

Australia tops global counterparts in mental health-related absences as awareness grows in the workplace

Sydney, Australia, 23 July 2025 – Australian workplaces have recorded the highest increase in mental health-related absences globally, new research from Peninsula Australia has revealed, as awareness of the need for mental health support continues to grow. More employers are recognising the importance of employee wellbeing, but the pace of action remains uneven.

The research was conducted by the global HR, employment law and health & safety consultancy across its client base in Australia, New Zealand, the UK, Ireland and Canada. Surveying its client base of 30,500 small to medium-sized business owners in Australia, the survey found that 33% of Australian employers had observed an increase in sickness absences due to mental health over the past year.

Over half of Australian employers (51%) also reported an increase in the number of staff experiencing mental health challenges at in the workplace.

Despite these shifts, formal support measures are still evolving. Seventy-two per cent of employers said they do not currently offer dedicated mental health days and have no plans to introduce it in the next 12 months. Meanwhile, one in six employers provide mental health leave outside of annual entitlements, and just 39% have an Employee Assistance Program (EAP) in place.

Kayleigh Frost, Associate Director of Operations at Wisdom Wellbeing ANZ, Peninsula Australia's Employee Assistance Program provider, said these findings mirror what her team is witnessing on the ground across frontline support services.

"There is a clear shift in awareness around mental health across our workforce. The conversations are becoming more open, and the demand for support is rising.

"In the past year, we have seen a 222% increase in calls to our EAP and a 128% increase in referrals for structured counselling. Mental health concerns now account for nearly a third of all calls. The volume and urgency we are hearing on the helpline paint a very real picture of a rising need," said Frost.

Frost noted that the majority of these calls are coming from women (63.6%), particularly those between the ages of 30 and 39. Healthcare and medical workers accounted for the

largest proportion of EAP users, followed by those in construction, professional services and manufacturing – sectors considered critical to the economy.

“We often talk about resilience and wellbeing in the abstract, but the numbers show us where the pressure points are. With 76% of employers not confident their staff would feel safe speaking up about mental health, there is still a culture of silence we need to break.”

The findings follow recent ABS labour force data, which showed a 0.9% drop in hours worked in June, the sharpest monthly decline in two years, even as broader employment market remained relatively steady. Over the past 12 months, employment grew 2.1%, and unemployment edged up to 4.2%.

“On paper, the labour market looks stable, but behind the scenes, many workers are stretched or quietly burning out,” added Frost.

Encouragingly, 68% of Australian employers now offer some form of mental health support. Compared to their global counterparts, they are leading in their intentions to invest in manager and employee trainings, EAP access, mental health days and flexible work.

Frost added that this progress is welcome and ongoing.

“We are seeing more businesses engaging with mental health as a workplace issues, and many are starting to take steps to support their teams. At the same time, there is still a gap between what is currently offered and what employees may need. The increase in calls to our support line shows that more people are reaching out, and it reinforces the need for sustainable support.

“Support needs to be accessible and meaningful, not a tick-the-box exercise. Poor mental health is estimated to cost Australian employers approximately \$11.5 billion a year. We cannot afford for mental health to be the thing that is talked about in policy but missed in practice. The opportunity lies in translating this awareness into consistent and tangible support for employees.”

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Notes to editor

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