

MEDIA RELEASE

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Employees' love affair with sweet-heating continues

New research has revealed almost half (43%) of small business employees admit they or their colleagues provide discounts or freebies to friends and family*.

Commissioned by ADT Security, the survey of 500 small business employees and 500 small business owners Australia wide, also found that the younger the employee, the more likely they were to engage in 'sweet-heating', with 49% of Generation Y and 45% of Generation X admitting to the practice, compared to just 30% of Baby Boomers.

Furthermore, women (42%) were just as likely as men (44%) to provide discounts or freebies to friends or family, while small business owners would be wise to keep a closer eye on full-time employees (46%) than part-timers (36%).

While it has often been reported that Australian businesses experience unusually high levels of employee theft and fraud compared to the international average, these worrying new findings come at a time when small business bottom lines are already under attack from sluggish sales, weaker margins, rising costs of finance and rent, and increased competition for the consumer dollar.

In brighter news, only 18% of surveyed employees thought it was easier to get away with theft or fraud in a smaller business, perhaps indicating that the closer relationships formed in small business play a role. However, small business owners also identified that they often lacked the higher tech security options used by larger corporations to prevent crime, leaving them more vulnerable to employee theft.

Commenting on the survey, Managing Director of ADT Security Mark Norton said, "As the survey results show, small businesses have some natural advantages over employee theft, especially where the company is small enough for the owners to know each employee and oversee every contract or payment. However, the financial losses due to employee theft and fraud can be devastating, with our research suggesting that 43% of small business owners estimate their losses from crime total more than AU\$10,000 annually.

“Business owners can help minimise the risk of employee theft by performing regular and spot audits of stock and finances, rotating staff through different jobs, creating a positive workplace environment and showing they value their employees.

“We would also recommend they implement a comprehensive security plan which identifies security threats and trouble-shoots potential weaknesses, as well as installing physical security measures such as intruder alarms and monitored video surveillance.

“Electronic security systems are effective at both deterring theft and catching out employees who act dishonestly. ADT Security provides a number of affordable options including ADT Vision, a pay-by-the-month video surveillance solution with no upfront costs which has been designed specifically with the needs and concerns of small businesses in mind.”

In addition to increasing their business’ physical security, employers should watch out for warning signs of employee theft, including:

- Strange behaviour such as an employee who only wants to use one particular cash register
- More cash in the business when a particular employee leaves or takes a holiday
- A significant number of cancelled or deleted register sales
- An employee who won’t allow segregation of duties or resists changes to their role
- An employee whose lifestyle appears out of line with their income, is under financial stress or is struggling with addiction issues.

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* ADT Security commissioned leading online market research panel Pure Profile to conduct this survey of 500 small business owners and 500 small business employees around Australia during June to July 2010. For the purposes of the research, small business was defined as a business with less than 20 employees. Generation Y born between 1980 - 1994, Generation X born between 1965 - 1979 and Baby Boomers born between 1946 - 1964.

ABOUT ADT SECURITY

With more than a century’s worth of experience, ADT Security is the world’s largest electronic security company, providing electronic security solutions to more than seven million residential, commercial and retail customers worldwide. ADT Security’s products include alarm systems and integrated security applications that link access control, CCTV, electronic article surveillance and source tagging systems. www.adtsecurity.com.au

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