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Psychology Supply and Demand Compendium Report

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Table of Contents

Psychologists in Australia

While the number of psychologists continues to grow, there remains a workforce shortage across Australia.

Psychologists are a key component of the mental health workforce, playing a key role in meeting Australia's mental health needs. They work across a variety of roles and settings, including clinical, health and counselling services, as well as in specialised areas such as forensic psychology and sports and exercise psychology. Psychologists also contribute to non-clinical roles including government, administration, teaching and research.

Mental health is an integral part of the overall health and wellbeing. In any given year, an estimated one in five Australians aged 16–85 will experience a mental disorder (ABS 2023). Mental and physical health are closely interconnected, with individuals living with mental illness more likely to develop physical health conditions and experience poorer health outcomes compared to the general population.[1]

The 2020–2022 National Study of Mental Health and Wellbeing collected data on access to mental health services in the preceding 12 months. Among individuals with a lifetime mental disorder who experienced symptoms within the last 12 months, 36% consulted a general practitioner (GP) for mental health support, 21% consulted a psychologist, 10% consulted a psychiatrist and 13% consulted another health professional.[2] In 2022–23, psychologists including clinical psychologists provided 49% of Medicare Benefits Schedule (MBS) mental health specific services, GPs provided by 27% and psychiatrists provided 20% (AIHW 2024).[3] These figures highlight that while psychologists deliver the largest share of mental health services under the MBS, psychiatrists, GPs and other health professionals continue to play a significant role in meeting Australia's mental health care needs.

In 2023, the federal government released the *National Mental Health Workforce Strategy 2022-2032,* which highlighted the growing shortage of mental health professionals, with a significant shortfall expected for psychologists over the next 5 years.[4] Gaining a better understanding of the current and projected demand for psychological services, as well as the future supply of psychologists over the next 15 years, will be critical to inform policies and strategies aimed at ensuring an adequate workforce. This will help support a mental health system that can effectively meet the needs of the community.

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[1] BMJ, 2013, The gap in life expectancy from preventable physical illness in psychiatric patients in Western Australia: retrospective analysis of population based registers | The BMJ, accessed 13 April 2025.
[2] Australian Bureau of Statistics, 2020-2022, National Study of Mental Health and Wellbeing, accessed 10 April 2025.
[3] Australian Institute of Health and Welfare, 2024, Medicare mental health services - Mental health, accessed 10 April 2025.
[4] Department of Health, Disability and Ageing, 2022-2023, National Mental Health Workforce Strategy, accessed 10 April 2025.

This study examines the supply of psychologists in Australia working in health and other settings, such as educational facilities and defence forces. The health settings were determined as the combination of job areas and job settings that aligned to psychologists who would be providing Medicare claimable services, Community Mental Health Care services and Non-Admitted Patient services. For further details, refer to the Appendix which outlines the specific job settings and areas associated with health and other settings.

Due to data constraints, demand modelling is limited to psychology services delivered in health settings. As a result, supply projections for psychologists in other settings and trainee provisional psychologists are presented without corresponding demand estimates.

Summary of results

Psychologists contribute across a wide range of roles and settings, including clinical, health, and counselling services, as well as in non-clinical areas such as government, policy and administration. The national psychology workforce is projected to grow by 34.0% over the next 15 years. However, demand projections for psychologists within health settings indicate a persistent workforce shortage throughout this period.[5]

National supply projections

- The national psychology workforce projections suggest that the supply of psychologists is expected to increase from 34,219.8 full-time-equivalent (FTE) in 2025 to 45,764.9 FTE by 2038. In headcount terms, this represents an increase from 43,738 psychologists in 2025 to 58,835 by 2038.
- The total entry rate, including re-entries, is expected to decline throughout the projection period, dropping from 9.2% of total supply (headcount) in 2025 to 7.8% in 2038.[6]
- The total exit rate, including temporary exits, is projected to increase slightly from 6.1% of total supply (headcount) in 2025 to 6.4% by 2038.
- The projections also indicate a trend towards an ageing workforce. By 2038, psychologists aged 40-49 are expected to become the largest segment of the workforce (27.1%), overtaking those aged 30-39 (see Table 6). At the same time, the proportion of psychologists aged 55-59 and 60 and over also expected to grow.

National supply projections by psychologist type (Figure 1)

For the purposes of the modelling, psychologists are classified into three groups: Trainee provisional psychologists, psychologists working in heath settings and psychologists working in other settings. Refer to the Appendix for definitions.

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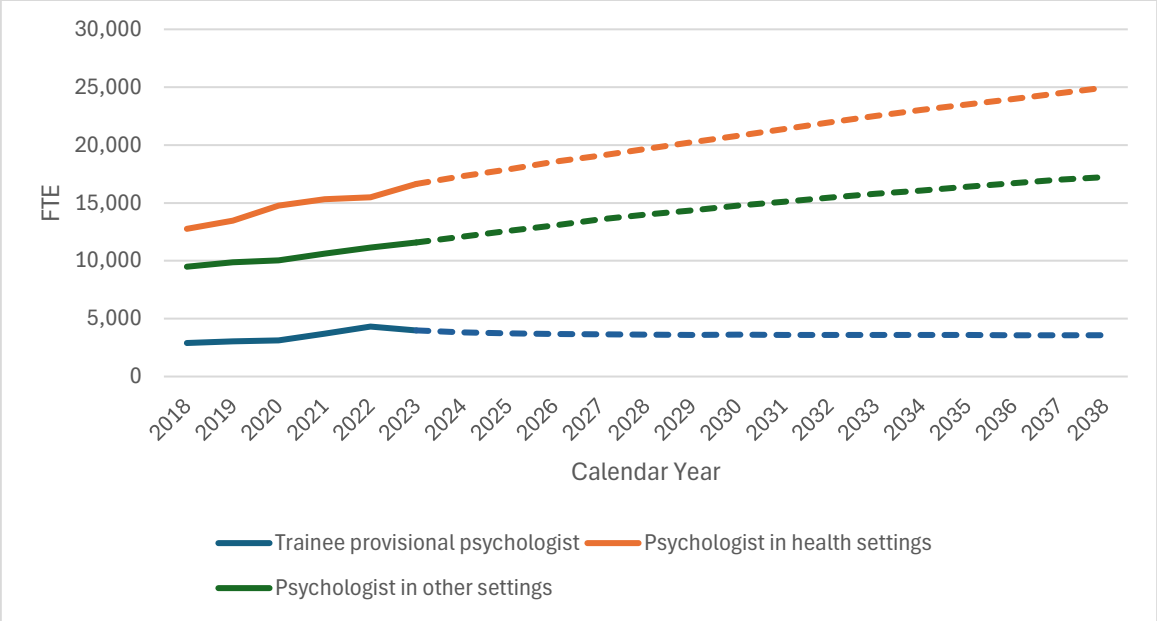
[5] The Appendix outlines combination of the specific job settings and areas that are classified as ‘health settings’ and ‘other settings.

[6] Entry/exit rates are estimated as a proportion of total supply in terms of headcount. For example, *Total entry rate = Number of total entries (headcount) in year t / Total supply (headcount) in year t.*

- The supply of **trainee provisional psychologists** is projected to decline slightly, from 3,722.9 FTE in 2025 to 3,570.6 FTE by 2038.
    - As a proportion of total supply, FTE trainee provisional psychologists are expected to decrease from 10.9% in 2025 to 7.8% by 2038.
    - The national average FTE per trainee provisional psychologist is projected to remain steady at 0.59 throughout the projection period[7].
- Within **health settings** (Figure 1), the psychology workforce is estimated to increase from 17,907.5 FTE in 2025 to 24,964.7 FTE by 2038.
    - As a proportion of total supply, FTE psychologists in health settings are expected to increase from 52.3% in 2025 to 54.5% by 2038.
    - The national average FTE per psychologist in health settings is projected to decline from 0.78 in 2025 to 0.76 by 2038.
- In **other settings**, the psychology workforce is forecast to grow from 12,589.4 FTE in 2025 to 17,229.5 FTE by 2038.
    - As a proportion of total supply, FTE psychologists in other settings are expected to increase slightly from 36.8% in 2025 to 37.6% by 2038.
    - The national average FTE per psychologist in other settings is projected to remain steady at 0.86 throughout the projection period.

Figure 1: FTE psychologists: National supply projections, 2018–38

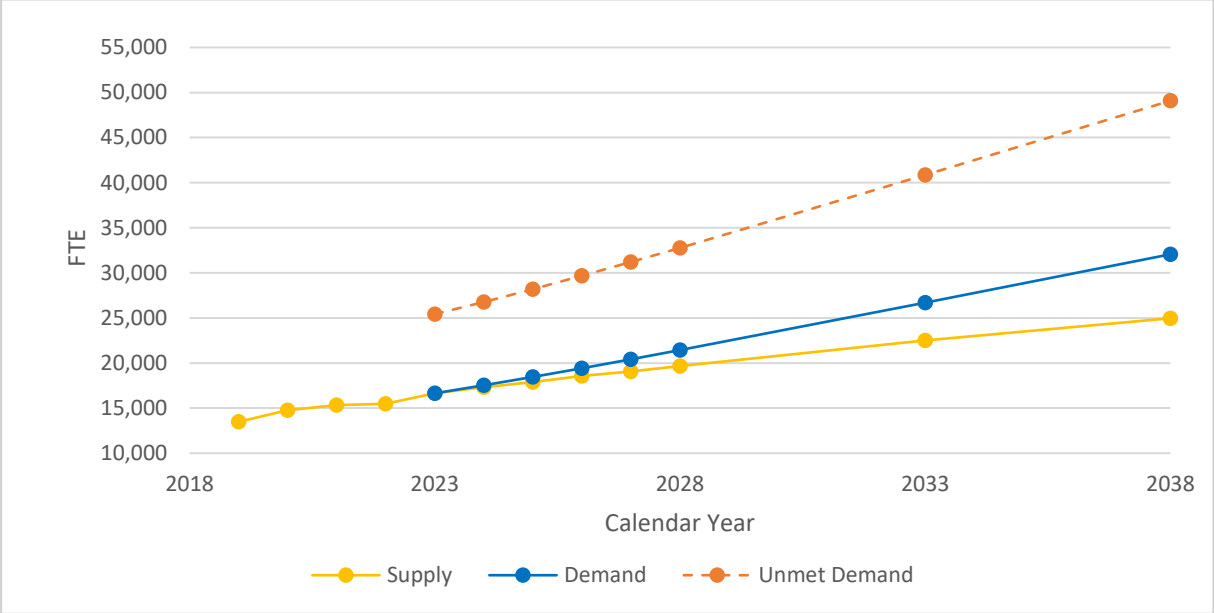


[7] Average FTE per psychologist is calculated by dividing the total FTE by the total headcount of psychologist in a given year (i.e. Average FTE = Total FTE ÷ Total headcount).

National supply vs demand for psychologists in health settings (Figure 2)

- Despite the projected growth in supply of psychologists in health settings, **baseline demand estimates** indicate a shortfall of 534.1 FTE (3.0%) in 2025, with the gap expected to widen substantially to 7,092.5 FTE (28.4%) by 2038.
- When considering **unmet demand,** the shortage becomes significantly larger for **psychologists in health settings,** rising from 10,269.9 FTE (57.3%) in 2025 to 24,115.5 FTE (96.6%) by 2038.

Figure 2: FTE National Projections for psychologists in health settings: Supply vs demand, 2018–38



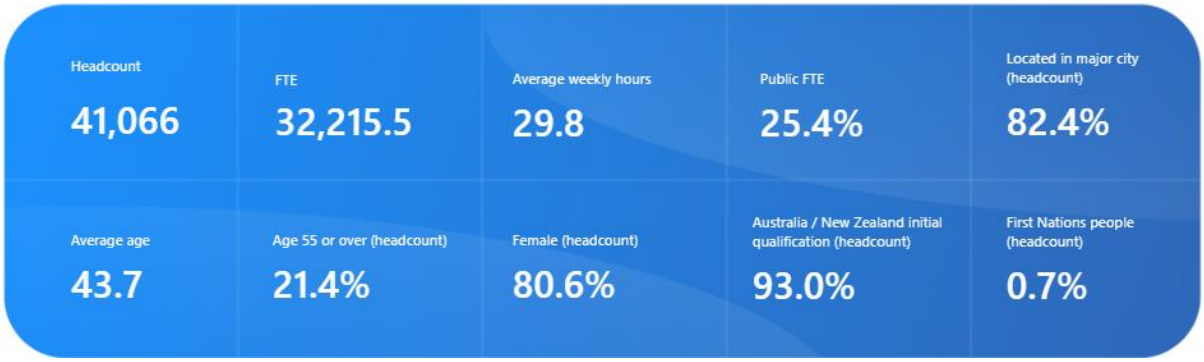
Workforce Profile

The following section presents a snapshot of the current workforce using the latest available supply data, 2023. It also summarises historical trends observed from 2019–23.

Quick Facts

- In 2023, there were 41,066 psychologists with average weekly hours of 29.8 that equates to 32.215.5 FTE psychologists. This total FTE consists of 29,946.6 FTE Australian/New Zealand graduates (those with initial qualification from Australia or New Zealand) and 2,268.9 FTE overseas trained psychologists (those with initial qualification from overseas).
- The workforce remains predominately female, with 33,098 female psychologists compared to 7,968 male psychologists.

Figure 3: Quick facts on psychology workforce, 2023



Practitioner type

Table 1 provides a summary of the psychology workforce by type. In 2023:

- There were 20,996 psychologists (headcount) working in health settings, representing 51.1% of the total psychology workforce.
- An additional 13,299 (32.4%) psychologists were employed in other settings, where they recorded the highest average weekly hours at 33.1.
- Overall, 62.2% of the FTE psychologists worked in the private sector, with most psychologists working in health settings (84.5%) also employed in the private sector.

Table 1: Summary statistics by psychologist type, 2023

Type	Headcount	Average weekly hours	FTE	Public FTE %	Private FTE %
Trainee provisional psychologists[8]	6,771	22.4	3,988.1	-	-
Psychologists in health setting	20,996	30.1	16,642.5	15.5	84.5
Psychologists in other settings	13,299	33.1	11,584.9	48.5	51.5
Total	**41,066**	**29.8**	**32,215.5**	**25.4**	**62.2**

Area of practice endorsement

- Table 2 summaries the areas of practice endorsement among psychologists. In 2023, 35.5% of psychologists (headcount) held at least one area of practice endorsement. Of these, the majority (77.1% were endorsed in clinical psychology, while the next most common area, counselling psychology, accounted for only 6.7%.
- Most psychologists with an area of practice endorsement worked in the private sector (72.6%).

Table 2: Areas of practice endorsement, 2023

Type	Headcount	Average weekly hours	FTE	Public FTE %	Private FTE %
Clinical neuropsychology	838	33.3	733.4	47.9	52.1
Clinical psychology	11,258	31.6	9351.1	26.2	73.8
Community psychology	42	30.5	33.7	16.1	83.9
Counselling psychology	973	28.6	733.0	15.9	84.1
Educational and developmental psychology	860	31.3	708.6	22.8	77.2
Forensic psychology	582	34.4	526.5	41.1	58.9
Health psychology	289	30.6	232.6	30.9	69.1
Organisational psychology	582	34.1	521.6	29.5	70.5
Sport and exercise psychology	96	34.0	86.0	19.7	80.3
Total having at least one endorsement	**14,595**	**31.6**	**12,146.6**	**27.4**	**72.6**
Overall total	**41,066**	**29.8**	**32,215.5**	**25.4**	**62.2**

[8] The Australian Health Practitioner Regulation Agency (Ahpra) registration data does not provide information on the hours worked in the public and private sector for provisional registrants.

Workforce Trends and Distribution

Table 3 provides the psychology workforce trends, with key highlights as follows:

- The number of psychologists increased from 33,006 in 2019 to 41,066 in 2023 reflecting a Compounded Annual Growth Rate (CAGR) of 5.6%. However, FTE workforce grew at CAGR of 5.1% during the same period, driven by a slight decrease in the average hours worked.
- Overall, the average weekly hours worked decreased from 30.4 in 2019 to 29.8 in 2023, reflecting a negative CAGR of 0.5%.
- The proportion of FTE psychologists employed in the public sector declined from 30.6% in 2019 to 25.4% in 2023, reflecting a negative CAGR of 4.5%.[9]

Table 3: Workforce trends, 2019–23

Year	2019	2020	2021	2022	2023	CAGR %
Headcount	33,006	34,622	37,144	39,502	41,066	5.6
Average weekly hours	30.4	30.6	30.3	29.8	29.8	-0.5
FTE	26,373.1	27,918.0	29,641.1	30,938.7	32,215.5	5.1
Public FTE %	30.6	29.3	26.3	25.0	25.4	-4.5
Private FTE %	57.9	59.6	61.2	61.0	62.2	1.8

Demographics

Key highlights from Table 4 shows the following:

- Overall, the proportion of female FTE psychologists increased marginally from 78.3% in 2019 to 78.9% in 2023.
- Between 2019 and 2023, the age distribution of psychologists remained relatively stable, with a 1.5% increase in the FTE share for the under 30 age group and 1.4% decline for those aged 60 and over.

[9] The public FTE % and private FTE % are estimated as a percentage of total workforce including Trainee provisional psychologists for which information on public and private hours are unavailable. This means that sum of public FTE % and private FTE % is not equal to 100%.

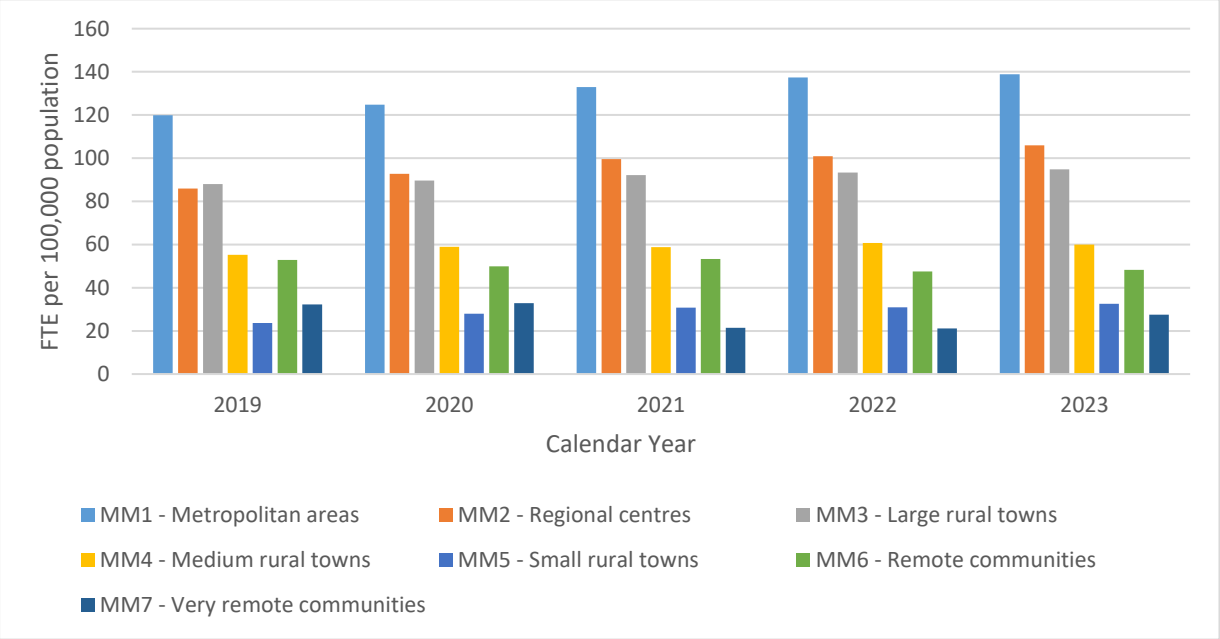
Table 4: FTE by sex and age-groups, 2019 and 2023

	2019			2023		
Age group	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**
Under 30	533.8	2,937.0	3,470.8 (13.2%)	822.1	3,901.3	4,723.4 (14.7%)
30-39	1,397.7	6,023.5	7,421.2 (28.1%)	1,806.0	7,119.3	8,925.3 (27.7%)
40-49	1,357.2	5,451.8	6,808.9 (25.8%)	1,583.8	6,792.0	8,375.8 (26.0%)
50-59	1,178.5	3,769.4	4,947.9 (18.8%)	1,312.8	4,801.2	6,114.0 (19.0%)
60 and over	1,249.5	2,474.7	3,724.2 (14.1%)	1,268.1	2,808.8	4,076.9 (12.7%)
Total	5,716.7	20,656.4	**26,373.1 (100%)**	6,792.9	25,422.6	**32,215.5 (100%)**

Full-Time Equivalent (FTE) psychologists by Modified Monash Model (MMM) 2023[10]

There is maldistribution of psychologists between rural and remote areas compared with metropolitan areas. In 2023, the FTE psychologists per 100,000 population in metropolitan areas (Monash Modified – Category 1 (MM1)) was 138.8, compared to 60.0 in medium rural towns (MM4) and only 32.6 in small rural towns (MM5), see Figure 4.

Figure 4: FTE Psychologists per 100,000 population by Modified Monash Model (2023), 2019–23

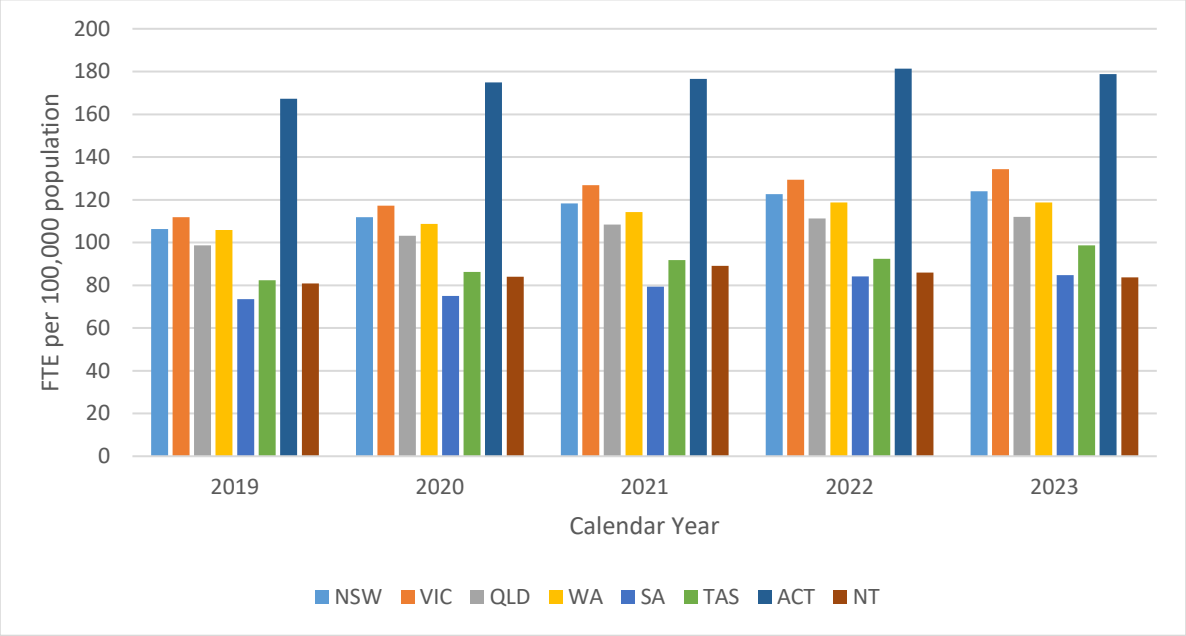


[10] For description of Monash Modified Model please refer to Modified Monash Model.

Full-Time Equivalent (FTE) psychologists by state and territories

In 2023, across jurisdictions, the Australian Capital Territory (ACT) had the highest FTE psychologists per 100,000 population at 178.7, while the Northern Territory (NT) had the lowest at 83.9, see Figure 5.

Figure 5: FTE psychologists per 100,000 population by states and territories, 2019–23



For detailed psychology supply workforce profile, please refer to the Psychology Supply Profile Dashboard.

What is supply and demand modelling?

Supply and demand modelling is a tool used to understand how much of something is available (supply) and how much is needed (demand).

Effective health workforce planning is a key instrument for a resilient and sustainable health system. Health workforce modelling provides insights into the current and projected health workforce, playing an integral role in workforce planning to ensure we have the workforce we need and where they are most needed.

This psychology supply and demand study provides valuable insights into the psychology workforce, helping to identify potential workforce gaps. By quantifying the projected supply and demand for psychologists from 2024 to 2038, using data collected from several sources between 2014 and 2023, the study provides important evidence to guide workforce reform and inform policy decisions on regulation, education and psychology training pipeline.

Methodology for the psychology supply and demand model

To enable detailed scenario modelling of the psychology workforce, a combination of microsimulation and time series regression modelling approaches for supply and demand is used. Microsimulation is a technique for modelling the behaviour of individuals according to predetermined probabilistic rules. Time series regression is a statistical method for predicting future values based on the response history and the influence of relevant predictors.

The Microsimulation approach provides maximum flexibility for adapting the model to different populations and unique supply and demand scenarios. This enhances our understanding of the effects of existing policies and helps identify ways to improve them.

For detailed information on the methodology, refer to the Psychology Supply and Demand Model - Methodology Paper.

Overview

This study focuses on modelling the supply of and demand for psychologists who are currently working clinical hours. For the purposes of the modelling, psychologists are classified into three groups:

1. Trainee provisional psychologists
2. Psychologists working in heath settings and
3. Psychologists working in other settings.

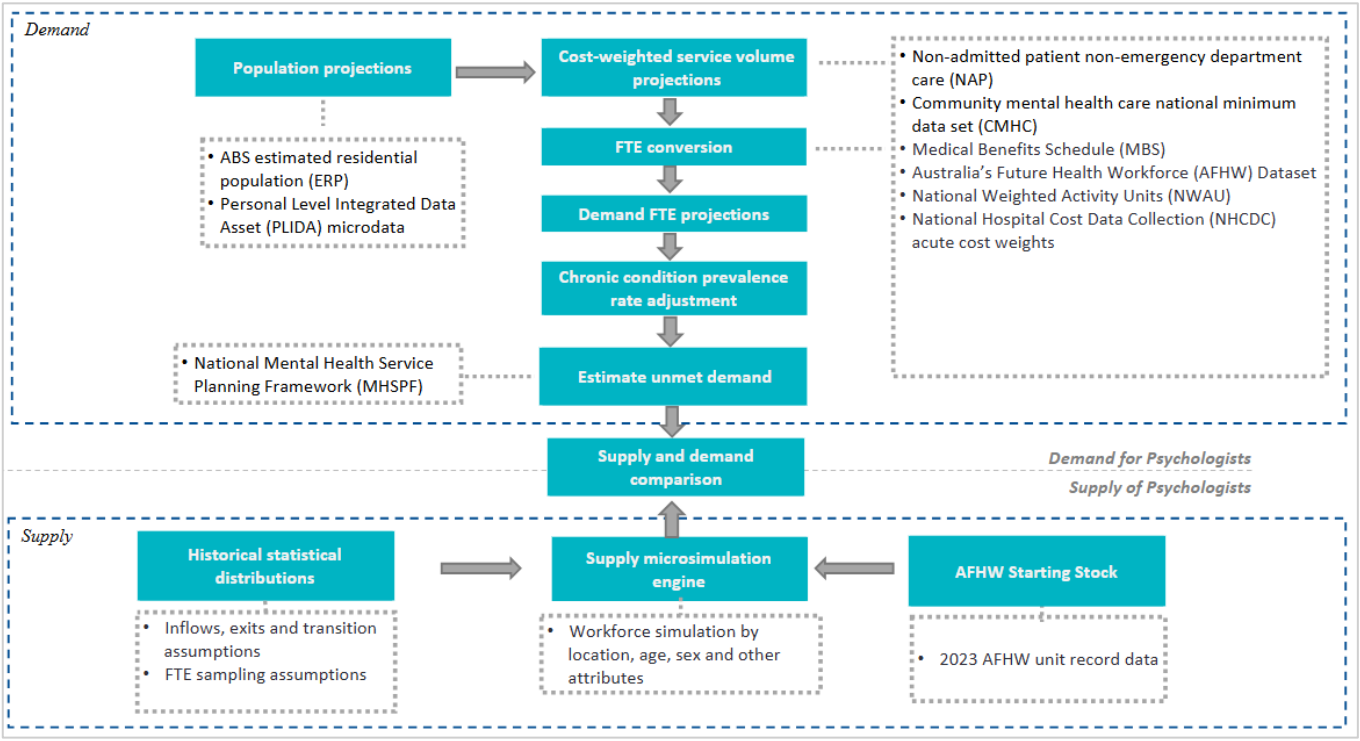
The Appendix outlines the specific job settings and areas associated with categories 2 and 3.

Due to data constraints, demand modelling is limited to psychology services delivered in health settings. As a result, supply projections for psychologists in other settings are presented without corresponding demand estimates.

Modelling has been undertaken at the Statistical Area 4 (SA4) geography (where data availability permitted). However, results will be published at State and Territory level, with their aggregation forming the national results.

Figure 6 presents a summary of the process used in modelling the whole of medical workforce.

Figure 6: Overview of the modelling process



Supply

The supply model uses the Australia's Future Health Workforce (AFHW)[11] data on psychologists from 2018 to 2023. To be in scope, psychologists must be:

1. registered as a psychologist with Ahpra with general or provisional registration
2. working in psychology in Australia, including those on extended leave
3. working clinical hours in psychology.

[11] The Australia's Future Health Workforce (AFHW) datasets are created from the National Health Workforce Datasets (NHWDS) for modelling purposes. A sequence of rules (supply criteria) is applied to each NHWDS to determine which practitioners meet the definition of supply for each profession (and sub-groups where applicable). The headcount and workload of these practitioners, along with other variables required for modelling, are included, derived or imputed in the AFHW datasets.

The supply model uses the microsimulation approach where attributes such as entries and exits to the workforce and psychologist FTE are modelled distinctly. The supply methodology begins by identifying the current stock of psychologists, analysing their demographic profile and historically observed work patterns. Statistically significant predictors of future psychology workforce supply (such as age, sex, etc.) are selected, and their historical distributions are measured to allow the development of a microsimulation model.

Baseline Demand

The baseline demand is measured in terms of observed utilisation of psychology services which captures expressed (observed) service demand for psychology services within health settings. Historical patterns of usage are examined and used to estimate the future demand for psychologists in health settings, accounting for differences in service demand across various age groups and geographies. Estimation of future demand for psychology services also considers the Australian Bureau of Statistics (ABS) population projections.

As mentioned previously, demand modelling is limited to psychology services delivered in health settings.

The demand is projected assuming the supply of psychologists is equal to the demand in the base year, 2023. The following key data sources are used to capture service utilisation:

1. Medical Benefits Schedule (MBS) data
2. National Non-Admitted Patient Database (NNAPD)
3. Community Mental Health Care Database (CMHC)
4. National Hospital Cost Data Collection (NHCDC)

Different services require varying workforce effort based on severity of conditions, complexity of procedures, or degree of professional input required. Therefore, services are cost-weighted to adjust for these differences, enabling accurate comparison of resource use by converting them into units of demand activity.

To compare demand to supply and identify the workforce gap, demand activity projections are converted to FTE psychologists by comparing the demand values against the supply FTE from AFHW dataset for a specified reference year (2023). Specifically, the base year supply FTE is divided by the base year demand activity to yield an FTE-to-activity ratio, which is then multiplied by the demand projections for each forecast year. To incorporate mental health prevalence rate to the model, the projected FTE is multiplied with the projected change in mental health prevalence rate.

Unmet demand

The model projects a level of unmet demand. Unmet demand for psychology services occurs when there are not enough psychology services to meet the needs of people who require

them. This study uses the National Mental Health Service Planning Framework (NMHSPF) to estimate the level of unmet demand.[12]

The NMHSPF provides estimates of prevalence of mental health conditions by severity (mild, moderate or severe) and age-group, which are then used to define smaller populations – referred to as “need groups”.

For each need group, a care profile is assigned where the number of mental health services the group will need is estimated, including:

- the proportion of individuals within the needs group requiring a specific service
- number of services needed
- the length of time each service takes (in minutes or days)
- the workforce type delivering the service (e.g. individual psychiatrist or team/bed-based care).

This information together with the formulas outlined in the Technical Appendices for the NMHSPF is used to estimate unmet demand.[13]

To estimate the unmet demand for psychologists in health settings not covered by the NMHSPF, such as community drug and alcohol services and correctional services, the study uses similar unmet demand proportions as those included in the framework.

Additionally, within the NMHSPF, the demand for psychologists in certain settings is categorised under ‘Tertiary Qualified unspecified’ (TQ unspecified) along with other allied health professions. Of the TQ unspecified service activities, 92.5% of those funded by the Commonwealth government or jointly by the Commonwealth and state governments are allocated to psychologists. This allocation is based on the analysis of the proportion of Better Access services claimed by psychologists in the MBS data.[14]

For services funded solely by state governments, 9.3% is allocated to psychologists, as recommended by the University of Queensland. This recommendation is based on the level of services attributed to psychologists reported in the Mental Health Establishment data.

[12] Australian Institute of Health and Welfare, 2024, NMHSPF model - National Mental Health Service Planning Framework, accessed 5 March 2025.
[13] Diminic, S., Page, I., Gossip, K., Comben, C., Wright, E., Pagliaro, C., John, J. & Wailan, M., 2023, Technical Appendices for the Introduction to the National Mental Health Service Planning Framework – Commissioned by the Australian Government Department of Health, Version AUS V4.3, The University of Queensland, Brisbane, accessed 5 March 2025.
[14] Department of Health, Disability and Ageing, 2025, Better Access initiative, accessed 11 April 2025.

Limitations

- The model forecasts are based on modelling conducted on historical trends in the AFHW dataset. The modelling is therefore limited to only being able to carry forward existing trends in the workforce data. Any changes to models of care and technological improvements in the projection period that may affect workforce FTE in providing psychology services is not considered.
- The primary source of supply modelling data, the AFHW, is a longitudinal survey of health practitioners. The survey has three notable limitations:
    1. all supply FTE/Hours is self-reported and therefore subject to measurement errors, response bias, and potential inaccuracies due to memory recall and misinterpretation of questions
    2. the survey only captures the primary work location of practitioners, and
    3. practitioners without general registration, such as provisional registrants, do not complete the survey and therefore most of their data must be imputed.
- The model does not account for services commissioned by Primary Health Networks (PHNs), the National Disability Insurance Agency and the Department of Veteran Affairs funded health services.
- For estimation of unmet demand for psychologists in health settings not in-scope of NMHSPF, the study uses similar unmet demand proportions as those included in the framework.

Key findings and insights

The main outputs of the psychology model are projections of the number (headcount) and FTE psychologists. The model produces supply projections for trainee provisional psychologists, psychologists in health settings and psychologists in other settings. For psychologists in health settings, the model also produces two demand estimates, a baseline demand and an unmet demand.

What is baseline demand?

Baseline demand for health settings is the number of psychologists that are needed to meet the current and future demand for psychology services based on observed utilisation and assuming the supply of psychologists is equal to demand in the base year (2023). In the psychology model, the baseline demand incorporates the projected change in the mental health prevalence rate in Australia over the projection years based on the National Study of Mental Health and Wellbeing.[15]

What is unmet demand?

Unmet demand for psychology services occurs when there are not enough psychology services to meet the needs of people who require them. This study uses the National Mental Health Service Planning Framework to estimate the level of unmet demand.[16]

National supply projections

The psychology supply model projections at national level (Table 5 and Figure 7) indicate that:

- The total supply of psychologists is expected to grow from 34,219.8 FTE in 2025 to 45,764.9 FTE by 2038. In terms of headcount, this equates to an increase of 43,738 psychologists in 2025 and 58,835 in 2038.
- The total entry rate, including re-entries, is expected to decline throughout the projection period, dropping from 9.2% of total supply (headcount) in 2025 to 7.8% in 2038.[17] Specifically, the proportion of new entries into the trainee provisional psychologist workforce is projected to decrease from 55.7% of total entries in 2025 to 48.7% by 2038. Similarly, new entries into psychologists working in health settings are projected to decrease slightly from 4.0% of total entries in 2025 to 3.5% by 2038 while those entering other settings are projected to decrease from 3.3% of total entries in 2025 to 2.9% by 2038.

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[15] Australian Bureau of Statistics, 2020-2022, National Study of Mental Health and Wellbeing, ABS Website, accessed 15 April 2025.

[16] National Mental Health Service Planning Framework (NMHSPF), 2023, Technical Appendices for the NMHSPF, accessed 15 April 2025.

[17] Entry/exit rates are estimated as a proportion of total supply in terms of headcount. For example, *Total entry rate = Number of total entries (headcount) in year t / Total supply (headcount) in year t.*

- The total exit rate, including temporary exits, is projected to increase slightly from 6.1% of total supply (headcount) in 2025 to 6.4% by 2038. Exit rates are expected to remain lower than entry rates, consistent with historical trends. The permanent exit rate for trainee provisional psychologists is expected to remain around 2.9% over the projection period. In contrast, the permanent exit rate for psychologists working in health and other settings are expected to increase from 2.0% to 2.2% and 3.1% to 3.4% respectively, over the projection period.

Table 5: National supply projections, selected years 2025–38

	2025	2026	2027	2028	2033	2038
Full-time equivalent (FTE)						
Supply	34,219.8	35,280.6	36,311.0	37,295.4	41,862.9	45,764.9
Entries	2,619.1	2,669.8	2,686.5	2,735.0	2,896.8	3,020.6
New Entries	1,543.1	1,545.0	1,542.2	1,545.6	1,545.6	1,539.6
Re-entries	1,076.0	1,124.7	1,144.2	1,189.5	1,351.2	1,481.0
Exits	1,898.8	1,954.7	2,025.0	2,086.1	2,325.6	2,594.4
Permanent Exits	671.4	688.4	714.1	737.2	835.8	946.8
Temporary Exits	1,227.4	1,266.4	1,310.8	1,348.9	1,489.8	1,647.7
Headcount						
Supply	43,738	45,143	46,488	47,807	53,778	58,835
Entries	4,017	4,089	4,125	4,180	4,405	4,591
New Entries	2,529	2,529	2,529	2,529	2,529	2,529
Re-entries	1,488	1,560	1,596	1,651	1,876	2,062
Exits	2,684	2,780	2,861	2,975	3,325	3,743
Permanent Exits	1,082	1,109	1,145	1,200	1,370	1,579
Temporary Exits	1,603	1,671	1,716	1,776	1,955	2,164

Age profile of psychologists

- Psychologists aged 40-49 are projected to become the largest segment of the workforce, overtaking those aged 30-39. At the same time, the proportion of psychologists aged 55-59 and 60 and over is also expected to grow.
- Throughout the projection period, psychologists aged 50-59 will continue contributing the highest average FTE (around 0.85).

Table 6: Age profile of psychologists, 2025 and 2038

Age groups	2025		2038	
	Headcount	Average FTE	Headcount	Average FTE
under 30	6,210 (14.2%)	0.76	5,685 (9.7%)	0.75
30-39	12,339 (28.2%)	0.78	14,029 (23.8%)	0.78
40-49	10,942 (25.0%)	0.81	15,944 (27.1%)	0.81
50-59	7,768 (17.8%)	0.85	12,097 (20.6%)	0.85
60 and over	6,480 (14.8%)	0.68	11,081 (18.8%)	0.66
Total	**43,738 (100%)**	**0.78**	**58,835 (100%)**	**0.78**

National supply projections by psychologist type (Figure 7)

Trainee provisional psychologists

- The supply of trainee provisional psychologists is estimated to decrease from 3,722.9 FTE in 2025 to 3,570.6 FTE by 2038.
- The national average FTE per trainee provisional psychologist is projected to remain steady at 0.59 throughout the projection period.
- The number of new entries (headcount) is assumed to remain stable at 2,239 throughout the projection period, based on the number of new entries recorded in the 2023 AFHW dataset.
- As a proportion of total supply, FTE trainee provisional psychologists are expected to decrease from 10.9% in 2025 to 7.8% by 2038.

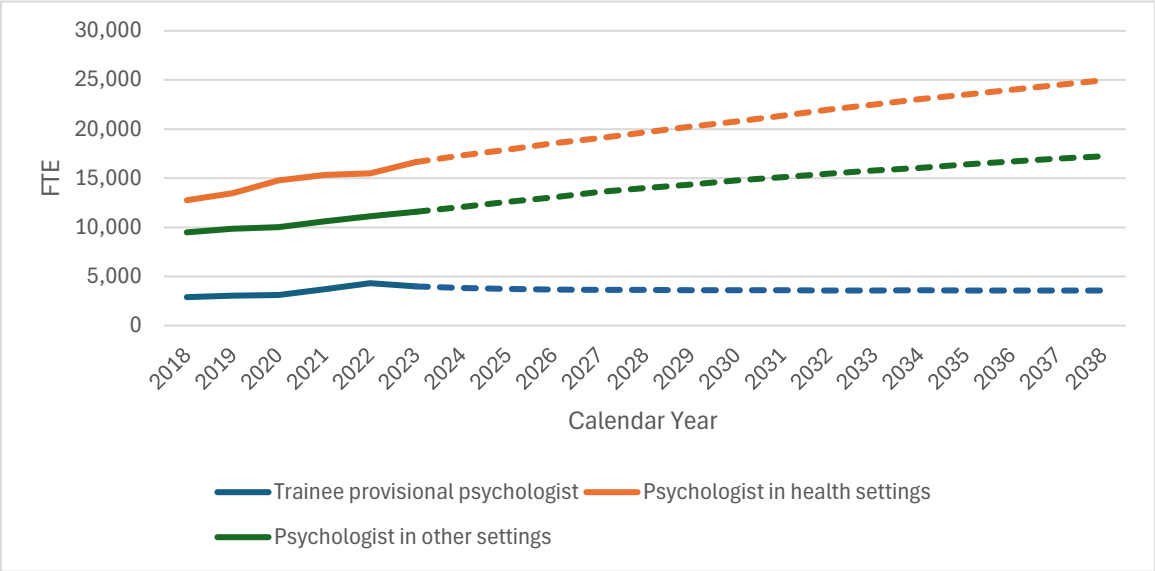
Psychologists in health settings

- The supply of psychologist in health settings is estimated to increase from 17,907.5 FTE in 2025 to 24,964.7 FTE by 2038.
- The national average FTE per psychologist in health settings is projected to decline from 0.78 in 2025 to 0.76 by 2038.
- The number of new entries (headcount) is assumed to remain stable at 159 throughout the projection period, based on the average number of new entries recorded between 2019 and 2023 in the AFHW dataset.
- As a proportion of total supply, FTE psychologists in health settings are expected to increase from 52.3% in 2025 to 54.5% by 2038.

Psychologists in other settings

- The supply of psychologist in other settings is estimated to increase from 12,589.4 FTE in 2025 to 17,229.5 FTE by 2038.
- The national average FTE per psychologist in other settings is projected to remain steady at 0.86 throughout the projection period.
- The number of new entries (headcount) is assumed to remain stable at 131 throughout the projection period, based on the average number of new entries recorded between 2019 and 2023 in the AFHW dataset.
- As a proportion of total supply, FTE psychologists in other settings are expected to increase slightly from 36.8% in 2025 to 37.6% by 2038.

Figure 7: FTE psychologists: National supply projections, 2018–38



National supply vs demand for psychologists in health settings (Table 7 and Figure 8)

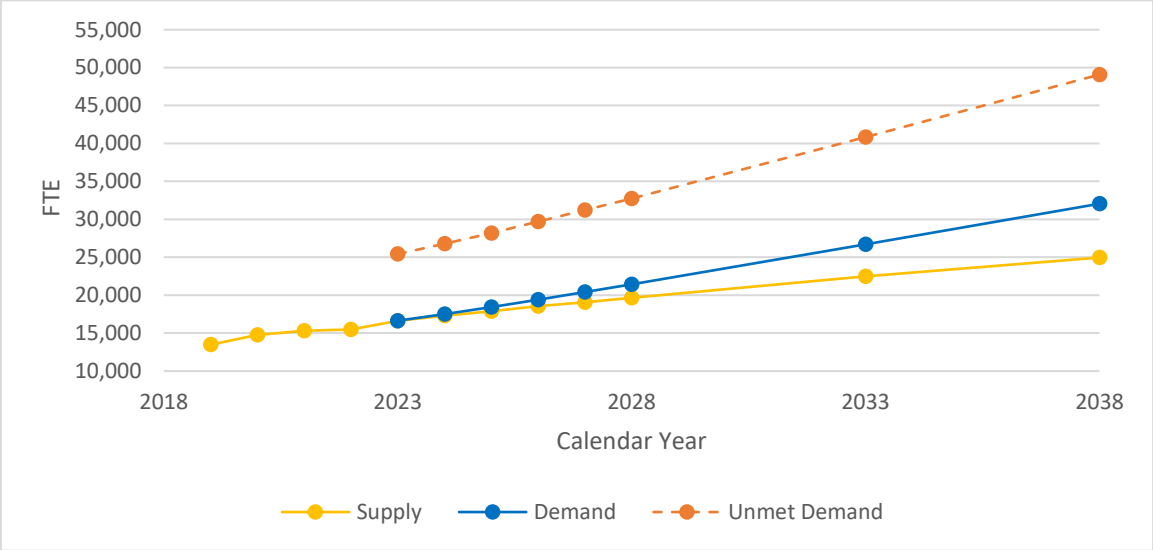
- The total entry rate, including re-entries, is expected to decline throughout the projection period, dropping from 22.8% of total supply (headcount) in 2025 to 20.2% in 2038.
- The total exit rate, including temporary exits, is projected to decline marginally from 18.3% of total supply (headcount) in 2025 to 18.0% by 2038. Exit rates are expected to remain lower than entry rates throughout the projection period.
- Baseline demand for psychologists in health settings is projected to increase from 18,441.7 FTE in 2025 to 32,057.2 FTE by 2038.
    - The baseline demand estimates indicate a current shortfall of 534.1 FTE (3.0%) in 2025, with the shortage expected to grow significantly to 7,092.5 FTE (28.4%) by 2038.

- Unmet demand for psychologists in health settings is projected to increase from 28,177.4 FTE in 2025 to 49,080.2 FTE in 2038.
    - The unmet demand estimates indicate a current shortfall of 10,269.9 FTE (57.3%) in 2025, with the shortage expected to increase to 24,115.5 FTE (96.6%) by 2038.

Table 7: National Projections for psychologists in health settings, selected years 2025–38

	2025	2026	2027	2028	2033	2038
Full-time equivalent (FTE)						
Supply	17,907.5	18,559.2	19,075.2	19,672.7	22,500.2	24,964.7
Entries	4,058.3	4,159.2	4,146.8	4,283.6	4,701.7	5,040.5
New Entries (including the transition from other practitioner types)	3,629.4	3,702.2	3,693.4	3,812.5	4,159.1	4,440.9
Re-entries	428.9	457.0	453.4	471.1	542.6	599.6
Exits (including the transition to other practitioner types)	3,390.5	3,523.3	3,666.5	3,770.1	4,259.9	4,650.8
Permanent Exits	251.6	255.8	269.7	280.9	330.4	372.8
Temporary Exits	447.9	472.4	470.3	491.7	554.5	619.2
Transition to other practitioner types	2,691.0	2,795.1	2,926.5	2,997.5	3,375.0	3,658.8
Demand	18,441.7	19,424.6	20,420.6	21,425.0	26,686.3	32,057.2
Surplus / Shortfall	-534.1	-865.4	-1,345.4	-1,752.4	-4,186.1	-7,092.5
Unmet Demand	28,177.4	29,683.0	31,212.4	32,754.4	40,853.0	49,080.2
Unmet Demand Gap	-10,269.9	-11,123.8	-12,137.2	-13,081.7	-18,352.7	-24,115.5
Headcount						
Supply	22,826	23,759	24,531	25,385	29,284	32,635
Entries	5,198	5,339	5,368	5,547	6,123	6,607
New Entries (including the transition from other practitioner types)	4,543	4,646	4,672	4,823	5,293	5,683
Re-entries	655	694	696	724	830	924
Exits (including the transition to other practitioner types)	4,170	4,353	4,526	4,686	5,330	5,866
Permanent Exits	452	462	482	517	617	720
Temporary Exits	611	649	648	683	770	862
Transition to other practitioner types	3,107	3,242	3,396	3,486	3,944	4,284
Demand	23,987	25,608	27,300	29,018	37,646	46,172
Surplus / Shortfall	-1,161	-1,849	-2,769	-3,634	-8,362	-13,537
Unmet Demand	35,960	38,050	40,189	42,344	53,260	64,325
Unmet Demand Gap	- 13,134	-14,291	-15,658	-16,960	-23,976	-31,690

Figure 8: FTE Psychologists in health settings: National supply versus demand, 2018–38



State and Territory Projections

Throughout the projection period (2024 to 2038), most states and territories are expected to experience a shortfall of psychologists in health settings, both in terms of baseline demand and unmet demand. Largest states are projected to face the highest gaps in FTE workforce over time. When comparing percentage shortfalls based on unmet demand in 2025, the Northern Territory is expected to have the highest shortage at 141.6% while the Australian Capital Territory is projected to have the lowest at 9.9%.

Table 8 presents a summary of state and territory projections for psychologists in health settings.

Table 8: Summary of State-level projections - Projected under/oversupply of FTE psychologists in health settings and % under/oversupply, 2025, 2033 and 2038

State/ Territory	Baseline Surplus / Shortfall (FTE)			Unmet demand – Surplus / Shortfall (FTE)		
	2025	2033	2038	2025	2033	2038
NSW	-201.5 (-3.5%)	-1,482.3 (-21.1%)	-2,529.4 (-32.8%)	-2,937.3 (-51.7%)	-5,438.4 (-77.4%)	-7,294.5 (-94.5%)
VIC	-69.8 (-1.4%)	-1,132.0 (-17.7%)	-2,012.6 (-28.2%)	-2,035.0 (-40.4%)	-4,027.1 (-62.9%)	-5,525.5 (-77.3%)
QLD	-187.0 (-5.2%)	-856.4 (-19.3%)	-1,328.7 (-26.7%)	-2,458.1 (-68.9%)	-3,965.1 (-89.2%)	-4,979.1 (-100.1%)
WA	-101.6 (-5.4%)	-925.0 (-37.7%)	-1,524.0 (-56.2%)	-1,447.1 (-77.0%)	-3,081.5 (-125.7%)	-4,179.6 (-154.2%)
SA	-11.8 (-1.3%)	-42.6 (-4.0%)	-41.3 (-3.4%)	-917.0 (-101.0%)	-1,142.7 (-106.0%)	-1,260.9 (-104.9%)
TAS	3.7 (1.3%)	33.8 (9.2%)	47.2 (11.5%)	-266.1 (-92.7%)	-284.1 (-77.5%)	-299.2 (-73.1%)
ACT	0.0 (0.0%)	-78.0 (-13.7%)	-146.2 (-22.8%)	-42.8 (-9.9%)	-155.2 (-27.3%)	-246.1 (-38.4%)
NT	-10.9 (-9.2%)	-25.2 (-16.1%)	-51.5 (-31.9%)	-166.5 (-141.6%)	-258.7 (-165.0%)	-330.6 (-204.5%)
National	-534.1 (-3.0%)	-4,186.1 (-18.6%)	-7,092.5 (-28.4%)	-10,269.9 (-57.3%)	-18,352.7 (-81.6%)	-24,115.5 (-96.6%)

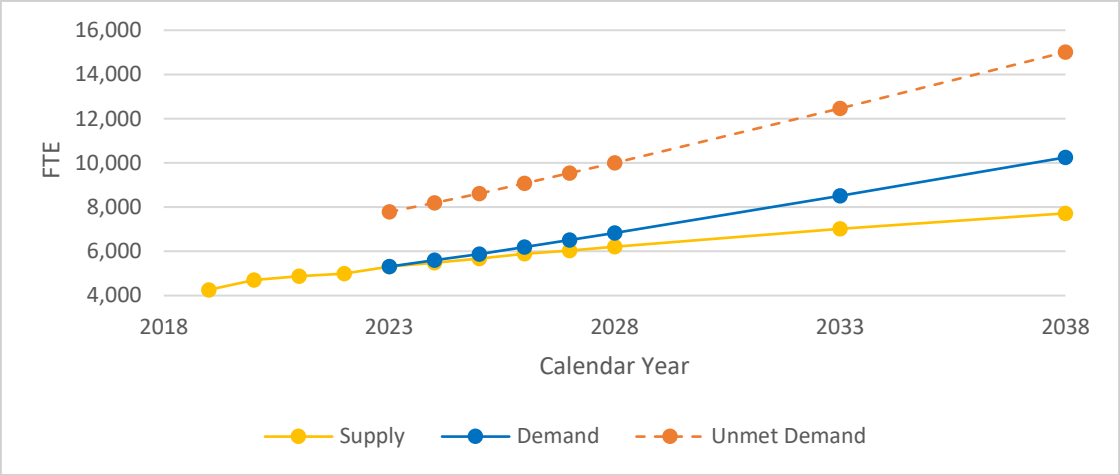
New South Wales (NSW)

- The supply of trainee provisional psychologists in NSW is expected to decrease from 1,215.7 FTE in 2025 to 1,134.9 FTE by 2038.
- The supply of psychologists in health settings in NSW is expected to increase from 5,678.8 FTE in 2025 to 7,720.8 FTE by 2038, see Figure 9.
    - Baseline demand estimates suggest that NSW has a current shortfall of 201.5 FTE in 2025, which is expected to increase significantly to 2,529.4 FTE by 2038.

- Under unmet demand estimates suggest that NSW has a current shortfall of 2,937.3 FTE in 2025, which is expected to increase to 7,294.5 FTE by 2038.

- The supply of psychologist in other settings in NSW is expected to increase from 4,000.3 FTE in 2025 to 5,237.0 FTE by 2038.

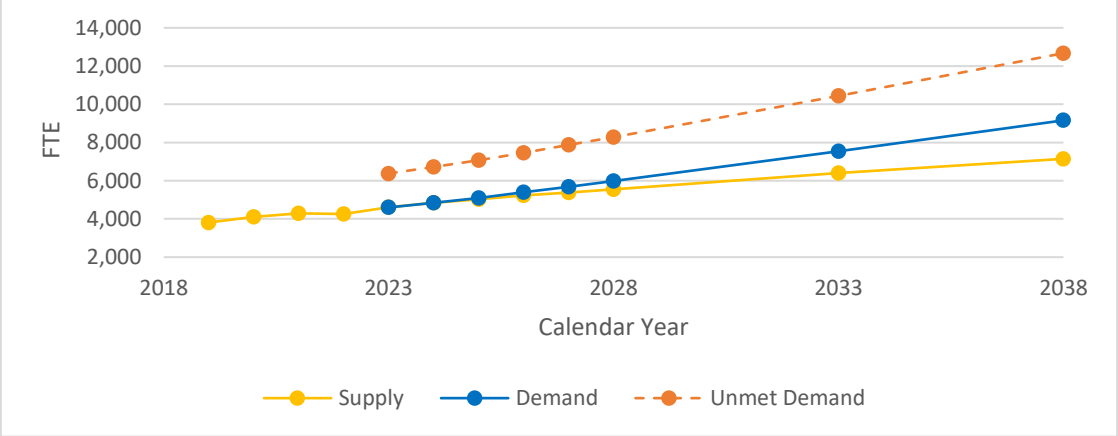
Figure 9: FTE psychologists in health settings: NSW supply versus demand, 2018–38



Victoria (VIC)

- The supply of trainee provisional psychologists in VIC is expected to decrease from 1,121.3 FTE in 2025 to 1,059.1 FTE by 2038.
- The supply of psychologists in health settings in VIC is expected to increase from 5,033.1 FTE in 2025 to 7,145.6 FTE by 2038, see Figure 10.
    - Baseline demand estimates suggest that VIC has a current shortfall of 69.8 FTE in 2025, which is expected to increase sharply to 2,012.6 FTE by 2038.
    - Under unmet demand estimates, the gap is significantly larger with a projected shortfall of 2,035.0 FTE in 2025, increasing to 5,525.5 FTE by 2038.
- The supply of psychologists in other settings in VIC is expected to increase from 3,569.0 FTE in 2025 to 5,017.8 FTE by 2038.

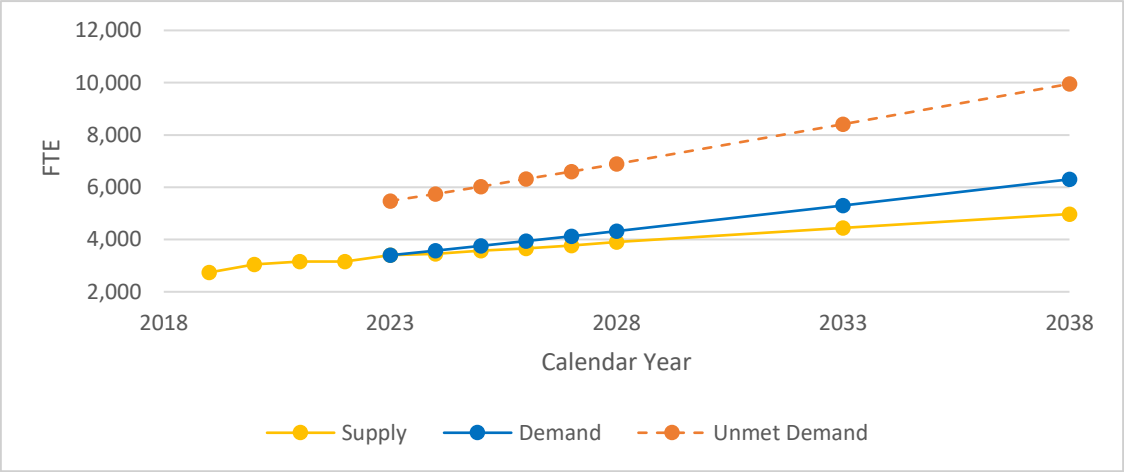
Figure 10: FTE psychologists in health settings: VIC supply versus demand, 2018–38



Queensland (QLD)

- The supply of trainee provisional psychologists in QLD is expected to increase slightly from 660.8 FTE in 2025 to 672.3 FTE by 2038.
- The supply of psychologists in health settings in QLD is expected to increase from 3,568.2 FTE in 2025 to 4,974.6 FTE by 2038, see Figure 11.
    - Baseline demand estimates suggest that QLD has a current shortfall of 187.0 FTE in 2025, which is expected to increase to 1,328.7 FTE by 2038.
    - Under unmet demand estimates, the gap is significantly higher, with a gap of 2,458.1 FTE in 2025, increasing to 4,979.1 FTE by 2038.
- The supply of Psychologist in other settings practitioners in QLD is expected to increase from 2,328.1 FTE in 2025 to 3,281.0 FTE by 2038.

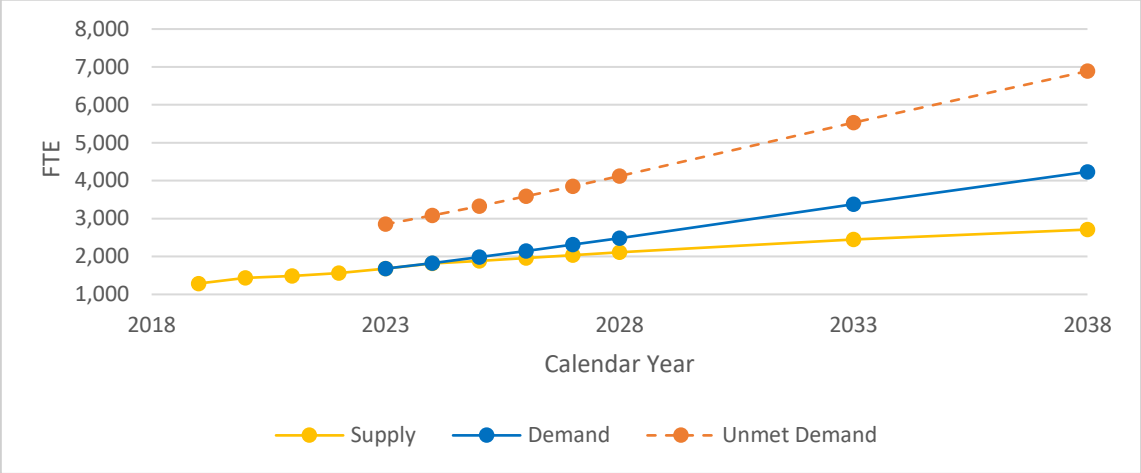
Figure 11: FTE psychologists in health settings: QLD supply versus demand, 2018–38



Western Australia (WA)

- The supply of trainee provisional psychologists in WA is expected to decline slightly from 375.4 FTE in 2025 to 368.5 FTE by 2038.
- The supply of psychologists in health settings in WA is expected to increase from 1,880.3 FTE in 2025 to 2,710.4 FTE by 2038, see Figure 12.
    - Baseline demand estimates suggest that WA has a current shortfall of 101.6 FTE in 2025, which is expected to grow to 1,524.0 FTE by 2038.
    - Under unmet demand estimates, the shortfall is much higher, with a gap of 1,447.1 FTE in 2025, increasing to 4,179.6 FTE by 2038.
- The supply of psychologists in other settings in WA is expected to increase from 1,379.5 FTE in 2025 to 1,839.3 FTE by 2038.

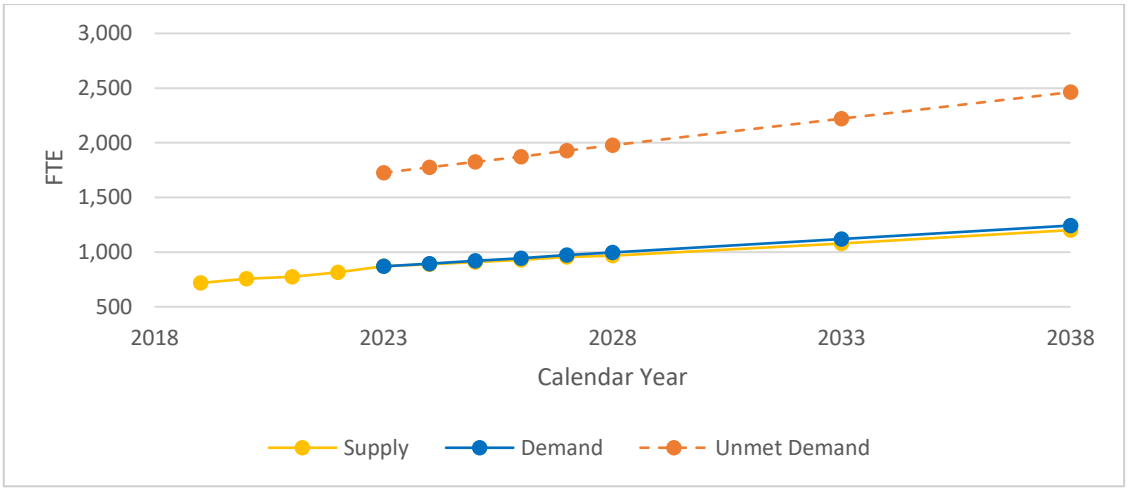
Figure 12: FTE psychologists in health settings: WA supply versus demand, 2018–38



South Australia (SA)

- The supply of trainee provisional psychologists in SA is expected to decrease from 175.5 FTE in 2025 to 162.8 FTE by 2038.
- The supply of psychologists in health settings in SA is expected to increase from 908.1 FTE in 2025 to 1,201.8 FTE by 2038, see Figure 13.
    - Baseline demand estimates suggest that SA has a current shortfall of 11.8 FTE in 2025, which is expected to increase to 41.3 FTE by 2038.
    - Under unmet demand estimates, the shortfall is higher with a gap of 917.0 FTE in 2025, increasing to 1,260.9 FTE by 2038.
- The supply of psychologists in other settings in SA is expected to increase from 591.6 FTE in 2025 to 827.8 FTE by 2038.

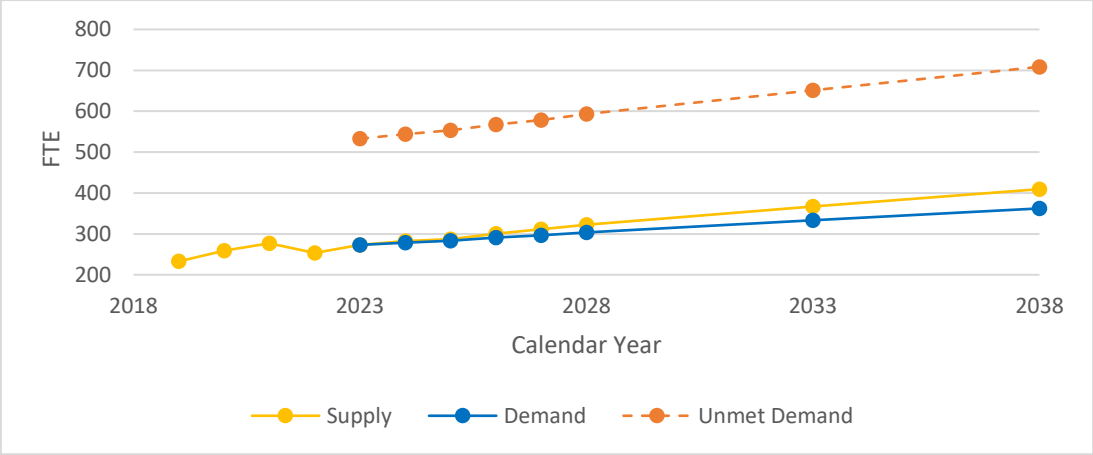
Figure 13: FTE psychologists in health settings: SA supply versus demand, 2018–38



Tasmania (TAS)

- The supply of trainee provisional psychologists in TAS is expected to increase from 67.7 FTE in 2025 to 70.6 FTE by 2038.
    - The supply of psychologists in health settings in TAS is expected to increase from 287.2 FTE in 2025 to 409.4 FTE by 2038, see Figure 14.
        - Baseline demand estimates suggest that TAS has a small surplus of 3.7 FTE in 2025, which is expected to increase to 47.2 FTE by 2038.
        - However, under unmet demand estimates, TAS is expected to face a shortfall of 266.1 FTE in 2025, growing slightly to 299.2 FTE by 2038.
- The supply of psychologists in other settings in TAS is expected to increase from 257.7 FTE in 2025 to 394.1 FTE by 2038.

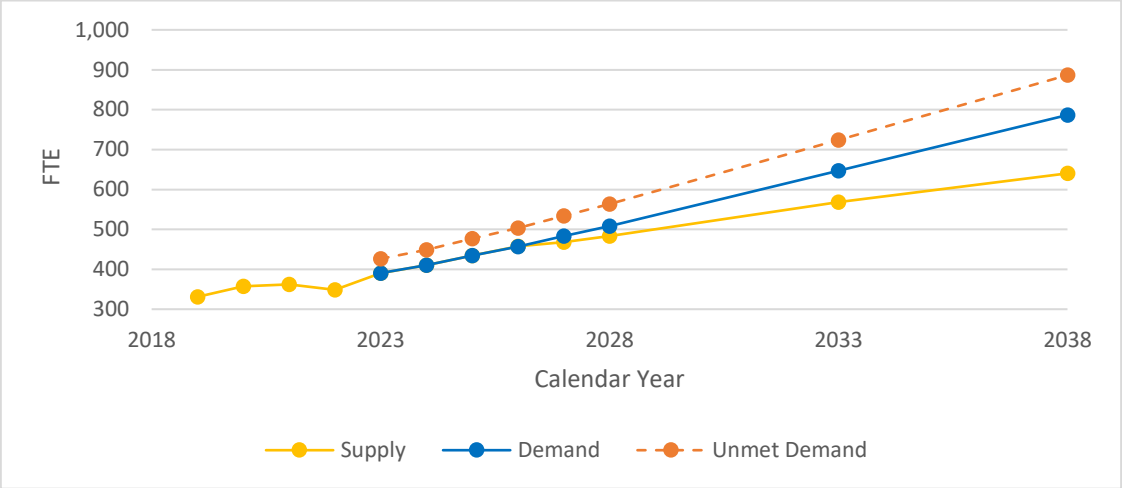
Figure 14: FTE psychologists in health settings: TAS supply versus demand, 2018–38



Australian Capital Territory (ACT)

- The supply of trainee provisional psychologists in the ACT is expected to decrease from 83.7 FTE in 2025 to 79.4 FTE by 2038.
- The supply of psychologists in health settings in the ACT is expected to increase from 434.3 FTE in 2025 to 640.4 FTE by 2038, see Figure 15.
    - Baseline demand estimates suggest that in the ACT, psychologists in health settings are currently in balance in 2025, but this is expected to shift to a shortfall of 146.2 FTE by 2038.
    - Under unmet demand estimates, the ACT has a current shortfall of 42.8 FTE in 2025, increasing to 246.1 FTE by 2038.
- The supply of psychologists in other settings in the ACT is expected to increase from 380.0 FTE in 2025 to 516.8 FTE by 2038.

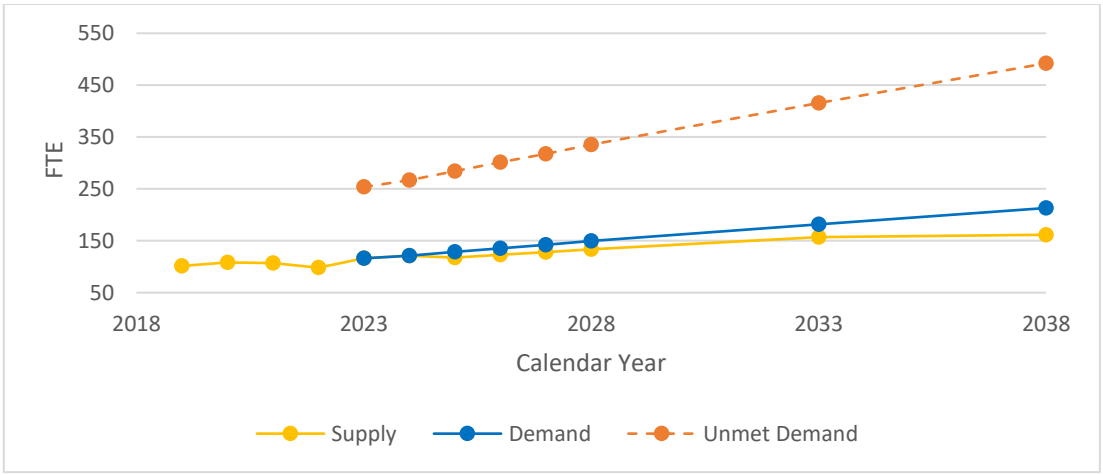
Figure 15: FTE psychologists in health settings: ACT supply versus demand, 2018–38



Northern Territory (NT)

- The supply of trainee provisional psychologists in the NT is expected to remain steady at around 23.0 FTE throughout the projection period.
- The supply of psychologists in health settings in the NT is expected to increase from 117.6 FTE in 2025 to 161.7 FTE by 2038, see Figure 16.
    - Baseline demand estimates suggest that NT has a current shortfall of 10.9 FTE in 2025, which is expected to increase to 51.5 FTE by 2038.
    - Under unmet demand estimates, the shortfall is slightly higher with a gap of 166.5 FTE in 2025, increasing to 330.6 FTE by 2038.
- The supply of psychologists in other settings in the NT is expected to increase from 83.0 FTE in 2025 to 115.8 FTE by 2038.

Figure 16: FTE psychologists in health settings: NT supply versus demand, 2018–38



What do the results indicate?

The psychology model projections for health settings suggest a shortage of psychologists over the next 15 years (2025–2038), with demand for psychology services in the community expected to exceed supply.

The study presents long-term projections of supply and demand (in health settings) for psychologists, indicating that Australia's psychology workforce is likely to experience significant shortages over the next 15 years. The demand projections (FTE) for psychologists in health settings indicate a 3.0% shortfall in 2025, increasing to 28.4% by 2038. However, considering unmet demand, the findings highlight a much higher shortage of psychologists in health settings across Australia. Projections indicate a 57.3% undersupply of psychologists in 2025, widening to an alarming 96.6% by 2038.

This shortage is compounded by an ageing psychology workforce. The proportion of FTE hours contributed by psychologists under 30 is projected to decrease from 13.7% to 9.3%, while those aged 30-39 will see their contribution fall from 28.1% to 23.9% between 2025 and 2038. In contrast, psychologists aged 40–49 are projected to become the largest contributor to the FTE workforce, with their share increasing from 25.8% to 28.3% over the same period. Additionally, the contribution from the 55–59 age group is expected to grow from 19.4% in 2025 to 22.6% by 2038, with this cohort continuing to provide the highest average FTE throughout the projection period.

While the number of new psychologists entering the workforce is gradually increasing, this growth is not sufficient to keep pace with the rising demand for psychology services, especially when considering unmet demand. With the psychology workforce ageing, there is an opportunity to strengthen the psychology pipeline through targeted reforms to training pathways. Enhancing access to clinical supervision and internship opportunities could support more students in completing their training and entering the profession.

Australia's growing and ageing population is also expected to drive both an increase in demand and a shift in the type of psychological services required in the future. Additionally, the estimation of unmet demand based on the NMHSPF relies on assumptions regarding the proportion of services delivered by psychologists within the broader category of tertiary-qualified allied health professionals. This highlights potential opportunities for other qualified mental health professionals such as mental health nurses, social workers and occupational therapists – to take on greater role in service delivery.

To ensure equitable access to high-quality mental health care for all Australians, there is an urgent need to not only expand the psychology workforce but also enhance the capability, capacity and coordination of the broader multidisciplinary mental health workforce across both health and social services sectors.

The National Mental Health Workforce Strategy 2022–2032 aims to provide a roadmap to implement strategies and reforms to address the mental health workforce shortages and

build a sustainable workforce that is skilled, distributed and supported to deliver mental health services that meet the current and future population needs.[18]

Consultations

During development of the psychology model, the department consulted with the following stakeholders:

- Australian Institute of Health and Welfare
- Psychology Board of Australia / Australian Health Practitioner Regulation Agency
- Australian Psychology Society
- Australian Association of Psychologists Inc
    - Australian Indigenous Psychologists Association
- State and Territory workforce planners

Next steps

The psychology model will be updated every two years with latest available data across all data sources.

We welcome stakeholder feedback to support the continuous improvement of the model, enhancing its value as a tool for effective health program delivery and workforce planning.

If you require further information regarding the psychology model or the results as published contact us at healthworkforcedata@health.gov.au.

[18] Department of Health, Disability and Ageing, 2022-2032, National Mental Health Workforce Strategy 2022–2032, accessed 5 February 2025. Please note that the methodology used to estimate the workforce gap in the strategy differs from the approach used in this study. Therefore, users should interpret comparisons with caution.

Appendix

The supply of psychologists is disaggregated into the following groups:

1. Trainee provisional psychologists
2. Psychologists in health settings
3. Psychologists in other settings

Trainee provisional psychologists are those with provisional registration undertaking their 5th and 6th year of study in Australia as identified by the board pathway. The remainder of the provisionally registered psychologists (as identified by their board pathway) were those on the Transitional program. These are internationally qualified psychologists whose qualifications were assessed as equivalent to 6 years of study in Australia). Psychologists with general registration and those on the transitional program were categorised as working in health settings or other settings based on the combination of the area and setting of their job.

Psychologists in health settings and other settings are defined as those having general registration (or provisional registration on the Transitional program) and the combinations of job setting and job are outlined in Table A.

Table A: Description of psychologist categories for modelling

Category	Job setting	Job area
Psychologist in health settings	• Solo private practice • Group private practice • Medical centre/GP Practice • General practitioner (GP) practice • Other private practice • Community mental health service • Community drug and alcohol service • Rehabilitation/physical development service • Other community health care service • Correctional service • Aboriginal health service • Aboriginal Community Controlled health service • Other Aboriginal health service • Outpatient service • Residential aged care facility	• Mental health intervention • Behavioural assessment • Counselling • Neuropsychological/ cognitive assessment • Physical health/ rehabilitation • Psychology management/ administration • Educational/ developmental • Other

Category	Job setting	Job area
	• Residential mental health care service • Other residential health care facility	
Psychologist in other settings	All remaining combinations of job setting and job area. Includes settings such as: • Disability services • Commercial/business service • Schools/tertiary/other educational facility • Defence forces • Other government department/agency • Sports centre/clinic	

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All information in this publication is correct as at April 2026