

ANNUAL REPORT

2017/2018





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| CHAIR AND CEO MESSAGE



Tēnā koutou,

2018 marks the 20th anniversary of the first informal meeting of the New Zealand Internet Safety Group that would later become Netsafe. Over the past two decades, this organisation has worked hard to create a safer more positive online experience for New Zealanders.

Our purpose is more relevant today than it ever was. Technology and innovation continues to transform how people live their lives. With the proliferation of devices, faster internet speeds and always on connectivity, New Zealanders are being presented with digital opportunities like never before.

Equally they are faced with digital challenges in rising volumes. Our research shows that one in 10 New Zealand adults report being unable to fully participate in daily activities because of harmful online contact - this figure doubles for youth.

Negative online experiences harm confidence in the very technologies and opportunities that we want, and need, New Zealanders to adopt. By providing advice and assistance, online safety helps to build confidence and encourage participation.

Kiwis have come to rely on Netsafe for impartial and independent advice to manage their own online safety, and to trust us to find swift resolutions if they do face challenges. The past financial year (FY18) was no different.

It was our first full year operating with the expanded resources provided under the Harmful Digital Communications Act. We were able to consolidate and refine our offerings as well as manage an increased workload and overall expectations.

We saw reports to our helpline grow and we improved our service to help more people resolve cases of harmful digital communication. We partnered on innovative campaigns, we connected with more Kiwis at live events, published new research and put in place a system to take reports of child sexual abuse material.

And we discovered that Kiwis were eager to know more about online safety as they visited our channels in record numbers.

A handwritten signature in black ink, consisting of a stylized 'R' and 'S' followed by a horizontal line.

Rick Shera
Netsafe Chair

We have incredible momentum on our side, but our work is not yet done, and we need to continue to adapt to meet the current and future digital needs of New Zealand. Our strategy for the year ahead will allow us to do this as well as build on the progress already made.

There is a strong focus on using innovation and technology as we look to expand our compulsory education sector, research and public education and awareness programmes.

You can also expect to see more activity for youth audiences in response to the disproportionate levels of harm occurring within that group.

Our strategy continues to be structured around the partnership model that has served Netsafe and New Zealand so well to date. Together we can provide practical and actionable online safety advice that Kiwis can seamlessly integrate into their lives. However, if they experience an online challenge they will know Netsafe is never more than a click, text or phone call away.

We are proud to share our latest annual report as it enables us to spotlight the diverse work Netsafe does. We are grateful to the Netsafe team for their dedication to helping Kiwis stay safe online and ensuring we remain one of the leading online safety organisations.

We would also like to recognise the Ministry of Justice, Ministry of Education and Internet NZ as our three key funding partners and thank our network of national and international members, partners and stakeholders for their ongoing commitment. We know a consistent and unified front is needed to support people experiencing digital challenges and to encourage users to take advantage of the opportunities.

While it is difficult to predict the year ahead, we can confidently assure you that Netsafe will continue to put New Zealanders, of all ages, at the heart of everything we do.

Ngā mihi.



A handwritten signature in black ink, which appears to read 'M Cocker'. The signature is stylized and includes a long horizontal line extending to the right.

Martin Cocker
Netsafe CEO

ORGANISATION OVERVIEW

Our Vision

Netsafe is the trusted source of leadership, best practice, research, support and education for online safety

Our Purpose

To enable New Zealanders to confidently access digital opportunities and reduce online harm

Our Values



Honesty and integrity



Agile and innovative



Collaborative and inclusive



Accountable and transparent



Keep it real

What we are

Netsafe is one of the world's leading online safety organisations. We are an independent non-profit that provides reactive and proactive online safety advice, support and education to everyone in New Zealand.

Thanks to our positive technology stance, pragmatic approach and innovative campaigns, Netsafe has been at the forefront of online safety for 20 years. We have some of the strongest relationships in the sector and collaborate with government, law enforcement, industry, academics and community organisations in New Zealand, and around the world, to achieve the best outcomes for internet users.

Who we are



TEAM MEMBERS



BOARD MEMBERS



MEMBERS



HELPLINE

I FY18 HIGHLIGHTS

The number of reports to Netsafe's Helpline grew

17%

Reports of harmful digital communication is up **23%**

There were **17%** more school interactions

The resolution rate for qualifying reports under the Harmful Digital Communication Act increased by **60%**

The reach of traditional media increased by

80%

The number of followers across social media increased by **9%**

Joined the **Global Kids Online Network** research partnership

13 grant recipients received a total of \$395,659 in funding

The average customer satisfaction rate remains steady at

8.7 out of 10

Delivered the **1st national survey** of New Zealanders experiences of online harm

Stakeholder Net Promoter Score increased by **13 points**

Implemented New Zealand node of **INHOPE's ICCAM system** to report child sexual abuse material



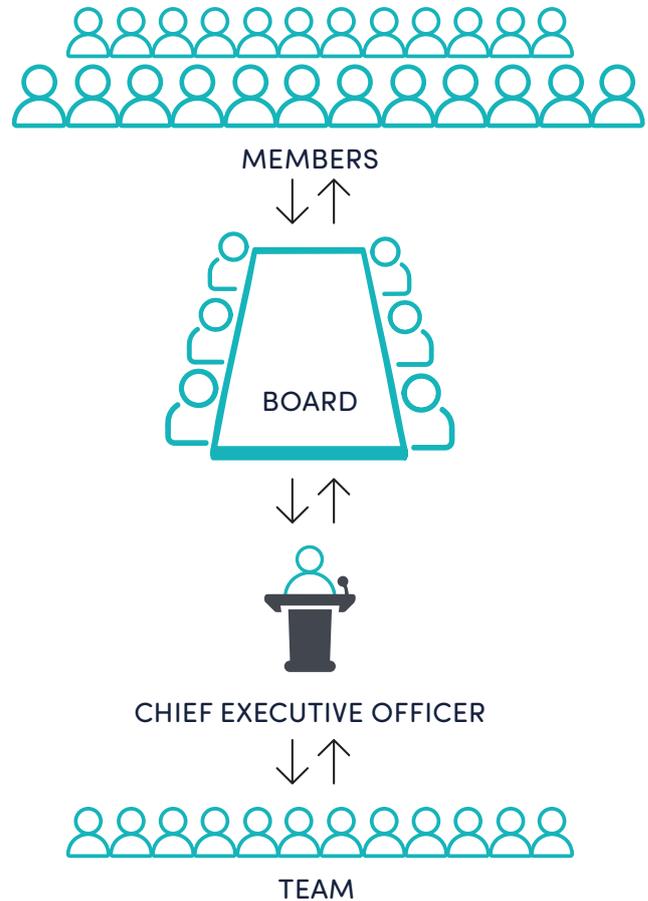
I NETSAFE GOVERNANCE

Netsafe is incorporated as a society (#1132428) and a charity (#CC24058). We are an independent organisation that meets the Government's definitions for non-governmental¹ and community and voluntary sector organisations². The activity we undertake is consistent with Netsafe's constitution³ and the contracts we hold with the New Zealand Government.

Under our constitution, the governance of the Netsafe Society is vested in six board members elected by our members. We have 157 national and international members with new applications for Netsafe membership received regularly.

Netsafe is both representative of, and accountable to, the community through our structures and processes. As an incorporated society, we control our operation, appoint the executive officer, have our own governance procedures and are focused exclusively on our purpose.

Netsafe is supported by a talented team of 23 people with an impressive breadth of professional backgrounds.



Their pragmatic approach enables Netsafe to support and educate New Zealanders about online safety efficiently and effectively. The organisation is structured to support these requirements with teams located in Auckland and Wellington.

¹ Principles to Underpin Management by Public Entities of Funding to Non-Government Organisations. Office of the Auditor General (2006).

² <http://www.dia.govt.nz/Resource-material-Our-Policy-Advice-Areas-Community-Development-Policy>

³ Adopted at the AGM of the Society on 26 March 2008.



From left to right: Jon Duffy, Miriam Walker, Rick Shera, Claire Amos, Andrew Cowie. Absent: Colin James

Netsafe's Board

Netsafe is led by an enthusiastic and active board who share their insights and expertise to help advance its purpose. Their perspective, influence and network enable Netsafe to help Kiwis of all ages right across the country.

Netsafe's board members are motivated by our civil society and unrelenting focus to improve online safety outcomes for New Zealanders. On this basis, Netsafe continues to attract board members with a variety of backgrounds including governance, online safety, education and law. They receive an honorarium which is benchmarked to the non-profit and public sectors.

Netsafe's current board



Rick Shera | Rick is Chair of Netsafe's board and has been since 2002. Rick is a leading New Zealand IT lawyer and partner at Lowndes Jordan with expertise in internet, privacy, online security and intellectual property law. Rick is also a CERT NZ Advisory Board Member.



Colin James | Colin is the Head of Security Strategy for Vodafone Group. He is responsible for setting the long-term strategy to address the changing threat landscape and protect Vodafone's global customer base. Colin has been a Netsafe board member since 2014.



Miriam Walker | Miriam is an independent user experience strategist, educator at Onepoto Playcentre and Tech Futures Labs, and student of te reo and tikanga Māori. She joined Netsafe's board in 2016.



Jon Duffy | Jon has been on the Netsafe Board since 2011 and is Deputy Chair. Jon is the Assistant Commissioner (Policy & Operations) at the Office of the Privacy Commissioner.

Prior to that Jon spent several years as the Head of Trust Safety at New Zealand internet start-up, Trade Me. Jon is a current member of the Consumer NZ Board and sits on the CERT NZ Advisory Board.



Claire Amos | Claire has worked for a variety of schools and educational organisations in her 20-year teaching career. This has included projects with the Ministry of Education, New Zealand Qualifications Authority and Network for Learning. Claire is a founding member of the Education Council of Aotearoa and is Principal of Albany Senior High School. She joined Netsafe's board in 2013.



Andrew Cowie | Andrew is the Deputy Principal at Upper Harbour Primary. He has worked for a variety of schools and educational organisations during his 18 years in the education sector. This has included roles at the National Library's Services to Schools and CORE Education. Andrew has been a Netsafe board member since 2016.

I FY18 PROGRAMME AND PERFORMANCE



COMPULSORY EDUCATION SECTOR

Netsafe has an agreement with the Ministry of Education to provide online safety services to schools. This is to ensure that all New Zealand schools, kura and their communities have access to quality online safety advice and support.

The information below showcases some of the initiatives Netsafe put in place to benefit the compulsory education sector.

A revamped Netsafe Kit for Schools

In 2018, we released version five of the Netsafe Kit for Schools. This is the cornerstone of our compulsory education programme as it delivers a broad range of online safety resources to the sector and connects schools to Netsafe's diverse stakeholder community.

When the Kit launched in 2001 it set the standard for similar initiatives globally. Whilst it may look different now, the Kit continues to provide best practice advice to help schools build and maintain a safe online environment.

The latest version of the Kit is undoubtedly the most significant redevelopment we have offered. This is largely thanks to two initiatives introduced to ensure

As New Zealand's independent, non-profit online safety organisation, we take a pro- technology approach to the challenges digital technology presents. We are committed to helping Kiwis take advantage of the opportunities technology affords by providing practical tools, support and advice.

Our FY18 strategy focused on four areas – consolidate, connect, engage and innovate. These focus areas helped Netsafe prioritise its work, so we could:

- Build upon the changes implemented in November 2016 when the Approved Agency services were established under the Harmful Digital Communications Act (HDCA).
- Increase the awareness of the service and products we offer as well as Netsafe itself.
- Strengthen our existing partner and stakeholder relationships, and create new ones.
- Remain a vanguard of the online safety industry.

In the first full year of operation with

our new service and expanded team, we were able to maximise positive outcomes for Kiwis by adjusting some aspects of our offerings.

The additional capability also saw Netsafe return to doing what it does best - working with partners, creating bespoke programmes and delivering innovative online safety awareness and research.

We continue to be an organisation of assistance and influence providing proactive and reactive online safety services to match New Zealand's evolving needs. This section of the report outlines our progress in delivering on the four focus areas in FY18 and demonstrates how we helped to create a safer more positive online experience for Kiwis.

schools maximise their online safety efforts:

- The Netsafe Safeguard Framework supports schools and kura looking to create safe online learning environments. Safeguard identifies seven key focus areas with a defined target state. When a school achieves each target they can be assured they are doing everything they can to safeguard their school community from the harm of online safety challenges.
- The Netsafe Schools accreditation helps schools establish, develop and promote online safety and digital citizenship in their school community. Once a school has met our online safety standards they will receive the Netsafe Schools badge to showcase their commitment. They will also be offered exclusive resources and opportunities to pilot products, enter competitions and attend events.

In the first month of operation, the Kit received more user registrations than the previous versions achieved in four years and site traffic eclipsed the number of page views to other iterations.

We will continue to refine the Kit to reflect best practice online safety. We will also review the analytics

Compulsory Education Metrics

Schools and kura interactions	Number
Schools and kura who contacted Netsafe for advice	186
School and kura who received Netsafe workshops	471
Total reports to Netsafe for advice and assistance	317

Satisfaction and impact	Percent
Schools and kura satisfied with customised face to face Netsafe services	97%
Schools and kura satisfied with Netsafe’s education and response service - average response	91%
Schools and kura who report Netsafe’s service helped them reduce harm after an incident - average response	82%

and gather feedback from the user community to ensure we make changes that matter. Through this process, we have already identified improvement opportunities to further streamline the Kit and improve the user experience.

Piloting Netsafe LIVE

As a way of reaching the regions where schools, kura and their community have a low engagement rate with us, the compulsory education team developed a pilot event called Netsafe LIVE. Central Otago was selected as the region for the pilot and sessions took place in Alexandra and Queenstown. Each session was designed for a



different audience - school leaders, educators and parents – and offered bespoke content.

The events were well supported by the Ministry of Education and the feedback received from participants was positive. As a result, Netsafe LIVE will continue to be deployed to different regions across the country. Several schools have already committing to hosting an event for their region.

PUBLIC EDUCATION AND AWARENESS

Our public education and awareness programme connects New Zealanders to online safety information, so they feel empowered to take advantage of digital opportunities. But even then, problems can arise from an error in judgement, risk-taking behaviour or being targeted regardless of the precautions put in place.

We want people to know that Netsafe can be trusted to provide reliable support and assistance when they need it.

Outlined below are the initiatives and metrics that demonstrate our ongoing commitment to helping Kiwis manage their own online safety.

Introducing Re:scam

Netsafe has a long history of assisting people who have fallen for a scam. Our work crosses over with many partners including government agencies, law enforcement, non-profit organisations and media as we all have a role to play in minimising the impacts on New Zealanders.

However, despite our best efforts, the number of scams continues to rise and quantifying the number of people affected remains complicated. We



The Re: scam bot

continually promote the things people can do themselves to avoid a scam, but we also knew a new approach was needed.

And that's where Re:scam came in.

We wanted to give people a tool to fight back against phishing scams. Re:scam was an artificial intelligence-based initiative that ran for two months. When someone received a phishing email, they could forward it to me@rescam.org. Re:scam then picked up the conversation and replied to the scammer using an invented identity.

The replies were designed to lead scammers on for as long as possible with exchanges that wasted their time. The theory behind it was that if scammers were busy talking to a robot, they could not talk to Kiwis.

The concept hinged entirely on people using the chat bot and visiting the website - media

coverage was crucial to the success of this 'anti-scam' campaign.

Fortunately, this was an initiative the community, media and partners wanted to talk about.

New Zealand media showed immediate interest and international media followed soon after. Re:scam trended on the likes of The BBC, The Guardian, The Daily Mail, El Pais.

In the hours following launch, Re:scam received more than 3,600 emails and more than 18,000 unique browsers. Over the campaign period, a staggering 210,000 scam emails were forwarded from every corner of the globe.

The campaign also drove awareness of Netsafe itself, not just the Re:scam initiative, with traffic to netsafe.org.nz quadrupling in the month Re:scam launched.

Additionally the Re:scam initiative was nominated for a variety of awards. To date it has won a total

of 53 campaign awards locally and internationally.

Netsafe was awarded silver and bronze at the coveted Cannes Lions International Festival of Creativity 2018 in the categories Media – Use of Branded Content created for Digital or Social and PR – Co-creation & User Generated Content. Netsafe was up against the likes of Coca-Cola, Comedy Central and Bacardi.

Closer to home, Re:scam picked up gold for Best Use of Promotion and Experiential Marketing in a Charity Campaign and silver in the Market Disruption & New Product/Service Development – Charity at the 39th annual AWARD Awards Show. It also received the 2018 Anti-Fraud Award at the International Fraud Film Festival 2018.

The results were unprecedented in terms of Netsafe’s history.

In many respects, the most significant challenge of the campaign was its success. The sheer volume of forwarded emails meant a greater need for human input was required to ensure that the interactions were appropriate and valid, and that the system would not cause harm or interact with anyone other than scammers.

Re:scam was a powerful awareness campaign. We have shared our learnings with our partners and

are continuing to look for ways to increase awareness and resilience to email phishing scams.



What Kiwis think of Netsafe

We know that most people who use Netsafe’s products and services are satisfied with the assistance we provide, but we understand that not all New Zealanders are aware of who we are, what we do and why we do it.

This is important because it means some people experiencing online harm are unaware of the protection offered by the HDCA and how they can access support. We can significantly improve the outcomes for these individuals, but only if they access our services. For this reason, we run various awareness campaigns throughout the year and undertake brand tracking research to understand what Kiwis think of Netsafe.

The brand tracking provides us with insights into how the broader community is accepting the content we are trying to associate with the

Netsafe brand and what level of success we are achieving.

The results give us a snapshot of how well recognised Netsafe is, when prompted and unprompted, and what we are known for. The results also provide a benchmark as to how we compare to other organisations in our space and/or who have similar engagement objectives.

The results from this year’s snapshot are somewhat static. Our public education work has maintained our position in the minds of New Zealanders and familiarity in who we are continues to shift in a positive direction. The most common places people have seen Netsafe are in the news, TV coverage and online. We still have some work to do on our goal to improve awareness of how people can access the services available to them.

Our awareness work for the year ahead will take these results into account. You can expect to see campaigns designed to increase New Zealanders understanding of the laws relating to harmful digital communications, the actions they can take to resolve the issues they experience and the broad range of services Netsafe offers.

Public education and awareness metrics

Netsafe delivered advice and information how, when, and where people wanted it in our trademark informative and accessible style. Kiwis eager to know more about online safety absorbed Netsafe’s advice in record numbers across traditional and new platforms.

Website

Our website, netsafe.org.nz, supplies people with tools and information to help them have a valuable online experience. It also provides a place where they can report an online challenge and get assistance.

Last year our website had over 247,000 unique visitors and more than 540,000 page views. This represents a 32 percent increase in visitors and a 30 percent growth in pages viewed compared to the previous year.

Much of this success can be attributed to new content designed to provide visitors with a response to contemporary online safety issues. Our social media campaigns have also been driving traffic to Netsafe’s site.

Traditional media

Netsafe’s traditional media coverage reached a cumulative audience of 38,687,247 - an increase of 80 percent compared to last year’s results. This success can be attributed to various public relation campaigns including Re:scam and our ongoing role providing reactive commentary when online safety issues emerge.

Social media

We use social media to connect with Kiwis, increase online safety awareness and promote our offerings. In April, we launched an Instagram channel to better engage with young people. The content addresses common challenges they face including online bullying, nudes, egaming and managing time online.

The number of followers across Netsafe’s social media channels continued to grow. Netsafe has 8,811 Facebook, 4,277 Twitter, 287 LinkedIn and 200 Instagram followers.

Thanks to these followers and investing in ads across the platforms, Netsafe was able to reach 2,518,041



people on social media. This result tells us that by providing engaging content we can deepen people’s understanding of the online safety industry and whet their appetite for more information.

Subscribers

Our email newsletters remain a powerful tool to communicate directly with Netsafe’s diverse subscriber audience. As people’s interest in online safety continues to grow, we have invested time in building targeted email lists that allows us to send information promoting specific programmes or resources to those most likely to engage, and promote, them.

In the past year, Netsafe has increased the number of subscribers by over 90 percent. We have clearly segmented groups including the compulsory education sector, Netsafe members, stakeholders and the public.

Requests for Netsafe services	Number
Education and information resources	970
Client presentations	154

PARTNERSHIPS

We strive to improve the online safety experience for internet users by working collaboratively with partners and stakeholders in New Zealand and around the world. The boundless energy and dedication of our partnerships results in New Zealanders having access to more practical online safety support and education than the citizens of other countries.

You can read more about our partnership work in the section below.

Combating Child Sexual Abuse Material

Sadly, countless children are the victims of sexual abuse on a daily basis. Sometimes the sexual abuse or exploitation of a child is captured and circulated as child sexual abuse material (CSAM). Unfortunately, the reach of CSAM is global and the societal impact is unprecedented.

In recent years there has been a significant rise in the amount of CSAM hosted in New Zealand.

CSAM has been adopted by the industry as the term 'child pornography' does not accurately reflect the seriousness of the content nor challenge the notion that a child is old enough to provide consent

Despite the best efforts of the agencies working to combat this insidious problem, New Zealand based hosts are increasingly used to provide a haven for those wanting to profit from the distribution of this material.

Since 1998, Netsafe has worked with the agencies involved in protecting young people from, and helping victims of, CSAM where the abuse has been perpetrated online. For a long time, the relationship was limited to acting as a point of referral or triage of a CSAM incident, but this year we worked in a new capacity.

Netsafe is now an operational node of ICCAM, the INHOPE and Interpol CSAM database and reporting system. INHOPE is an active and collaborative network of 52 hotlines in 45 countries working together to combat CSAM online. Members of the INHOPE network can report CSAM traced to New Zealand to us and we then work with New Zealand law enforcement agencies and industry.

This process significantly reduces the speed at which the CSAM content is taken down - from weeks to days – decreasing the opportunity that the content can be further circulated.

We are also working with the Department of Internal Affairs on a search engine trial which will facilitate access to therapeutic support services for people looking

for CSAM on the internet.

The collective work undertaken this year provides a strong foundation for Netsafe's CSAM Programme which should help reduce the impact of the CSAM phenomenon.

Online Safety on the Edge

The 2017 Online Safety on the Edge conference in Sydney was the inaugural event co-hosted by Netsafe and the Australian Office of the eSafety Commissioner. The conference explored the latest experiences, research and perspectives in online harm and resilience.

Over 370 people attended and they got to hear from 60 of the best local and international online safety experts. We presented new research on sexting and put a spotlight on egaming by hosting a panel, releasing a white paper and holding a trans-Tasman demonstration.

While the conference location was a hurdle for some New Zealand stakeholders, those that did attend were able to form and strengthen working relationships. The event was so successful that the two organisations have agreed to partner together to create an annual trans-Tasman conference for online safety practitioners in the region.



The trans-Tasman egaming battle in action

The next joint conference, The Crossroads, will take place in Auckland from 10-11 October 2018.

Netsafe events are a key point of contact for our stakeholders and we encourage anyone with an interest to come along. Our events provide an opportunity to raise the profile of the collective work undertaken and develop a common understanding of the challenges faced by online safety practitioners.

Stakeholder engagement remains high

Successful stakeholder engagement is critical to Netsafe's ability to deliver on our strategy and purpose. We are also tasked with establishing and maintaining relationships with organisations that can support the purpose of the HDCA.

As Netsafe's legitimacy is based on stakeholders' respect for our knowledge, a reputation for achieving results and an open and collaborative approach, we have committed to undertaking an annual stakeholder survey to better understand the needs of stakeholders and identify improvement opportunities.

Our latest survey results show that 90 percent of those who interact with Netsafe say that our services help them perform their role, and over three quarters are very satisfied with the education and awareness resources that Netsafe produces. More than 95 percent of respondents consider Netsafe to be a leader in online safety in New Zealand and our neutral position in the online safety community is valued by stakeholders.

Funding initiatives that benefit Kiwis

The Netsafe Online Safety Grant has been designed to provide financial support to research, projects and service initiatives that aim to reduce harmful digital communications (HDC), or lessen the harm caused by HDC.

Individuals and organisations can apply for funds up to a maximum of \$50 000, providing they are able to match the funding from other sources. Grant applications are assessed on a range of criteria including their positive attitude to technology, their degree of innovation, and their likelihood to reduce harm to New Zealanders.

Staples VR | \$27,735

Staples Productions Limited scripted and produced a series of 360-degree virtual reality (VR) films which can be played on social media platforms, tablets, desktops and smart phones where the viewer is taken on a journey to experience what it is like to be a victim of harmful digital communications supported by best practise advice to protect yourself against the harm that might be experienced.

Auckland University; 'Secondary sexting' and 'revenge porn' in NZ | \$26,300

This research project explores public attitudes towards Image Based Sexual Abuse. This involves an online survey and focus groups across New Zealand to ascertain the New Zealand publics' attitudes towards sexting, secondary sexting and so called "revenge porn".

Girl Guiding NZ | \$11,900

Girl Guiding NZ rolled out the Surf Smart programme to its members around New Zealand during 2017. Surf Smart programme provides the organisation with resources for leaders to deliver a well-researched programme on online safety. The programme contains modules on Connecting positively online, protecting yourself from online risks and respecting your rights and reputation online. Girl Guiding NZ trained more than 120 volunteer leaders who in turn supported more than 1000 young New Zealanders through the programme.

Taiuru & Associates | \$11,500

Taiuru & Associates have developed digital safety resources that are unique to Māori culture and speakers of te reo Māori. All resources are Creative Commons licensed and housed in a web site that is easily accessed. There will be two sets of ten videos that are recorded in English and in Māori discussing digital issues that are common to all users but also some unique issues to Māori such as spam in te reo

Cyber Savvy Schools Programme | \$31,000

Violence Free Communities ran a school based programme that trained students to lead their school in the safe use of technology, then supported them to drive 'cyber safety' initiatives in their school and community.

In FY18,
we awarded grants

**totalling
\$395,659**



Sticks n Stones; Online Advocate Programme | \$47,000

A project which aims to enable young people anywhere in NZ to be part of a co created, collaborative online community that equips them with tools, strategies and connections to prevent bullying and online harm.

University of Waikato | \$24,793

A research project focussed on developing Year 9 teachers' awareness and capabilities in integrating aspects of digital safety and strategies into their lessons that support their learners' awareness and capabilities. Images among secondary school boys.



Life Education Trust; Cyber-Savvy with Harold | \$17,875

This project developed a series of short story scenarios that highlight situations that primary aged children in New Zealand might find themselves in when they (or other people) are using technology. The outcomes of the project are; to highlight the importance of contributing positively in online spaces; to understand how to share and create information appropriately and safely and to take action when they see content they don't like.

Sticks n Stones; ICON | \$42,800

In Case of Online Negativity (ICON) is a web app that was conceived, co-designed and tested by teens and Sticks 'n Stones' members across New Zealand. ICON offers young people comprehensive solutions around dealing with online bullying and other issues. The web app guides them in their decision making, empowers them with the information they need and connects them with services that can help such as Netsafe. Part of the motivation behind creating ICON was a Sticks 'n Stone's survey that revealed 48% of young people who were experiencing bullying were not seeking help.

Antworks | \$50,000

Produced three documentary short films to tell stories on cyber-bullying, Internet safety and Image Based Abuse. The trilogy will be targeted primarily towards a young adult audience. Each film will be an individual story based on real-life events. The films will be based around interviews with former victims who agreed to tell their stories. The main intention is to inform, educate and help people involved in a harmful online situation.

SCSP Ltd. Responders Portal | \$50,000

SCSP developed a web-based tool which gives students access to information that will help them manage their cyber use and reduce their risk of harm; teaching them strategies on how to deal with abusive messages and online bullying and giving them the ability to make informed choices in their response.

University of Auckland; Recruiting boys as agents of change | \$49,756

A research scoping project to test the feasibility of a social action model for promoting ethical behaviour around intimate digital images among secondary school boys.

Massey University | \$5,000

This project uses a survey design to explore common responses to various types of cyber abuse among adults, including the reasons behind the underreporting of such incidents. Effective response strategies will be fed back to professional bodies tasked with the resolution of such incidents.

RESEARCH

Netsafe's research programme explores the relationship between technology, people and society - primarily in the context of the risk and impact of HDC in New Zealand. The research informs the services and resources we provide as well as the policy and practices of others working to address the challenges related to digital communications.

We work with national and international government agencies, online safety organisations and universities to extend the reach of research programmes and expertise to benefit New Zealand.

In the past year, Netsafe completed its first major research projects since 2007. Detailed below are the achievements related to Netsafe's research activity.

The first Annual Population Survey

In 2017, Netsafe (in partnership with the Ministry of Justice) undertook the inaugural Annual Population Survey (APS). The APS was the first nationally representative study to look at adult New Zealanders and digital communications.

The study provided insights regarding New Zealanders access to, and use of, digital technologies. It also explored people's level of

awareness of the HDCA. The study measured participants' familiarities of digital communications including perceptions and experiences of harm and distress in the last 12 months. It also presented relevant insights regarding New Zealanders' personal responses to the challenges they encountered.

The key findings indicated:

- There is an appetite for more information about keeping safe online. Most Kiwis would consider taking further action to protect themselves and others online. Yet, one in five lack the knowledge about what to do.
- Almost a third of New Zealanders received at least one type of unwanted digital communication in the past year. This includes a range of online experiences from less serious (such as receiving spam) to more serious incidents (such as being threatened online), not all of which are covered by the HDCA.
- Nearly one in 10 New Zealanders had experienced an unwanted digital communication that had a negative impact on their daily activities. The two most common negative consequences were being unable to participate online as usual and being unable to sleep or eat properly.
- Just over a third of those who experienced an unwanted

digital communication said that they were approached by a stranger.

- The greatest impact people experience is caused by digital communications that encourage someone to hurt themselves or involve the sharing of intimate images without permission.

As research on adult New Zealanders and their experiences with digital communications is limited, the APS provides evidence that can be used by government agencies, online content and service providers, law enforcement, the research community and the public.

However, considering the evolving nature of new technologies and how people engage with digital tools, new online challenges and risks are likely to emerge. The study of the nature and impact of digital communications will remain a relevant but challenging area of research, analysis and policy intervention.

Teens' experiences of online risk and harm

Netsafe partnered with the Ministry for Women to deliver a study on the experiences of teenagers with online risk and harm. The study makes an important contribution to the understanding of young people's experience of these behaviours and uncovered unique insights. This includes differences in gender,



- Studying the prevalence of teenagers exposure to risk and experiences of harm.
- Presenting young New Zealanders experiences of digital risk and digital harm in their own words.

Netsafe also published reports from this study that included topics exploring young people’s perceptions of their capability to keep safe online and their preference for accessing support when things go wrong online. Further information can be found at netsafe.org.nz/insights-into-digital-harm or by contacting Netsafe.

Joining the Global Kids Online Network

Next year we will build on our work researching young people’s online experiences. Being accepted as a member of the Global Kids Online Network (GKON) will help us with this. The network is a spinoff of the influential European Union Online Kids project and is managed by the London School of Economics and Political Science and UNICEF-Innocenti (with the support of UNICEF-New Zealand).

By joining it enables Netsafe to tap into a network of international researchers working on similar issues to those experienced in New Zealand.

ethnicity, disability and age.

Some of the findings include:

- Seven in 10 teens in New Zealand have experienced at least one type of unwanted digital communication in the past year.
- Nearly 19 percent of New Zealand teens experienced an unwanted digital communication that had a negative impact on their daily activities. The most common consequence was being unable to participate online as they used to, and to go to school or study.
- The most common types of unwanted digital communications involved being contacted by a stranger and accidentally seeing inappropriate content online.
- In just over a quarter of cases an unwanted digital communication was related to a wider issue

happening offline. This was higher for girls than boys.

- Compared to other ethnic groups, Māori and Pacific teens were more likely to report receiving unwanted digital communications across a range of different types.

We also collaborated with the UK Safer Internet Centre, University of Plymouth (UK) and Office of the eSafety Commissioner (Australia) to compare the experiences of teenagers sharing semi-nude and nude images and videos (‘sexting’).

Through our research on the experiences of New Zealand teenagers, we were able to make contributions in several areas of knowledge including firsts in:

- Studying the prevalence of behaviours related to the sharing of nudes by New Zealand teenagers.

OPERATIONS

We provide a free confidential helpline service seven days a week excluding Christmas Day. The service receives about 335 contacts per week related to a variety of online safety topics including objectionable content and HDC. Netsafe also provides incident support to schools under the Ministry of Education contract and manages scam reporting under an arrangement with CERT NZ and Consumer Protection.

Listed below are some of the milestones for Netsafe's operational activities in FY18.

Reports to Netsafe

The following table provides an overview of the number of reports we have received for assistance including those related to harmful digital communications. A qualifying

HDC report is assessed as having met the threshold of an offence under the HDCA.

Achieving Social Services Accreditation

As part of our expanded contract with the Ministry of Justice, we were required to attain and maintain the Ministry of Social Development's Social Services Accreditation.

This accreditation provides the Government, and people who use our service, with a level of assurance that we have the systems, processes and people in place to consistently deliver a quality service.

To obtain the accreditation we completed a self-assessment against key criteria which involved a stocktake of internal policies and procedures. We identified the need to edit some of the existing

documents and introduce new ones. By doing this we demonstrated compliance with legislation such as the:

- Vulnerable Children Act 2014
- Employment Relations Act 2000
- Minimum Wage Act 1983
- Holidays Act 2003
- Health and Safety at Work Act 2015
- Human Rights Act 1993
- Privacy Act 1993
- Protected Disclosures Act 2000

Our self-assessment was then reviewed by an independent assessor. Despite needing to complete two actions before the next review in 2019, we received the accreditation for the first time. This should help to make Netsafe a more attractive partner for other government departments.

Continually improving our HDC service

Netsafe is constantly striving to improve its ability to use advice, negotiation, mediation, and persuasion (as appropriate) to resolve reports of harmful digital communication. This is part of the service we are appointed to provide under the HDCA.

As our role is to provide New Zealanders with swift HDC

Helpline overview	Number
Reports received	17, 417
HDC reports	2, 465
HDC qualifying reports	170
Resolved HDC qualifying reports	105
Unresolved HDC qualifying reports	55
Qualifying complaints in progress	39
Reports referred to a third party	10

resolutions so they can avoid going through the District Court process, we need to deliver a service that continues to be fit for purpose. To do this, we rely on basic lean management techniques which includes reviewing service metrics and analysing process changes which could improve it.

Following a significant review of the existing service, we implemented a series of refinements to overcome some of the legal challenges faced by our clients and Netsafe itself. By doing this, we have increased our resolution rates to 62 percent and the overall customer satisfaction rate.

The focus on improving the HDC service is an ongoing priority for Netsafe.

Scam reporting and victim assistance

9,329
scam reports

1,273 scams
involved financial losses

Nearly **\$24** million
was reported as
lost to scammers

Category	Number of reports	Total losses	Average loss
Relationship and trust fraud (romance scams)	68	\$8,717,578	\$128,200
Investment fraud	121	\$7,150,682	\$59,097
Products and services fraud	882	\$2,867,223	\$23,696
Prize and grant fraud	67	\$2,459,223	\$37,704
Identity fraud	23	\$339,989	\$14,782

Online scams disrupt and harm the lives of those targeted. An online scam is any scheme designed to trick people out of money or steal their personal information that uses, or is delivered via, digital communications. When successful, scams cause wider economic losses as they undermine trust and confidence in business, the public sector and the ways people communicate.

In FY18, Netsafe received 9,329 reports of scams with 1,273 of those reported related to scams that involved a financial loss. The total financial loss to victims was \$23,934,393 across various scam categories. The table above identifies the top five scams reported to us where people lost the most money.

Often the experience for scam victims and their families results in financial and emotional devastation. Unfortunately, New Zealand does



not have an official service to support victims and to ensure they exit scam situations. We have tried to fill the vacancy in an unofficial role as victims often need the combination of pastoral care and technical advice we are uniquely able to provide.

We know that the harm suffered by scam victims is as damaging as those experienced in serious HDC cases which is why we are committed to helping New Zealanders recover. As one of many avenues through which people can report online scams, we distribute our information to relevant partners to disrupt scam operations and to build more effective awareness campaigns.

A HDCA review

In its Regulatory Impact Statement on the Harmful Digital Communications Bill, the Ministry of Justice indicated it would conduct a review two years after enactment. The purpose of the review is to assess the criminal offences and the effectiveness of the civil enforcement regime to determine whether there are any gaps.

As the agency tasked with making much of the HDCA process work for New Zealanders, we have always supported a review. The Minister of Justice has indicated that he will initiate this review in late 2018.



Confidentially and compliance

To successfully help Kiwis, Netsafe needs people to openly disclose

Year	Quarter	RFI requests	RFI timeframe met	Complaints to Office of Privacy Commissioner
2017	July -September	3	3	1
	October – December	4	2	2
2018	January - March	5	1	0
	April - June	1	1	0

and discuss sensitive information and trust that we will protect the information disclosed.

As we collect considerable volumes of personal information we are committed to protecting the confidentiality and privacy of this information and the integrity of our service. Under the HDCA, we are required to comply with the Ombudsmen Act 1975, the Official Information Act 1982 and the Public Records Act 2005. We have implemented the highest possible thresholds for the disclosure of information related to cases or clients.

The table above outlines the requests for information (RFI) under the Official Information Act and the Privacy Act.

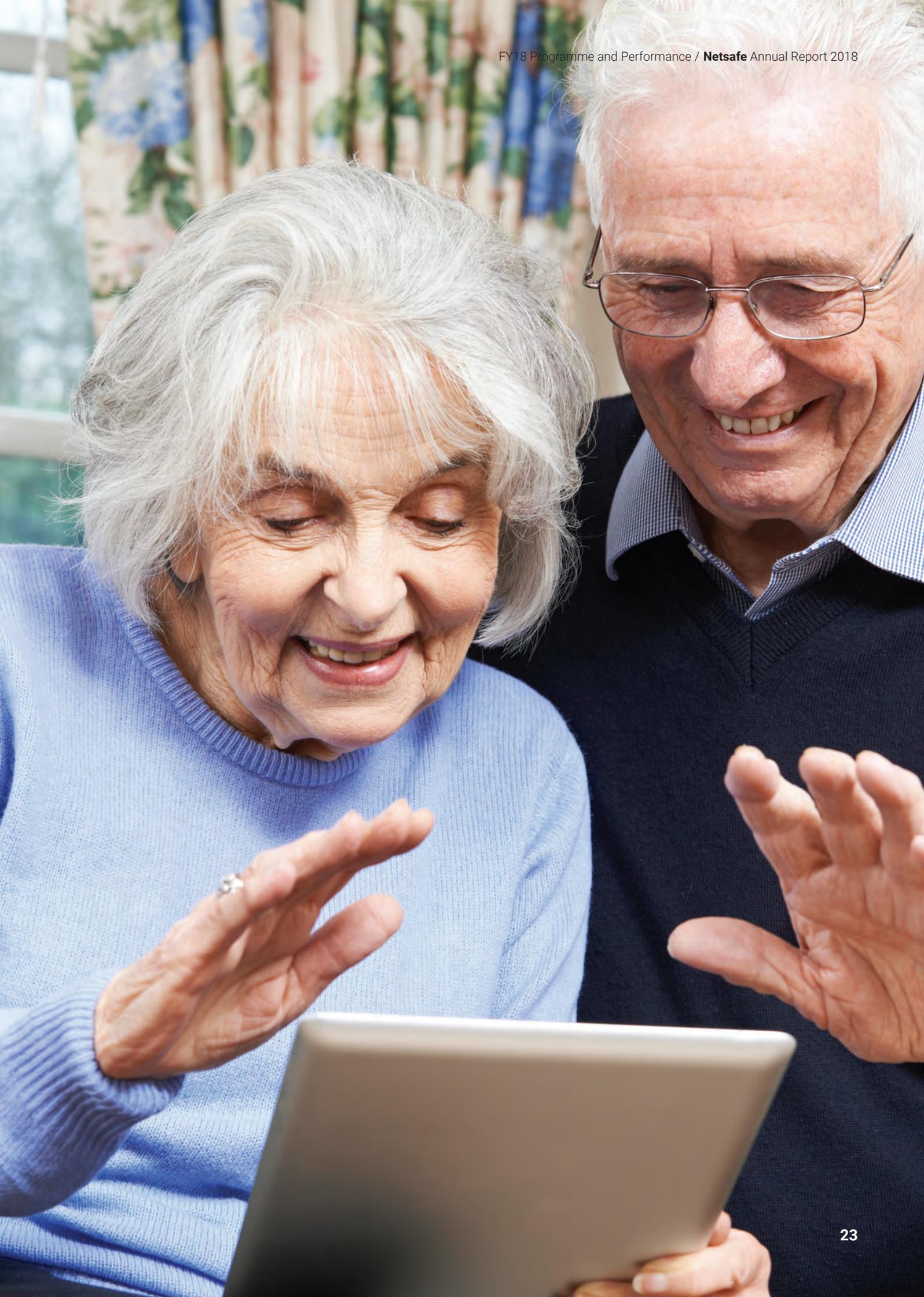
Several RFIs were not responded to within the statutory time as there was an unexpected spike in the number of requests received. Many of the RFIs required substantial

collation and careful consideration before a response could be provided.

Netsafe will refuse requests where we believe we are justified in doing so. For example, where we believe the disclosure would involve the unwarranted exposure of another person's personal information. When we do refuse, requesters can exercise their right to complain to the Privacy Commissioner or the Ombudsman about the decision.

To ensure our responses are appropriate and timely, we have:

- Streamlined the RFI process.
- Obtained external legal advice for each RFI.
- Issued internal guidelines for disclosing of information. Participated in discussions with the Office of the Privacy Commissioner.





FINANCIAL SUMMARY

Netsafe's financial statements were audited by Grant Thornton New Zealand Ltd. Outlined below are a summary of Netsafe's financial highlights. All figures provided are excluding GST.

A copy of the full audited financial report can be requested from Netsafe.

Revenue

For the 12 months from 1 July 2017 to 30 June 2018, Netsafe's total revenue was \$4,033,341.

Expenditure

The total expenditure for the 2016/17 financial year was \$3,743,143.

Surplus

Revenue exceeded expenditure by \$293,223 during this period. The surplus will be invested in the next year to deliver Netsafe's contract commitments.

Funding

Netsafe has a meaningful level of autonomy and independence from its funding partners.

In June 2016, Netsafe signed a three-year agreement with the Ministry of Education valued at \$812,000 per annum. The Ministry of Justice contract to provide the Approved Agency services commenced in November 2016 and is valued at \$2,710,000 per annum. In addition, the Ministry of Justice provides \$350,000 per annum for Netsafe to help fund new online safety initiatives. InternetNZ provided Netsafe with \$100,000 as a recipient of its strategic partnership fund.

STATEMENT OF REVENUE AND EXPENDITURE

	2018 GROUP	15 MTHS TO 30/06/2017 GROUP
Revenue		
Revenue from exchange transactions	4,033,341	4,698,003
Revenue from non-exchange transactions	-	100
Total Revenue	4,033,341	4,698,103
Expenses		
Administration expenses	277,121	246,907
Audit fees and consulting fees	70,573	503,301
Other operating expenses	806,073	635,230
Staff expenses	147,193	122,514
Wages and salaries	2,442,934	2,099,092
Total Expenses	3,743,893	3,607,044
Finance income		
Interest, dividends and other investment revenue	3,775	4,499
Total Finance income	3,775	4,499
Net surplus for the year	293,223	1,095,558
Total comprehensive revenue and expense for the year	293,223	1,095,558

STATEMENT OF FINANCIAL POSITION

	30 Jun 2018	30 Jun 2017
Assets		
Current Assets		
Cash and cash equivalents	1,565,964	1,258,186
Receivables from exchange transactions	296,311	236,796
Total Current Assets	1,862,274	1,494,982
Non-Current Assets		
Property, plant and equipment	93,188	133,908
Total Non-Current Assets	93,188	133,908
Total Assets	1,955,463	1,628,890
Liabilities		
Current Liabilities		
Payables from exchange transactions	60,988	90,562
Employee benefits	179,244	157,319
Goods and service tax	51,736	10,738
Total Current Liabilities	291,968	258,619
Total Liabilities	291,968	258,619
Total Net Assets	1,663,494	1,370,271
Equity		
Accumulated surpluses	1,663,494	1,370,271
Total Equity	1,663,494	1,370,271

I CASE STUDIES

In FY18, the Netsafe helpline received 17,417 reports and requests for help. Every reporter receives specific advice and assistance from our expert team. The following case studies provide an insight into that work.

It is important to help scam victims reclaim their online identity and their confidence, even if it isn't possible to reclaim their money.



A man had become suspicious as he got drawn into a lottery scam. By the time he realised it was a scam, he had given away a lot of personal information and was concerned about the impact.

We helped him understand what had happened, how to manage ongoing risk and explained the things he did – and did not need to do - to ensure he could continue to transact online safely and confidently.

Occasionally people accidentally produce harmful digital communications and we help them to undo the damage.



One person had angrily posted a damaging allegation about their ex-partner on a popular message board in a smallish community, which led to a 'pile on'.

The man had tried to contact the platform with no response. We spoke to his ex-partner who deleted the original post and the associated comments.

She had not realised or intended for the wider community to become involved. She agreed to refrain from further posting on the matter.

Netsafe has relationships and expertise that enables it to have content removed from national and international content service providers.



A woman had produced a parody video which had been altered and reposted so that the comedy aspect was removed. This new offensive version went viral and was viewed hundreds of thousands of times.

The woman faced threats and there were serious concerns for her safety. She contacted Netsafe for help.

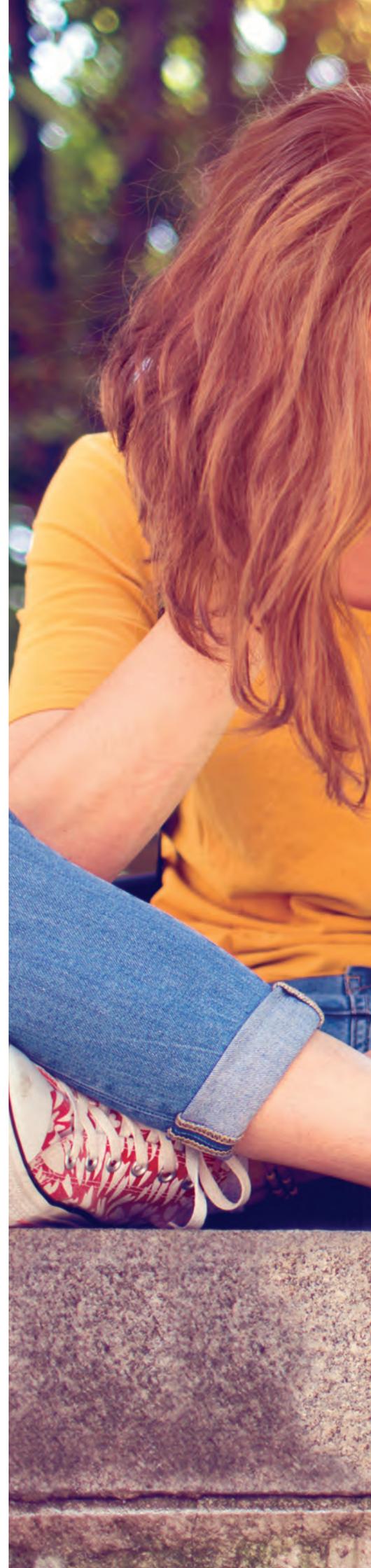
YouTube, multiple social media sites, and even bloggers were happy to delete the altered video when we explained its origins and the alterations.

Netsafe manages a number of cases involving online and offline components.



One case, reported via a Citizens Advice Bureau, involved a person who had been experiencing HDC for nearly three months. She was trapped in an abusive relationship through the existence of intimate images and videos and a threat to release them if she left.

Netsafe helped her to prepare her online life so she could separate without arousing suspicion. She was then able to leave and simultaneously report his threat to the Police. They warned her ex-partner that he would be charged if he shared the intimate images.





Netsafe often plays a role helping New Zealanders access their support and enforcement options.



Many people don't know their rights, or don't feel confident accessing them. For example, one young person had been groomed and manipulated into sending nudes over several years. When her friend reported their concern, we were able to transfer them into the care of the NZ Police Child Protection Team and their case to the NZ Police for criminal prosecution.

Many scam reports come from the families of victims who are desperate to find somebody that can convince their loved ones they are being scammed.



Recently a daughter called about her elderly father who was involved in a romance scam. Family and friends had been unable to convince him to stop sending money.

It was only when Netsafe explained how these scams work and highlighted how the information he was getting was fake that he became convinced. He lost a lot of money, but this intervention prevented him from losing more.

Sometimes we need to persuade people to do the right thing.



Take for example the ex-boyfriend who at first claimed the contact he was making was consensual. This was despite him being responsible for impersonation accounts, having unwanted items delivered to his ex-girlfriend's house and false allegations being sent to her employer.

When our team explained the court might take a dim view of his activities under the HDCA, he decided it would be sensible to delete those accounts and ceased the harassment.

Some reports to Netsafe include highly sensitive material and the safety of many reporters relies on our ability to manage outcomes and maintain confidentiality.



Not only do we need to understand the immediate impact of our actions, but we need to understand the future events that will unfold after a report is made to outside agencies.

One young woman had been manipulated into sending sexual videos to a male based in NZ. She didn't want to report this to NZ police in case her parents or boyfriend found out.

We reported the male's account to Instagram who flagged it to the US National Center for Missing and Exploited Children (NCMEC). The NCMEC team then passed the account holders details on to NZ Police Online Child Exploitation Across New Zealand to investigate. The woman retained her anonymity, whilst the offender faces prosecution.

We support frontline professionals and services with specialist online safety expertise and interventions.



For example, a school guidance counsellor supporting a student who had learned an intimate image privately shared over Instagram had been shared more widely within a neighboring school community.

Whilst the counsellor ensured the welfare of the student, Netsafe set about deactivating the sharing accounts and assisting the School Community Police Officer to have the remaining images deleted from offending phones.



| LOOKING TO THE FUTURE

Netsafe has successfully supported New Zealanders with their online safety needs for 20 years, but we recognise that we operate in an era of unprecedented technology innovation, digital disruption and always on connectivity. New Zealanders have never needed the products and services offered by Netsafe like they do now.

Our plan for the year ahead focuses on four strategic pillars that will enable New Zealanders to confidently access digital opportunities and reduce online harm.

Driving community engagement means increasing the public and education sector's interest in Netsafe and our services, while finding new audiences to engage with. We will deliver a service that provides a valuable experience for Kiwis regardless of why they interact with it.

Demonstrating online safety leadership is focused on making the best use of Netsafe's skills, expertise and experience to deliver value. We will actively contribute to the national policy agenda and identify

Our Vision

Netsafe is the trusted source of leadership, best practice, research, support and education for online safety

Our Purpose

To enable New Zealanders to confidently access digital opportunities and reduce online harm

Our Strategic Pillars



Drive community engagement



Demonstrate online safety leadership



Collaborate with partners



Maintain a solid foundation

Our Strategic Enablers

Highly capable team

Members, partners and stakeholders

Community support and empowerment

Technology and process

ways to use innovation and technology to combat online safety challenges.

Collaborating with partners is about working with our diverse stakeholder network to deliver initiatives that benefit New Zealanders. Netsafe is committed to finding opportunities that will build and enhance the online safety community locally and internationally.

Maintaining a solid foundation allows us to build on an already strong core. It ensures that our systems and processes appropriately support the future organisation and the needs of Kiwis, and that we have the right capability within the team.

We are fortunate that Netsafe has strong strategic enablers that will ensure we deliver on this ambitious and robust plan.

Some of the initiatives that we will roll out include establishing a text service to take reports of online challenges, automating scam assistance and hosting various events that extend the current reach of online safety.

We will also have a strong focus on young people which will see us develop a national plan for combatting child sexual abuse material, release the findings from the Global Kids Online Aotearoa – New Zealand, activate the Youth Action Squad and establish an interagency group for online safety and young people.

I CONNECT TO NETSAFE

STAY INFORMED

- Follow Netsafe NZ on Twitter, Facebook, LinkedIn and Instagram
- Subscribe to the Netsafe monthly update at netsafe.org.nz/newsletter
- Visit netsafe.org.nz for useful online safety tools and information

BECOME A MEMBER

- A Netsafe membership provides an opportunity to advance the online safety cause
- Membership is free and easy to apply for at netsafe.org.nz/members
- Contact membership@netsafe.org.nz with any queries

SUPPORT NETSAFE

- As a non-profit organisation, Netsafe is grateful for any contribution (financial or in-kind) that helps us support New Zealanders
- Email donations@netsafe.org.nz so we can talk about the options

SHARE KNOWLEDGE

- In FY19 we will research many topics including digital self-harm, image based sexual abuse and online hate speech
- Netsafe's research team are keen to exchange expertise and knowledge
- Email research@netsafe.org.nz to discuss the opportunities available to work together

ANNUAL REPORT QUERIES

Enquiries about Netsafe's 2018 Annual Report can be emailed to outreach@netsafe.org.nz



