



Shaping a safer digital future for New Zealand

Netsafe Annual Report highlights need for legislative changes to keep pace with rapid evolution of cyber threats

As online threats continue to evolve and increase at record levels, the services of New Zealand's online safety watchdog have been more in demand than ever in the last year.

Netsafe's Annual Report released today highlights the significant impact online threats such as scams, sextortion, and deep fakes have at an economic and societal level.

The report also calls for changes to the Harmful Digital Communications Act (HDCA), which governs online safety, to ensure New Zealand keeps pace with the rapid evolution of online threats.

Scams have escalated in the last year with Netsafe's dedicated scam helpline processing more than 14,000 scam reports with 3,280 resulting in monetary losses totalling almost \$22.5 million.

Overall, however, scams are draining billions from Kiwis' savings, with total losses surpassing \$2.3 billion in 2024 according to the State of Scams in New Zealand 2024 report Netsafe did in partnership the Global Anti-Scam Alliance (GASA). It highlighted online shopping scams as most prevalent and surpassing identity fraud.

There has also been a 12% increase in sextortion reports, with at least 43 cases each week. Deepfake activity is becoming more prevalent, and hate speech and racism is also up.

This aligns with an almost 25% increase in people using Netsafe's harmful digital communications helpline and more than 375,000 unique website visitors seeking tips and tools to navigate online safety challenges.

Netsafe CEO Brent Carey says the digital environment is evolving rapidly and changes to the HDCA are required to ensure the country is protected from online harm in the future.

"The advancements in deep fake technology are an example of how New Zealand's legal framework not keeping pace. While local legislation offers some protection for AI-created or modified images, video or audio, stronger legal protections and resources are required to manage the increasing volume of synthetic content."

Netsafe's ongoing focus is developing solutions and programmes to help combat current, and future needs when addressing online safety. In the last year it launched a range of initiatives, including a partnership with Cybera to recover lost funds for scam victims; relaunching an AI-powered scam-baiting tool, Re:Scam; and introducing education programmes including the relaunch of animated series for children, Hectors World, in English and Te Reo.



2024 KEY TRENDS

Sextortion – The 12.2% increase in sextortion reports, where scammers threaten to use images of victims online unless further demands are met, saw at least 43 cases reported each week. The impact for victims includes severe emotional distress leading to depression and suicidal thoughts.

Deepfakes – The increased prevalence of these highly convincing fake images, videos, or audio, which are created using AI, requires urgent government action to implement stronger legal protections and resources to manage deep fakes.

Hate speech and racism – Similar to deepfakes, the current legal framework under the HDCA is insufficient to address hate speech issues, particularly when harm is directed at groups rather than individuals. Netsafe is advocating for legislative reform to extend protections against online harm targeted at groups.

Scams – Most common scam reports were identity fraud, consumer investment fraud / online shopping, employment fraud, and romance scams, where scammers use a fake identity to establish a relationship and gain personal information or money from a victim.

An emerging trend this year shows the average amount lost by males is 31% higher than that of females.

Child Sexual Abuse Materials (CSAM) – There were 1,645 CSAM reports received in FY24. Netsafe processed 1,092 reports of CSAM which were then passed on to the appropriate law enforcement or regulatory agencies in New Zealand.

Additionally, Netsafe is New Zealand's representative for INHOPE, the International Association of Internet Hotlines. These hotlines play a key role in the global fight against the online exploitation of children and help to significantly reduce the time it takes to delete material online.

Education initiatives – Working alongside schools is a priority with wide ranging programmes launched that included online safety for primary aged children with Hector's World to guidance for educators on AI.

New school's resource, Kete, was launched to meet the need from teachers for access to online safety resources in their classrooms with almost 7,000 educators registered.

FUTURE FOCUS FOR NETSAFE

“Looking ahead our focus remains on innovation, trust, impartiality and tech-for-good tools,” says Carey. “With a refreshed online presence and new services on the horizon, we are ready to expand our impact nationwide.”

As well as continuing advocating for changes to the HDCA, Netsafe is also calling for a national scams centre to help address the financial and mental impact scams are having in the current digital landscape.



Additional key focus areas for Netsafe include:

- Developing programmes that build on the release of Netsafe’s research with the Classification Office about youth perspectives on body image content and social media.
- Addressing the intersection of digital safety and mental health, especially among young people is critical. Netsafe is expanding its resources and partnerships for mental health support referrals in online spaces to help tackle cyberbullying and online harassment.
- Contributing to the review of New Zealand’s suicide prevention action plan, with a focus on the role of social media, and new stalking laws for New Zealand.
- Developing interventions and support for vulnerable communities, particularly those aged 16-24, against increased online stalking, harassment, and hate speech.
- Informing the public about AI risks, information security, and privacy protections as cyber threats continue to evolve

Carey says the essential work the Netsafe team does is reflected in it being the organisation’s most successful year in terms of the number of people helped and international partnerships being negotiated.

“Together as a team we will continue shaping a safer digital future for New Zealand.”

***Netsafe’s Annual Report is available at:** <https://netsafe.org.nz/our-work/reports-and-research>

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