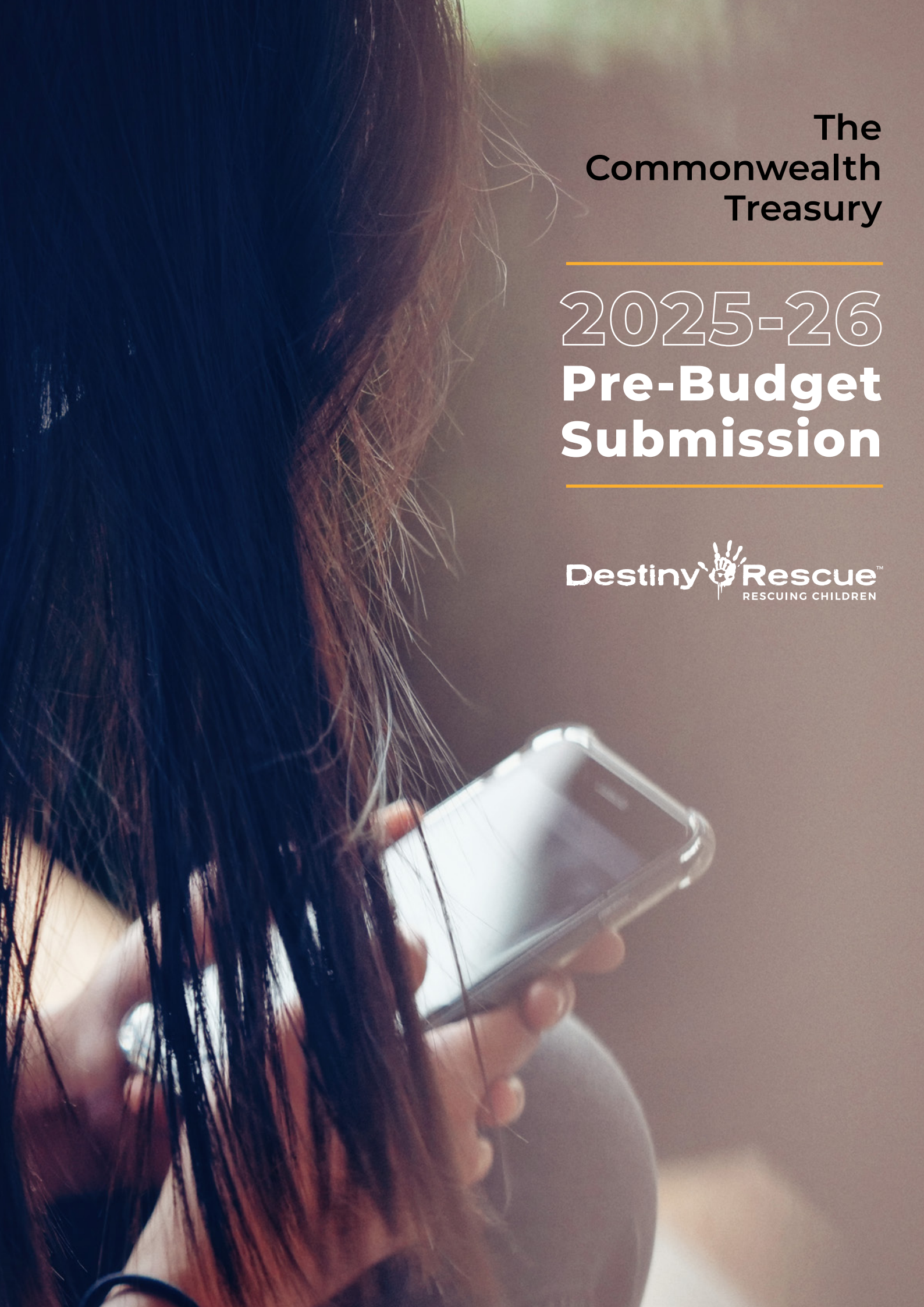


The
Commonwealth
Treasury

2025-26
Pre-Budget
Submission

Destiny & Rescue™
RESCUING CHILDREN





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Glossary

CSA – Child sexual abuse

CSE – Child sexual exploitation

CSAM – Child sexual abuse material

CSEM – Child sexual exploitation material

OCSEA – Online child sexual exploitation and abuse

OSEC* – Online sexual exploitation of children

* In recent years various abbreviations have been used to reflect the issue of child exploitation and abuse. This submission utilises the term OSEC – online sexual exploitation of children but recognises all terms.



“

*The protection of
children online
is of paramount
importance!*

31 January 2025

The Hon Stephen Jones, MP

Assistant Treasurer and Minister for Financial Services
Parliament House Canberra, ACT, 2601

Destiny Rescue Limited (Australia) - Pre-budget Submission, 2025-26

Dear Assistant Treasurer,

Thank you for inviting organisations like Destiny Rescue Ltd to provide their views on priorities for the Commonwealth Government's 2025-26 budget.

Destiny Rescue is an Australian-based international NGO with over 24 years of experience in countering child trafficking. To date, we have rescued more than 18,500 individuals from human trafficking and child sexual exploitation.

Launched on the Sunshine Coast in 2001, Destiny Rescue focuses exclusively on combating child sex trafficking, a critical aspect of modern slavery. We collaborate with governments, law enforcement agencies and NGOs across five regions around the world.

Destiny Rescue is one of the few organisations globally to conduct direct rescues through a network of trained rescue agents and law enforcement collaboration, including having agents accredited to investigate cases with Interpol.

We are pleased to submit Destiny Rescue's Pre-Budget Submission for 2025-26. **This submission highlights the urgent need for collective action, including amplifying survivor voices, building capacity in the Asia Pacific Region, and addressing structural and legal gaps to combat online sexual exploitation of children (OSEC).**

Should you or your office have any questions regarding this submission, please do not hesitate to contact me directly on (ph) **0428 755 088** or (email) paul.mergard@destinyrescue.org if you or your office have any queries in relation to this submission.

Yours sincerely,



A stylized, handwritten signature in black ink, appearing to read 'Paul Mergard'.

Paul Mergard GAICD, GRADDIPINTDEV, BBUS(ACC)
CEO Destiny Rescue Australia

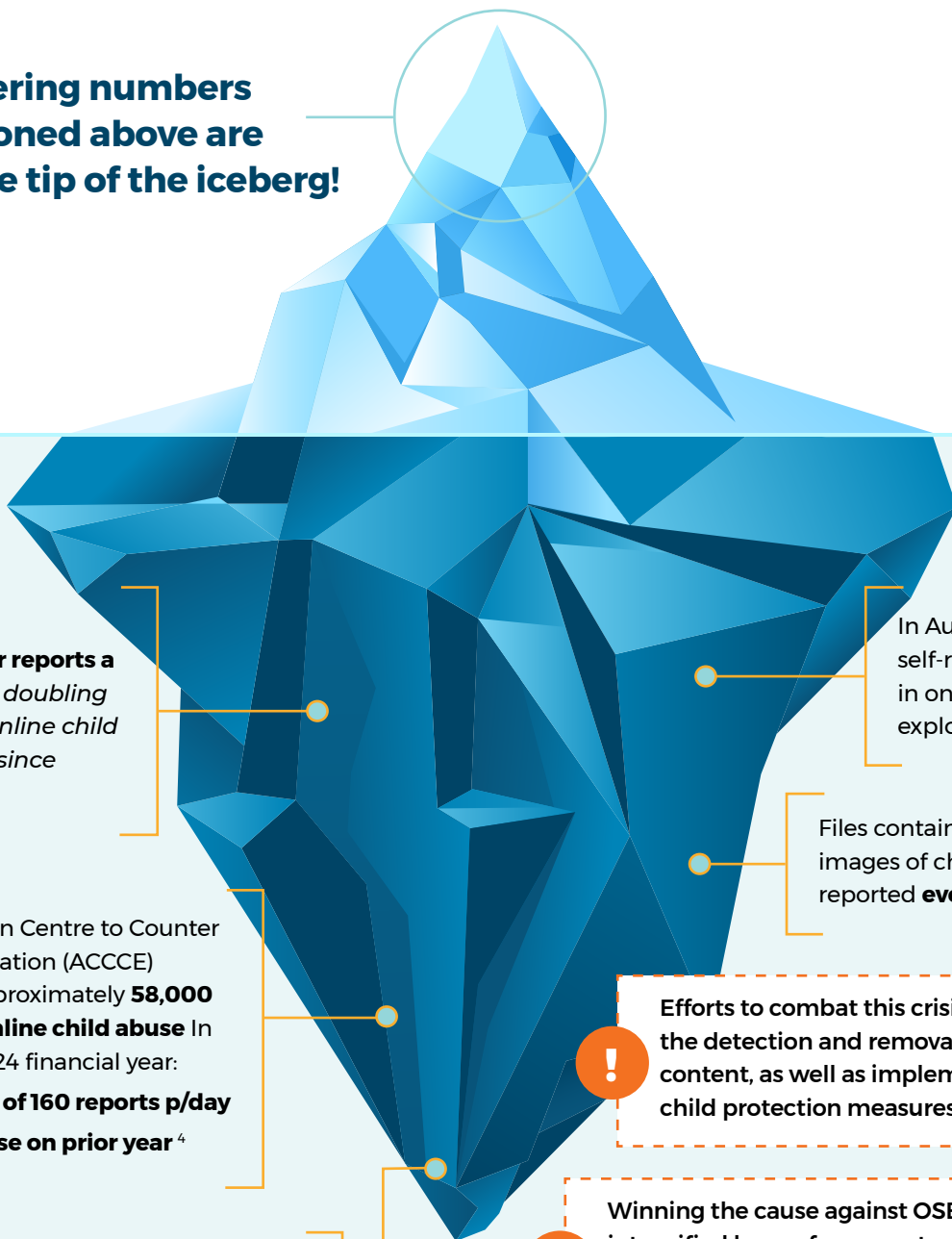
The Issue - the global prevalence of online sexual exploitation of children (OSEC)

The escalating prevalence of OSEC, including live-streamed abuse, is a grave concern demanding urgent attention from law enforcement, technology companies, and society at large.

Globally, an estimated **300+ million children** have been affected by online child sexual exploitation and abuse in the last 12 months¹. These staggering numbers are just the tip of the iceberg.

Leaders in the field have described OSEC as a **global public health emergency**², that must be tackled the same as a pandemic.

Staggering numbers mentioned above are just the tip of the iceberg!



The eSafety Commissioner reports a "year-on-year doubling of reports of online child sexual abuse since 2019".³

In Australia, **7.5% of men** self-reported engaging in online sexual exploitation or abuse.⁶

Files containing sexual images of children are reported **every second**.⁷

The Australian Centre to Counter Child Exploitation (ACCCE) recorded approximately **58,000 reports of online child abuse** in the 2023-2024 financial year:

- **An average of 160 reports p/day**
- **45% increase on prior year**⁴

Efforts to combat this crisis must prioritise the detection and removal of abusive content, as well as implementing effective child protection measures.

Approximately 1 in 8 children have been subjected to non-consensual image offences and online solicitation within the same period.⁵

Winning the cause against OSEC requires intensified law enforcement, empowered communities, collaboration across all sectors, and care for victims.⁸

Economic Cost of OSEC

Limited research exists regarding the economic cost of OSEC in Australia.

Most research is wide ranging, including costs of child abuse, child abuse and neglect, child maltreatment, child sexual abuse, and violence against women and children.

Studies broadly estimate the lifetime cost of child abuse and neglect to range between

\$5.8 billion & \$17.4 billion.⁹

The recently released (November 2024) “*Costs of Online Child Sexual Exploitation and Abuse in Australia: An Initial Review*” by the University of Queensland funded by ICMEC Australia sought to establish the existing knowledge base about costs of OCSE, particularly in/for Australia.¹⁰

- The report defines “costs” broadly to include monetary, financial, economic, and expenditure impacts of OCSE.
- It emphasizes the significant knowledge gap in understanding these costs, which hinders effective responses to the issue.

The government is the main entity likely to pay for these costs, whether directly or indirectly, and to be involved in their management.

This presents an opportunity for the Australian Government to prioritise research, foster cross-sector collaboration, and position Australia as a global leader in combating OSEC.



[Read Report Here](#)



Destiny Rescue's Counter-OSEC Operations

Destiny Rescue addresses OSEC through:

- Intelligence gathering and victim identification
- Rescue operations directed by in country law enforcement agencies.
- Referring survivors to trauma-informed aftercare services.

Our efforts involve dismantling criminal networks, supporting survivors, and fostering systemic change through partnerships with governments, NGOs, and private sector stakeholders.

Our Pre-Budget Submission seeks to identify those critical areas requiring urgent action for the Australian Government based on our operational insights relating to OSEC in the Asia Pacific Region.

Summary:

1. Recommendation 1:

That the Australian Government partners with the Australian International Counter-Slavery Alliance to establish survivor-inclusive forums, ensuring the voices of survivors are amplified and integrated into region-wide strategy, policy, and programming.

This will position Australia as a global leader in survivor-informed counter-slavery efforts.

2. Recommendation 2:

That the Australian Government provide \$10 million in additional funding through ASEAN-ACT to establish a capacity-building grants program enabling ASEAN law enforcement agencies and partner NGOs to enhance their counter-OSEC capabilities.

3. Recommendation 3: That the eSafety Commissioner leverage its authority under the Online Safety Act 2021 to investigate whether Thailand's major messaging service is complying with the Social Media Services Safety Code. This investigation would ensure accountability for platforms enabling CSAM distribution and strengthen international efforts to combat online exploitation.

4. Recommendation 4: That the Australian Government legislate to establish clear legal pathways for overseas-based CSAM victims to seek civil remedies from Australia-based perpetrators, including compensation and restitution.

This reform would uphold principles of justice and accountability, ensuring that perpetrators are held responsible for the harm they inflict, regardless of where their victims reside.

Our Impact

Destiny Rescue's Counter-OSEC Operations

Destiny Rescue employs the Enhance-Empower-Collaborate model to combat OSEC:



1. Enhance:

Utilising advanced tools, intelligence, and data analysis to identify victims and perpetrators with precision.



2. Empower:

Delivering capacity-building programs and resources to law enforcement and NGOs, equipping them to respond effectively to OSEC cases.



3. Collaborate:

Fostering partnerships between governments, law enforcement, and private organisations to dismantle networks and drive systemic change.



Asia Pacific Initiatives

In 2024, Destiny Rescue made significant contributions to counter-human trafficking and counter-OSEC projects in Thailand, Cambodia, the Philippines, and Nepal.

An emerging priority in our work is countering online sexual exploitation of children (OSEC). This submission focuses on our counter-OSEC efforts and their outcomes.

Key Achievements in 2024

Destiny Rescue's Counter-OSEC team supported:

- 72 cases involving OSEC.
- The rescue of 89 victims.
- 18 perpetrator arrests in Thailand alone.

It is entirely possible that Australians were among those accessing child sexual abuse material (CSAM) involving these victims.



In 2023, Destiny Rescue led an investigation in the Philippines that allowed the Philippines NBI to refer 395 alleged perpetrators to the Australian Federal Police (AFP) for investigation.



Capacity Building and Training

Members of Destiny Rescue's Counter-OSEC team participated in specialised Counter-OSEC training programs, including the *Advanced Child Exploitation and Human Trafficking Investigation Training Course* conducted by the US Department of Homeland Security in Thailand.¹¹ This training was attended alongside officials from Thailand's Department of Special Investigations (DSI) and has strengthened our team's capacity to investigate and respond to OSEC cases effectively.

Trauma-Centred Response Model

In 2024, Destiny Rescue developed and operationalised a trauma-centred response model specifically tailored to the unique victim typologies of OSEC survivors in Thailand.

Key aspects of the response model include:

- A suite of resources designed to provide clear, trauma-informed guidelines for first responders.
- A focus on compassionate and dignified engagement with victims, addressing their immediate emotional and psychological needs.

Practical tools and protocols that empower first responders to offer care while preserving the integrity and dignity of survivors.

These resources are now fully implemented, enhancing the immediate and long-term care provided to OSEC victims.



1. **Proposal 1 - Consult and Collaborate with the Australian International Counter-Slavery Alliance (AICSA*) (the Alliance).**

Destiny Rescue is a founding member of the Australian International Counter-Slavery Alliance (AICSA) and is committed to eradicating modern slavery in the Asia Pacific region. Together with other leading Australian-based NGOs, AICSA addresses this humanitarian crisis by working directly with affected communities to counter slavery and support survivors.

Freedom from slavery is not only a fundamental human right but an urgent moral and social imperative. The Alliance shares a collective conviction to eradicate slavery in the Asia Pacific region by amplifying survivor voices and addressing systemic barriers.

The Alliance envisions:

- An Asia Pacific region built upon a human rights economy, free from slavery.
- Australia taking a leading role in combating slavery and addressing its root causes across the region.
- Empowering survivor leaders from the Asia Pacific region, whose lived experiences and expertise will drive the reform of Australia's international counter-slavery strategies, programs, and policies.

The Need for Survivor Engagement

Meaningful survivor engagement is critical to the success of any counter-slavery strategy. Yet, structural barriers in the Asia Pacific region have hindered the inclusion of survivors in developing effective interventions.

Currently, no formal forum exists where survivors of slavery in the Asia Pacific region can directly contribute to shaping region-wide strategies, policies, and programming priorities. This lack of engagement undermines efforts to address slavery effectively and fails to harness the invaluable insights of those with lived experience.

Positioning Australia as a Global Leader in Survivor-Informed Counter-Slavery

Destiny Rescue commends ASEAN-ACT for its victim-rights approach within the criminal justice process. However, we urge the Australian Government to build upon this foundation by addressing structural barriers to survivor engagement and supporting initiatives that amplify survivor voices.

Recommendation 1: *That the Australian Government partners with the Australian International Counter-Slavery Alliance to establish survivor-inclusive forums, ensuring the voices of survivors are amplified and integrated into region-wide strategy, policy, and programming. This will position Australia as a global leader in survivor-informed counter-slavery efforts.*

*Participating AICSA Agencies listed in Endnotes (see Page 18)

2. **Proposal 2 - Immediate Investment into the Asia Pacific Region to Build Capacity and Capability for OSEC Victim Identification and Rescue.**

Context and Urgency

The Asia Pacific region accounts for over 55% of global victims of forced labour, including commercial sexual exploitation.¹² Alarmingly, the region is grappling with an escalating crisis of online sexual exploitation and abuse of children (OSEC), including trafficking for live-streamed sexual abuse.

In 2022, approximately **1 in every 100 Filipino children—nearly half a million**—were trafficked to produce child sexual exploitation material (CSEM) for profit.¹³

Australia's Leadership Responsibility

The **Australian Federal Police (AFP)** and the **Australian Centre to Counter Child Exploitation (ACCCE)** have demonstrated strong regional collaboration. Still, the increasing prevalence of OSEC highlights the urgent need to strengthen law enforcement and NGO capacity within ASEAN nations.¹⁴

The 2024 **US Trafficking in Persons Report (TIP)** commended Australia for meeting minimum anti-trafficking standards but also flagged a troubling increase in Australian offenders exploiting children in Southeast Asia, particularly the Philippines, since the pandemic.¹⁵

Destiny Rescue supports the call for Australia to deepen its regional commitments, particularly in response to the unique power dynamics between Australia and its ASEAN neighbours, as articulated by Dr Michael Salter:

*"Australia has an obligation to ensure that Australian child sex offenders do not predate on children overseas."*¹⁶

Proposed Solution

Destiny Rescue recommends that the **Australian government allocate \$10 million in additional funding** (over three years) through the ASEAN-ACT framework to establish a **capacity-building grants program**.

This program would empower ASEAN law enforcement agencies and partner NGOs to strengthen their ability to detect, report, and dismantle OSEC networks.

Key Objectives of the Program

1. Infrastructure Enhancement:

Provide law enforcement with tools and infrastructure to index, analyse, and refer CSAM materials, focusing on identifying cases involving Australia-based offenders.

2. Formal Capacity Building:

Deliver advanced training and certifications for regional law enforcement to enhance skills in indexing and referral of CSAM images, particularly those linked to Australia-based offenders.



Sample Impact of Funding

Grant funding could enable the indexing of over 250,000 unique child exploitation media files, significantly improving the detection and reporting of Australia-based offenders. This capability alone could transform the counter-OSEC landscape in high-prevalence countries like Thailand.

Given the urgency and scale of the OSEC crisis, immediate investment in capacity building is essential to protect vulnerable children, rescue victims, and dismantle trafficking networks.

Recommendation 2: *That the Australian Government provide \$10 million in additional funding through ASEAN-ACT to establish a capacity-building grants program enabling ASEAN law enforcement agencies and partner NGOs to enhance their counter-OSEC capabilities.*

3. Proposal 3 - Online Sexual Abuse of Children and Youth Now at Critical Levels in Thailand

Online sexual abuse of children has reached critical levels globally, with Thailand emerging as one of the most severely impacted nations. Thai children are disproportionately affected by the growing trend of exploitation via social media platforms, highlighting an urgent need for international collaboration to address this crisis.

The Urgency of the Crisis

The gravity of this crisis was underscored by Thailand's Office of the National Economic and Social Development Council (NESDC) in its Q2/2024 Social Outlook report, which identified the nation as one of 25 countries facing a severe crisis of online child sexual abuse.¹⁷ This report, based on insights from international organisations, calls for urgent implementation of effective prevention and intervention measures.

The NESDC recommended the urgent need for Thailand to implement a range of effective prevention and intervention measures. There have been several media reports focusing on the NESDC recommendations.¹⁸



The Link Between Thailand and Australia

In the 2023 Operation Accord case, Destiny Rescue partnered with the Royal Thai Police to uncover the extensive distribution of over 100,000 child exploitation videos by organised criminal networks. These materials were shared with 3,400 individuals via Thailand's major messaging platform, with clear evidence of distribution to offenders based in Australia. This case highlights the transnational nature of online exploitation and the critical need for collaborative action.

Accountability for Social Media Platforms

The widespread distribution of CSAM (child sexual abuse material) on digital platforms in Thailand has reached crisis levels.

Key findings include:

- Thailand's most widely used messaging application has over 60 million users.
- Investigations revealed that over 300,000 chapters of CSAM were evidentially extracted from devices linked to this messaging service in Thailand.
- Destiny Rescue presented findings to Thailand's Minister of Justice, highlighting the platform's failure to address visible indicators of CSAM and the urgent need for regulatory reform.

Australia's eSafety Commissioner has established itself as a global leader in addressing digital harm, setting a powerful precedent for proactive, effective interventions. Leveraging its expertise and legislative framework could catalyse meaningful action to address the CSAM crisis in Thailand and ensure accountability for international social media platforms.

Providers of social media services (so far as those services are provided to end users in Australia) are subject to the Social Media Services Safety Code made under the Online Safety Act 2021. The eSafety Commissioner should investigate whether Thailand's leading messaging service, as a social media service provider profiled on the eSafety website, complies with the Australian Code.

Recommendation 3: *That the eSafety Commissioner leverage its authority under the Online Safety Act 2021 to investigate whether Thailand's major messaging service is complying with the Social Media Services Safety Code.*

This investigation would ensure accountability for platforms enabling CSAM distribution and strengthen international efforts to combat online exploitation.

4. Proposal 4 - Support for Overseas-Based CSAM Victims of Australia-Based Perpetrators

Overseas-based victims of child sexual abuse material (CSAM) created by Australian perpetrators face significant barriers to accessing justice and restitution. Destiny Rescue acknowledges the critical efforts of the National Roundtable on Human Trafficking and Slavery (the Roundtable) to advocate for a Federal compensation scheme for victims and survivors of modern slavery, including CSAM victims.¹⁹

The Opportunity for Reform

The Federal Attorney-General is currently reviewing a report from his Department on the accessibility of State and Territory victims of crime financial assistance schemes for victims and survivors of modern slavery. This presents a timely opportunity to extend legal and financial remedies to overseas-based victims of Australian CSAM offenders, addressing a critical gap in justice.

Destiny Rescue's Experience

Destiny Rescue operates on the ground in several ASEAN countries, embedding child and victim advocates who uphold our child-focused, trauma-informed care policies. This hands-on approach equips us with deep insight into the unique needs of CSAM and human trafficking survivors, ensuring their voices are heard and their rights protected.

The Justice Gap

Despite being harmed by Australia-based perpetrators, overseas CSAM victims currently lack clear legal pathways to pursue civil remedies, such as compensation and restitution. This gap in justice leaves victims without recourse, even in cases where prosecutors decline to pursue charges or where offenders are acquitted due to insufficient evidence to meet the criminal burden of proof.

The Call for Legislative Reform

The JSCFADT Committee's final inquiry report, *Pursuit of Equality*, highlighted the urgent need for legislative reform, recommending:

*"... the provision of legal pathways to enable victims (including those in overseas jurisdictions) to seek civil penalties from the perpetrator, including compensation and restitution."*²⁰

This recommendation underscores the importance of addressing the justice gap for overseas CSAM victims, aligning Australia's legal framework with its commitment to human rights and the protection of vulnerable individuals.

Recommendation 4: *That the Australian Government legislate to establish clear legal pathways for overseas-based CSAM victims to seek civil remedies from Australia-based perpetrators, including compensation and restitution.*

This reform would uphold principles of justice and accountability, ensuring that perpetrators are held responsible for the harm they inflict, regardless of where their victims reside.

Supplementary Material



2023-24 PBS

[View Here](#)



2024-25 PBS

[View Here](#)

Our work and Policy Contributions in Australia - [View Here](#)



Annual Report

[View Here](#)



Impact Report

[View Here](#)

Endnotes:

- 1 https://childlight.org/sites/default/files/2024-12/241015_Annual_Report_2024.pdf
- 2 Ibid
- 3 Julie Inman-Grant, eSafety Commissioner, 'Australia leads the world in setting new standards for online child safety', 19 December 2024.
- 4 Ibid.
- 5 Ibid
- 6 Ibid
- 7 Ibid
- 8 Philippines Dept of Interior and Local Government, Secretary Benjamin Abalos.
(source <https://ijmhk.org/en/news/unified-front-against-osaec-philippine-leaders-join-forces-to-protect-children/>)
- 9 ICMEC Australia and the University of Queensland, Costs of online child sexual exploitation and abuse in Australia: An initial Review, 2024
- 10 Ibid
- 11 <https://www.dsi.go.th/en/Detail/ac307a42439e1e2c8ef70898373eadb5>
- 12 Walkfree Global Slavery Index 2023
- 13 International Justice Mission, and the University of Nottingham Rights Lab. Scale of Harm 2023
- 14 Joint Parliamentary Committee on Law Enforcement, Inquiry into law enforcement capabilities in relation to child exploitation, Final Report, para 7.78
- 15 US State Department: 2024 TIP: Country Report, Australia
- 16 Dr Michael Salter submission No. 39, p. 4, to the JSCFADT inquiry into the rights of women and children
- 17 https://www.nesdc.go.th/nesdb_en/ewt_dl_link.php?nid=4518&filename=social_dev_report
- 18 Yonpiam, Chairith, "Online sexual abuse now at severe levels in Thailand", 16 September 2024, Bangkok Post
- 19 Attorney-General the Hon Mark Dreyfus KC MP, 2024 National Roundtable on Human Trafficking and Slavery media release, 3 December 2024
- 20 Parliamentary Joint Standing Committee on Foreign Affairs, Defence and Trade, *The pursuit of equality: Inquiry into the rights of women and children*, Recommendation 6, para 3.110 www.aph.gov.au

*Participating AICSA Agencies include:

- A21 Australia
- Bloom Asia
- Blue Dragon Children's Foundation
- Destiny Rescue Australia
- Eden Australia
- Global Counter-Trafficking Group
- Hagar Australia
- IJM Australia

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It's one of the most harmful crimes that I've ever seen in my policing or investigative career, generally because of the connection between the victim and the abuser.

– **Caleb** - *Destiny Rescue*
Global OSEC Director.





National Office

2/26 Premier Circuit, Warana QLD
4575 Australia

Postal

PO Box 1197, Buddina QLD 4575
Australia

Email

admin@destinyrescue.org

Web

www.destinyrescue.org

Phone

1300 738 761

Destiny Rescue Ltd.

ABN: 16 394 284 169

ACN: 616 359 623