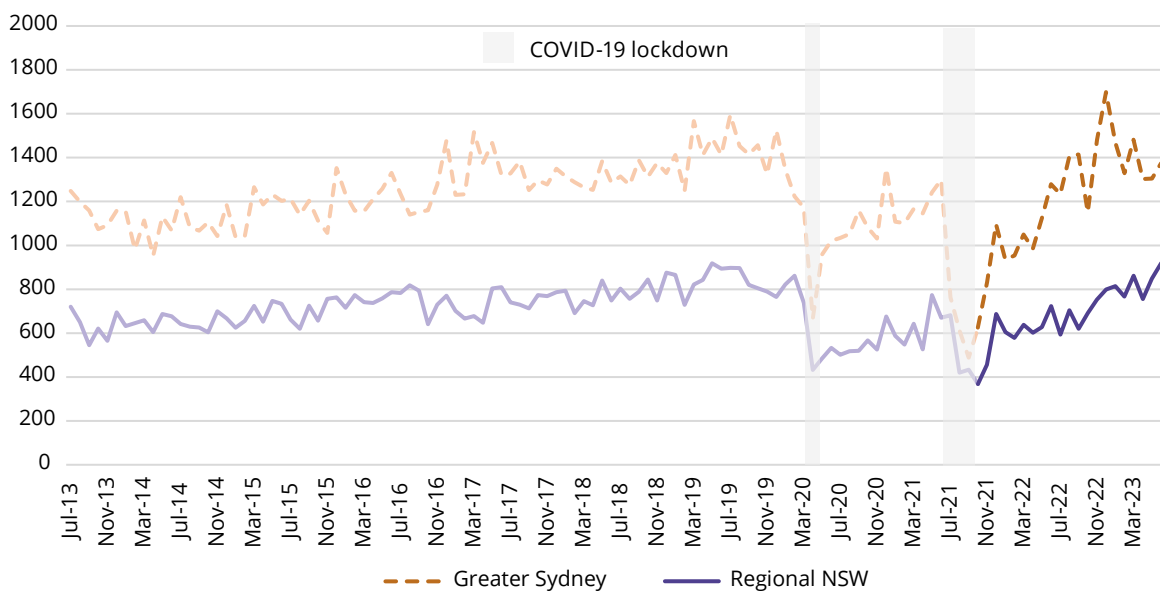


Table 1 shows the number of retail theft incidents recorded in the past five years across NSW. Of the 28 Statistical Areas in NSW, only eight recorded notably more retail theft incidents in 2022/23 than in 2018/19. These were Inner South West (up 36% or 329 additional incidents), Eastern Suburbs (up 34% or 296 additional incidents), Parramatta (up 18% or 240 additional incidents), Blacktown (up 8% or 109 additional incidents), Outer West and Blue Mountains (up 4% or 41 additional incidents), Illawarra (up 8% or 94 additional incidents), Mid North Coast (up 6% or 41 additional incidents) and Richmond-Tweed (5% or 27 additional incidents). The fact that so few Statistical Areas are showing marked increases in retail theft in 2022/23 relative to 2018/19 does not support a cost-of-living crisis driving an increase in this offence.

Table 1. Recorded incidents of retail by statistical region, July 2018 to June 2023

Statistical Area of NSW	Jul 2018 - Jun 2019	Jul 2019 - Jun 2020	Jul 2020 - Jun 2021	Jul 2021 - Jun 2022	Jul 2022 - Jun 2023	2-year % change	Difference between 18/19 and 22/23	
							%	Volume
Total NSW	26,131	23,707	20,535	17,273	25,478	47.5%	-2.5%	-653
Greater Sydney	16,389	15,009	13,625	10,599	16,499	55.7%	0.7%	110
Sydney - Inner South West	918	890	871	610	1,247	104.4%	35.8%	329
Sydney - Eastern Suburbs	875	892	906	633	1,171	85.0%	33.8%	296
Sydney - Parramatta	1,316	1,101	1,126	858	1,556	81.4%	18.2%	240
Sydney - Blacktown	1,434	1,191	1,026	1,078	1,543	43.1%	7.6%	109
Sydney - Outer West And Blue Mountains	1,126	1,185	984	857	1,167	36.2%	3.6%	41
Central Coast	1,016	1,005	874	761	1,023	34.4%	0.7%	7
Sydney - Baulkham Hills And Hawkesbury	359	342	345	226	360	59.3%	0.3%	1
Sydney - City And Inner South	3,314	3,083	2,537	2,135	3,321	55.6%	0.2%	7
Sydney - Outer South West	996	926	688	573	991	72.9%	-0.5%	-5
Sydney - South West	1,148	955	876	745	1,090	46.3%	-5.1%	-58
Sydney - Inner West	798	820	912	531	748	40.9%	-6.3%	-50
Sydney - Northern Beaches	692	464	421	466	610	30.9%	-11.8%	-82
Sydney - Ryde	441	409	406	212	331	56.1%	-24.9%	-110
Sydney - Sutherland	504	472	383	252	370	46.8%	-26.6%	-134
Sydney - North Sydney And Hornsby	1,452	1,274	1,270	662	971	46.7%	-33.1%	-481
Regional NSW	9,742	8,698	6,910	6,674	8,979	34.5%	-7.8%	-763
Illawarra	1,214	1,225	1,165	901	1,308	45.2%	7.7%	94
Mid North Coast	636	579	389	474	677	42.8%	6.4%	41
Richmond - Tweed	534	571	360	329	561	70.5%	5.1%	27
Far West And Orana	573	490	326	436	568	30.3%	-0.9%	-5
New England And North West	766	583	459	540	740	37.0%	-3.4%	-26
Central West	635	560	423	506	603	19.2%	-5.0%	-32
Riverina	567	663	468	462	538	16.5%	-5.1%	-29
Newcastle And Lake Macquarie	1,699	1,519	1,341	1,237	1,507	21.8%	-11.3%	-192
Coffs Harbour - Grafton	564	450	267	293	470	60.4%	-16.7%	-94
Southern Highlands And Shoalhaven	468	403	349	233	388	66.5%	-17.1%	-80
Capital Region	578	496	409	389	459	18.0%	-20.6%	-119
Hunter Valley Exc Newcastle	1,062	784	612	625	841	34.6%	-20.8%	-221
Murray	446	375	342	249	319	28.1%	-28.5%	-127

What items are stolen in retail theft incidents?

Another information source that can shed light on the nature of retail theft is the items that are stolen. These also have relevance to the role of cost of living pressures in retail theft incidents. Table 2 shows the common objects police recorded as being stolen in retail theft incidents. Across all years, liquor was the most frequently reported stolen item. Liquor was recorded as being stolen in 37% of retail theft incidents in 2022/23 and this has increased in the past five years (up 422 incidents). High value spirits such as bourbon, whiskey and vodka are the most commonly stolen types of liquor. The largest decrease over the past five years has been in the theft of personal items, such as perfume and cosmetics, which are down 21% or 441 incidents.

Table 2. Number of incidents in which the following selected objects were stolen in retail theft incidents

Object stolen	Jul 2018 - Jun 2019	Jul 2022 - Jun 2023	5-year volume change	5-year % change
At least one stolen object recorded	12,630	12,773	143	1.1%
Liquor	4,315	4,737	422	9.8%
Clothing & footwear	2,323	2,823	500	21.5%
Personal item – e.g., perfume, cosmetics, toiletries	2,097	1,656	-441	-21.0%
Food and beverage	1,722	1,957	235	13.6%
Communications/Home Entertainment	1,401	1,029	-372	-26.6%
Appliance, Clock, Furniture, Household Item	452	516	64	14.2%
Machine, Tool, Vehicle Accessory, Vehicle Part	465	600	135	29.0%
Jewellery - Chain/Ring/Watch	261	214	-47	-18.0%
Cash/Document, Coin/Card/Stamp Collection, Credit Card	234	143	-91	-38.9%
Tobacco Product/Accessory	282	164	-118	-41.8%
All other objects	2,377	2,651	274	11.5%

Type of premises where retail theft is occurring?

Table 3 shows the most common premises types reporting retail theft. Supermarkets, including general and corner stores, consistently report the highest volumes of retail theft. In the year to June 2023, thefts from supermarkets accounted for just over a quarter of all reported retail theft (27% or 6,892 incidents), followed by licenced premises (17% or 4,280 incidents), shopping complexes (15% or 3,890 incidents), and department stores/clothing shops (15% or 3,774 incidents).

Table 3 also shows that, compared to other premises types, there has only been a moderate increase in the number of supermarket thefts reported over the past five years. The biggest increases in retail theft have instead come from licenced premises (up 492 incidents or 13%) and general wholesalers (up 283 incidents or 45%). Department or clothing stores and chemists reported the largest declines. Appendix 1 shows premises information for Greater Sydney and Regional NSW.

Table 3. Recorded incidents of retail theft by premises type, July 2018 to June 2023

Type of premises	Jul 2018 - Jun 2019	Jul 2019 - Jun 2020	Jul 2020 - Jun 2021	Jul 2021 - Jun 2022	Jul 2022 - Jun 2023	5-yr volume change	5-yr % change
Supermarket/general store	6699	5515	4859	4316	6892	193	2.9%
Licensed Premise	3788	4069	3498	3534	4280	492	13.0%
Shopping Complex	3861	3827	3502	2364	3890	29	0.8%
Department/clothing store	4228	3585	2991	1998	3774	-454	-10.7%
Service station	977	1019	864	786	973	-4	-0.4%
General Wholesaler	635	618	518	512	918	283	44.6%
Hardware Store	833	723	654	648	897	64	7.7%
Chemist	1168	1021	992	737	750	-418	-35.8%
Retail food (e.g., cafe)	384	357	265	299	327	-57	-14.8%
Electronics	554	420	287	181	324	-230	-41.5%
Sports Store	206	225	135	115	135	-71	-34.5%
Homeware Store	111	115	100	80	101	-10	-9.0%
Tobacconist	91	59	67	80	94	3	3.3%
Newsagent	104	105	70	63	88	-16	-15.4%
Other	2492	2049	1733	1560	2035	-457	-18.3%
Total	26,131	23,707	20,535	17,273	25,478	-653	-2.5%

Table 4 shows the average value of items stolen in retail theft incidents. In 2022/23, the average cost of retail theft in was \$440 which aligns with the average cost of an external theft incident (\$415) reported in the most recent Australia and New Zealand Retail Crime Study (Townsend & Hutchins, 2023). Looking at the value of items stolen by premises also shows that there is significant variation in the losses reported among retailer types. In the year to June 2023, the highest average theft values were reported by electronic retailers (\$1,427), hardware stores (\$873), department stores (\$790), and shopping complexes (\$641), and the lowest average theft amounts were reported by service stations (\$89), licenced premises (\$162) and supermarkets (\$287).

Table 4. Steal from retail incidents where value of stolen items was recorded by minimum, maximum and average of the value (\$) of the stolen items and premises type, July 2022 to June 2023

Type of premises	Number of incidents with item stolen	Minimum value of the item/s stolen (\$)	Maximum value of the item/s stolen (\$)	Average value of the item/s stolen (\$)
Electronics stores	204	\$9.00	\$35,000.00	\$1,427.30
Retail food	107	\$3.00	\$32,935.00	\$971.00
Hardware store	411	\$1.00	\$114,784.00	\$872.60
Department/clothing store	1,327	\$1.00	\$135,000.00	\$789.80
Shopping complex	2,992	\$1.00	\$50,000.00	\$640.70
General wholesaler	156	\$1.00	\$9,600.00	\$498.90
Supermarket/general store	1,494	\$1.00	\$17,560.00	\$286.60
Chemist	457	\$5.00	\$3,000.00	\$194.90
Licensed premises	3,540	\$1.00	\$12,500.00	\$162.10
Service stations	542	\$2.00	\$4,850.00	\$88.70
Total	11,230	\$ 1.0	\$ 135,000.0	\$ 439.5

Who is committing retail theft?

Relative to other theft offences where very few incidents result in legal proceedings, steal from retail incidents have a higher legal action rate. In the year to June 2023, almost half of all reported retail thefts resulted in legal proceedings within 90 days. In this section we turn attention to who NSW Police is apprehending for steal from retail incidents. Figure 3 shows the age and gender of persons of interest proceeded against by NSW Police for retail theft in the year to June 2023.

Figure 3. Age and gender of persons of interest proceeded against for retail theft - July 2022 to June 2023

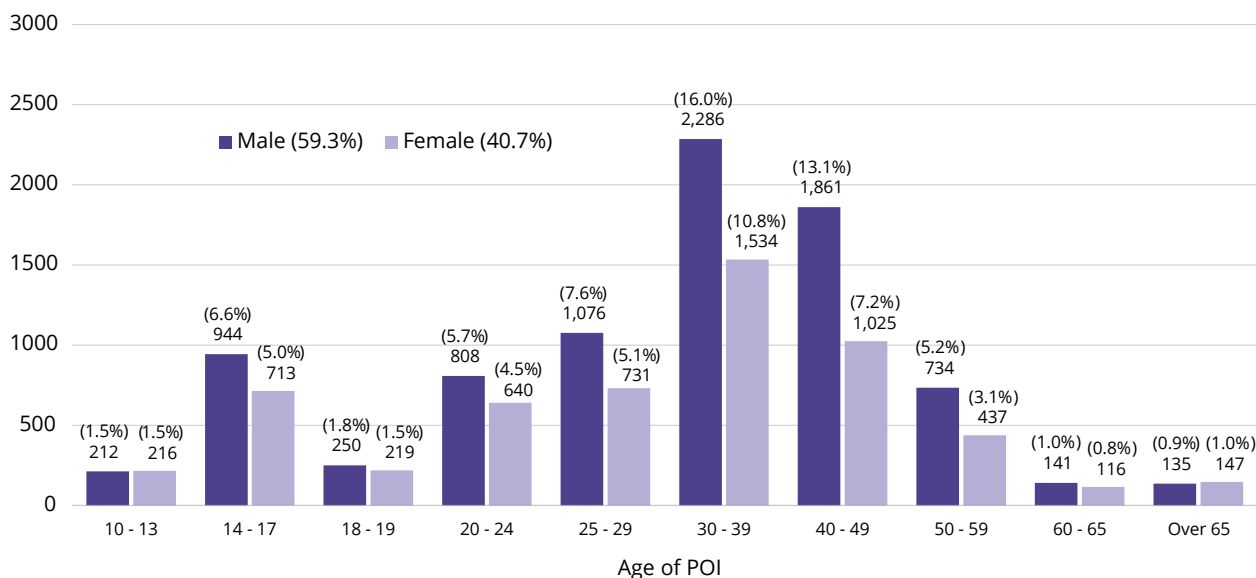


Figure 3 shows that in 2022/23, females accounted for approximately 41% of retail theft offenders. This is markedly higher than what we see in the general theft population (28% of offenders). Amongst offences where NSW Police legally proceeded against an offender, adults also made up the biggest group of retail theft offenders with 47% of offenders aged between 30 and 49 years.

Table 5 looks at the rate at which different age cohorts are proceeded against for retail theft. The final column provides a ratio which is a comparison of the rate per 100,000 for each age group to the total rate per 100,000 for all persons proceeded against for retail theft. In the year to June 2023, the rate of 14 to 17 years olds proceeded against for retail theft was 2.2 times higher than that of total persons proceeded against. Adults aged over 60 had the lowest rate of retail theft involvement.

Table 5. Age of persons of interest proceeded against for retail theft - July 2022 to June 2023

Age	Total				
	Count	%	Rate per 100,000 pop.	Ratio	
Under 18	10 - 13	428	3.0%	104.9	0.6
	14 - 17	1,657	11.6%	435.5	2.2
Adult	18 - 19	469	3.3%	259.4	1.3
	20 - 24	1,448	10.2%	285.9	1.4
	25 - 29	1,807	12.7%	318.2	1.6
	30 - 39	3,820	26.8%	323.5	1.6
	40 - 49	2,886	20.3%	278.1	1.4
	50 - 59	1,171	8.2%	118.8	0.6
	60 - 65	257	1.8%	46.5	0.2
	Over 65	282	2.0%	21.6	0.1
Total	14,248	100.0%	200.4	1.0	

CONCLUSION

Incidents of retail theft fell dramatically during the COVID-19 pandemic due to the closure of non-essential business, local travel limits and restrictions on gatherings and movement. Since containment measures were lifted in October 2021, however, retail theft offences have increased faster than any other property crime, up 47.5% year-on-year to June 2023. This paper looked at the increase in retail theft with the purpose of understanding where retail theft is increasing, what is being stolen and from where, and who is responsible. Findings show:

- The significant increase in retail theft in the two years to June 2023 has brought retail theft volumes back to pre-pandemic levels, not above (26,131 in 18/19 compared to 25,478 in 22/23). This suggests the trends show recovery from the COVID-19 related crime falls rather than other external drivers such as the increased cost of living. This is true in Greater Sydney and in Regional NSW.
- Liquor, including bourbon, whiskey, and vodka, is the most frequently reported stolen item relevant to 37% of retail theft incidents in 2022/23. Personal items, such as perfume and cosmetics, have seen the largest decrease in the past five years.
- Licenced premises and general wholesalers have seen the biggest increase in steal from retail incidents over the past five years and department or clothing stores and chemists have reported the largest declines.
- In the year to June 2023, the average value of items stolen in retail theft incidents was \$440.
- Offenders aged 30 to 39 years made up the largest group of retail theft offenders (47%), but young people aged 14 to 17 years had the highest rate of involvement with NSW Police for retail theft after accounting for population.

As noted earlier, the limited view of retail theft in administrative data creates difficulties in assessing accurately the level of theft experienced by retailers. Drawing on what is reported to NSW Police, the findings of this report suggest that the recent increase in retail theft is more likely to be a recovery from COVID-19 related crime falls. While rising cost of living pressures and organised crime involvement may be playing a part in how quickly retail theft volumes rebounded, this paper does not find evidence to suggest these factors have driven retail theft above what was occurring prior to the pandemic. Reports of retail theft in NSW will continue to be closely monitored.

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APPENDIX

Appendix 1. Recorded incidents of retail by region and top 10 premises types, July 2018 to June 2023

Greater Sydney						Regional NSW					
Rank	Type of premises	18/19	22/23	Vol. change	% change	Rank	Type of premises	18/19	22/23	Vol. change	% change
1	Supermarket	3,976	4,573	597	15.0%	1	Supermarket	2,723	2,319	-404	-14.8%
2	Shopping Complex	2,845	2,761	-84	-3.0%	2	Licensed Premise	1,419	1,669	250	17.6%
3	Department store	2,633	2,612	-21	-0.8%	3	Department store	1,595	1,162	-433	-27.1%
4	Licensed Premise	2,369	2,611	242	10.2%	4	Shopping Complex	1,016	1,129	113	11.1%
5	General Wholesaler	469	665	196	41.8%	5	Service station	500	508	8	1.6%
6	Other	706	545	-161	-22.8%	6	Hardware Store	337	446	109	32.3%
7	Service station	477	465	-12	-2.5%	7	Other	555	431	-124	-22.3%
8	Hardware Store	496	451	-45	-9.1%	8	Chemist	510	332	-178	-34.9%
9	Chemist	658	418	-240	-36.5%	9	General Wholesaler	166	253	87	52.4%
10	Retail food	269	234	-35	-13.0%	10	Electronics	175	101	-74	-42.3%