

Loses from cybercrime reaches all time high in 2023

Cyberbullying costs New Zealand's economy more than one billion dollars per year, according to a new report,

The research, commissioned by New Zealand's online safety agency Netsafe and undertaken by leading economist Shamubeel Eaqub, analysed the economic impact of online harm by assessing the cost to individuals, communities, and solutions.

The \$1.07 billion cost to New Zealand's economy has more than doubled since 2018, reflecting the sharp rise in online harm over the last two years.

"The same survey in 2018 revealed New Zealand was losing \$444 million due to online harm, which is more than half today's cost," says Netsafe CEO Brent Carey.

"Online harm has become one of the country's biggest economic problems. It's key that we develop robust solutions to help reduce the prevalence of cybercrime because our current defences are not working."

"For example, we need to continue raising awareness of where victims can seek help and better prepare our young people to deal with online spaces."

Alongside the increase in cybercrime, the report also revealed a greater awareness of online harm, with 62% of Kiwis aware of the dangers.

Compared to the 2018 research, the report shows a widespread increase in online harm experienced in people's family and friends circles. More people are likely to have:

- known a friend who has experienced online harm (18% in 2023 vs. 15% in 2018)
- experienced online harm themselves (16% vs. 10%)
- a partner who has experienced online harm (11% vs 7%)
- a child who has experienced online harm (10% vs. 8%)

Māori, Asian and younger people were reported as the most likely to experience online harm.

The findings in the report reflect Netsafe's data, with the agency recording its busiest quarter with 7,393 total harm reports, an increase from 5,168.

The report did not include the cost of fraud or scams, which, based on reports to Netsafe, was over \$35 million last year. However, this number is believed to be far higher – between \$200 to \$400 million – as police data shows 93% of fraud and 97% of cybercrime go unreported.

Shamubeel Eaqub believes the one billion estimate is conservative.

"We are yet to account for workplace and online fraud/cybercrime effects fully. The actual number could be closer to \$1.5 billion and rising. It's a substantial number, especially for such a small country."

Eaqub says one of the keys to reducing the threat and impact of cybercrime is removing barriers stopping people from reporting incidents.

“People are embarrassed to come forward, and we need to remove the shame for those who ask for help because that billion-dollar number is realistically a lot more.”

For information and access to the full report, follow this link:

<https://cdn.sanity.io/files/8y8wsx0z/production/2ccc1324a82b6ae2a70c8167b0b896240b7755c3.pdf>

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About Netsafe

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. Visit netsafe.org.nz for free resources or to report incidents of online harm.

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