

Annual Report 2021/2022





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From the Chair and Chief Executive

Chairman's Overview

2021/22 has provided challenging times for both Netsafe and Aotearoa New Zealand.

It has been heartening to see how the organisation has responded and continues to provide unwavering support for New Zealanders in need. Beginning the year without a CEO in place was one of those challenges, and the Board would like to acknowledge the contribution of Andrea Leask, who stepped into the role of interim CEO. Andrea ensured we offered the highest possible service to people throughout the country, who continued to turn to Netsafe in unprecedented numbers.

Andrea provided leadership and guidance to the organisation while the hunt was on for a permanent replacement, and I want to thank her publicly. At the same time, I would like to recognise the commitment, passion, and dedication of the entire Netsafe team during this period.

We continued to see an impact on society from the global pandemic and lockdowns of the previous year. An increase in calls related to the Harmful Digital Communications Act has put extra pressure on frontline staff. With record numbers of reports coming in, I am always humbled when I hear stories of how the team goes above and beyond to help the people who contact us, often in their darkest hours.

A new chapter begins

With the arrival of Brent as CEO, Netsafe opened a new chapter in its history. The Board was delighted to see him fit in so quickly and start to demonstrate a clear direction for the organisation.

As well as moving to new offices, Netsafe has been trialling better ways of working, invigorating the organisation and staff.

The focus now is on delivering on contracts with our key partners in the Ministry of Justice and Ministry of Education. But we also have the opportunity to look to where Netsafe can grow and continue to shape policy, while helping all of Aotearoa to have a safer, happier online experience.

Next year we will celebrate Netsafe's 25th anniversary as we set our sights on what the next quarter of a century will offer. The Board and I are confident Netsafe has everything in place to be successful in delivering its current strategy, while continuing to scan the horizon for further opportunities. It is an exciting time, and I am honoured to be a part of the organisation's journey.



Colin James
Netsafe Chairman

Chief Executive Officer's Report

2021/22 was a year of resilience. Our focus at Netsafe has been to respond in a positive and innovative way to the often-unpredictable challenges around us.

We felt the effects of more people being online over the second year of the pandemic, as requests for help to combat online harms increased again.

Our twin engines of harmful incident management and education continued to assist New Zealanders in their online lives. The good and the bad. Together these services fueled growth in the community's understanding of online harms and where to turn to for help.

Throughout the year, Netsafe delivered many professional learning experiences for teachers, parents, whānau and community groups. Our awareness-raising campaigns, included:

- a partnership with Voices for Hope in the You Wouldn't Say it to Their Face campaign
- our collaboration with Police, Meta and CERT NZ on SCAM Gallery
- our inaugural Netsafety Week

Our research continued to provide a solid evidence base for eSafety initiatives, while our State of the Nation study gave us a snapshot into how people in Aotearoa New Zealand feel about online safety, at a time when the country was dealing with impact of the Covid-19 pandemic. We have more work planned for the new financial year as we change the focus of our research towards data and insight.

A more holistic Netsafe for everyone

We expect 2023 will be full of challenges to overcome but we are better prepared than ever to meet them as we build a more holistic Netsafe for everyone. We will, of course, still

focus on our foundational operations, while expanding our growing digital advantages. And we will continue to put the well-being of our service users and team first. These priorities will hold us in good stead for 2023.

Netsafe's role in the cyber and content ecosystem will become much clearer in 2023.

We are involved in several proposed cyber and content reforms. As the landscape changes, we may have to establish new functions while improving our systems and processes. We must continue to build our organisational capacity and skills. As always, our team is already rising to the challenge and opportunities these reforms present.

Our brand and our service are nearly as old as the Internet itself in New Zealand. We'll be marking our silver anniversary year with a series of events and activities open to everyone in Aotearoa. This includes bringing back our eSafety conference, co-hosted with the Australian Office of the eSafety Commissioner.

The Netsafe Board of Directors has provided counsel and unwavering dedication this year. They have been an integral support to Netsafe's interim CEO Andrea Leask, to management and staff, and to me. I thank them for their guidance.

Here at Netsafe we are committed to ensuring that the organisation is designed to sustain another 25 years of developments on the Internet. Whatever challenges arise, we are here, as always, to help all New Zealanders have positive online experiences.



Brent Carey
Chief Executive Officer

Year at a Glance

2021 JULY

Netsafe reappointed for another five years under the **Harmful Digital Communications Act (HDCA) 2015**

First **Netsafety week** and **State of the Online Nation** Survey results: 52% had experienced an online safety issue in the past year

AUGUST

Family Safety Toolkit launched in partnership with **TikTok**

SEPTEMBER

You Wouldn't Say It To Their Face campaign in partnership with **Voices of Hope**

Netsafe records the busiest quarter in its 20-year history and a 65 percent increase in web traffic after the August 2021 lockdown

NOVEMBER

Facebook's SCAM gallery campaign in partnership with **CERT NZ** and **Police**

DECEMBER

Online safety guides for adults with an intellectual disability in partnership with **Spectrum Care Ltd**

Netsafe received 8,048 reports in Q2, an increase of 32 percent over the same quarter in 2020

Draft Aotearoa New Zealand Code of Practice for Online Safety and Harms opened for review

FEBRUARY

Netsafe coordinated **Safer Internet Day** in New Zealand

JUNE

Digital Danger and the Public Sector – joint engaged with **Office of the Auditor-General** and **Transparency International**

MARCH

Harmful Digital Communications Act (Unauthorised Posting of Intimate Visual Recording) Amendment Act passed: it is now a punishable offence if a person posts an intimate visual recording without the consent of the person that is the subject

MAY

Netsafe Youth Action Squad project with **Bricks 4 Kidz for Youth Action Week**

Brent Carey appointed new CEO

Our Impact

Netsafe is an independent non-profit organisation supporting people in Aotearoa to have safe and positive online experiences. We keep people of all ages safe online by providing free support, advice and education.

As New Zealand's internet consumption continues its post-Covid high, online harm also continues to rise. Netsafe had ended our financial year FY21 with a 24 percent increase in harmful digital

communication reports compared to the previous year.

Over the past year, Netsafe received 28,253 reports of online harm – which is 20 percent up on the same period the previous year.

These reports spanned the full spectrum of online safety issues, including:

-  Harmful Hate Speech
-  School Incidents
-  Privacy Breaches
-  Image-Based Abuse
-  Child Sexual Abuse
-  Scams
-  Digital Parenting Challenges

28,253 / **20%**
 Reports of Online Harm / Increase 



Harmful Digital Communications Service Team

Fast facts: volumes

Netsafe receives a large number of complaints of harmful digital communications, however, not all of these complaints meet the criteria defined in the Act.

To qualify under the Act, a digital communication must:

- A form of electronic communication, including text, writing, image or recording; AND
- Affect an individual; AND
- Be in breach of one or more of the communications principles; AND
- Cause serious emotional distress. Note, case law has set a relatively high threshold.

Hate speech targeting a group of people, disinformation and deep fakes are examples of harmful communications that do not meet the current criteria defined in the Act. We continue to advocate for change in these areas to better protect people in New Zealand.

A communication that is distressing to one person, may not be to another. To be qualifying under the Act, the person targeted by the digital communication is required to demonstrate that they have suffered serious emotional distress as a result.

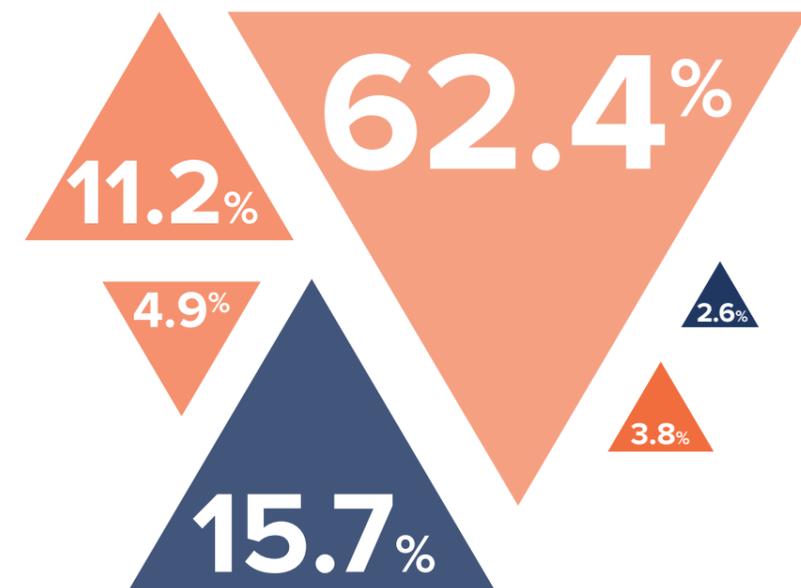
84% Overall satisfaction rate with Harmful Digital Communications service from those surveyed over the year.

Total Harmful Digital Communications complaints received

5,234 **24% ↑ Increase** Up from 4,207, a 24% increase over the same period the previous year.

Who is reporting?

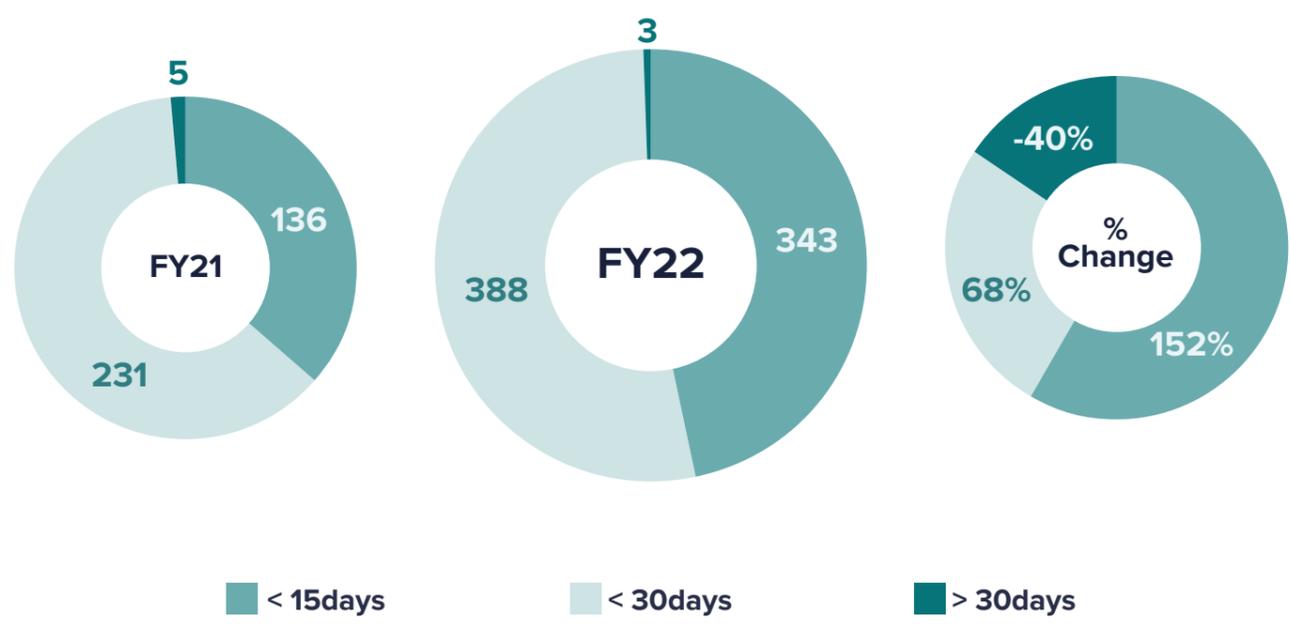
- 62.4% Self-reported
- 15.7% Other
- 11.2% Parents or guardian
- 4.9% Educator
- 3.8% Friend
- 2.6% Other family member



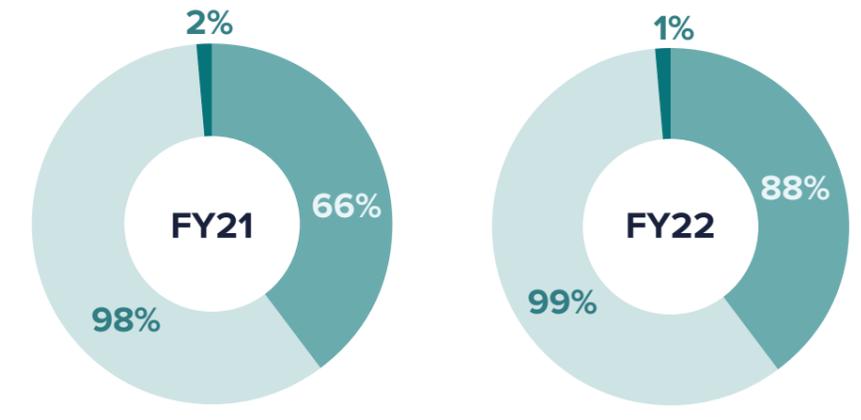
HARMFUL DIGITAL COMMUNICATIONS SERVICE TEAM

Resolutions and Timeliness

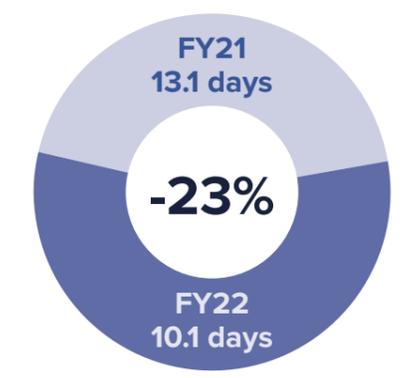
Time to resolve by numbers



Time to resolve by percentages



Average days to resolve



In 2021/22 251 Harmful Digital Communications Act complaints were resolved as compared to 120 reports in the 2020/21 financial year. This equates to a 109% increase in complaint resolutions.

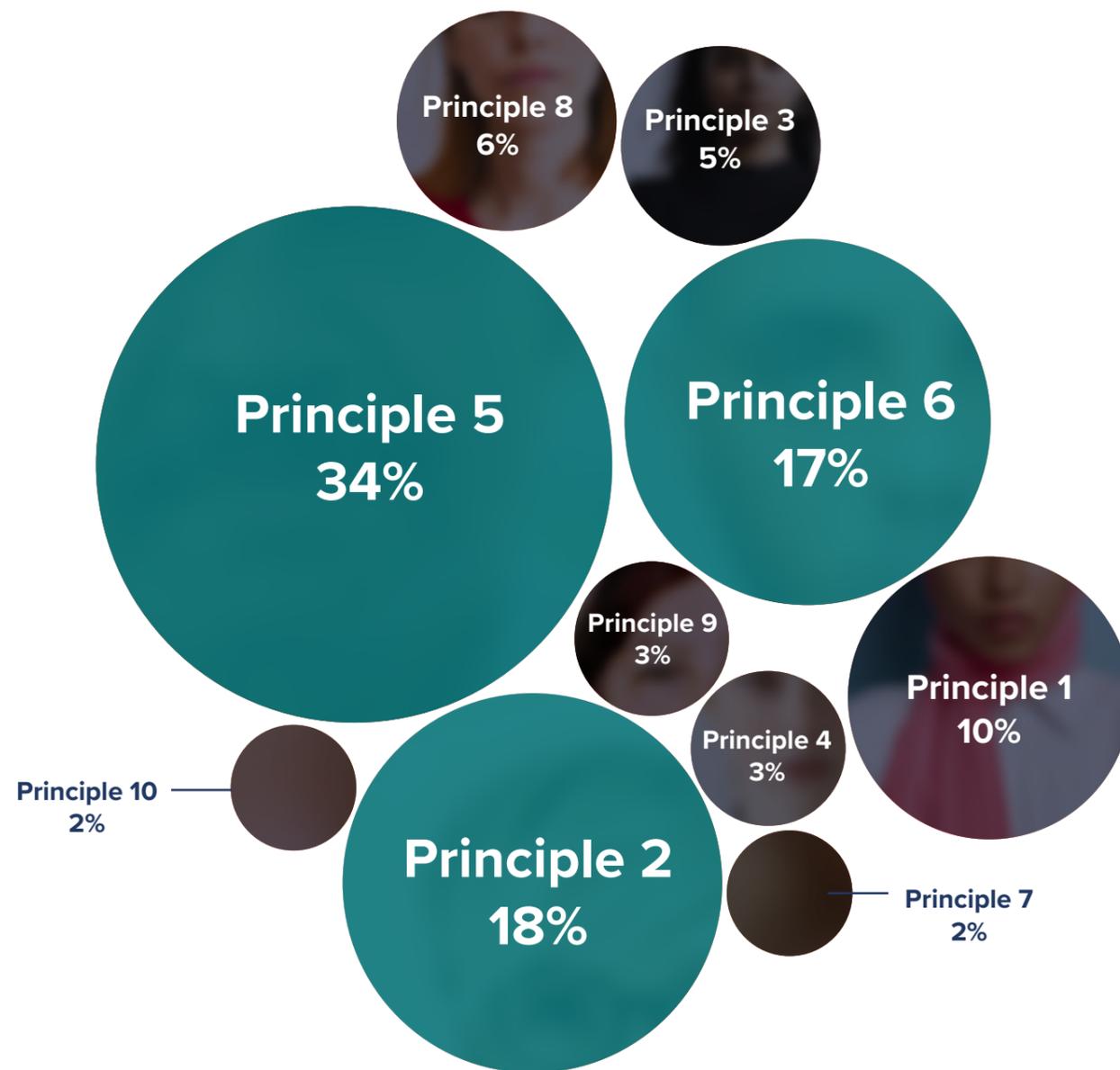
The average working days to closure in 2021/22 were 10.1 working days compared to 13.1 in 2020/21. Our case closure timeliness rate improved by 20%.

HARMFUL DIGITAL COMMUNICATIONS ACT

Reports by HDC Principle

Complaints that breached one or more of the 10 communications principles:

3,403



Principle	A digital communication should not	Reports	%
1	Disclose sensitive personal facts about an individual.	334	10%
2	Be threatening, intimidating, or menacing.	607	18%
3	Be grossly offensive to a reasonable person in the position of the affected individual.	180	5%
4	Be indecent or obscene.	102	3%
5	Be used to harass an individual.	1167	34%
6	Make a false allegation.	581	17%
7	Contain a matter that is published in breach of confidence.	69	2%
8	Incite or encourage anyone to send a message to an individual for the purpose of causing harm to the individual.	210	6%
9	Incite or encourage an individual to commit suicide.	91	3%
10	Denigrate an individual by reason of his or her colour, race, ethnic or national origins, religion, gender, sexual orientation, or disability.	62	2%

HARMFUL DIGITAL COMMUNICATIONS ACT

Principles in Human Terms

These case studies illustrate some of the types of reports Netsafe received in 2021/22

Principle 1: Disclose sensitive personal facts about an individual.

X received a message from a few friends, alerting them that they had been sent direct messages from an unknown account. These contained a link to a site where Y's intimate images had been posted. X didn't know who had posted the images or how they had obtained them.

Principle 2: Be threatening, intimidating, or menacing.

Principle 5: Be used to harass an individual.

X reported receiving an unwanted message from Y. This continued for a few months. X had taken steps to end the contact, including asking Y to stop, blocking their cell number and social media accounts. Y then created new accounts to message X. The more steps X took to prevent Y from messaging them, the more threatening and menacing in nature the messages became, such as "If you don't reply to my messages, I'll find other ways to track you down to find you."

Principle 6: Make a false allegation.

X went for a job interview. To their delight, they were offered the job the next day. They posted this good news on social media and received many messages of congratulations. The next day the new employer contacted X, informing them they had received an email containing allegations that X had been dismissed by their former employer for inappropriate behaviour. The email also alleged that X had previous convictions for theft. X could provide evidence the allegations were false.

Principle 8:

Incite or encourage anyone to send a message to an individual for the purpose of causing harm to the individual.

Principle 9:

Incite or encourage an individual to commit suicide.

X didn't agree with Y's opinion, which Y had shared on a post on their social media story. X couldn't believe that Y had shared a post supporting a view which they felt was false and misleading. X saved Y's story and re-shared it on their own story encouraging their followers to "Call this person out on their views – and tell them what you think of them." X tagged Y's account so it could be easily found by others.

This led to Y receiving hundreds of abusive comments, many of which were messages repeatedly telling Y to "KYS" [Kill yourself] and ways in which they should.

Online Safety Operation Centre

Total monetary loss from scams

\$35,622,135.67

This year has shown an unfortunate increase in financial loss and harm through scams and fraud online, with over \$35 million of losses reported to Netsafe during this time.

From July 2021 to June 2022, we saw an almost 25 percent increase in scam reports against the previous 12 months, driven by the proliferation of scams delivered by text messages.

Reports of text scams spiked in September and October of 2021, where we saw the Flubot scam impacting people in New Zealand on a large scale for the first time.

The following methods contributed to highly effective scam messages being delivered at scale:

- the use of shortcodes to hide the message sender
- shortened URLs (web addresses) to conceal where people are being led to
- the impersonation of services that you would expect to send notifications by text (such as courier and post services)

Investment scams made up most losses reported to Netsafe, followed by relationship and trust fraud. In addition to romance and online dating scams, we have seen an increase in reports involving the impersonation of family and friends.

Reports by type

Scams resulting in monetary losses

3,050

Fraud and other scams

5,384

Harmful Digital Communications complaints

5,234

Total reports received

28,253

Losses

Blackmail

\$66,438.00

Scam reports 27

Charity fraud

\$125,380.00

Scam reports 13

Digital economy

\$101,807.66

Scam reports 11

Consumer products and services fraud

\$2,481,487.86

Scam reports 1498

Consumer investment fraud

\$25,642,987.69

Scam reports 494

Phantom debt collection fraud

\$45,108.44

Scam reports 17

Identity fraud

\$77,546.97

Scam reports 41

Non-defined scams

\$1,616,197.83

Scam reports 177

Employment fraud

\$77,769.30

Scam reports 21

Other business harms

\$1,125.00

Scam reports 6

Relationship and trust fraud

\$4,402,807.12

Scam reports 270

Reputation harms to business

\$105,704.00

Scam reports 14

Prize and grant fraud

\$876,035.34

Scam reports 449

Trading offences

\$1,740.46

Scam reports 12

New Zealand

\$31,563,334.70

Scam reports 2791

Overseas

\$2,759,866.42

Scam reports 222

No answer provided

\$1,298,934.55

Scam reports 222



Engagement (education, research, marketing)

Netsafety Week 2021

We hosted New Zealand's first Netsafety Week, designed to Make Aotearoa Safer Online. Running from 26 - 30 July, hundreds of schools, businesses and agencies joined together to create more positive digital experiences for everyone. Participants united to share ways to make online spaces safer and to inform and reinforce where to get help if something goes wrong.

Research and publications

State of the Online Nation

A nationwide study, taking place between 1 and 12 July 2021. Our study talked to 809 people aged between 18 and 60 about online safety

Global Kids Online Digital Parenting Strategies and Behaviours of New Zealand Parents.

An examination of strategies that parents, caregivers and whānau in New Zealand use to mediate experience of online risk and harm.

Easy-read, accessible online safety guides

To coincide with the International Day of People with Disabilities, we launched a series of online safety guides for adults with an intellectual disability, produced in partnership with Spectrum Care.

Draft Aotearoa New Zealand Code of Practice for Online Safety and Harms

The draft code of practice opened for review. An opportunity for New Zealand to establish a world-leading online safety code of practice to ensure a safer internet experience for the community.

Family Safety Toolkit

Netsafe partnered with TikTok to help whānau navigate some of the challenges they can find when using the social media app. Available in English and Te Reo Māori.

Online Gaming Whānau Toolkit

Launched in July 2021, this features seven steps to help parents and guardians talk confidently with their children about gaming. Available in English and Te Reo Māori.

ROMANCE



Learn More



Campaigns

Netsafe worked with Voices of Hope charity on its campaign You Wouldn't Say It To Their Face, highlighting mental health issues stemming from online abuse and bullying.

We joined forces with Facebook, CERT NZ and the police to explain some of the most common scams and to offer tips to avoid them in Facebook's SCAM Gallery campaign.

Netsafe again coordinated Safer Internet Day on behalf of New Zealand, uniting schools, industry and organisations to raise awareness and start conversations about a more positive online experience.

Consultation Responses

Netsafe made a submission (Harmful Digital Communications Amendment Bill) in support of the Harmful Digital Communications

(Unauthorised Posting of Intimate Visual Recording) Amendment. This law passed on 9 March 2022. It is now a punishable offence if a person posts an intimate visual recording without the consent of the person who is the subject of the recording.

Website Visitors

Netsafe's website remains the most important channel for the outreach and communications teams. This is due to its ability to connect with large numbers of people from communities across New Zealand, whenever they need us.

The Netsafe Schools Kit, for example, provides educators with access to a wide range of self-help guides online, as well as resources and tools to help them create or enhance their school's online safety programme.

Website users increased in this period by almost 20 percent on the same period last year, up to 377,579.

Visitors increased across almost all age groups, with a significant increase in those aged 18-24 (18% percent).

Education

Covid restrictions in parts of the motu continued to impact our face-to-face events in the early half of this financial year. We worked in the second half of the year to catch up on this backlog, with face-to-face and virtual Senior Leadership Teams, staff and whānau presentations to 75 schools nationwide.

Our outreach team also worked with agencies that have a high reach across the school sector and can make the most impact

when putting our education support into action. This included public nurses, guidance counsellors, and Mana Ake (school based mental health).

Netsafe's education engagements continue to be received positively, with 88% of responses rating their experience as an 8/10 or above, and 74% rating it as a 10/10.

Educator Framework

We completed the review of the Educator Framework, previously referred to as the Review Tool. This has been presented to over 40 senior school leaders. Refreshing Netsafe's schools content to be more personalised and accessible is a project that will continue into the 2022/2023 year.

Our Priorities (2023 Outlook)

We expect New Zealanders to face continued change in their online habits and we will maintain our focus on four central outcomes for people in Aotearoa.

A holistic safety service people can rely on

- We will continue to provide access to reliable and plain language information to help people safely navigate online environments.
- We will step up our collaboration with others to pilot and conduct feasibility studies on techniques and tools that provide interventionist, holistic and wrap around services to ensure people thrive online.

Online spaces we trust and value

- New Zealand and global online content hosts make a huge contribution to vibrant and creative digital spaces. At a time when there is a wide variety of voices on different sides of the public debate, we will continue to be a civil society voice that the public can turn to for free, independent, expert information about online spaces and places.
- We will support legislative processes and speak up about non-legislative responses to tackling online harms.

A safe and positive online experience

- We will enhance our education offer to bring more safety and positivity messages to more New Zealanders.
- We will pilot our micro learning moments content and publish a range of resources offering insights into, and analysis of, online safety matters.

Diversity and Inclusion capabilities

- We will continue to work in partnership with iwi hapū and Māori to maximise their rangatiratanga over their online safety goals and services.
- Participate in Pasifika, Māori-led, LGBTIQ+ led initiatives
- Build our competencies to learn from different people to advocate for online safety on behalf of others.





Legislation and Compliance

We are committed to protecting the confidentiality and integrity of our service.

To help people successfully, Netsafe needs them to openly disclose sensitive information and trust that we will protect the information they share with us.

We endeavour to comply with the Ombudsmen Act 1975, Official Information Act 1982, Public Records Act 2005, and Privacy Act 2020.

The table below outlines the requests for information (RFI) under the Official Information and Privacy Acts. 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 information. This can be the case where an author of alleged harm requests information provided to Netsafe by the person who has been the target. When we do refuse, requesters can exercise their right to complain to the Privacy Commissioner or the Ombudsman about the decision.

The Human Rights Review Tribunal published its decision in respect of a complaint against Netsafe arising from a breach of IPP6 (access request) that occurred in 2016. The Human Rights Review Tribunal found that Netsafe had breached the privacy of the individuals concerned and awarded damages. Netsafe has apologised to the individuals concerned. We continue to refine our processes and procedures to ensure we meet our obligations under the Privacy Act 2020 and protect the privacy of individuals who make complaints under the Harmful Digital Communications Act.

	FY21	FY22
Requested for Information (RFI) requests received.	38	33
Withdrawn requests.	5	4
Requested for Information (RFI) timeframe met.	32/33	27/29
Complaints to Office of Privacy Commissioner or Ombudsman.		1*

*One complaint was made to the Ombudsman regarding our response to an OIA request received during the financial year. Whilst the complaint went to the Ombudsman in the next financial year, it has been included in this year's figures.

Financial Highlights

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

Revenue

For the 12 months from 1 July 2021 to 30 June 2022, Netsafe's total revenue was **\$4,419,046**.

Expenditure

The total expenditure for the 2021/2022 financial year was **\$4,686,974**.

Surplus/Deficit

Expenditure exceeded revenue by (\$265,170) during this period. This shortfall was expected as Netsafe reinvested in growth initiatives to deliver its strategic and contractual obligations. Cash reserves were used to cover the shortfall.

Funding

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

Statement Of Revenue And Expenditure

	FY22	FY21
Revenue		
Revenue from exchange transactions	4,418,646	4,062,209
Revenue from non-exchange transactions	400	
Total revenue	4,419,046	4,062,209
Expenses		
Administration expenses	255,568	244,092
Audit fees and consulting fees	588,723	197,419
Other operating expenses	682,774	1,216,742
Staff expenses	268,488	118,948
	2,891,422	2,358,101
Total expenses	4,686,974	4,135,302
Finance income		
Interest, dividends and other investment revenue	2,758	2,247
Total finance income	2,758	2,247
Net surplus/(deficit) for the year	(265,170)	(70,846)
Total comprehensive revenue and expenses for the year	(265,170)	(70,846)

Statement Of Financial Position

	FY22	FY21
Current Assets		
Cash and cash equivalents	1,165,866	1,780,806
Receivables from exchange transactions	697,581	263,494
Goods and services tax	-	35,831
Total current assets	1,863,448	2,080,131
Non-Current Assets		
Property, plant and equipment	76,781	109,242
Total non-current assets	76,781	109,242
Total Assets	1,940,228	2,189,373
Current Liabilities		
Payables from exchange transactions	100,159	184,915
Employee benefits	227,974	264,558
Goods and services tax	25,817	
Total current liabilities	111,549	449,473
Total liabilities	465,498	449,473
Total net assets	1,474,730	1,739,900
Equity		
Accumulated surpluses	1,474,730	1,739,900
Total equity	1,474,730	1,739,900

Connect to Netsafe

Stay Informed

- Follow Netsafe NZ on Twitter, Facebook, LinkedIn, Instagram and TikTok
- Subscribe to Netsafe updates at netsafe.org.nz/newsletter
- Use netsafe.org.nz as a one-stop online safety resource

Become a Member

- Help advance online safety in NZ
- Membership is free. Apply at netsafe.org.nz/member
- Email membership@netsafe.org.nz with any queries

Support Netsafe

- You can contribute financially or in kind to Netsafe
- Email outreach@netsafe.org.nz to learn more

Share Knowledge

- Netsafe's team are available to share their expertise and our data insights with the media
- Email outreach@netsafe.org.nz with queries

Annual Report Queries

- Enquiries about Netsafe's 2022 Annual Report can be emailed to outreach@netsafe.org.nz