

Inquiry into Intensive Therapeutic Care

Summary Report



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for the people of NSW

 **Ombudsman**
New South Wales

Acknowledgement of Country

The NSW Ombudsman acknowledge the Gadigal people of the Eora nation, who are the traditional custodians of the land on which the NSW Ombudsman's office is located. We also respectfully acknowledge the traditional custodians of the land and waters across NSW, their cultural and spiritual customs and practices, and celebrate the diversity of First Nations people throughout NSW. We pay respect to all First Nations' Elders past, present and emerging, and to the children of today who are the Elders of the future.

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Summary report on the NSW Ombudsman's Inquiry into Intensive Therapeutic Care

This document summarises the key observations and findings from the NSW Ombudsman's report: *Inquiry into Intensive Therapeutic Care (the Inquiry)*.

What is ITC and how many children are placed in ITC?

In 2018-2019, the Department of Communities and Justice (**DCJ**) introduced Intensive Therapeutic Care (**ITC**) as a new model of residential care for children in statutory out-of-home care (**OOHC**) to replace the former model of residential care (**legacy residential care**) to 'more effectively and holistically address the needs of children and young people and improve their outcomes across safety, permanency and wellbeing domains'.

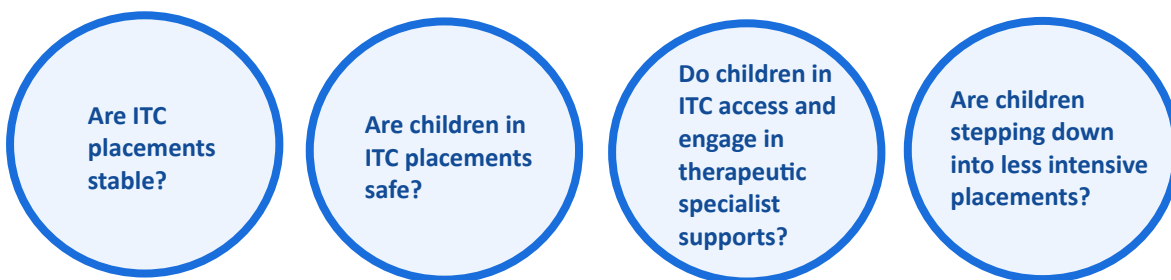
DCJ funds non-government organisations (**NGOs**) to provide ITC services based on 10 Essential Elements of Therapeutic Care. The program is for children over 12 years with high and complex needs where family-based placements are not possible or available to them and/or they require specialised and intensive supports.

At 30 June 2024, 700 children were living in an ITC placement. Of these children:

- 39% were Aboriginal and 61% non-Aboriginal
- 56% were living in Intensive Therapeutic Care Homes (ITCH) – other types of ITC include ITC - Significant Disability (ITC-SD) (20%) and Therapeutic Supported Independent Living (TSIL) (17%).

Our Inquiry

We commenced this Inquiry because there is no public information on the performance of ITC and outcomes achieved for children, and the program has not previously been evaluated. The Inquiry's central purpose was to assess whether ITC is operating as intended and meeting its objectives. The Inquiry sought to answer the following 4 critical questions:



In the absence of outcomes information about the ITC program and the children in ITC, the Inquiry sought to answer whether the program is achieving its objectives using proxy indicators, unpublished data and a range of qualitative information from agencies and providers.

We examined ITC operations by reviewing a select number of ITCH houses (47 houses). The Inquiry does not comment on the performance of individual providers but rather reflects consolidated data and themes.

We acknowledge both the demanding and rewarding nature of providing daily care to children in ITC who each have unique needs, wishes, goals and experiences, and their rights as children in OOHC to quality care and support that addresses their needs.

The Inquiry started after DCJ announced major reviews into OOHC, including a system review into OOHC and an Independent Pricing and Regulatory Tribunal (**IPART**) review of OOHC costs and pricing. Both reviews have since resulted in public reports.

DCJ has announced it will release a detailed OOHC Strategy by the end of 2025 and fully implement it by mid-2027 to coincide with the commencement of the new OOHC commissioning process.

The recommendations made in the Inquiry have been developed with awareness of that reform process as well as DCJ's advice that an evaluation of ITC will be completed by June 2027. We have recommended that in implementing the recommendations from this Inquiry, DCJ should consult and work with ITC providers, children, families and others with lived experience.

Are ITC placements stable?

Many children come into ITC having experienced placement disruptions and instability which impacts their recovery from trauma and undermines therapeutic outcomes.

At 30 June 2024, there were 107 children living in the houses selected for the 'deep-dive' review in this Inquiry. Most had experienced high levels of instability prior to entering ITC and while placed in ITC. On average, these children had 7 previous placements within OOHC, including within ITC (ranging from 1 to 26 previous placements).

Our findings:

- DCJ's monitoring of stability is limited to placement changes and length of stay in ITC and not focused on children's experiences of stability and continuity of relationships.
- Matching and placing children in ITC is hampered by ITC providers often receiving insufficient, outdated or incorrect information, and pressure on them to fill vacancies.
- DCJ's referral processes for children to ITC providers for a placement in ITC are inefficient.

In 2023-24, 77% of referrals to providers were declined, each referral was broadcast 3 times on average, and just over half (57%) of children referred, secured a placement.

- There is a lack of independent advocacy for children in placement decisions.
- Stability in ITC is impacted by housing market constraints and persistent workforce shortages leading to significant disruptions to relationships, schooling and support for children. For example, in 2023-24, 21% of the selected houses had address changes.

Our recommendations:

We made 3 recommendations about these issues:

- DCJ should establish stability measures which include changes that impact on children's experience of stability (such as changing schools or caseworkers), publicly report on these measures, and establish mechanisms to monitor and respond to trends and patterns in stability.
- DCJ should redesign the ITC broadcast system to better target placement referrals to relevant agencies, with minimum information standards, and to allow sufficient time for providers to properly assess placement risks.
- DCJ should establish an internal quality assurance panel with independent representation to assess how placement decisions respond to children's views and input, and to review the outcomes of placement decisions.

Are children in ITC placements safe?

Institutional group care settings involve many variables and potential risks for children, and research has found that children in residential care are more likely to experience harm than children in other settings.

Indicators such as reportable conduct allegations, risk of significant harm (**ROSH**) reports, Joint Protocol to Reduce the Criminalisation of Children in Residential Care (**Joint Protocol**) incident reviews, youth justice involvement, and the status of children 'not in placement' all highlight continuing safety challenges for children in ITC. For example, during 2023-24, 14% of all children in ITC had a youth justice supervision order, 42% of these children had 2 or more orders in that period and 20% spent time in custody.

Our findings:

- There is no systemic monitoring of the safety of children in ITC.
- Poor compatibility of residents remains a key risk to the safety of children and staff and has significant resource implications for providers.
- Current safeguard mechanisms intended to respond to risks to children in residential care do not always trigger timely intervention.
- Not all children reported at ROSH in ITC will receive a risk assessment as required by DCJ's Safety in Care Mandate. In 2023-24, DCJ received ROSH reports for 65% of children in all ITC houses. Of the 370 children reported at ROSH: 34% had 5 or more reports; 37% received a completed assessment, with around two-thirds of the children assessed (63.5%) found to be at risk of significant harm.
- The Joint Protocol is not implemented consistently and does not appear to be reducing the criminalisation of children in ITC.
- Children in ITC placements who leave their placement for 4 weeks or more (assessed as 'not in placement') are highly vulnerable to exploitation, homelessness, and harm. There is no minimum standard of care for these children and no clarity about how oversight mechanisms apply to them.

Our recommendations:

We made 2 recommendations about these issues:

- The Statewide Steering Committee of the Joint Protocol should report to an appropriate oversight mechanism about any implementation plans, evaluation strategies, reviews and reforms they are responsible for.
- DCJ should review and identify reforms to the policy and practice standards of care for children 'not in placement'.

Do children in ITC access and engage in therapeutic specialist supports?

Therapeutic care for children in ITC is provided through case plans which are about meeting the individual goals and needs of a child covering key aspects of their lives and development.

At 30 June 2024, of the 107 children in the selected ITCH houses:

- 59% had education plans and 13% were confirmed to be attending an educational setting.
- 42% of the Aboriginal and Torres Strait Islander children either had approved Cultural plans or a plan in progress.
- 57% were on the OOHC Health Pathway and 71% had a health plan.

Our findings:

- A high percentage of children in ITC lack required plans to guide the provision of therapeutic supports to them.
- There continues to be significant barriers to educational engagement for children in ITC.
- Multi-agency agreements and collaborative protocols (across health, education, police, youth justice) do not consistently deliver coordinated or timely support services for children in ITC.
- The required specialised support services are not always available where and when they are needed.
- Many children are placed long distances from familial and community support networks due to local placement scarcity.
- High turnover of staff and lack of sufficiently qualified staff undermine implementation of therapeutic approaches and continuity of care.
- DCJ does not routinely monitor the implementation of the 10 Essential Elements of Therapeutic Care by ITC providers.

Our recommendations:

We made 1 recommendation about these issues:

- DCJ and partner agencies should report on compliance with compulsory school-age participation for children in residential care to an appropriate oversight mechanism.

Are children stepping down into less intensive placements?

The ITC program aimed to reduce reliance on residential care by replacing legacy models with therapeutic care. It was intended as a temporary measure to transition children to permanent outcomes or less intensive placement types (known to DCJ as 'stepping down'). However, on average over 2019-20 to 2023-24, only 43 children stepped down annually from all ITCH.

Our findings:

- Evidence provided to the Inquiry raises significant questions about both the sufficiency of the current stepping down options, but also the suitability of stepping down as a goal.
- The ITC Program has not shortened the time children spend in care, secured permanency for them, or moved them to less intensive placements.
- There is increasing reliance on residential care, including ITC. While DCJ has achieved its goal of replacing legacy residential care by the end of 2024, the number of children in residential care has increased.
- Many children return to ITC after stepping down, indicating a cycle of instability and disruption to their therapeutic care. Between 2018-19 to 2023-24, 54% of the children in all ITCH who stepped down re-entered another placement and 21% re-entered 2 or more times.

Our recommendations:

We made 1 recommendation about these issues:

- Following the upcoming evaluation of ITC, DCJ should develop revised goals for therapeutic residential OOHC that focus on the best interests of children in ITC.

Systemic issues affecting ITC delivery

The Inquiry identified a range of longstanding systemic issues related to ITC programs that impact on the effectiveness, efficiency and quality of services for children. Some providers have adapted their service delivery or commenced initiatives in an attempt to respond to service gaps, particularly in the areas of health and education.

Our findings:

- DCJ does not systemically monitor key outcomes related to safety, stability and therapeutic care for children in the ITC program to ensure expansion and program improvement initiatives are guided by evidence about what works best for children.
- The provision of services and supports to children are delayed due to inconsistent practices between DCJ districts, outdated key guidance and inefficient administrative systems.
- Children's participation in daily decisions and future planning in ITC homes is variable and hampered by disruptions to key relationships necessary for therapeutic care.
- There are challenges finding suitable placements for children to allow them to remain connected to family, Culture and community.

Our recommendations:

We made 4 recommendations about these issues:

- The upcoming evaluation of ITC should include examination of the sufficiency of current pathways out of ITC, examination of the evidence for the effectiveness of initiatives developed by ITC providers in response to systemic challenges and the potential for their statewide rollout, and the identification of solutions to inconsistent and inefficient practices, data systems and processes across DCJ.
- DCJ should review the information DCJ and providers currently collect on ITC operations, services and outcomes for children – to identify information gaps, develop agreed performance measures, and set a timeline to implement and report on these measures at a program level.
- DCJ should develop a model of advocacy for children that includes significant people in a child's life, and advocacy for children who do not have significant people to advocate for them.
- DCJ with partner agencies, should agree on processes to streamline access for children to key services needed for their therapeutic care, including providing pathways to prioritise children in ITC as needed.

Inquiry conclusions

The Inquiry concluded that the ITC program is not operating as intended. A range of longstanding systemic and ITC program related challenges are impacting on the effectiveness, efficiency and quality of services for children. These unresolved issues undermine the long-term ability of the ITC program to meet the needs of children. These include housing insecurity, workforce shortages, and a lack of placement options to enable children to remain connected to family and community. The ITC program is not effectively responding to these challenges.

Based on the evidence obtained, DCJ cannot demonstrate that the ITC program is meeting its objectives to:

- provide stability for children with high and complex needs in ITC
- assure the safety of children in ITC
- ensure children are accessing therapeutic care
- step-down children or shorten their time in care by securing their permanency.

Fundamental changes in program design and operation are required for the ITC system to respond effectively to children's changing needs and to give their voices prominence in all decisions that affect their care experience and life beyond care.

Read the full *Inquiry into Intensive Therapeutic Care* report on the NSW Ombudsman website at: <https://cmsassets.ombo.nsw.gov.au/assets/Reports/Inquiry-into-Intensive-Therapeutic-Care-Report.pdf>

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