CAIRNS CHAMBER OF COMMERCE
building business since 1909

APRIL 2025

CAIRNS ECONOMIC MONITOR

WGC Lawyers

PVW PARTNERS ACCOUNTANTS AND ADVISORS

LJ Hooker Cairns Edge Hill

Credit: Tourism Tropical North Queensland

APRIL 2025

SNAPSHOT

We were thrilled by the reception to last month’s inaugural Cairns Economic Monitor, so we hope you find this latest issue as interesting.

The good news this month is that some unexpectedly strong building approvals data in January in the Cairns region have shifted the Trend series estimates quite significantly and appear to be signalling a solid improvement in recent months. Given the oft-noted accommodation crisis in the region this is no doubt excellent news. We shall have to see if this improvement can be sustained in future months to make a meaningful change in the accommodation shortage.

Expectations on the path of interest rates have also taken a more dovish stance since our last issue. The futures market is now pricing in a total of 50bps of cuts by August and then possibly another 25bps cut by the end of the year (which would take the Cash Rate down to 3.35%). We think this could be a little too optimistic; the most recent data on inflation suggests that the inflation trajectory is broadly in line with both Treasury’s (as outlined in the 2025-26 Budget) and RBA’s forecasts.

The labour market across the country is showing clear signs of a gentle easing (as noted last month) and that is also playing out in the Cairns region, although the picture is still one of overall robustness, healthy employment growth and an historically low unemployment rate.

Credit: Tourism Tropical North Queensland

LABOUR MARKET

Employment

The flooding that caused so many problems to our south back in February has impacted on the labour force data for that month. In the February release of their Labour Force Survey (LFS) the ABS note that they have “reviewed the data at the regional level (SA4 level), where some minor localised data impacts were evident. In the February detailed Labour Force release, data will be suppressed for Townsville and Cairns for February. The ABS will review the estimates for February in these regions when March data are available, and consider whether any additional treatment is required”. The modelled regional data on which we base our Conus/CBC Staff Selection Trend analysis remains unimpacted by this issue, but it does mean that estimates around full-time, part-time, age and gender demographics are not available for Cairns this month.

PEOPLE EMPLOYED

↑ **14,547,800**

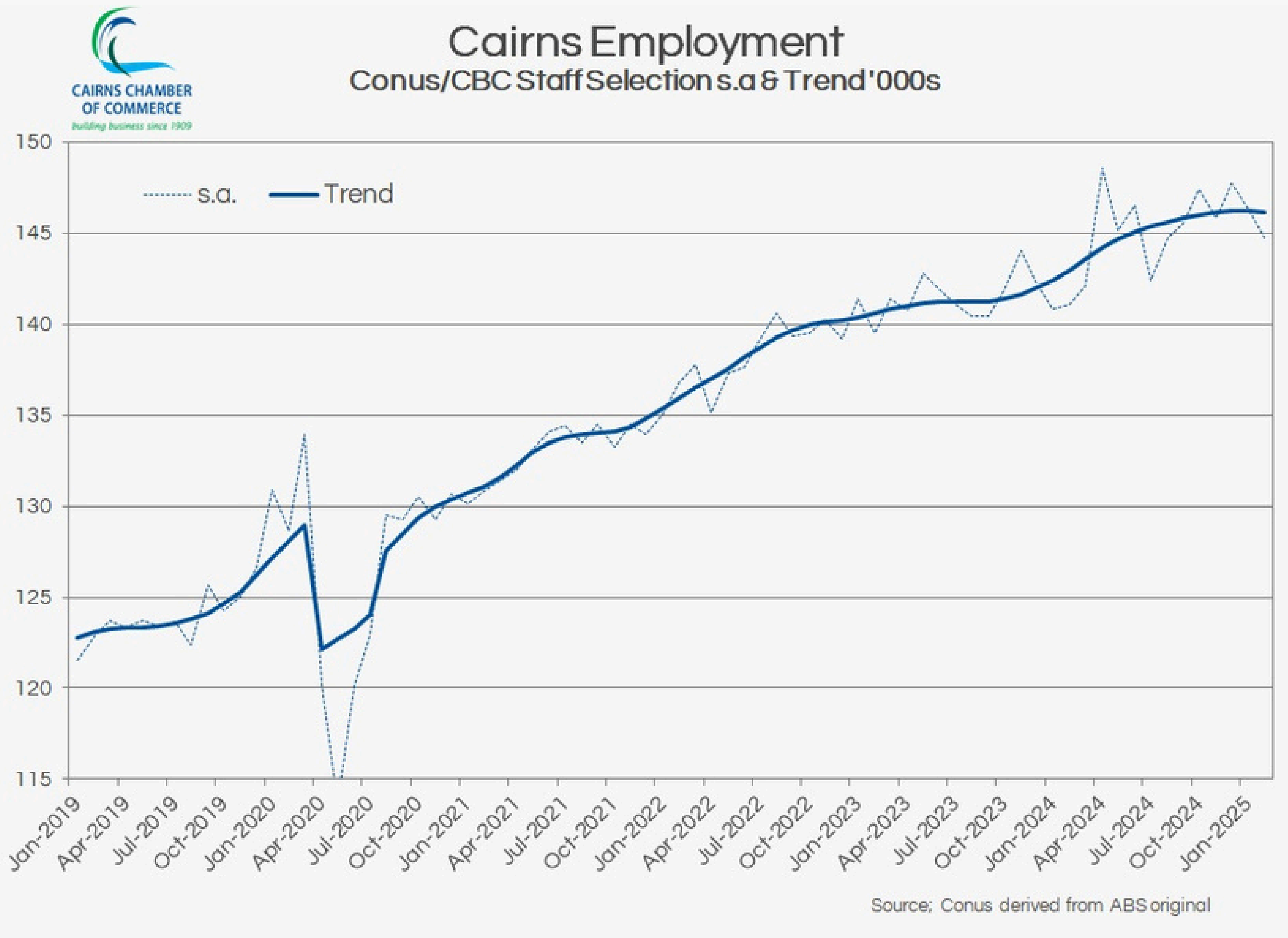
Last month 14,536,200

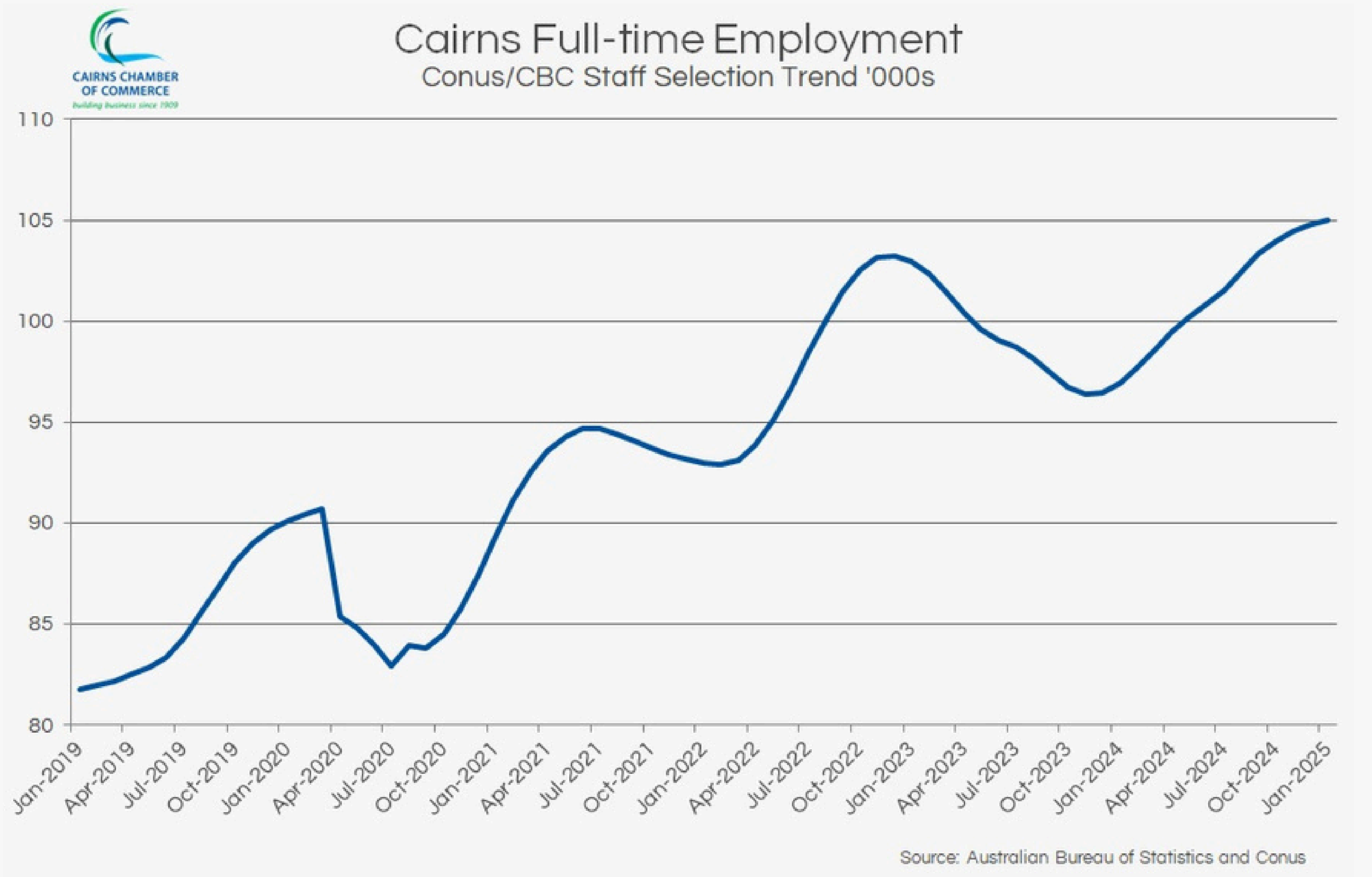
↑ **2,978,400**

Last month 2,977,300

→ **146,200**

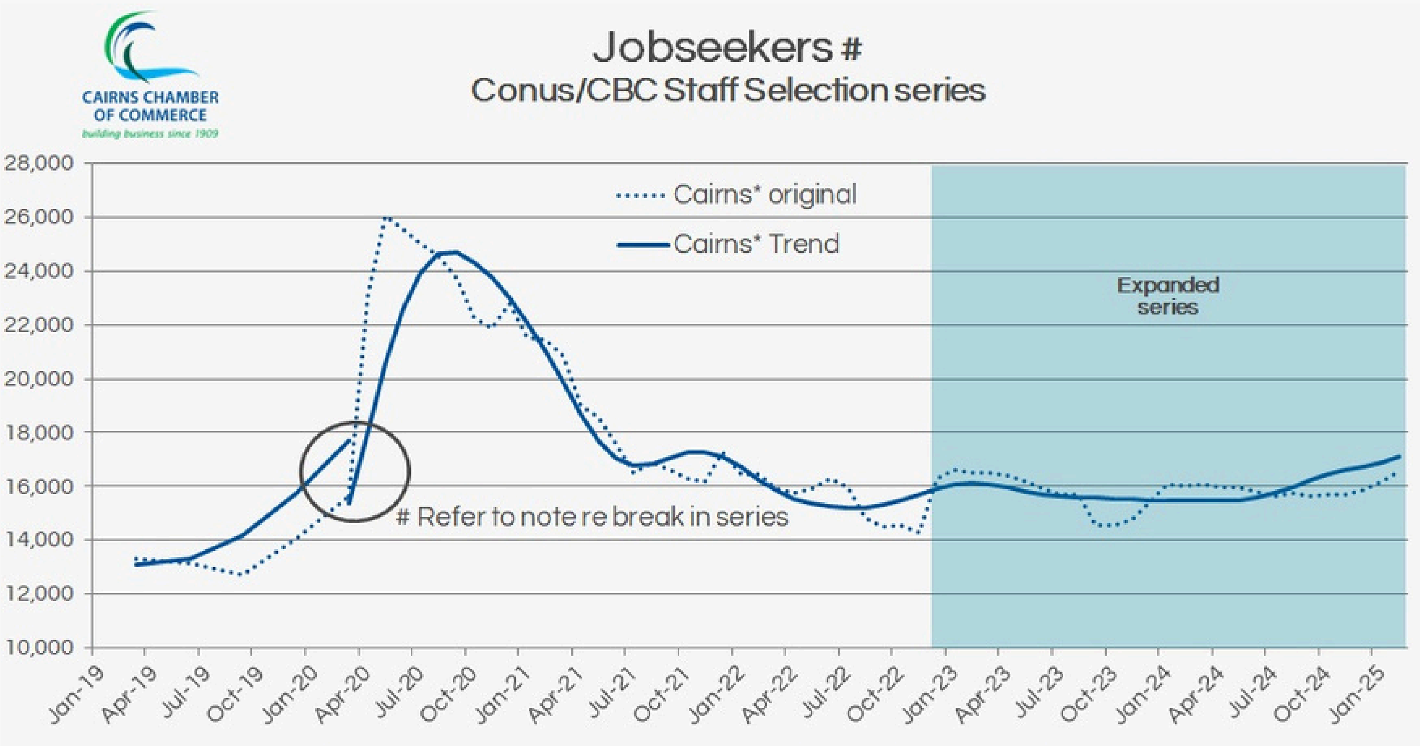
Last month 146,200


CAIRNS CHAMBER
OF COMMERCE
building business since 1909
Cairns Employment
Conus/CBC Staff Selection s.a & Trend '000s
s.a.
Trend
150
145
140
135
130
125
120
115
Jan-2019
Apr-2019
Jul-2019
Oct-2019
Jan-2020
Apr-2020
Jul-2020
Oct-2020
Jan-2021
Apr-2021
Jul-2021
Oct-2021
Jan-2022
Apr-2022
Jul-2022
Oct-2022
Jan-2023
Apr-2023
Jul-2023
Oct-2023
Jan-2024
Apr-2024
Jul-2024
Oct-2024
Jan-2025
Source; Conus derived from ABS original


CAIRNS CHAMBER
OF COMMERCE
building business since 1909
Cairns Full-time Employment
Conus/CBC Staff Selection Trend '000s
110
105
100
95
90
85
80
Jan-2019
Apr-2019
Jul-2019
Oct-2019
Jan-2020
Apr-2020
Jul-2020
Oct-2020
Jan-2021
Apr-2021
Jul-2021
Oct-2021
Jan-2022
Apr-2022
Jul-2022
Oct-2022
Jan-2023
Apr-2023
Jul-2023
Oct-2023
Jan-2024
Apr-2024
Jul-2024
Oct-2024
Jan-2025
Source: Australian Bureau of Statistics and Conus

The Trend analysis confirms that employment growth in Cairns, which has been on a consistently positive trajectory since the COVID recovery, has slowed and there was no addition to the number employed in February. Annual Trend employment growth in Cairns has slowed to 2.2% pa, which is a little slower than the national (2.4%) and Queensland (2.5%) rates of growth...which have also both slowed in recent months.

As we noted last month, the participation rate in Cairns has been elevated and we are therefore not surprised to have seen this fall by 0.02 ppts in February. Taken together this data confirms our commentary from last month that, while it remains robust, the labour market in Cairns (in common with the nation and State) is undergoing a gradual easing.



Before Mar 2020 'Jobseekers' related to recipients of Newstart or Youth Allowance who were looking for work; from Mar 2020 onwards it is all JobSeeker recipients. From Dec 2022 the DSS have been using an 'Expanded' series which includes recipients who are current but on zero rate of payment and those who are suspended from payment.
* Prior to July 2017 areas relate to Dept of Social Service totals for various Service Zones; after that date they relate to the sum of SA4 regions constructed from constituent SA3 regions. The Service Centres may not align precisely to the SA4 regions so caution should be taken in comparing data before and after July 2017

Source: Conus derived from Dept Social

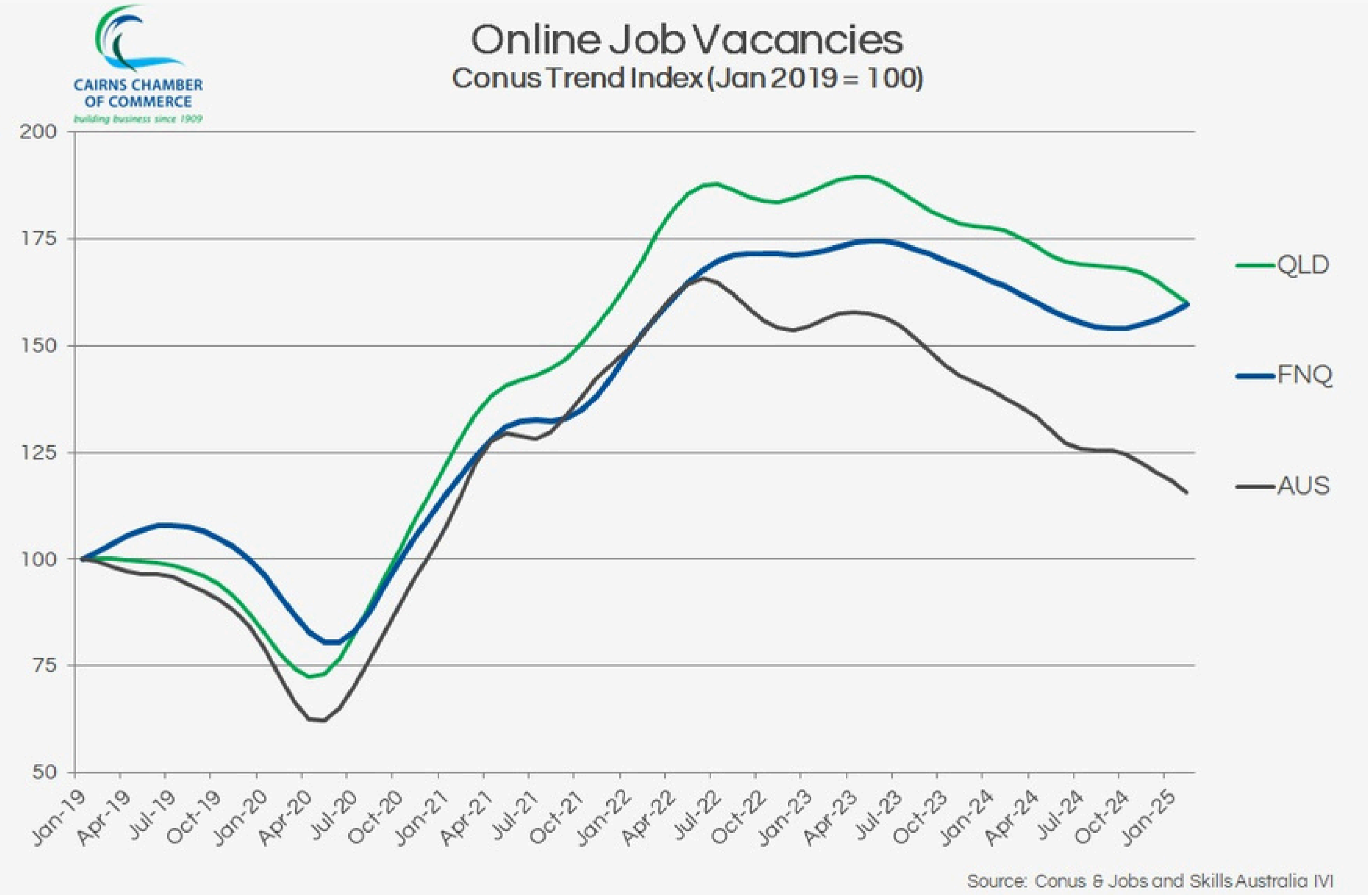
The Trend of the number of JobSeekers in Cairns, which had been very stable just below 16,000 for many months has, in recent months, started to reflect the easing of strength in the labour market and is now up 10.5% y/y. This is still a slower pace of growth than the Queensland (+12.6%) and National (+11.1%) levels.

The rate of employment growth in Queensland slowed again in February and now sits at 2.5% pa, which is only slightly above the national trend, and is down from 3.7% pa a year ago. Trend employment in Queensland increased by just 1,200, although full-time employment was stronger and grew 2,100. While the labour market remains robust there are clear signs of an easing in that strength.

In the national data this theme of a slight easing in the strength of the labour market is also evident. Trend employment growth is now 2.4% pa with only 15,200 added to the number employed in February; this is the lowest monthly increase since May 2020.


Credit: Tourism Tropical North Queensland

Online job vacancies, while having seen a slow and steady decline since their peak in mid-2023, have edged higher in the Far North in recent months while the trend has continued to decline in both Queensland and Australia. This is yet another indicator which shows the labour market in Cairns, despite some gentle weakening in growth, remains relatively healthy.



Unemployment

The February Trend unemployment rate in Cairns has edged higher to 4.4%, after the January Trend estimate was revised up from 4.2% to 4.3%. Given the signs of a slight easing in the labour market more generally, this comes as no surprise and from a historical perspective the region's unemployment rate remains very low.

UNEMPLOYMENT RATE

→ **4.0%**

Last month 4.0%

→ **3.9%**

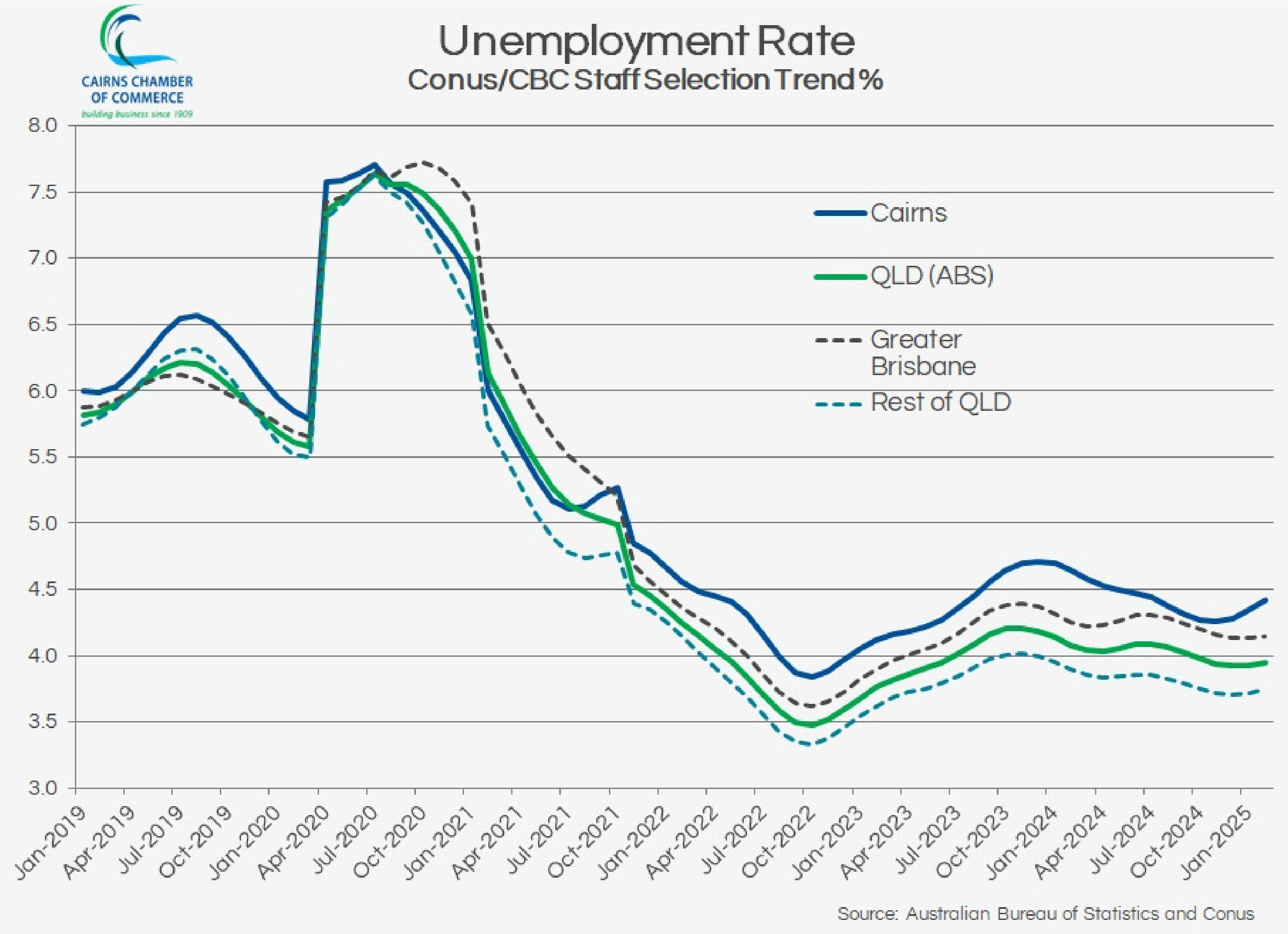
Last month 3.9%

↑ **4.4%**

Last month 4.3%

Queensland's Trend unemployment rate remained unchanged at 3.9% in February. However, given the slight easing in the labour market noted earlier, the only reason we didn't see the unemployment edge higher was a decline in the participation rate. Nevertheless, even after this slight dip, the participation rate is still very close to 14-year highs. The labour market may have eased a little in the past few months but from a historical perspective it remains healthy.

The national Trend unemployment rate was stable at 4.0% in February and has been remarkably stable at either 4.0% or 4.1% for each of the past 12 months. However, the fact that the participation rate declined this month hints at a slight weakening in the labour market, which is in line with the RBA's expectations (which are shared with the Treasury 2025-26 Budget) that the unemployment rate is likely to increase to 4.25% by the middle of the year.



PVW
PARTNERS
ACCOUNTANTS AND ADVISORS

Townsville | Innisfail | Cairns | Darwin

PVW Partners is one of regional Queensland's longest running firms and is the largest locally owned Accounting, Tax and Business Advisory firm in Northern Australia.

- Tax and Accounting
- Business Advisory
- Self Managed Super Funds
- Financial Management
- Agribusiness

Regional Australians Growing Regional Australia

Cairns Office
4/220-226 McLeod Street Cairns North QLD 4870
PO Box 328, Bungalow QLD 4870

T (07) 4080 9800
info@pvwpartners.com
www.pvwpartners.com

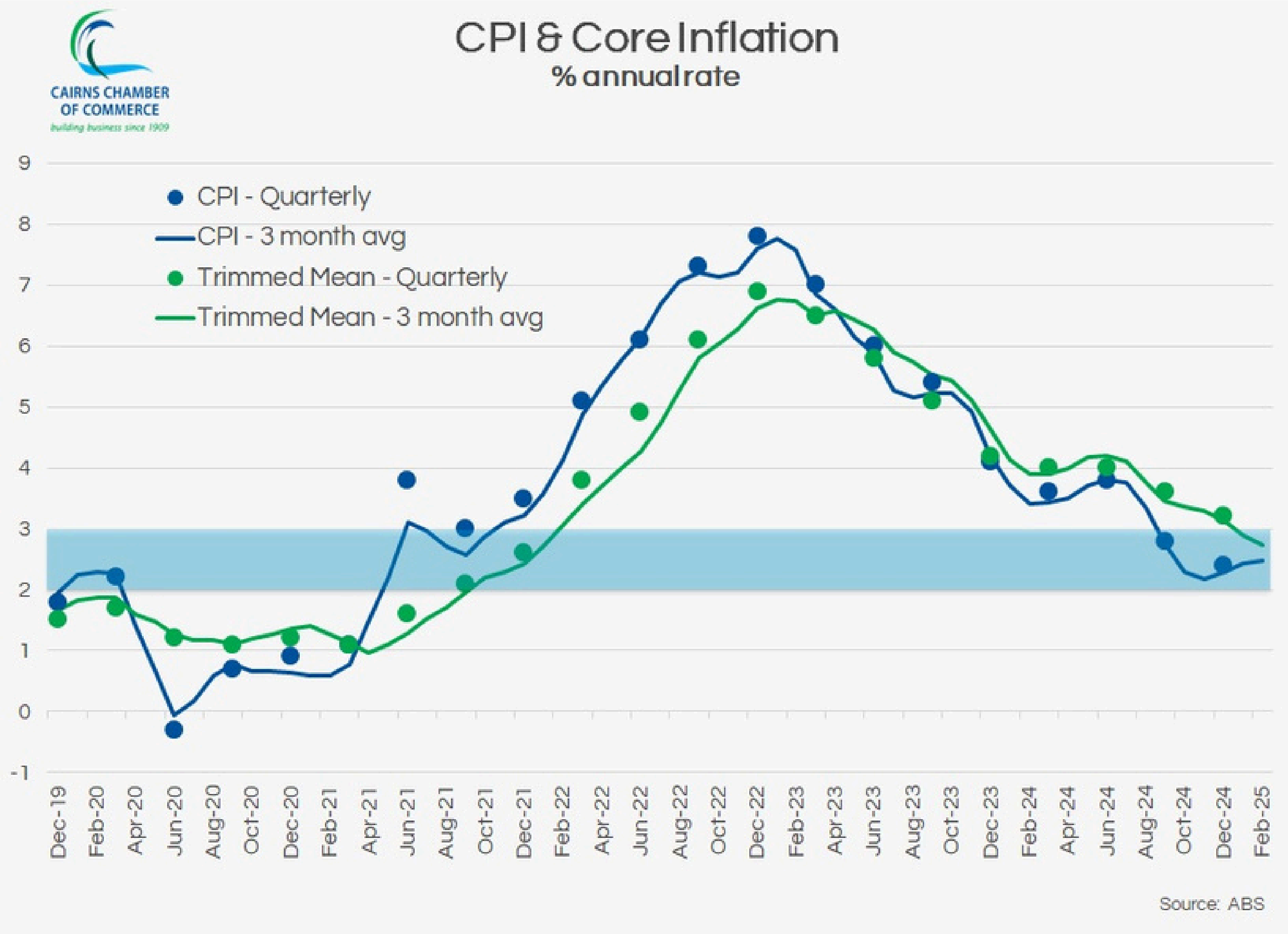
Credit: Tourism Tropical North Queensland

INFLATION & INTEREST RATES

While the latest quarterly CPI data (to the end of 2024) sat at 2.4%, and is therefore comfortably within the RBA's target range, the preferred measure of core inflation (the Trimmed Mean) remained somewhat elevated at 3.2%. However, the most recent monthly inflation measure (for February) indicates that while headline CPI may be moving a little higher (as some cost-of-living measures wash through the data) there is some hint that the Trimmed Mean has fallen to now sit within the target range.

The monthly inflation indicator is not completely comparable with the quarterly data, but when we consider the 3-month averages of the monthly read we see a very good correlation with the quarterly figure. The 3-month average of the monthly Trimmed Mean has now fallen to 2.7%.

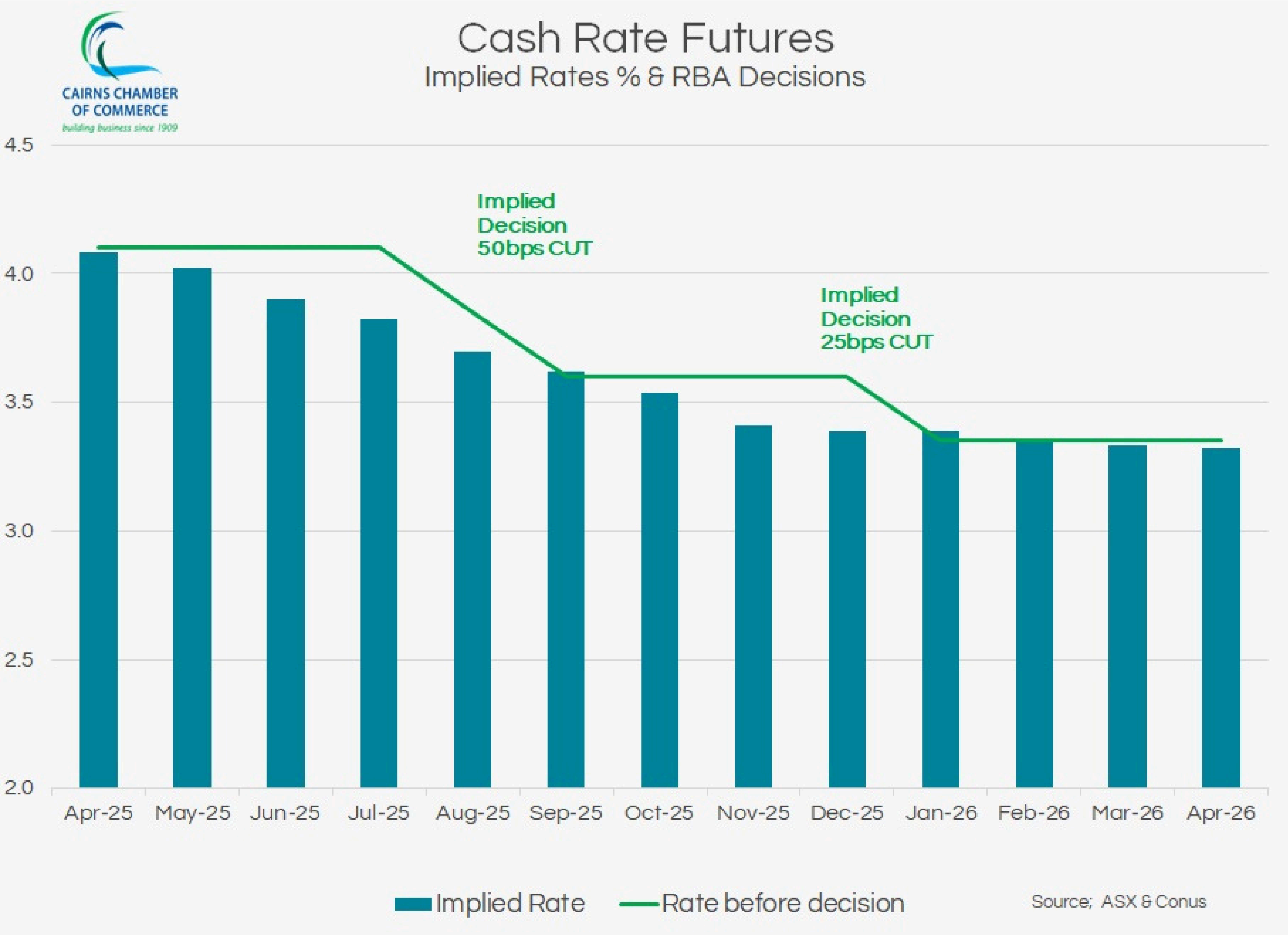
As the Trimmed Mean has moved consistently back towards the RBA's target range, we saw the first cut in interest rates (to 4.10%) at the February RBA meeting. The outlook on rates has taken a far more dovish stance since our last issue.



Although there was no further cut from the RBA at their April meeting, the market is now fully pricing in 50bps of cuts by August and the possibility of yet another 25bps by the end of the year.

We must admit to thinking that the markets are getting a little ahead of themselves with regard to rate cuts; the latest inflation data does not seem to warrant a much more relaxed position from the RBA.

Certainly, the February data was broadly in line with the RBA's forecast trajectory for inflation which sees Trimmed Mean at 2.7% by June and Treasury's 2025-26 Budget which forecast headline CPI to be at 2.5% by June.




Credit: Tourism Tropical North Queensland

WGC Lawyers

Trusted Lawyers
In Cairns & FNQ for over 50 years

YOUR LOCAL EXPERTS

WGC Lawyers has proudly served Cairns and Far North Queensland for more than half a century. We are a full-service law firm dedicated to providing professional advice and tailored legal support. Our deep understanding of the region and our clients' unique needs, built over decades, ensures we deliver with integrity and commitment.

- Body Corporate Law
- Building & Construction Law
- Business & Commercial Law
- Conveyancing
- Dispute Resolution
- Employment Law
- Family Law
- Government
- Insolvency
- Litigation
- Property Law
- Wills & Estates

Contact Us

123 Sheridan Street,
Cairns QLD 4870

07 4046 1111

cairns@wgc.com.au

BUILDING APPROVALS

TREND APPROVALS

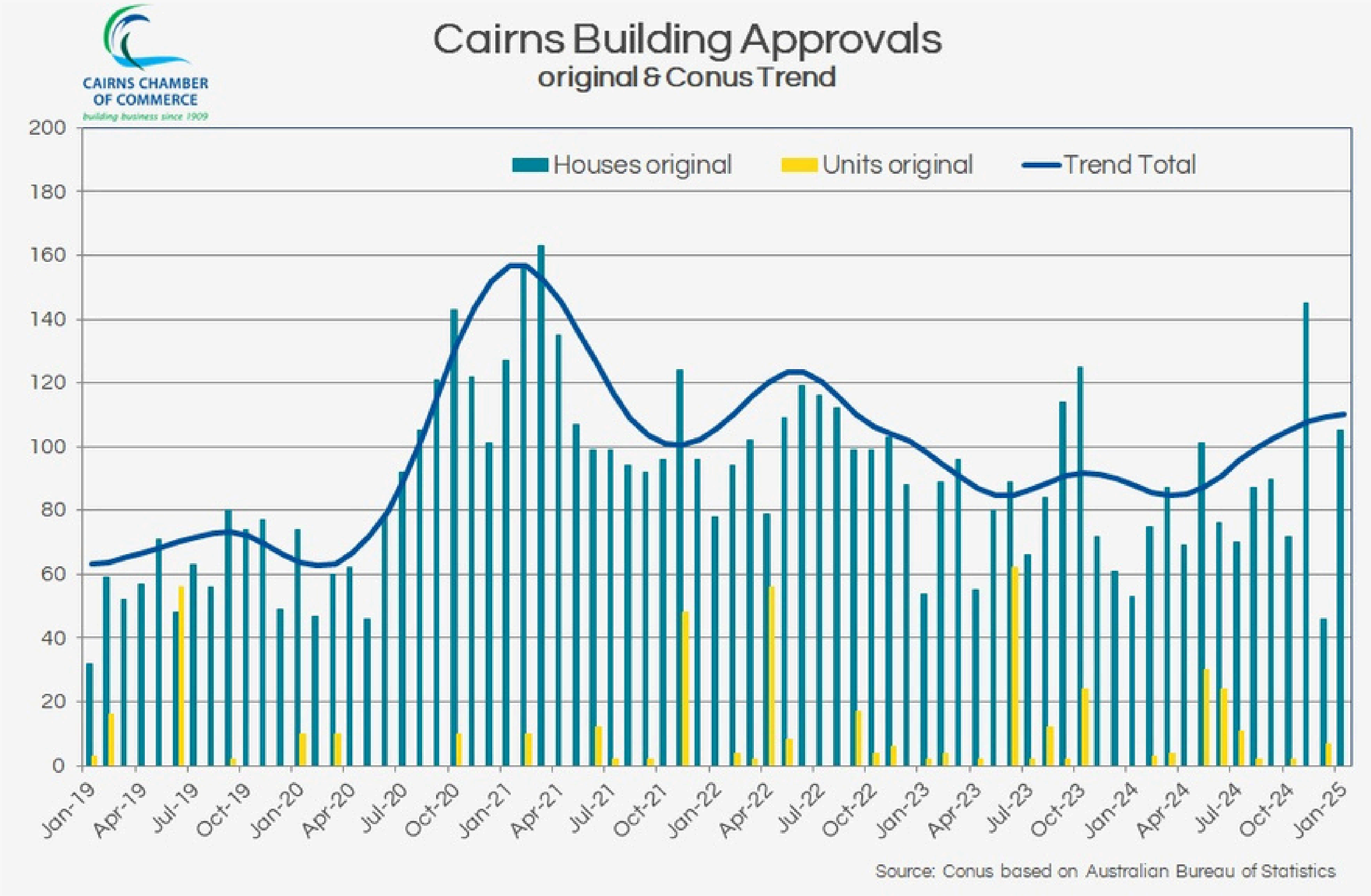
↑ **110**
Jan 2025

TREND RATE OF APPROVALS

↑ **25.4%**
year on year

Some surprisingly strong building approvals data for January (the most recently available month) for the Cairns region has resulted in a substantial upward revision to previous months in the seasonally adjusted Trend series. Such a significant revision in a Trend series is unusual (although not unheard-of) and has been caused by a very strong result in a month which is often historically weak. As a result of this revision, we now see Trend approvals at 110 in January, which is up 25% from a year ago and growing at a faster pace than either Queensland or national approvals data.

Whilst this improved data is certainly good news it does not materially change the overall picture for the housing sector in the region, which is one of significant shortage of supply and excess demand. Although the shortfall of supply may not be as dramatic as it previously seemed to be, it remains the case that the housing shortage is a significant obstacle to future economic growth for the region, and is resulting in ever higher prices and rents (see Real Estate).


Cairns Building Approvals
original & Conus Trend
CAIRNS CHAMBER OF COMMERCE
building business since 1909
Houses original
Units original
Trend Total
200
180
160
140
120
100
80
60
40
20
0
Jan-19
Apr-19
Jul-19
Oct-19
Jan-20
Apr-20
Jul-20
Oct-20
Jan-21
Apr-21
Jul-21
Oct-21
Jan-22
Apr-22
Jul-22
Oct-22
Jan-23
Apr-23
Jul-23
Oct-23
Jan-24
Apr-24
Jul-24
Oct-24
Jan-25
Source: Conus based on Australian Bureau of Statistics


Credit: Tourism Tropical North Queensland

It's the difference between just making a decision and one informed by expertise.

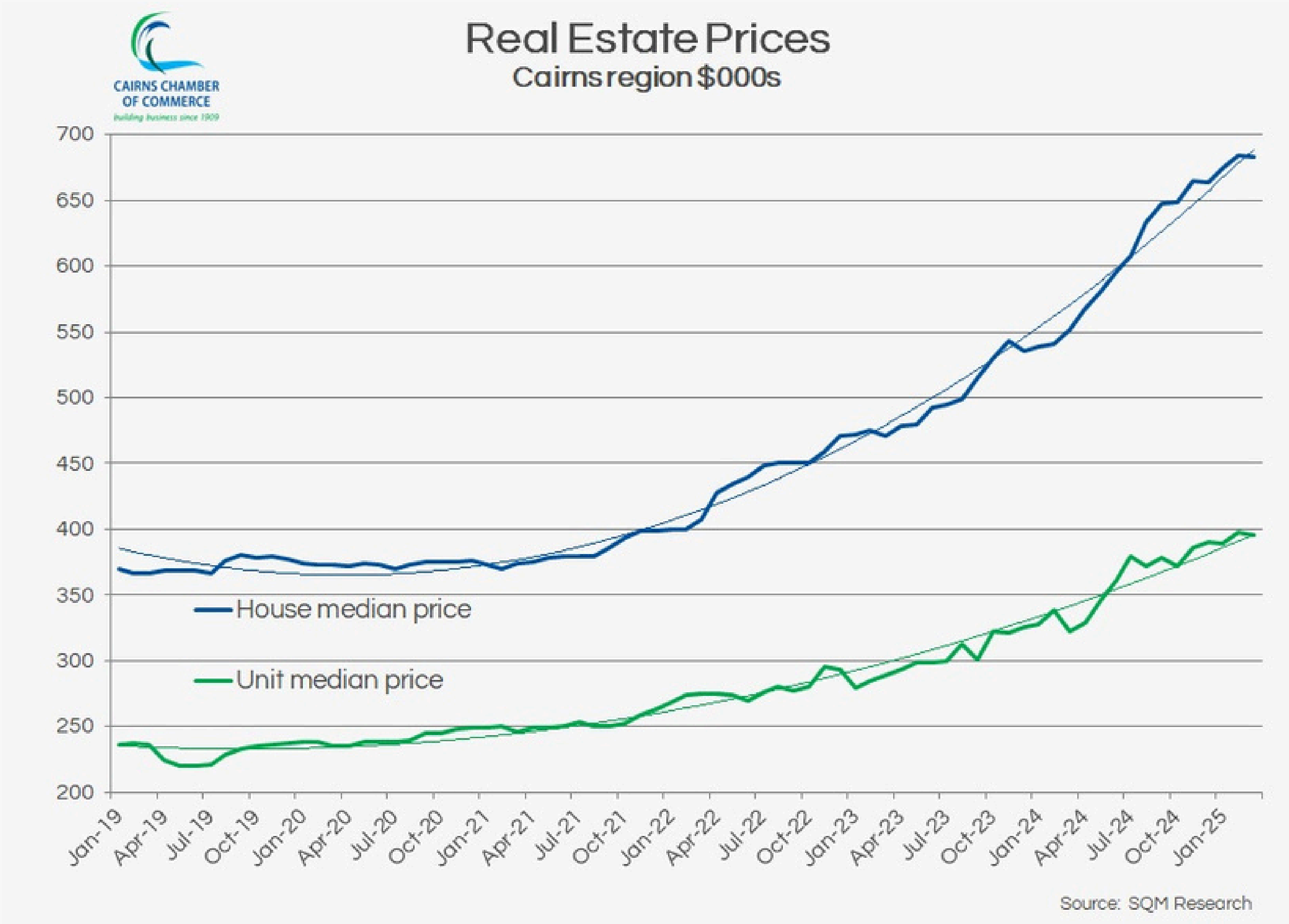
Book your free expert property appraisal today and discover the difference.

07 4053 9999
cairnsedgehill@ljheh.com.au
cairnsedgehill.ljhooker.com.au

LJ Hooker
Cairns Edge Hill

REAL ESTATE

This latest month sees property price rises in Cairns taking something of a breather. Nevertheless, median prices for both houses and units are up 23-24% over the year and continue to perform as the fastest growing region in Queensland and one of the fastest in the country. Combined property prices across Cairns over the past three years have grown at an annual rate of little under 18%, which equates to an increase of 63.5% over that time.

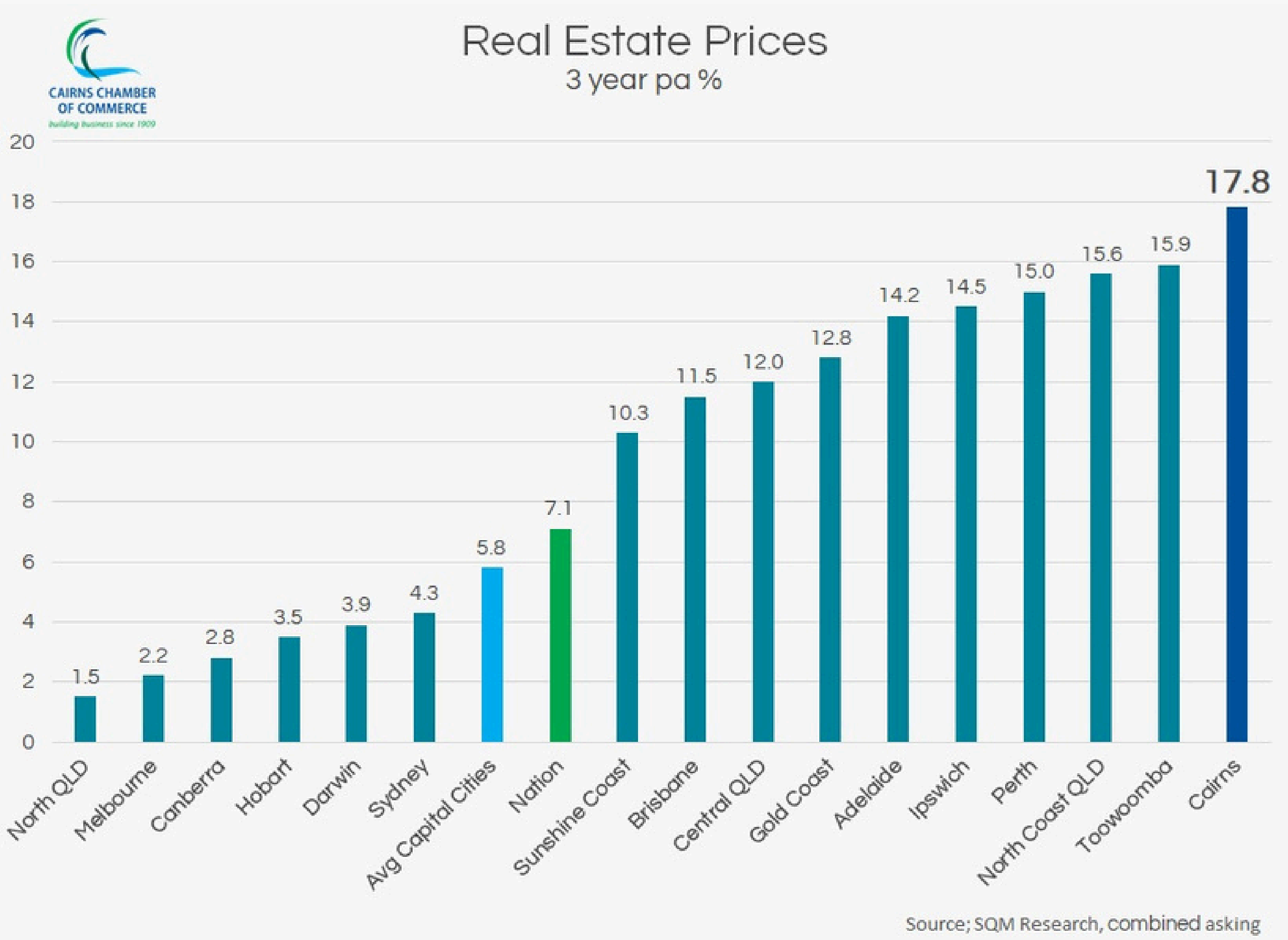


MEDIAN PRICE

Unit
$395,000
+ 23% y/y

House
$683,000
+ 24% y/y

The expectation of further interest rate cuts over the course of the year (as discussed in the Inflation & Interest Rates section earlier), combined with what is still a large price-gap between Cairns and southern cities, will likely work to maintain the positive movement in prices through this year.



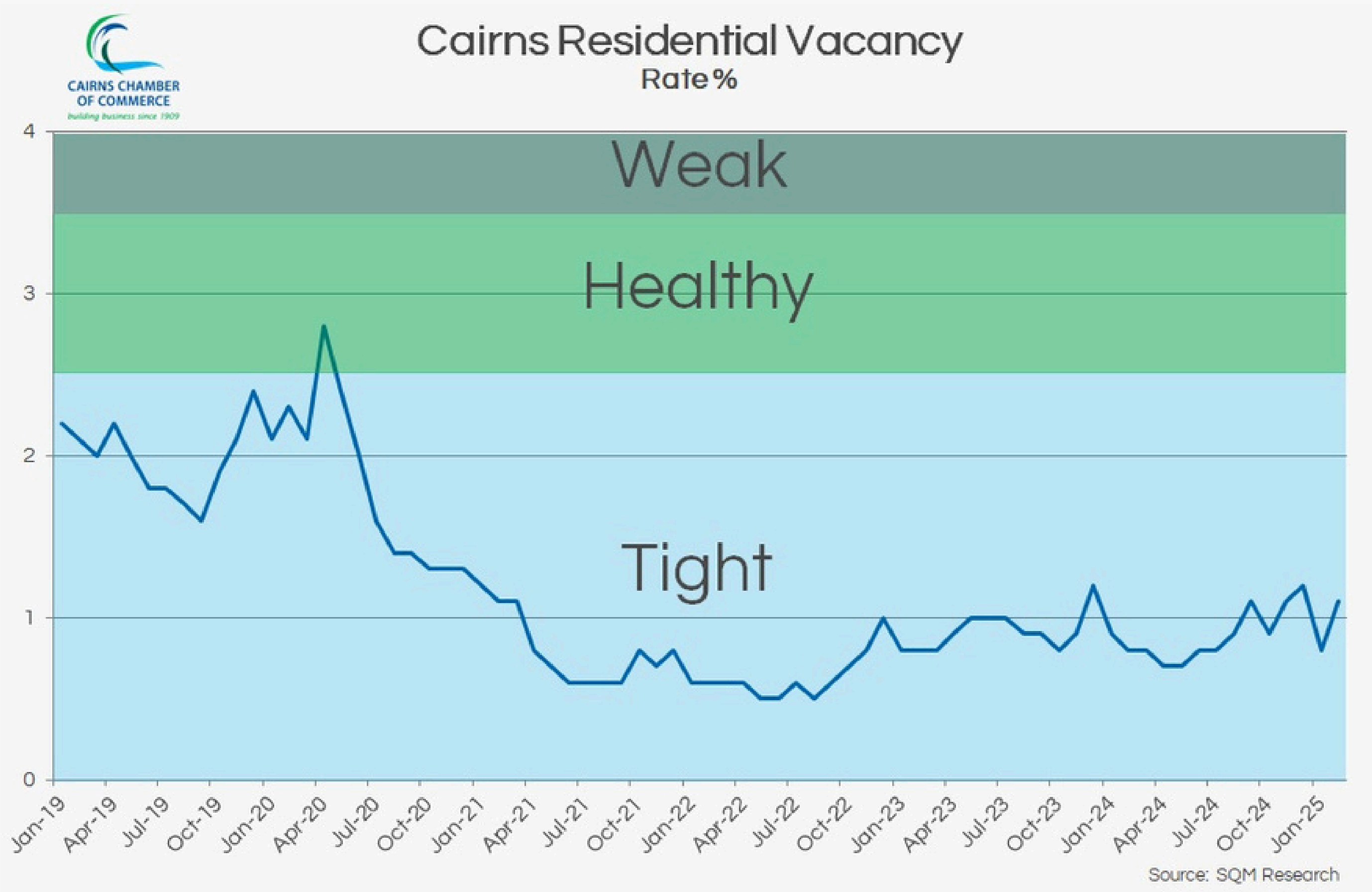
RENTALS

The ramp up in rents has certainly eased again this month with both house and unit rentals declining slightly from the previous month. However, both house and unit rental rates remain 11-15% higher than a year ago. The rental vacancy rate, which has spent most of the past four years below 1%, does appear to be showing some signs of a very moderate easing, which would be consistent with the modest decline in rents seen this month.

VACANCY RATE

↑ 1.1%

Previous month 0.8%



MEDIAN RENTALS

2-bed unit

$503 p/w

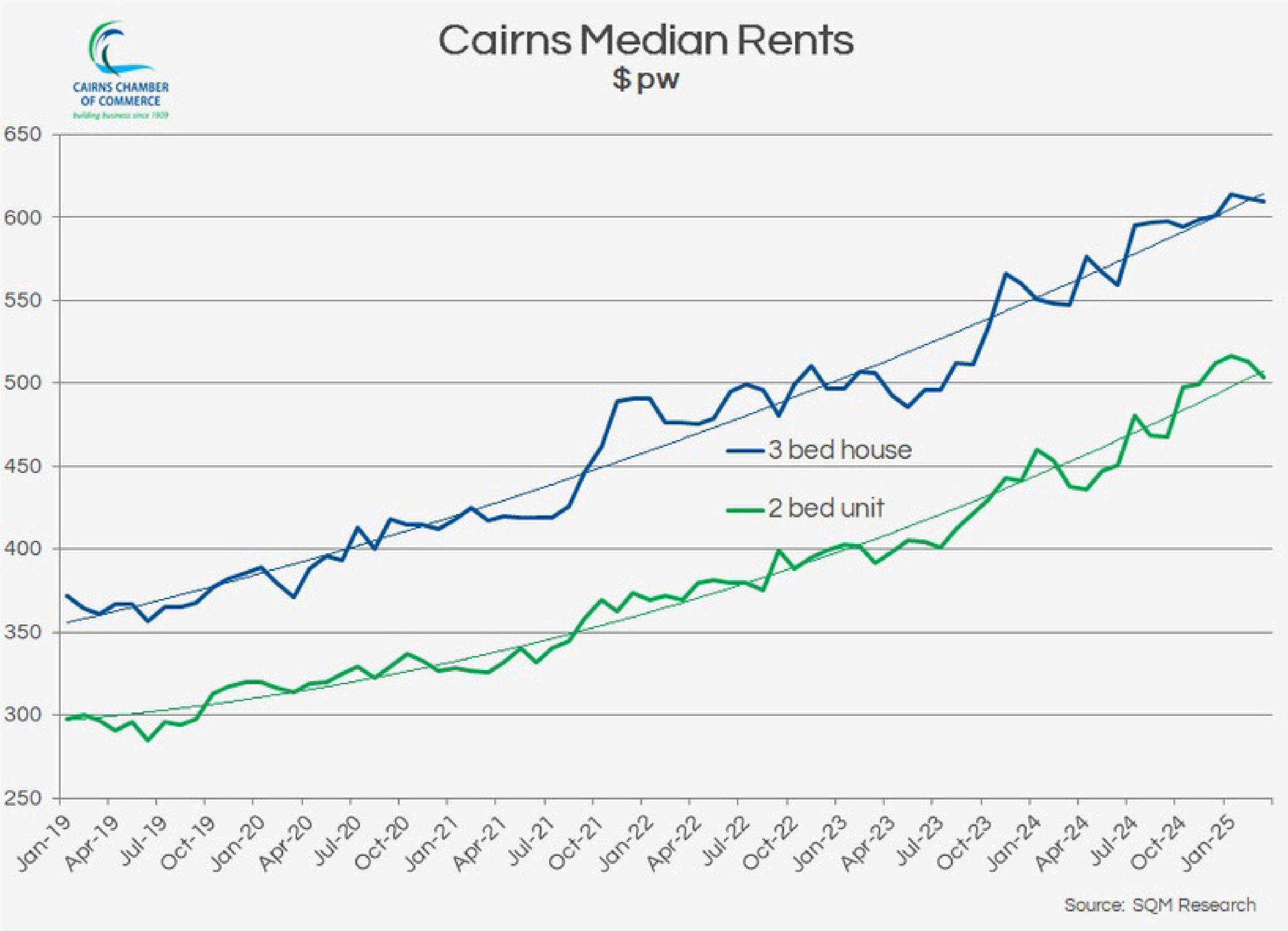
+ 15% y/y

3-bed house

$610 p/w

+ 11% y/y

Four of the past six months have registered rates above 1% and in February the rate once again moved higher to 1.1%. While this is welcome news it remains true that the rental market is very tight, and this continues to present a major challenge to the growth prospects for the region.

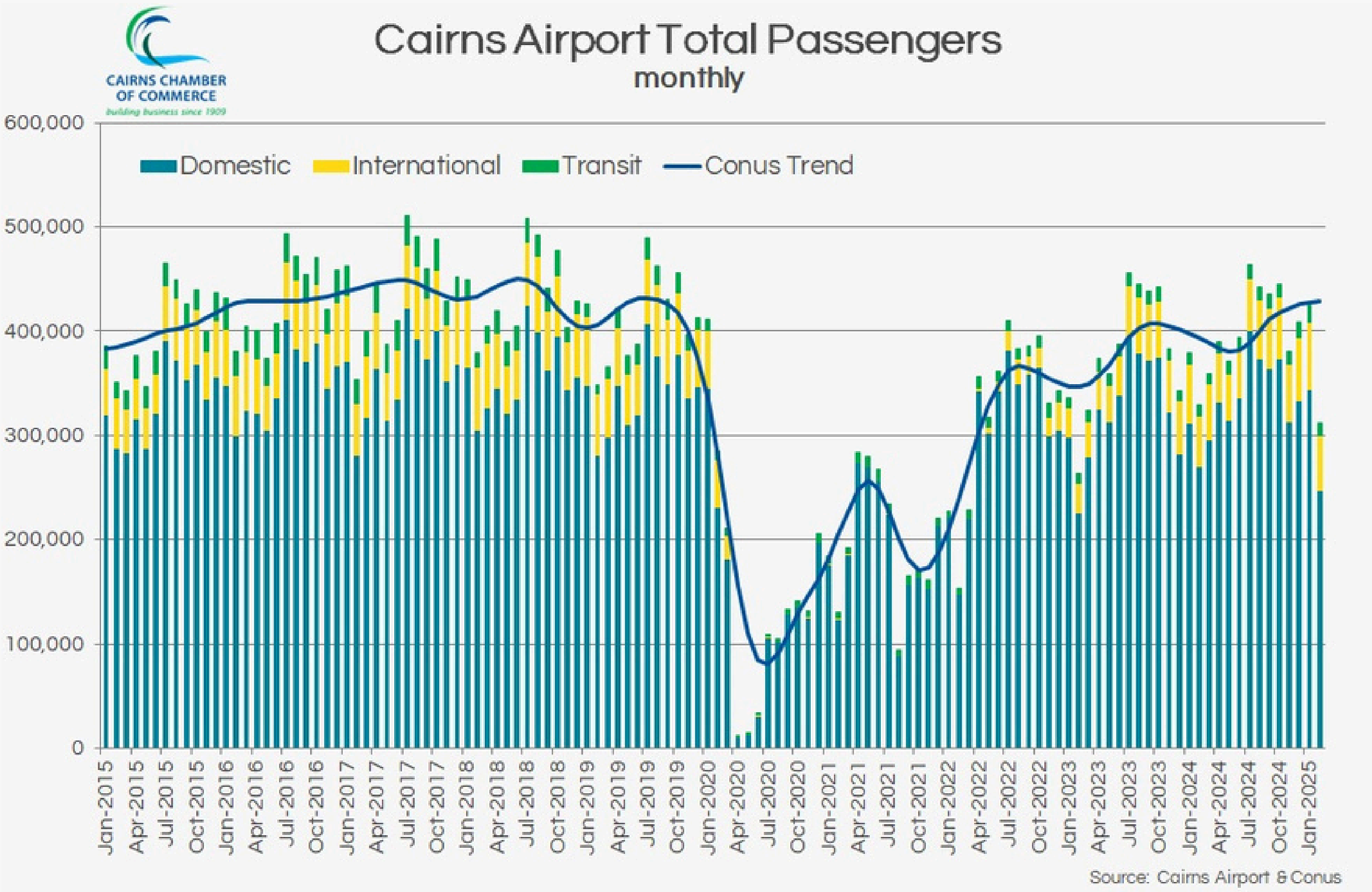



Credit: LJ Hooker Edge Hill

TOURISM

February is traditionally a weak month for tourism in the region, and therefore we are not surprised to see quite low numbers for passengers through Cairns Airport. However, when we consider the seasonally adjusted Trend series, we see that things are continuing to improve. The Trend now sits at its highest level since August 2019.

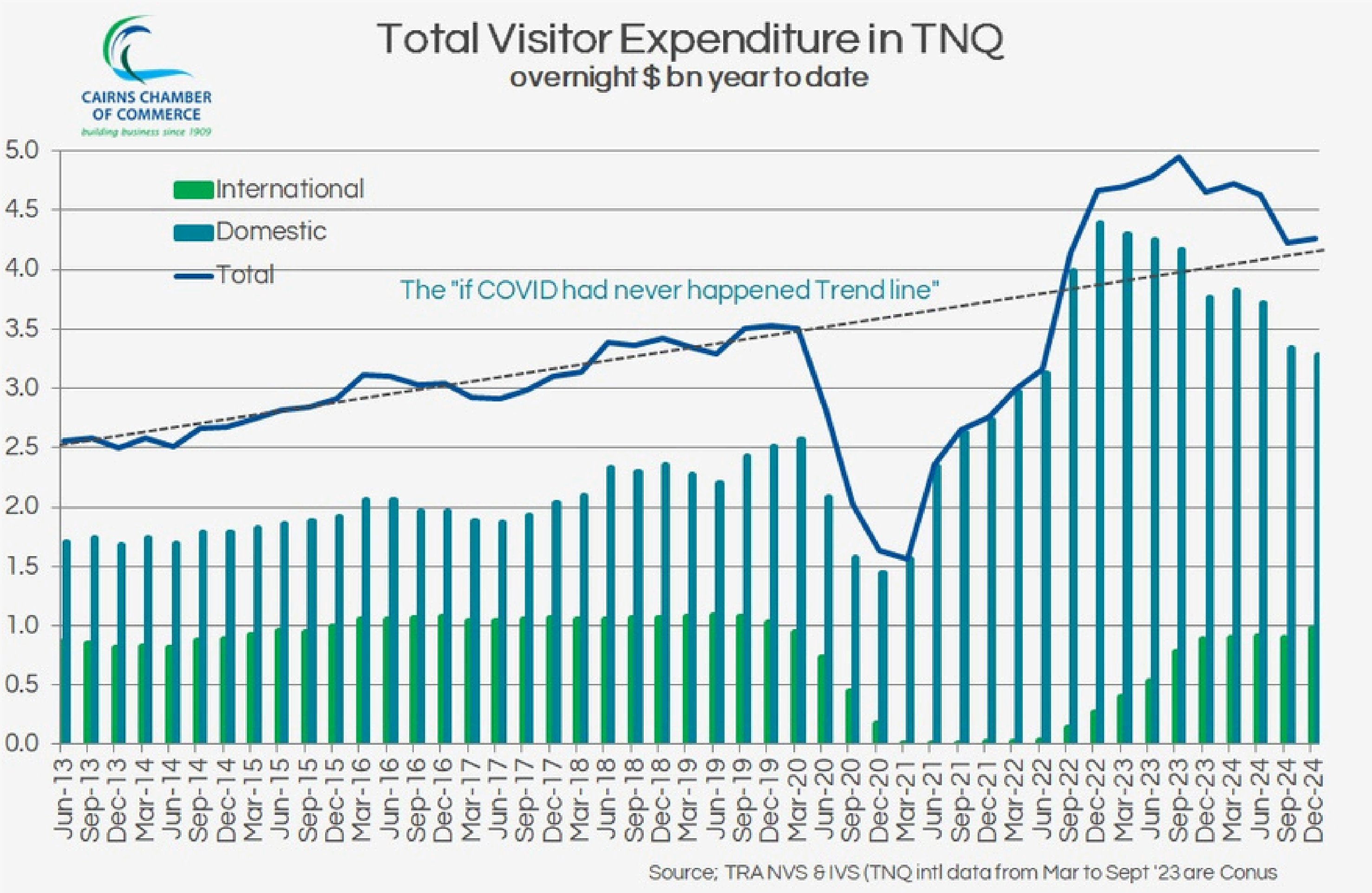
Although total passenger numbers through the Airport are seemingly back to pre-COVID levels, it is also true that the make-up of those numbers has changed. For the first time in any month (bar one) since August 2010 international passengers made up more than 16.8% of the total in February. International passenger numbers for the year to February 2025 remain some 5% below the similar figure for February 2019 but it is clear that the (slow) recovery of international tourism is almost complete and we can expect to see future data improve upon the pre-COVID numbers.



CAIRNS CHAMBER OF COMMERCE
building business since 1909
Cairns Airport Total Passengers
monthly
Domestic
International
Transit
Conus Trend
600,000
500,000
400,000
300,000
200,000
100,000
0
Jan-2015
Apr-2015
Jul-2015
Oct-2015
Jan-2016
Apr-2016
Jul-2016
Oct-2016
Jan-2017
Apr-2017
Jul-2017
Oct-2017
Jan-2018
Apr-2018
Jul-2018
Oct-2018
Jan-2019
Apr-2019
Jul-2019
Oct-2019
Jan-2020
Apr-2020
Jul-2020
Oct-2020
Jan-2021
Apr-2021
Jul-2021
Oct-2021
Jan-2022
Apr-2022
Jul-2022
Oct-2022
Jan-2023
Apr-2023
Jul-2023
Oct-2023
Jan-2024
Apr-2024
Jul-2024
Oct-2024
Jan-2025
Source: Cairns Airport & Conus

Credit: Bang Media
Cairns airport
Jetstar
TOURISM TROPICAL NORTH QUEENSLAND
Cairns airport

The most recent official Tourism Research Australia tourism data for the year to the December 2024 quarter showed us that domestic tourism expenditure had continued to contract very slightly (-$48 million). This slowdown in domestic tourism over the past 2 years had largely been expected, following as it did on the back of a COVID-induced surge in the years prior, but it now appears (hopefully) to have run its course having fallen a total of $1.1 billion since its peak two years ago. International tourism expenditure, on the other hand, has continued to improve and the increase in the year to the December quarter (+$82 million) was more than enough to offset the slight decline in the domestic total; as a result the total tourism expenditure for the region saw a modest increase (+$34 million) which brings a run of 4 quarters of declines to an end. As the chart makes clear, total tourism expenditure appears to have settled at a level very consistent with the 'as if COVID had never happened' trend.



A WORD FROM OUR SPONSORS

“We recently saw the sitting governments 2025-26 budget. From a business perspective there was not a lot of interesting content. One notable absence was the continuation of the small business $20,000 instant asset write off (IAWO) policy. Unless there is a legislative amendment the IAWO threshold from 1 July 2025 will revert to $1,000. It is a great shame to hear that this measure will not be extended and will likely have a lagging economic impact – less tax time spending on assets or larger tax bills on businesses in 2026 tax year. The calling of the election also means that Labor's controversial Division 296 bill has officially lapsed. This bill was projected to be a significant revenue source for Labor, effectively reducing tax concessions on superannuation balances exceeding $3 million.”

Michael Wilson
Partner, PVW Partners

“The inaugural Cairns Economic Monitor launched last month, garnered an enthusiastic response, a testament to its insightful analysis. This month's edition again delivers a wealth of interesting data and commentary that illuminate both the region's strengths and its challenges: a healthy labour market, ongoing property price gains, a shortage of housing stock, and a tight rental market. We continue to appreciate the depth and clarity provided by Pete Faulkner's expert analysis. His contributions are invaluable in navigating the complex dynamics shaping our community's future.”

Rhiannon Saunders
Managing Director, WGC Lawyers

“Investors considering residential property face two major challenges: affordability pressures and a supply shortage, worsened by strict new rental laws. The recent interest rate cut provided some relief to buyers, but the future remains uncertain. Further rate cuts could stimulate the market, while limited reductions may keep buyers cautious, with affordability still a concern. Limited housing supply tends to keep owners of property grounded until they have the next home to go to. A major issue is the difficulty in delivering new housing due to labour shortages, construction delays, and rising construction costs. For example, medium-rise apartments in some cities now costing developers an astronomical amount per square metre, further exacerbating affordability challenges for both buyers and developers.”

Nadine Edwards
Director, LJ Hooker Cairns Edge Hill

A WORD FROM CAIRNS CHAMBER OF COMMERCE

building business since 1909

"At the Cairns Chamber of Commerce, we are proud to deliver to you, our business community, **the Cairns Economic Monitor.**

We have partnered with the highly regarded Pete Faulkner from Conus Business Consultancy Services to produce the all-important economic data of our region. It is crucial for businesses to be armed with the facts, as it offers valuable insights into market trends, consumer behaviour, and industry performance. Access to such data will help you make informed decisions, whether it relates to investments, expansions, or potential growth opportunities.

Understanding the economic landscape will enable you to remain competitive, adapt to changes, and contribute to the overall development of the region's economy

We sincerely thank LJ Hooker Edge Hill, PVW Partners and WGC Lawyers for their support in assisting us to produce such a valuable report."

Patricia O'Neill
Chief Executive Officer

UPCOMING EVENTS

APRIL

09 APR
Meet the Candidates: Leichhardt Federal Election Breakfast Forum
7.00am - 9.00am
Pullman Cairns International

11 APR
April Business Luncheon - Cairns Airport Update
11.30am - 2.00pm
Hilton Cairns

16 APR
High Tea with Bobsled Bree
3.00pm - 5.30pm
The Chambers

29 APR
FNQ DAMA Updates & Information Sessions
IN-PERSON | Cairns Regional Council
Registered Migration Agents 11.00am - 12.00pm
Employers & HR Managers 1.00pm - 2.00pm

MAY

01 MAY
FNQ DAMA Updates & Information Sessions
ONLINE | Microsoft Teams
Employers & HR Managers 1.00pm - 2.00pm
Registered Migration Agents 3.00pm - 4.00pm

CAIRNS CHAMBER OF COMMERCE
building business since 1909

Publisher & Editor
Cairns Chamber of Commerce

Data Analysis & Commentary
Pete Faulkner

Contributors
WGC Lawyers
PVW Partners
LJ Hooker Edge Hill

Cover Image Credit
TTNQ

All data relates to Cairns unless otherwise stated. The most current data set available before publication is used throughout.
© The Cairns Economic Monitor 2025. For media or reproduction purposes, please credit The Cairns Economic Monitor .

CAIRNS CHAMBER OF COMMERCE

building business since 1909

WGC Lawyers

PVW PARTNERS ACCOUNTANTS AND ADVISORS

LJ Hooker Cairns Edge Hill

© The Cairns Economic Monitor 2025

This document is issued on the basis that it is only for the information of the particular person to whom it is provided. This document may not be reproduced, distributed or published by any recipient for any purpose without appropriate credit/acknowledgement for The Cairns Economic Monitor.

The information herein has been obtained from, and any opinions herein are based upon, sources believed reliable. The authors however make no representation as to its accuracy or completeness and the information should not be relied upon as such. All opinions and estimates herein reflect the author's judgment on the date of this document and are subject to change without notice. The Cairns Economic Monitor and associated sponsors disclaim any responsibility, and shall not be liable, for any loss, damage, claim, liability, proceedings, cost or expense ("Liability") arising directly or indirectly (and whether in tort (including negligence), contract, equity or otherwise) out of or in connection with the contents of and/or any omissions from this communication except where a Liability is made non-excludable by legislation.