

31 October 2025

Hon Paul Goldsmith
Minister of Justice
Parliament Buildings
WELLINGTON

Dear Minister

QUARTERLY REPORT OF THE PRIVACY COMMISSIONER FOR THE PERIOD 1 JULY 2025 TO 30 SEPTEMBER 2025

Highlights

The Privacy Amendment Bill was passed by Parliament this quarter and will introduce a new Information Privacy Principle on notifying individuals if their personal information is indirectly collected by an agency (i.e. not directly from the individual concerned). We commenced work on considering how this new Principle will be incorporated into the existing Privacy Act 2020 Codes of Practice. Guidance to assist agencies with implementing this new Principle will be issued in November.

The Court of Appeal invited the Privacy Commissioner to apply to intervene in a case considering the lawfulness of New Zealand Police using Automatic Number Plate Recognition (ANPR) on the Auror software platform. Our submissions to the Court focused on the privacy implications of ANPR and application of the information privacy principles of the Privacy Act, in the context of Auror, a large commercial database, automating the delivery of New Zealanders' personal information from retailers to Police. The Court of Appeal has reserved its decision.

We completed our second Annual Report under the Statement of Intent 2024-2027, which showed significant increases in key operational volumes over 2024/25. These include:

- the number of privacy breach notifications received from agencies increasing by 26.5%, with serious harm breach notifications increasing by 43%
- privacy complaints received from individuals increasing by 40%
- general enquiries increasing by 7%.

Volumes have remained very high this quarter, with general enquiries increasing by 19% and privacy complaints being just one percent off their highest level in the past two years. More information about operational volumes is available in Appendix A. The Privacy

Commissioner has initiated an independent review of the business processes for our enquiry and privacy complaint functions due to these high volumes and impacts on timeliness. This review is expected to be completed by the end of November.

The long-term financial sustainability of the Office continues to be a key risk that we face. We are forecasting a deficit of \$800k for the year to June 2026, with that being met out of cash reserves. Additional financial information is available in Appendix B.

Biometrics Processing Privacy Code issued

The Biometrics Processing Privacy Code was issued by the Privacy Commissioner on 21 July 2025. This Code comes into force on 3 November 2025 for new biometric processing and 3 August 2026 for existing biometric processing.

The Code will allow businesses and government agencies to innovate while helping keep New Zealanders' sensitive personal information safe. It sets out privacy rules for organisations and businesses who collect and use biometric information in biometric processing.

Under the Code, agencies who are implementing (or are looking to implement) biometrics must meet the following privacy protections:

- assessing the effectiveness and proportionality of using biometrics in their particular circumstances
- safeguards must be adopted to reduce privacy risk (such as the risk of misidentification due to demographic factors such as race, age, gender or disability)
- individuals must be informed that a biometric system is in use, before or when their biometric information is collected.

The Code also limits some particularly intrusive uses of biometric technologies like using them to predict people's emotions or infer information like ethnicity or sex, or other information protected under the Human Rights Act 1993.

To support agencies in implementing the Code we have released a comprehensive suite of fact sheets and guidance. This guidance was developed with extensive consultation with stakeholders and it has been pleasing to see agencies use this guidance and apply the lessons from the trial of facial recognition technology by Foodstuffs North Island. Note that Foodstuffs South Island has announced on 28 October a trial of facial recognition technology at three of their supermarkets.

The issuance of the Biometrics Processing Privacy Code is a significant achievement for the Office and is the first new Code of Practice since 2013.

Activities of our Office

Policy

The Device Location Information Service that provides emergency services with the ability to locate the cell phones of people in need of urgent help was operationalised in August 2025. This Service is enabled through Schedule 4 of the Telecommunications Information Privacy Code, which also applies privacy safeguards to the Service. We have been progressing work on minor amendments to this Schedule and intend to issue the amendment later this year. Media commentary has noted the oversight by our Office as a key component of the trust and confidence in the technology.

The issues in the Government's policy programme we were consulted on included:

- **Retail crime:** continued engagement with the Ministerial Advisory Group
- **Law enforcement:** proposed changes to the Policing Act 2008
- **Transnational Serious Organised Crime:** engagement with the Ministerial Advisory Group and the New Zealand Police Secretariat
- **Fraud and scam reduction:** engagement with the Anti-Scam Alliance
- **Transport:** further engagement on anti-social road use, road user charges, and digital drivers licenses
- **Oranga Tamariki:** search powers in youth residences, youth offending regulations
- **Education sector:** consultation on changes to the ECE sector.

We made three submissions on Bills before Select Committee during this quarter. These were the Immigration (Fiscal Sustainability and System Integrity) Amendment Bill, Online Gambling Bill, and Regulatory Systems (Transport) Amendment Bill. The Privacy Commissioner also made a submission to the Education and Workforce Committee's inquiry into the harm young New Zealanders encounter online, and the roles that Government, business, and society should play in addressing those harms.

Capability and guidance

A full review of all 600+ "AskUs" questions on our website has been completed to ensure that this short-form guidance is up to date and answers questions that we most commonly receive. AskUs has high usage by the public, with the top five frequently asked questions accessed nearly 35,000 times in 2024/25.

New guidance issued this quarter included guidance on TradeMe access to firearms information, and on the "Serious Threat to Health" exception in the Health Information Privacy Code.

We provided a report on our review of the Gang Intelligence Approved Information Sharing Agreement (AISA) and will be discussing it with Gang Harm Insights Center officials in the coming quarter. A report to the Minister of Police (as the responsible Minister) will follow. We have also reviewed and provided feedback on the operational protocols for a number of other AISAs, including the Veterans' Affairs AISA, Identity Services AISA and Customer Nominated Services AISA.

A range of statutory consultations occurred this quarter. These included international information sharing agreements under the Policing Act 2008, domestic information sharing agreements under the Intelligence and Security Act 2017, and naming policies under the Health Practitioners Competence Assurance Act 2003.

Compliance and enforcement

In May 2025 we publicly issued a Compliance Notice to Oranga Tamariki in response to multiple serious harm privacy incidents and poor information handling practices for very sensitive personal information. During this quarter our engagements with other government agencies have shown that the wider public service is taking the opportunity to assess their own privacy practices against the expectations set out in the Compliance Notice. Oranga Tamariki are required to meet the Notice items in tranches, with the first tranche of items due 31 October 2025 and the second tranche due 31 March 2026.

Each year our Office is required to undertake an assurance review of the 42 Information Matching Programmes in place that enable the safe sharing of personal information between government agencies for the purposes of delivering government services. The compliance outcomes for the 2024 –2025 period will be published in our Annual Report.

Privacy breach notifications from agencies this quarter identified privacy risks with low standards for customer verification in the utilities sector, leading to significant financial harm for customers and identity theft. To address this issue, bespoke guidance to uplift the identity verification practices of the utilities sector was created and a targeted engagement approach taken with the sector. We have had positive results from this approach, which is consistent with our strategic aim of assisting agencies to design their systems with privacy in mind so that they can both prevent privacy harms and improve customer trust and confidence.

Communication and engagement

Our Office gave over 20 speeches and presentations to public and private sector organisations and groups, on a range of topics including the Privacy Amendment Bill and information sharing.

Six proactive media releases were issued on a variety of topics:

- the passing of the Privacy Amendment Bill
- retail CCTV image sharing in public places
- announcing the new Biometrics Processing Privacy Code
- how passwords are being used by hackers
- a joint statement on Trustworthy Data Governance
- promoting Right to Know Day on 28 September.

In addition, in September the Commissioner had an opinion piece in the Post on respecting the privacy of the children of Tom Phillips. To increase our reach we are increasingly providing comment on the privacy issues relating to topical issues, such as the use of a stock image of a Māori woman being used in a Hobson's Pledge billboard on the topic of the Māori ward referendums.

Investigations and dispute resolution

Privacy complaints accepted for investigation remained at a high level with 116 this quarter (slightly down from 118 in the previous quarter). While key performance indicators for timeliness were met in 2024/25, there are signs of concern for 2025/26. For example, the number of open complaint files at the end of September 2025 was 430 with 26% of these being over 12 months old. This is a significant increase on the same period two years ago when there were only 197 open complaints and with only 2% being over 12 months old. The Privacy Commissioner has initiated an independent review of these activities to identify whether there are any further efficiencies or operating models that can be pursued. The review is expected to be completed by the end of November 2025.

The management of organisational risk

We report on our organisation wide risks as well as team risks, with a high-risk rating, on a quarterly basis. Our most recent review has highlighted that the key risks facing our Office remain the same, with long-term financial sustainability, staff resourcing to meet increased demand and health, safety and wellbeing of our people continuing to be priorities. In addition, and as previously reported, given the limited compliance and enforcement powers that the Office has and increases in breach notifications and complaints, the subsequent risk of regulatory failure also remains a key risk for our Office.

While our cash reserves will enable the budgeted deficit to be funded in the short term, this is not a situation that can continue indefinitely. The Senior Leadership Team will be actively discussing options going forward in terms of identifying areas of savings whilst remaining mindful of the ability to deliver on both proactive work and the increasing workload in our reactive core services.

Financial report

We are reporting a deficit of \$157k for the 3 months ended 30 September 2025. This is favourable against a budgeted deficit of \$210k. The variance against budget is due to decreased staff costs which are offset by a decrease in expected funding from implementing the new Customer and Product Data Act 2025. In addition, further savings within operating expenses, including contractors, contribute to the favourable budget deficit.

We are currently forecasting a deficit of \$800k for the year to June 2026. This is unfavourable against the budgeted deficit of \$657k due to forecast additional expenses, including in relation to staff costs. The Office will be utilising cash reserves to fund this deficit

for the current financial year. Further details of financial information and performance against the Statement of Performance Expectations are included as Appendix C.

Yours sincerely

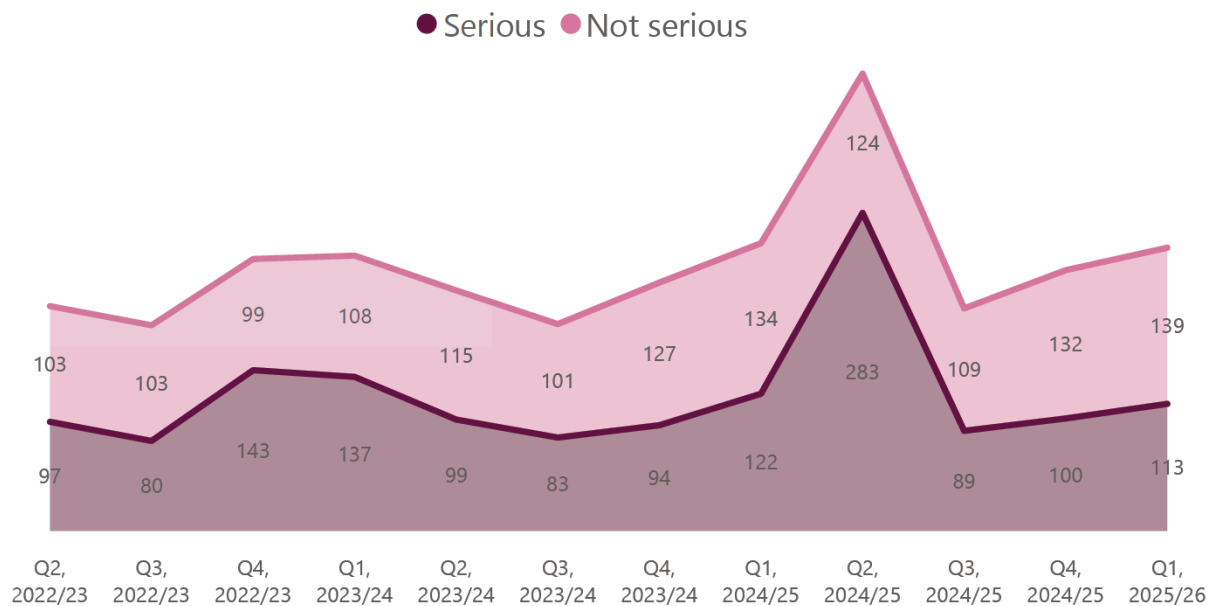
A handwritten signature in black ink, appearing to read "Michael Webster". The signature is fluid and cursive, with the first name "Michael" and the last name "Webster" clearly distinguishable.

Michael Webster
Privacy Commissioner

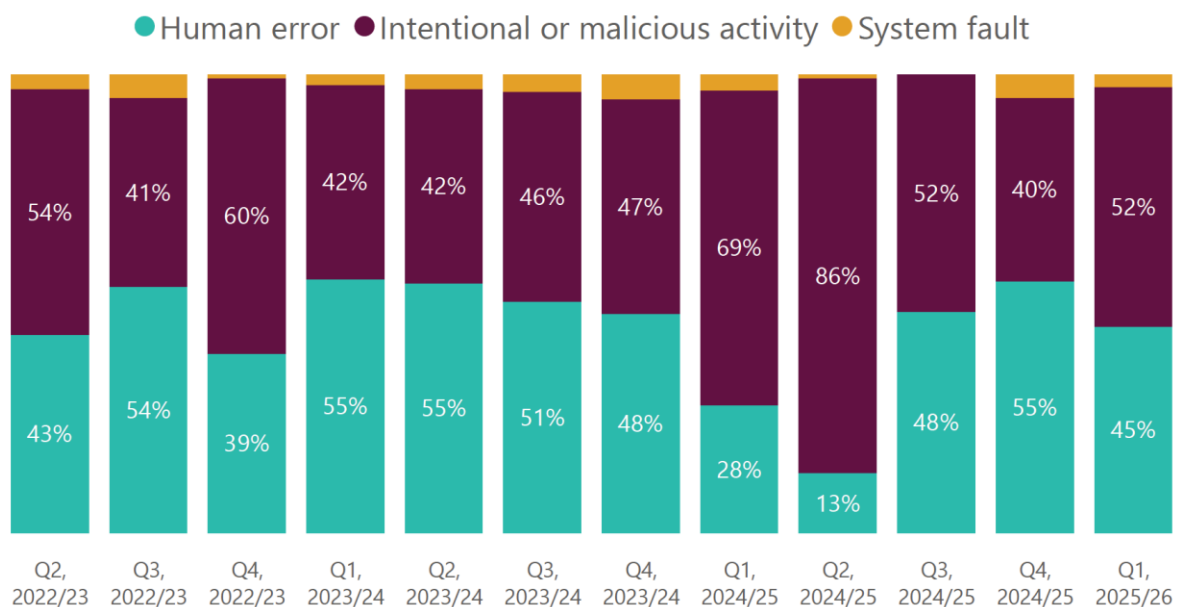
Encl:	Appendix A:	Key operational volumes
	Appendix B:	Financials for period ending 30 September 2025
	Appendix C:	Performance against Statement of Performance Expectations - Year to Date

Appendix A: Key operational volumes

Privacy Breach Notifications (from agencies)

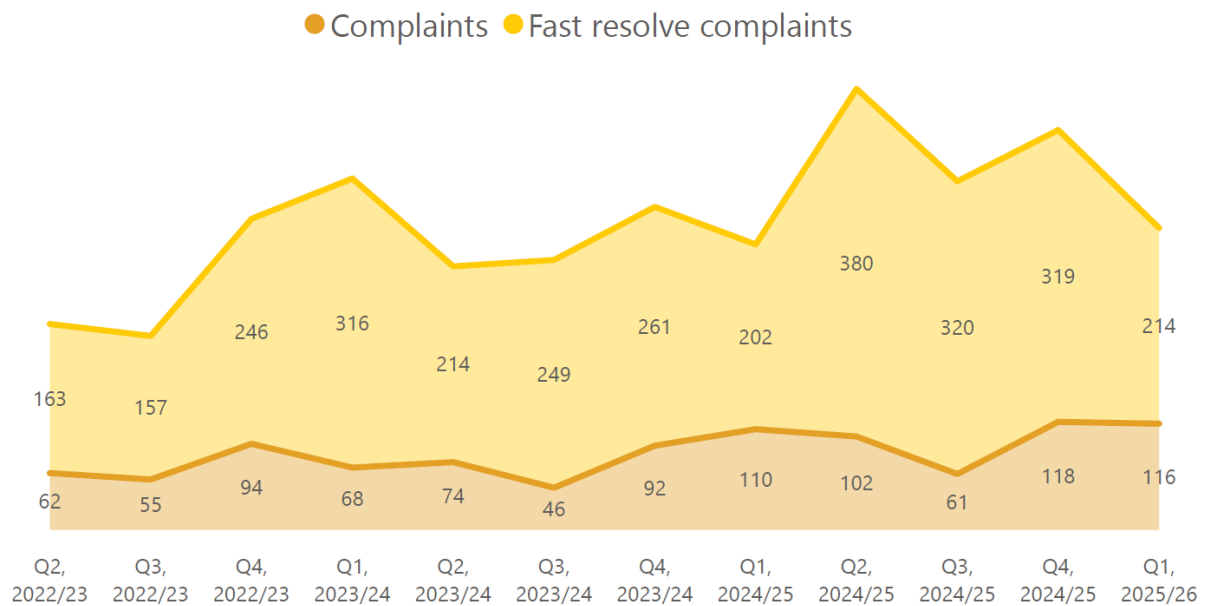


Serious harm breaches by primary cause

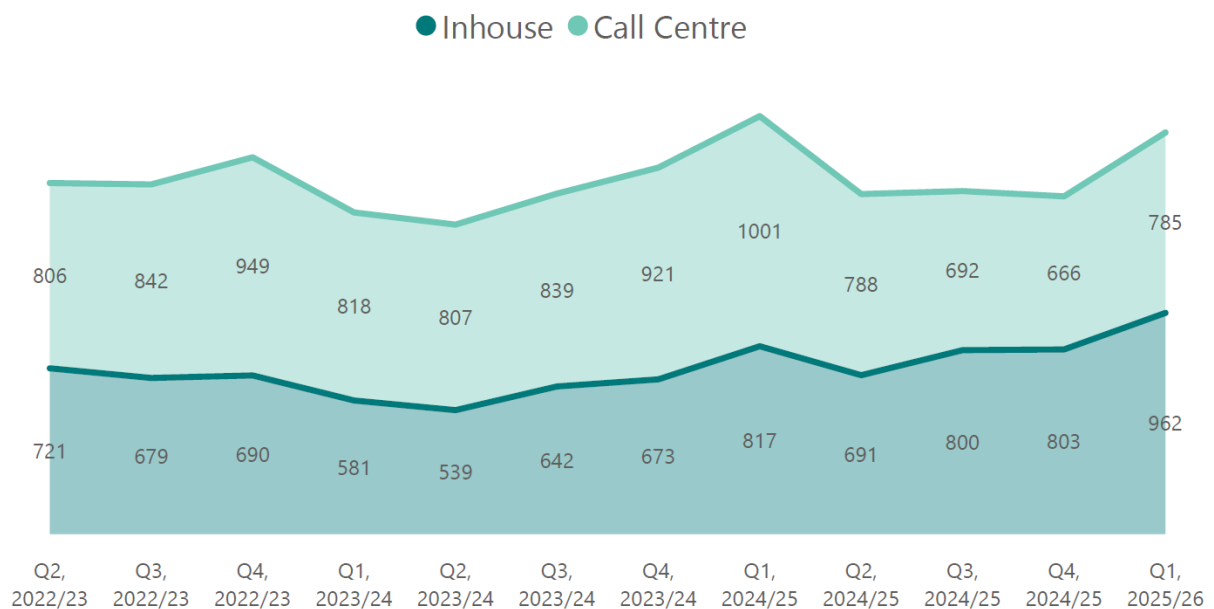


Agencies are required to notify OPC of serious/extreme harm data breaches. A single breach can impact a number of individuals, for example the Latitude Financial data breach impacted over 1 million New Zealanders. Note that the volumes for quarter 2 of 2024/25 have been revised to reflect a large number of manual notifications from one agency.

Privacy complaints (from individuals)



Enquiries to our Office



Appendix B: Financial performance for period ended 30 September 2025

**STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES
FOR THE 3 MONTHS ENDED 30 SEPTEMBER 2025**

Actual	Actual	Budget			Budget (per	
			Variance	Variance	Forecast	SPE)
Sept 24 YTD	Sept 25 YTD	Sept 25 YTD	YTD	YTD	Year-end	Year-end
\$000	\$000	\$000	\$000	%	\$000	\$000
Revenue						
1910 Crown revenue	1,910	1,910	-	0%	7,641	7,641
58 Other revenue	58	103	(45)	-44%	296	296
30 Interest income	10	8	2	25%	33	30
1,998 Total income	1,978	2,021	(43)		7,970	7,967
Expenditure						
38 Promotion	23	15	8	53%	73	66
0 Audit fees	-	-	-	0%	55	55
27 Depreciation and amortisation	22	24	(2)	-8%	94	96
141 Rental expense	140	139	1	1%	546	545
364 Operating expenses	300	353	(53)	-15%	1,369	1,290
1500 Staff expenses	1,650	1,700	(50)	-3%	6,633	6,572
2,070 Total expenditure	2,135	2,231	(96)		8,770	8,624
(72) Surplus/(Deficit)	(157)	(210)	53		(800)	(657)
- Other comprehensive revenue and expenses	-	-				
(72) Total comprehensive revenue and expenses	(157)	(210)	53		(800)	(657)

STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2025

	Actual	Budget	Variance	Forecast	Budget (per SPE)
	Sept 25 YTD \$000	Sept 25 YTD \$000	YTD \$000	Year-end \$000	Year-end \$000
Public Equity					
General funds	2,028	1,842	186	1388	1,411
Total public equity	2,028	1,842	186	1,388	1,411
Current assets					
Cash and cash equivalents	2,315	1,964	351	1459	1,473
Receivables	42	24	18	31	28
Prepayments	137	115	22	125	125
Total current assets	2,494	2,103	391	1,615	1,626
Non-current assets					
Property, plant and equipment	115	136	(21)	111	124
Intangible assets	3	3	-	12	12
Total non-current assets	118	139	(21)	123	136
Total assets	2,612	2,242	370	1,738	1,762
Current liabilities					
Payables	190	150	40	124	125
Employee entitlements	394	250	144	210	210
Total current liabilities	584	400	184	334	335
Non-current liabilities					
Lease incentive - non current	-	-	-	16	16
Total non-current liabilities	-	-	-	16	16
Total liabilities	584	400	184	350	351
Net assets	2,028	1,842	186	1,388	1,411

STATEMENT OF CASH FLOWS
FOR THE 3 MONTHS ENDED 30 SEPTEMBER 2025

	Actual	Budget	Forecast	Budget (per SPE)
	Sept 25 YTD \$000	Sept 25 YTD \$000	Year-end \$000	Year-end \$000
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash was provided from:				
Receipts from the Crown	1,910	1,910	7,641	7,641
Receipts from other revenue	58	104	296	296
Interest received	10	8	33	30
	1,978	2,022	7,970	7,967
Cash was applied to:				
Payment to suppliers	481	525	2,098	1,976
Payment to employees	1,473	1,670	6,639	6,582
Net Goods and services tax	(23)	(41)	(34)	(37)
	1,931	2,154	8,703	8,521
Net cash flows from operating activities	47	(132)	(733)	(554)
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash was applied to:				
Purchase of property, plant and equipment and intangibles	3	11	79	80
Cash provided from:				
Sale of property, plant and equipment and intangibles	-	-	-	-
Net cash flows from investing activities	(3)	(11)	(79)	(80)
Net increase/(decrease) in cash held	44	(143)	(812)	(634)
Plus opening cash	2,271	2,107	2,271	2,107
Closing cash balance	2,315	1,964	1,459	1,473
Cash at bank	2,315	1,964	1,459	1,473

Appendix C: Performance against Statements of Service Performance - Year to Date

Function 1: Strategy and Insights

Measure	Achieved 2025/2026	Expectation as at 30/09/2025 (as per SPE)
Conduct 2 assessments a year to gauge the privacy maturity or attitudes of agencies or individuals.	On track	2

Function 2: Communications and Education

Measure	Achieved 2025/2026	Expectation as at 30/09/2025 (as per SPE)
Education module completions as a percentage of education module registrations in the year.	77%	75%
Respond to all enquiries within 5 working days.	65%	95%
Content improvements made to digital service channels.	Tracking ahead of plan. 1,268 tasks of a total 1,549 have been completed	Achieved

Function 3: Compliance and Enforcement

Measure	Achieved 2025/2026	Expectation as at 30/09/2025 (as per SPE)
Notified privacy breaches that are likely to cause serious harm, are followed up with the notifying agency within 10 working days of receipt.	96%	85%
The percentage of externally reviewed compliance investigations that are rated as 3.5 out of 5 or better for quality.	Measured at year end	85%
Incoming compliance issues are risk assessed to determinate the appropriate response activity.	92%	90%

Function 4: Policy and Advocacy

Measure	Achieved 2025/2026	Expectation as at 30/09/2025 (as per SPE)
The percentage of externally reviewed policy files that are rated as 3.5 out of 5 or better for quality.	Measured at year end	85%
Undertake 2 projects relevant to setting privacy standards, expectations or guidance in the privacy system.	On track	Achieved
All externally reviewed policy files appropriately incorporate Treaty and Te Ao Māori analysis as necessary.	Measured at year end	85%

Function 5:
Investigations and Dispute Resolution

Measure	Achieved 2025/2026	Expectation as at 30/09/2025 (as per SPE)
The percentage of notified complaints files closed by settlement between the parties.	53%	50%
The percentage of externally reviewed complaints investigations that are rated as 3.5 out of 5 or better for quality.	Measured at year end	85%
The percentage of complaints closed during the year that were less than 6 months old at closure.	85%	85%