

Classification Office

TE MANA WHAKAATU

Protecting our communities from harm

A cost-benefit analysis of forensic classification
services (Summary Report)

Protecting our communities from harm

A cost-benefit analysis of forensic classification services

Content Warning

This report includes high-level discussion of harmful online content, including content that is illegal in New Zealand. This includes references to child sexual abuse material, violent extremist content, and graphic violence.

The report does not include detailed descriptions of this content, but the topics mentioned are highly sensitive and may be distressing or upsetting for some readers. For reporting or helpline information, see these pages on our website:

classificationoffice.govt.nz/classification-info/how-do-i-report-harmful-or-illegal-content-in-new-zealand/

classificationoffice.govt.nz/about/helplines-and-support-services-in-new-zealand/

Acknowledgements

We are grateful to Megan, Todd, and the New Zealand Institute of Economic Research (NZIER) team for their expertise and dedication throughout this project, and for understanding the importance of our work beyond what can be monetised. From the initial research and stakeholder consultation, through to the analysis and communication of the findings, they have been spectacular to work with.

Special thanks to the organisations who supported this work, including: the New Zealand Police, the Department of Internal Affairs, the New Zealand Customs Service, the Ministry of Justice, and Tech Against Terrorism.

Classification Office

TE MANA WHAKAATU

Level 1, 88 The Terrace, Wellington 6011
PO Box 1999, Wellington 6140

Phone 04 471 6770
Email info@classificationoffice.govt.nz
Website www.classificationoffice.govt.nz

Cite as: Te Mana Whakaatu Classification Office. (2026). *Protecting our communities from harm: A cost benefit analysis of forensic classification services (Summary Report)*. Wellington, NZ: Te Mana Whakaatu Classification Office. <https://doi.org/10.5281/zenodo.23328557>.

October 2026

Contents

MESSAGE FROM THE CHIEF CENSOR	4
WHAT THIS REPORT MEANS FOR NEW ZEALANDERS	5
BACKGROUND	7
Who are we and what do we do	7
What is 'objectionable content' and 'forensic classification'?	7
Why we're doing this work	8
Why did we commission a cost-benefit analysis of the forensic classification system?	8
THE REPORT	9
How was the report done?	9
What did the report say?	9
What did the Youth Advisory Panel say?	11
NEXT STEPS	12
What will the Classification Office do with the report?	12

Message from the Chief Censor

The Classification Office – Te Mana Whakaatu is tasked with examining some of the toughest material imaginable so that New Zealanders aren't exposed to its harmful effects. We classify this content to prevent and reduce harm to our communities, while upholding the right to freedom of expression.

One of our strategic priorities is doing our core business well. To do that, we needed to better understand the value of our forensic classification work; not just the work itself, but the difference it makes for New Zealand.

While the harms associated with objectionable content are well recognised qualitatively, there has been little done internationally to quantify the benefits of preventing that harm. So, we embarked on an ambitious piece of work with NZIER to develop a cost-benefit model for forensic classification services.

We hope this work contributes to understanding the value of forensic classification in New Zealand and also provides a practical framework that others can build on when evaluating interventions that protect people from harm.

I'm proud to lead an organisation with unique statutory functions that can adapt to the times and continue to have measurable and positive benefits. As Chief Censor, it's my job to ensure that public money is spent wisely on the things that have measurable benefits for our community. This analysis gives us confidence that our investment in forensic classification delivers real value for New Zealand, and encourages us to continue strengthening this vital work to better protect our communities now and into the future.



A stylized, handwritten signature in black ink, representing Caroline Flora.

Caroline Flora
Chief Censor

What this report means for New Zealanders

A COST-BENEFIT ANALYSIS OF FORENSIC CLASSIFICATION SERVICES: AT A GLANCE

Forensic classification determines if content is illegal (objectionable) under New Zealand law and supports efforts to reduce harm. The New Zealand Institute of Economic Research assessed whether this work delivers value for New Zealand, finding that its benefits outweigh its costs. The biggest estimated benefit is reducing harm to people.

\$1 invested → \$1.10–\$2.20 in benefits

The economic case

For every \$1 invested in forensic classification, the analysis conservatively estimates \$1.10 to \$2.20 in benefits to New Zealand.

These benefits include reducing harm to people and helping agencies save time.



\$1.10–\$2.20

a conservative estimate of benefits



Harm prevention



Time saved

The biggest benefit is reducing harm to people

Why the work matters

Forensic classification helps other agencies act against illegal content. This can help:

- prevent further victimisation of people who have been abused or exploited
- reduce people's exposure to illegal content
- limit the spread of harmful material

Harmful content assessed

Office decision

Helps agencies act and limits further sharing

THE AIM: less exposure to harmful illegal content

Forensic classification helps the wider justice system work

The Classification Office doesn't work alone

The Office provides specialist expertise to Police and other agencies dealing with harmful illegal content.

Forensic classification can:

- save investigative time
- help agencies make consistent and clear decisions
- support natural justice and freedom of expression
- provide clear decisions about whether content is illegal.



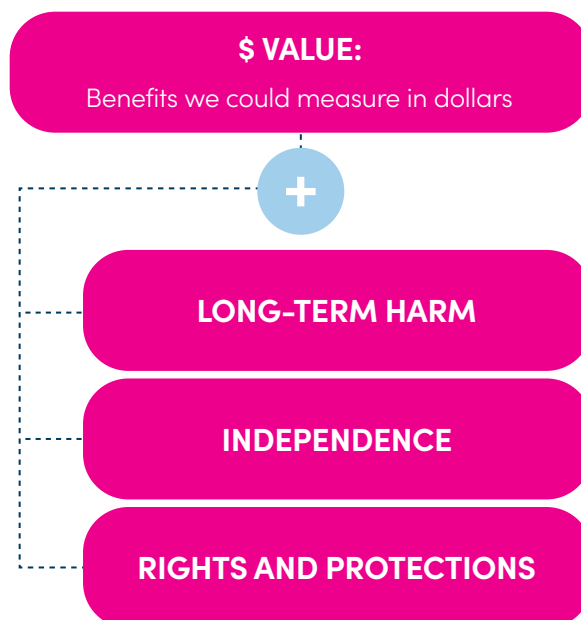
Not everything that matters can be measured in dollar terms

The numbers don't tell the whole story

Some important benefits couldn't be given a dollar value.

Other benefits were identified including:

- **Preventing long-term harm**
Benefits may continue over time and extend to whānau and future generations.
- **Independence**
An independent classification decision provides certainty and consistency.
- **Rights and protections**
The classification process considers both protection from harm and freedom of expression.



Want to know how we got there?

The rest of this report explains how the costs and benefits were calculated, what assumptions were used, and where there are limitations to the analysis.

For the full report see: https://www.classificationoffice.govt.nz/media/documents/Cost-benefit_analysis_of_forensic_classification_services.pdf

Background

Who are we and what do we do

The Classification Office – Te Mana Whakaatu (the Office) is an independent Crown entity responsible for classifying material which may need to be restricted or banned. This can include films, books, video games, and online content.

A distinctive aspect of the Office's role is its independent, quasi-judicial function in New Zealand. Unlike many comparable jurisdictions internationally, we make legally binding determinations on publications. We do this under the [Films, Videos, and Publications Classification Act 1993](#). These decisions provide consistency and legal certainty for law enforcement, prosecutors and the courts, ensuring that harmful content is assessed against a clear and independent legal framework. This helps improve efficiency across the justice system, reduces duplication of effort, and means fewer investigators, lawyers and judicial officers are exposed to some of the most harmful material encountered in criminal proceedings. The Office is the primary New Zealand authority on what counts as objectionable material in this country.

While we are not responsible for investigations or enforcement of the law, the Office contributes to wider efforts to reduce the availability of objectionable content in Aotearoa and globally, and to hold offenders to account. We work closely with domestic agencies including Police, the Department of Internal Affairs and New Zealand Customs, and we receive content submitted by the courts. Internationally, our work contributes to networks such as Tech Against Terrorism, the Christchurch Call, and Project Arachnid, run by the Canadian Centre for Child Protection (C3P), which aims to detect and remove child sexual exploitation material from the internet.

Our role goes beyond classification. We conduct research – including youth-focused research – and produce evidence-based resources for whānau and educators to promote media literacy. Through prevention and education, we help New Zealanders make informed choices about what they watch, and support educators and community leaders to respond and guide others on safety and wellbeing.

What is 'objectionable content' and 'forensic classification'?

The classification system balances the need to protect New Zealanders from harmful content while upholding the right to freedom of expression under the New Zealand Bill of Rights Act 1990.

When we assess whether content meets the legal threshold to be classified as objectionable, this is known as forensic classification. This work is distinct from entertainment classification, which focuses on age ratings and restrictions for films, series, video games, and streaming content.

Content is classified as 'objectionable' when it crosses a legal threshold and is likely to be harmful to society as a whole. This includes content promoting things like extreme violence, sexual violence, child sexual exploitation, or terrorism. Objectionable content – which can include text, video, images, and audio – is banned by law in New Zealand, meaning it's illegal to create, possess, or share.



See our [website](#) for more information about banned or illegal content.

Why we're doing this work

Harmful content is an issue that impacts all of society. New Zealanders – including children and young people – are increasingly exposed to extremely harmful content in online spaces, and many face this exposure without adequate support or guidance. Harmful content can also be used deliberately to exploit, radicalise or abuse others, making it essential to both limit its circulation and look at innovative ways to reduce the harm these publications can cause.

Over the past few years, we've been developing our understanding of New Zealanders' experience with harmful content through a series of research projects. These include:

- [Online Exposure: Experiences of Extreme or Illegal Content in Aotearoa](#)
- [Content that Crosses the Line: Conversations with young people about extremely harmful content online](#)
- [Online Misogyny and Violent Extremism: Understanding the Landscape](#)

By understanding the scale of the issue, we can better develop educational tools, inform policy, and improve our services. We have heard from educators, parents, and communities that the online environment is changing rapidly, meaning our response must evolve just as quickly. It is essential for the public to distinguish between what is harmful and what is strictly illegal, and to know exactly how to respond when they encounter such material.

Why did we commission a cost-benefit analysis of the forensic classification system?

We have been modernising the way we deliver our forensic classification services. As more harmful content is shared online, these services have become increasingly important. Technology is evolving, and we want to make sure we're taking advantage of what it can offer, too, to amplify the preventative impact of every decision we make. We wanted to better understand where our efforts have the greatest impact and how the Office can best invest public funding to have tangible benefits for New Zealanders.

We have strengthened our forensic capability through initiatives that improve how objectionable content is identified, classified, and disrupted, and we have introduced efficiencies and system improvements to significantly scale our output. This includes implementing hashing technology to limit exposure for our own staff and for law enforcement dealing with objectionable content; this digitally flags previously classified objectionable material, which negates the need to classify it again. We provide training and guidance to law enforcement partners on how to engage with the Office and make effective use of the forensic classification process. These developments are part of a broader effort to ensure the Office's services continue to meet the changing nature of harmful content online.

The report

How was the report done?

The analysis followed a ten-step process reflecting Treasury advice on conducting a cost-benefit analysis. This included defining the problem and opportunity with the Office, specifying a counterfactual with a hypothetical baseline where the Office doesn't exist and its quasi-judicial role is absorbed by the justice system, adopting a societal perspective covering all costs and benefits to New Zealanders, identifying benefits and costs via literature review, document review, and interviews with New Zealand Police, New Zealand Customs Service, Department of Internal Affairs, New Zealand Ministry of Justice, and Tech Against Terrorism. Next, the process included quantifying, monetising, discounting to present value over a 10-year period at a 2% discount rate, and calculating Net Present Value and Benefit-Cost Ratio. These are standard economic tools to compare the value of benefits against costs over time.

Costs were estimated directly by including staff, operating and capital costs for the Office. Benefits were more challenging to quantify, since there's no single source of empirical evidence directly linking classification decisions to harm reduction, so NZIER built up a total 'cost of harm' baseline, covering judicial costs and general public exposure to objectionable content (between \$388 million and \$3.3 billion, depending on assumptions). It then asked how much of that harm the Office's services plausibly prevent.

The reverse-analysis approach

This method was used to bridge the gap between having cost estimates and having no direct dollar value for benefits like consistency, expertise, or efficiency. This is a Treasury-recommended approach for situations where the costs are known and there is an indication of impacts, but not an established way of monetising them. This approach helps to assess what would be needed to 'break even'.

The reverse-analysis was applied to each benefit category – consistency, expertise, efficiency – by taking the relevant cost base (e.g. total court costs apportioned to Classification Act offending) and

asking what percentage improvement in that outcome the Office's services would need to deliver to justify the investment.

The 1%

This was the key conservative assumption running through the reverse analysis: a 10% increase in the services the Office provides was assumed to translate into only a 1% increase in the value of benefits.

In other words, the benefits were scaled down substantially relative to the increase in investment, rather than assumed to scale proportionally. For example, applied to court costs, a 1% improvement in consistency was estimated to generate a court-system benefit of about \$37,135 per year, while a 10% improvement from added investment would generate around \$3,714 per year.

The same 1%-of-cost-base logic was applied to expertise, investigative efficiency, and reduced victim harm, with the last of these turning out to be the dominant driver of total benefits. A 1% efficiency improvement in reducing private victim harm alone was estimated to generate roughly \$7.4 million per year.

This exercise was deliberately conservative, meaning the reported benefit-cost ratios (1.1:1 – 2.2:1) are highly likely to an underestimate of the Office's true value, especially since several benefit categories like natural justice, independence, secondary/tertiary harm and long-term effects couldn't be quantified and were only discussed qualitatively.

What did the report say?

The benefits outweigh the costs

The cost-benefit analysis found that increased investment in forensic classification services is likely to deliver more value to New Zealand society than it costs. Over a ten-year period, NZIER estimated that the quantified benefits of the investment would be worth around \$6.8 million, compared with costs of around \$3 million.

The analysis found a benefit-cost ratio of between 1.1:1 and 2.2:1. This means that for every dollar invested, the expected return to society is between \$1.10 and \$2.20 in measurable benefits.

This result was stress-tested by varying the discount rate from Treasury's standard 2% (for non-commercial proposals) up to 8% (the commercial rate). The benefit-cost ratio remained at 2.2, since both benefits and costs shifted proportionally over time. NZIER states in the report that the quantified figures likely understate the true value of forensic classification services, since a substantial list of benefits, including natural justice, institutional independence, and long-term impacts, could not be monetised and sit outside these figures.

Most benefits come from reducing harm to individuals

The largest benefit identified was reducing harm to victims and to people exposed to objectionable content. This includes reducing the impact of content that depicts or promotes serious harm, particularly content relating to child sexual exploitation and other forms of victimisation.

The report recognised that the Office's role is preventative. By identifying and classifying harmful content, the Office helps reduce the likelihood that this material is distributed, accessed, or causes further harm. These benefits extend beyond individuals directly affected, to whānau, communities, and wider society.

There are savings to the justice sector

Justice sector savings were quantified through the same reverse-analysis logic applied to consistency, expertise, and investigative efficiency. A 1% improvement in consistency was estimated to reduce court costs by about \$37,135 per year, with an equivalent figure for expertise (though excluded from the total to avoid double-counting), and a 1% gain in investigative efficiency worth around \$71,770 per year. However, the report stressed, these justice-sector gains are not fixed and will scale materially as the Office's operating model matures. To match a 10% increase in forensic classification

services purely through justice-sector savings would require roughly a 23% improvement in consistency, expertise, and efficiency combined – around \$3 million over ten years. NZIER identifies specific mechanisms that could close this gap: hashing at scale has exponential benefits, since efficiency gains compound as the volume of hashed publications grows. Further training and integration with justice-sector agencies and higher classification volumes will improve both court efficiency and confidence in natural justice processes.

The analysis captured only part of the value

NZIER noted that many important benefits of forensic classification are difficult to put a dollar value on and were therefore not included in the final estimates. These include benefits such as reducing secondary and intergenerational harm, supporting confidence in the justice system, strengthening natural justice processes, and providing independent legal determinations on complex, emerging, and harmful trends.

The Office's independence and specialist expertise also provide wider benefits. As an independent Crown entity with a quasi-judicial role, the Office provides consistent and impartial decisions. These support confidence in the system and provide guidance in areas where there may be uncertainty about whether content crosses the legal threshold.

Investment supports a more effective system

The report found that additional investment would improve the effectiveness and efficiency of forensic classification services. This includes increasing classification capacity, enabling greater use of tools such as hashing, supporting investigations, and providing training and expertise to agencies working with objectionable material.

The benefits are expected to grow over time as more classified content is incorporated into systems that prevent further sharing and distribution. Faster and more consistent classification means harmful material can be identified sooner, reducing opportunities for exposure and increasing the value of prevention tools.

A conservative estimate of value

NZIER emphasised that the results should be viewed as a conservative estimate of the Office's overall value. The analysis used cautious assumptions and only included benefits that could be reliably quantified. A number of significant benefits were identified but could not be monetised, meaning the true social value of forensic classification services is likely to be higher than the figures captured in the analysis.

What did the Youth Advisory Panel say?

Before releasing this summary report, we met with the Office's Youth Advisory Panel (YAP) and a representative from NZIER to discuss the findings and how they should be communicated.

Engaging with young people was an important part of this process. Young people are a key part of why we do this work, and they have told us about their experiences of encountering harmful and objectionable content. At the same time, parents, educators and whānau have told us they are concerned about the content young people may encounter and want better tools to understand and respond to it. We wanted to make sure young people were part of the conversation about how we communicate the evidence for this work, particularly because the research provides a way to explain the scale of the problem and the role of prevention and disruption in addressing it.

The YAP welcomed the evidence demonstrating the value of forensic classification, particularly the benefit-cost ratio and the report's independence. They emphasised the importance of communicating the real-world impacts of harmful content and the role forensic classification plays in preventing harm.

They reflected on the long-lasting impacts harmful and objectionable content can have, particularly for young people. They noted that understanding the scale of harm caused by content such as child sexual exploitation material helped demonstrate why prevention and disruption efforts are important.

The Youth Advisory Panel's feedback helped shape the *What this report means for New Zealanders* section of this summary. They told us it was important to explain the key findings in a way that everyday New Zealanders can understand, without needing to work through detailed economic language or understand the technical approach behind the research.

This section focuses on clear, accessible language, practical examples and the evidence behind the findings. The research looks at a simple question: does the benefit of the Classification Office's forensic work to New Zealand outweigh the cost of providing it? This section explains what the research found, why it matters, and what it means for New Zealanders, without requiring readers to navigate the detail of the economic analysis.

Next steps

What will the Classification Office do with the report?

The findings of this cost-benefit analysis provide clear evidence that forensic classification delivers significant value for New Zealand. The report confirms the important role the Office plays in reducing the harm caused by objectionable publications and provides a strong evidence base to guide the continued development of our forensic services.

We will continue to:

- Scale our services – the more we do, the more savings to justice agencies and the courts for future investigations, while increasing the removal of objectionable content through legally certain classification decisions.
- Implement improvements to our forensic systems, including our intake processes and hashing capability. These tools will help maximise the impact of classification decisions by making it easier to identify previously classified objectionable material, reduce duplication of effort, and limit unnecessary exposure to harmful content for staff and enforcement partners. Over time, we will explore how hashing technology can support wider efforts to disrupt the availability and spread of objectionable content, both nationally and internationally.
- Strengthen our relationships with law enforcement agencies and other partners to ensure they understand how and when to engage with the Office. This includes ongoing training and support to make the submission process as effective and seamless as possible, enabling us to respond to harmful content more efficiently.
- Invest in prevention and education initiatives that help New Zealanders understand harmful content, know what to do when they encounter it, and understand the role the Office can play. This includes developing more resources, and using the findings from this report to explain why reporting harmful content matters and how forensic classification contributes to reducing harm.
- Undertake research that supports our core functions and ensures our work is informed by evidence. We recognise that no single intervention alone can address online harm. Effective prevention requires a combination of regulation, classification, education, technology, and community awareness working together.

The Office is committed to continually evolving the way it delivers its statutory functions, ensuring our expertise, systems and resources are focused where they can have the greatest impact.

Finally, we are pleased to share the cost-benefit analysis approach developed through this work with other agencies in New Zealand and internationally who are working to reduce harm. Our hope is that they will take this model forward for their own contexts and purposes, and continue to use data and evidence to inform good decision making for public safety.

For further information about this
research please visit our website
classificationoffice.govt.nz

**Classification
Office**

TE MANA WHAKAATU