30 July 2026

Employment Services Reform team
Department of Employment and Workplace Relations
Canberra ACT 2600

Submitted via the Department's website

Dear Employment Services Review team,

Thank you for the opportunity to provide feedback on the ongoing reform of employment services.

headspace provides early intervention services for young people aged 12 to 25 years, across their mental health and wellbeing, physical health, alcohol and other drug and work and study needs. We provide support both online and in-person, with a network of 175 centres nationally.

As part of the vocational supports available to young people accessing headspace, the Department of Social Services funds 50 headspace centres to deliver the Individual Placement and Support (IPS) program. This is delivered by headspace Work and Study services, which support young people to engage in employment, education and training. IPS is an evidence-based model, where vocational specialists work alongside clinical teams to provide individualised, strengths-based support for both their work and study and mental health needs. Delivering IPS through headspace centres enables young people to access vocational support in a trusted, youth-friendly environment where work, study and mental health needs can be addressed together, leading to more coordinated care, stronger engagement, and better long-term social and economic participation outcomes. In 2025-26, 3,415 young people accessed headspace Work and Study support in centres across Australia.

headspace also provides vocational support for young people via our digital program, Work and Study Online, also funded by the Department of Social Services. This national, evidence-based service provides free, clinically integrated vocational and mental health support via phone, video and webchat to help young people aged 15–25 engage in employment, education and training. In 2025-26, 2,585 young people accessed headspace Work and Study Online.

We welcome Government's review of employment services, and the opportunity to consider how to improve outcomes for young people facing barriers to employment. We support a system that is responsive to individual needs and promotes sustainable participation in education and employment.

Based on our experience delivering integrated mental health and vocational services, we highlight three key needs for consideration.

Online assessment processes create a barrier to providing appropriate support for young people with mental health and wellbeing concerns

headspace welcomes the proposal to improve the assessment tool and supports plans for the online assessment process to include additional human support, although to what degree is unclear. To ensure young people are getting appropriately streamed we would encourage a human-

centred approach for those aged under 25. This would enable Services Australia staff to provide young people with a more nuanced approach to assessing their needs and identifying the most appropriate support stream for their needs.

Many young people accessing employment services have poor mental health, limited literacy about their mental health needs, and a high level of distrust of government and government-funded services. Often, this cohort of young people will have emerging or undiagnosed mental health challenges and may not have the language, literacy or trust to describe their symptoms and needs via an online, self-managed assessment process. They can also underestimate the impact of their mental health and wellbeing on their functional capacity, and often have difficulty describing this in an automated process.

This can mean that young people are inadvertently being directed to a service stream that is not the most appropriate option for their needs and circumstances. This includes being directed to self-directed digital or compliance-driven services that don't build the necessary trust and engagement for positive outcomes.

Incorporating a human-centred step in the assessment process – with a social worker or other skilled professional engaging with the young person – will help better identify the young person's needs, any contributing issues or concerns, and the most appropriate stream of employment support.

Additionally, ensuring that assessment processes are family inclusive will increase support for a young person, as families and other trusted adults often play a critical role in supporting engagement with education and employment services.

Young people in Transition to Work should have access to IPS services

The Individual Placement and Support (IPS) model, delivered through headspace Work and Study services, integrates vocational assistance with mental health support. International evidence and data from headspace programs shows this approach is highly effective in supporting young people with mental health concerns to engage in work and study. IPS provides a best practice standard for supporting young people who need help to engage in work or study.

Young people who are accessing the Transition to Work (TTW) program are not currently eligible to receive IPS services at a headspace centre. This creates a barrier for young people on income support who are receiving mental health support in a headspace centre to access the IPS program in that centre.

headspace operates on the principle of providing support or referral to all young people seeking help. When a young person accesses a headspace centre seeking support via the IPS program, headspace centres are required to deliver this, consistent with their clinical governance arrangements and the model fidelity requirements for IPS. Most young people (more than 80 per cent) participating in the IPS program at headspace are not receiving income support. But for a small group, the ineligibility for young people to access both the TTW and IPS program concurrently creates a difficult situation for centres.

Allowing concurrent access to TTW and IPS would strengthen engagement and outcomes for young people, and reduce long term reliance on unemployment benefits and services.

Monitoring of mutual obligation should be separate from provision of support

headspace supports a clear separation between compliance and monitoring functions, and the provision of support to young people accessing unemployment benefits.

Requiring a vocational worker to provide support to a young person and also monitor compliance with mutual obligations creates a conflict that undermines trust and engagement between the young person and worker. Young people can become less open about their needs and challenges, and engagement becomes driven by compliance rather than building capability and achieving positive employment outcomes.

The success of the IPS model has demonstrated that it is possible to achieve strong outcomes for young people without the use of mutual obligations. Workers using the model can build trust and engagement to motivate the young person, without any compliance measures or oversight. Most young people accessing the program are successful at securing employment or engaging in study.

For young people, prioritising trust and engagement is essential. This is particularly important when a young person is facing multiple barriers to accessing employment, such as mental health challenges and living in a rural or remote areas. Separating the provision of support from monitoring mutual obligations helps to facilitate engagement and improve motivation and self-determination.

Further details

headspace would welcome the opportunity to discuss these issues – or the proposed reforms to employment services more broadly – in more detail.

Yours sincerely



Jason Trethowan
Chief Executive Officer

Appendix 1: headspace programs and services

headspace provides early intervention mental health services to 12 to 25 year olds. headspace offers young people integrated and individualised support across mental health, physical and sexual health, alcohol and other drugs, and work and study. Such holistic, multi-faceted support are a vital component of a responsive service system model.

Our integrated service model includes:

- **headspace centres:** the headspace network of services are youth-friendly, integrated service hubs, where multidisciplinary teams provide holistic support across the four core streams.
- **community awareness:** guided by local youth reference groups and centre staff, Community Awareness Officers at each headspace centre work locally to build mental health literacy, reduce stigma, encourage help-seeking, identify local needs and ensure young people know they can access help at headspace.
- **digital mental health programs and resources:** headspace uses its digital platform to make a range of information and supports accessible to young people, parents and carers, professionals and educators.
- **eheadspace:** our virtual service provides safe, secure support to young people and their family and friends from experienced youth mental health professionals via email, webchat or phone. There are also online group sessions led by clinicians or peers, focused on the big issues facing young people and their family and friends.
- **headspace campaigns:** campaigns focus on stigma reduction, building mental health literacy and encouraging help seeking, while ensuring young people know headspace is a safe and trusted place they can turn to in order to support their mental health.
- **headspace in schools and universities:** Through evidence-based mental health promotion, prevention, early intervention and postvention services, headspace delivers key initiatives designed to support the mental health and wellbeing of school communities. This includes:
    - **Be You** – a mental health and wellbeing initiative for learning communities, supporting secondary schools to prepare for, respond to and recover together where there has been a death by suicide.
    - **Mental Health Education Program** – free mental health education workshops for schools
    - **University support program** – training and education opportunities to Australian universities to build their capacity and confidence to engage in conversations about mental health and wellbeing.
- **programs and resources to support priority cohorts of young people**
- **vocational supports:** headspace centres provide integrated mental health and vocational support to young people to help them remain engaged in work and study, including implementing Individual Placement and Support (IPS) in headspace centres. In addition, headspace provides vocational support via:
    - **headspace Work and Study Online** (hWS) is a national digital program that provides integrated mental health and vocational support via the phone, video conferencing,

online messaging and email. hWS works closely with young people across their work/study journey from identifying work/study goals to maintaining a work/study placement, typically for a period of around three months.

- **headspace Career Mentoring** connects young people aged 18 to 25 years living with mental health challenges with industry professionals to meet fortnightly over a period of six months via video conferencing and/or the phone to enhance a young person's employment and career opportunities.
- **headspace Individual Placement and Support** is available in-person at 50 services.