

JUNE 2025



# CAIRNS ECONOMIC MONITOR

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# SNAPSHOT

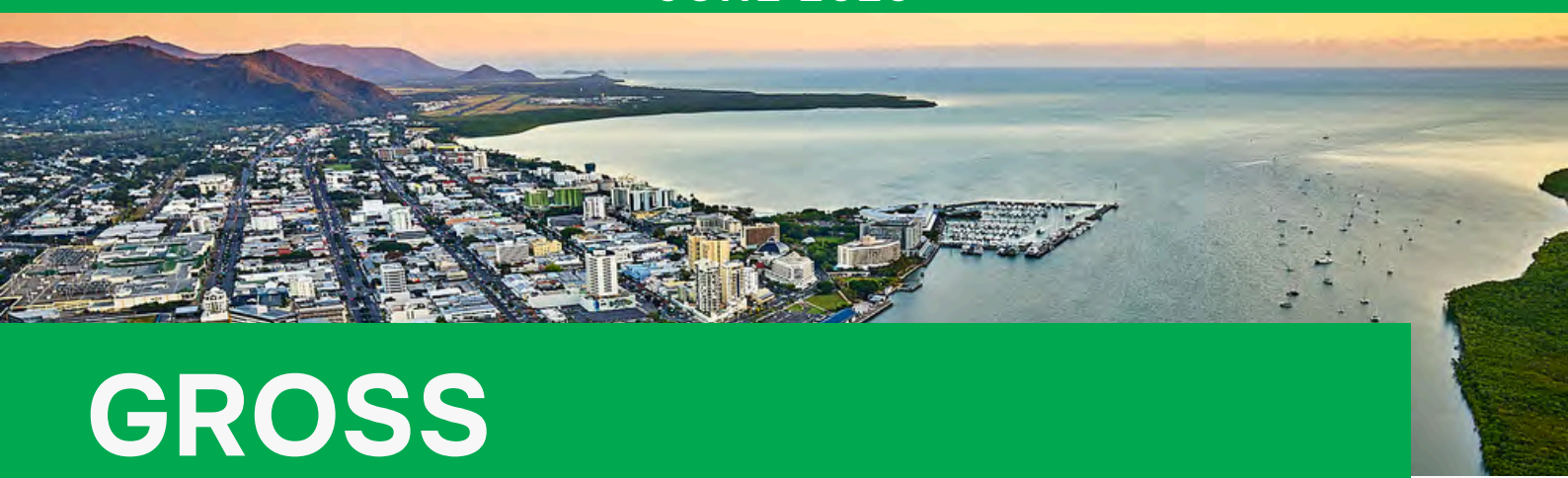
Recently released data from the National Institute of Economic and Industry Research (NIEIR) shows economic growth in the region continuing to impress. The Cairns Region grew at 0.8% in 2023/24 but is up a very healthy 17.4% in the years since 2019/20 and has outstripped growth across the State and the Nation over that period.

Building approvals are once again easing in Cairns. This is bad news given the chronic accommodation shortage the region faces and will continue to be a significant drag on economic growth. We need to see this indicator improving soon.

As had been widely expected, the RBA cut the Cash Rate target at their May meeting to 3.85%. Futures markets are pricing in further cuts this year with a target by year-end of 3.10%.

The labour market across the country is showing clear signs of a gentle easing and that is reflected in the unemployment rate here in Cairns which has moved higher this month to 4.7%. Nevertheless, there remain plenty of indicators which confirm the labour market in our region remains robust.





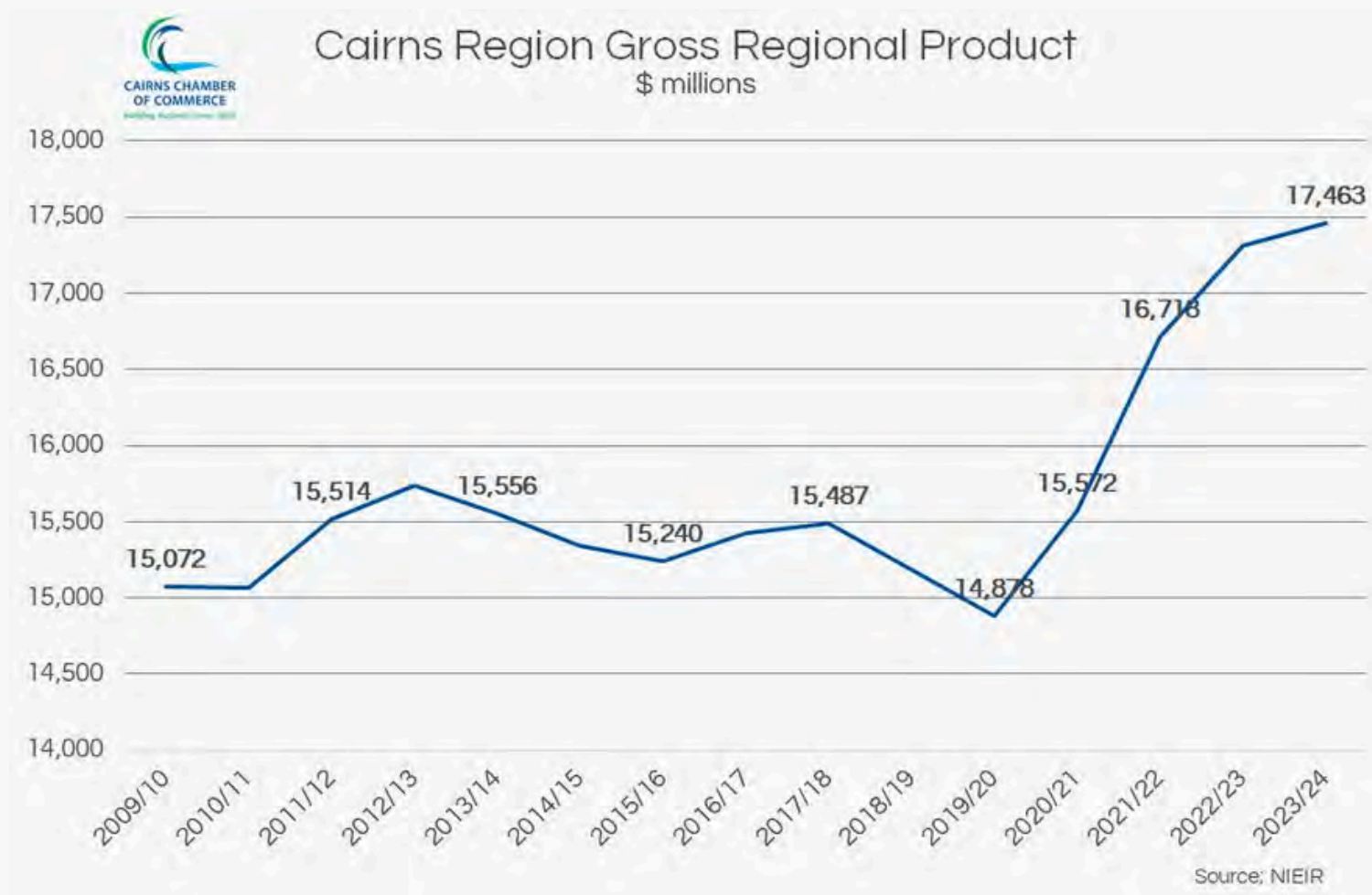
# GROSS REGIONAL PRODUCT

The region's Gross Regional Product (the measure of the total value of the region's economy) gets modelled each year by the National Institute of Economic & Industry Research and we have recently seen the release of their data for the 2023/24 financial year.

Across all the Local Government Areas that make up the Cairns Region GRP grew by 0.8% y/y. This compares with 2.1% y/y growth in Queensland Gross State Product (GSP) and 1.4% y/y growth in Australian Gross Domestic Product (GDP) over the same period. The slower pace of growth in our region is partly a result of the fact that growth in the past few years has exceeded those national and State levels, and the fact that GRP within the Cassowary Coast and Mareeba LGAs fell slightly this year (largely due to the unwinding of the surge in post-COVID domestic tourism which peaked in 2021/22). Cairns Regional Council GRP grew by 2.2% y/y and now makes up 70% of the region's GRP.

	Local Govt Area						Cairns SA4	QLD	AUS
	CRC	CCRC	DSC	TRC	MSC	YASC	Region		
2023/24 \$m	12,161	1,741	913	1,378	1,177	93	17,463	515,895	2,603,791
y/y change %	2.2	-5.5	3.2	-0.1	-3.0	1.5	0.8	2.1	1.4
4-yr change %	18.8	7.9	33.5	17.2	7.5	28.4	17.4	13.8	11.7

Over the past 4 years (since 2019/20) Australian GDP is up 11.7%, Queensland GSP is up 13.8% and Cairns Region GRP is up an impressive 17.3% (albeit after an extended period of weak growth in the pre-COVID years).



Credit: Tourism Tropical North Queensland





# LABOUR MARKET

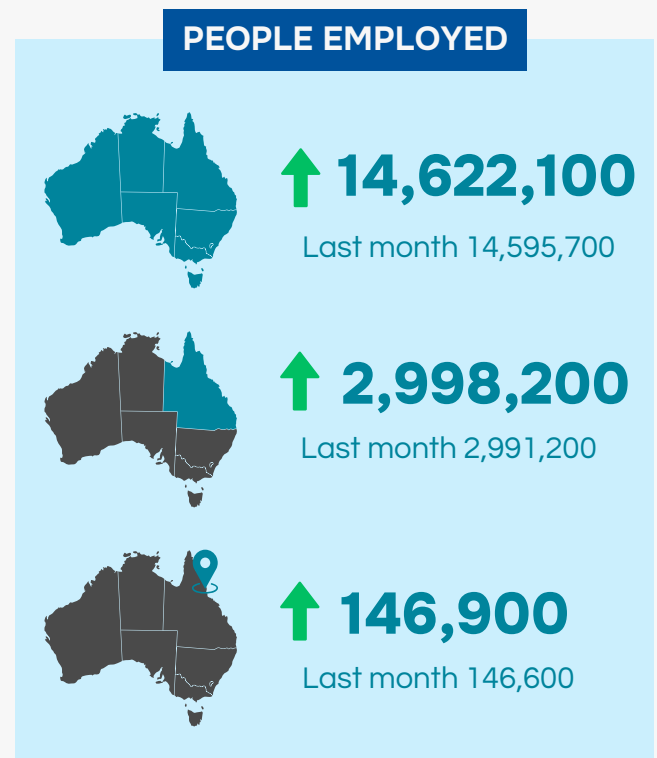
## Employment

Our Trend analysis this month confirms that employment growth in Cairns, which has been on a consistently positive trajectory since the COVID recovery, has slowed slightly with just 300 people newly employed in April. Annual Trend employment growth in Cairns has slowed to 2.2% pa, which is somewhat below the .

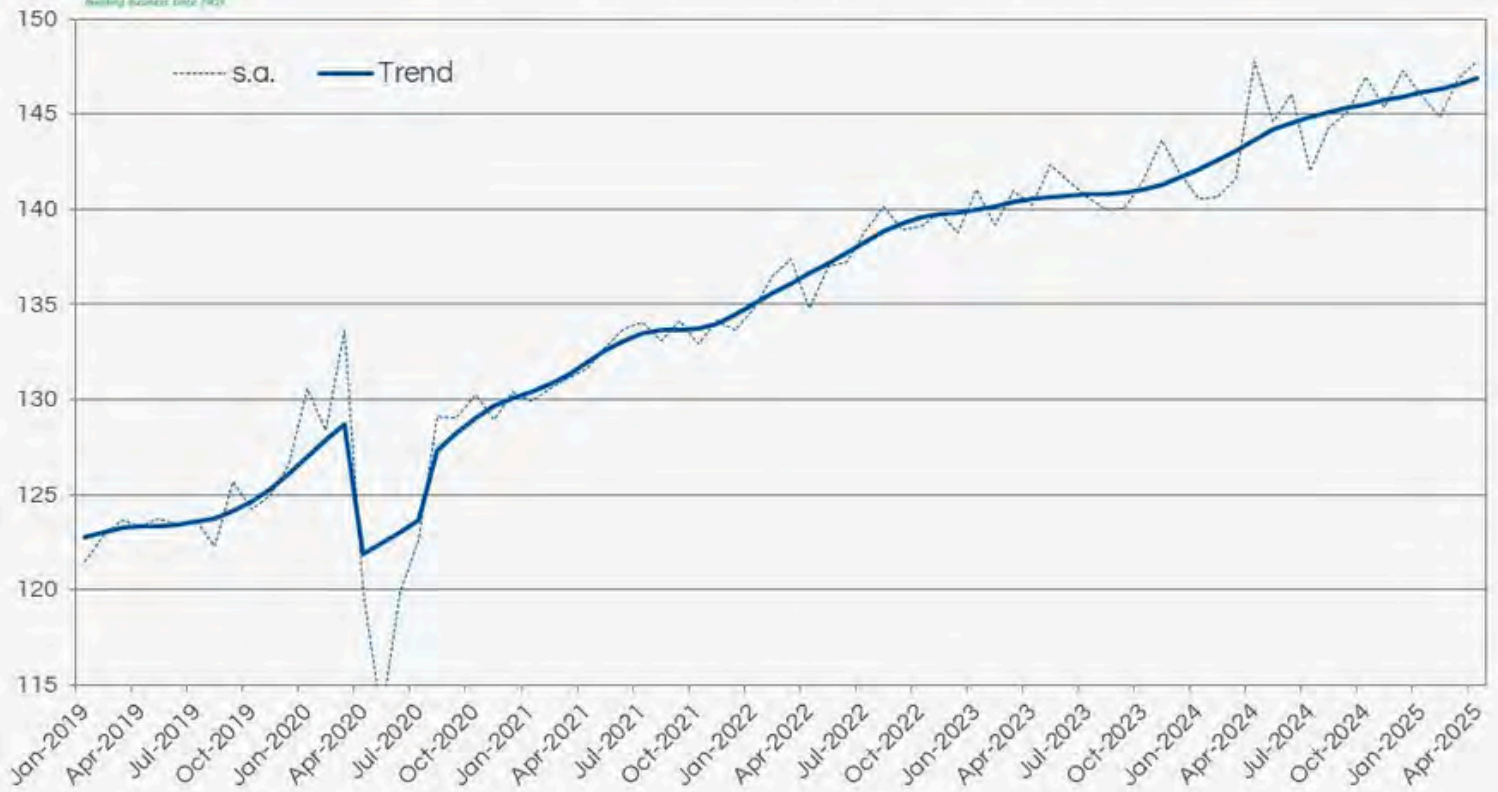
national and Queensland (2.5%) rates of growth...which have also both slowed in recent months.

Once again this month, further evidence of the relative strength in Cairns is the fact that full-time employment grew by 400 in April and is up 6.3% over the year.

The Participation rate in Cairns edged higher in April and now sits at its highest level since December 2010. A strong participation rate is yet another indicator of underlying strength in the labour market, but it also makes it much more difficult to maintain a very low unemployment rate!



## Cairns Employment Conus/CBC Staff Selection s.a & Trend '000s



Source: Conus derived from ABS original data

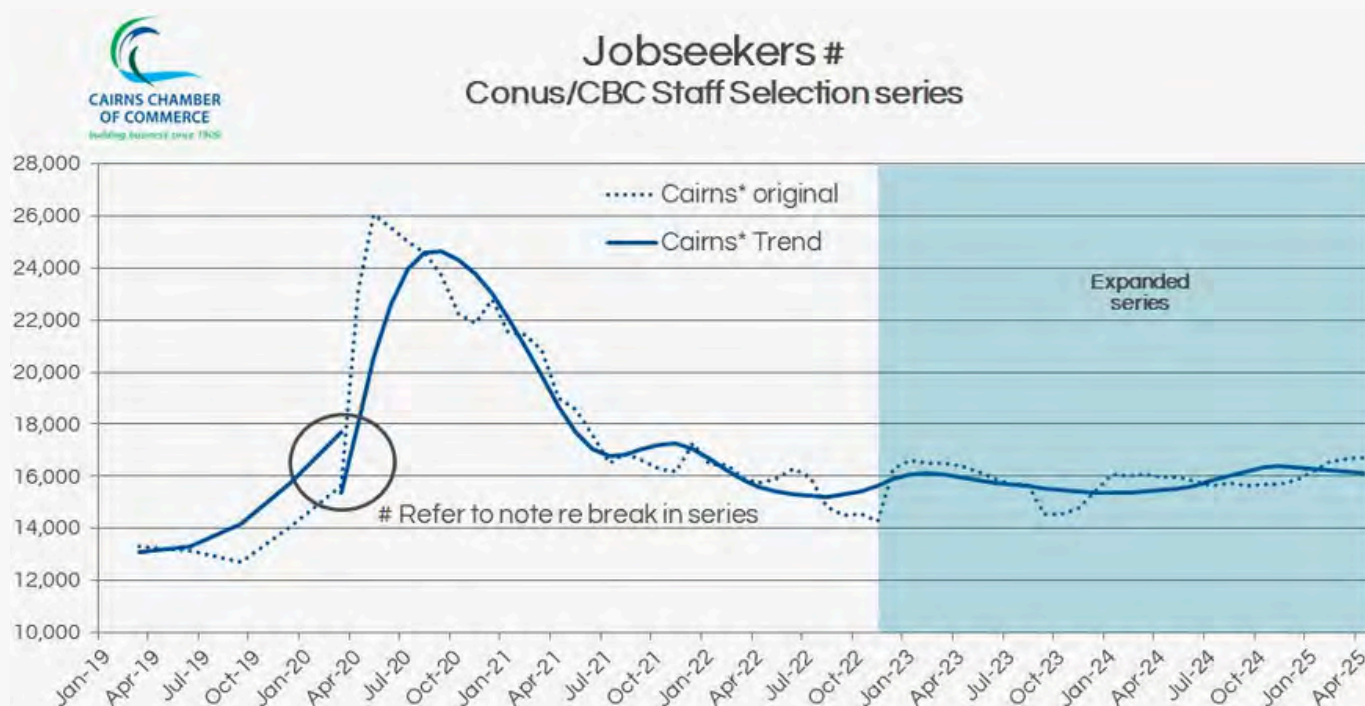
## Cairns Full-time Employment Conus/CBC Staff Selection Trend '000s



Source: Australian Bureau of Statistics and Conus

In recent months we have seen the Trend JobSeekers numbers in Cairns remain remarkably stable at around 16,000. In fact, in the past few months the figure has been slightly declining despite a gradual increase at both the Queensland and National level. While the Trend is up 8.1 y/y across Australia and 7.4% y/y in Queensland, here in Cairns the increase has been a much more modest 4.2% y/y. Once again, we are seeing signs of the relative robustness of the Cairns labour market.

Employment grew by 7,000 in Queensland during April and, with some stronger revisions to prior months, we now see employment growth at 2.5% y/y. While this is the same as the national pace, it has still fallen from 3.8% this time last year. Full-time employment has been growing strongly recently. Last month we noted a small and unexpected dip in the number in full-time employment in Queensland. This month's stronger revisions see that decline reverse to a small increase and full-time employment is still growing at a healthy 3.0% y/y.



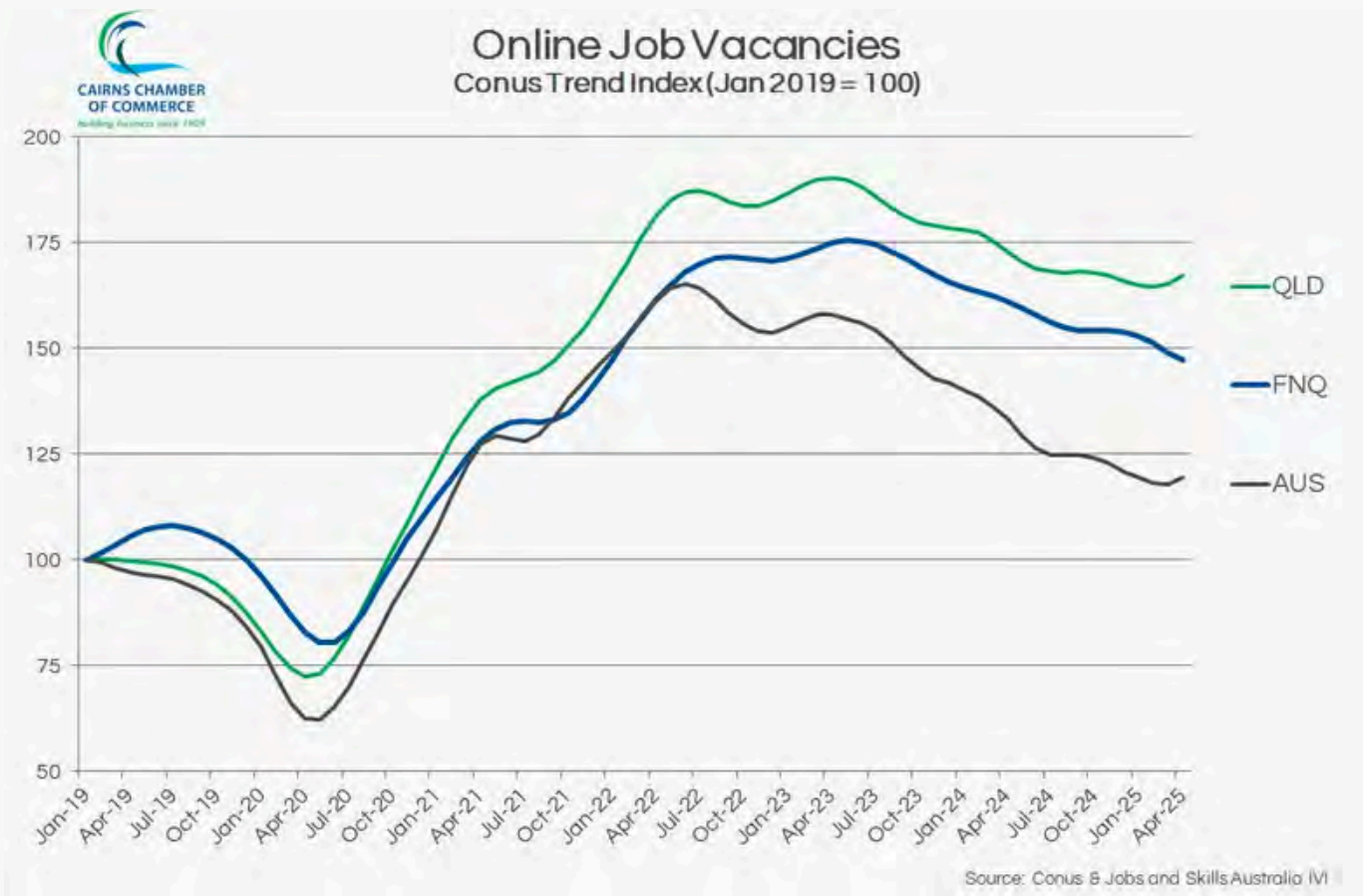
# Before Mar 2020 'Jobseekers' related to recipients of Newstart or Youth Allowance who were looking for work; from Mar 2020 onwards it is all JobSeeker recipients. From Dec 2022 the DSS have been using an 'Expanded' series which includes recipients who are current but on zero rate of payment and those 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



We see a very similar story playing out at the national level. Trend employment increased by 26,300 in April and the annual pace of employment growth remains unchanged at 2.5% y/y. This healthy growth would have seen the unemployment rate dip slightly had it not been for a move higher in participation.

The decline in Online job vacancies which we have been seeing at both the national and Queensland level since their peak in mid-2023, is finally starting to show up in the data for the Far North. This is yet another indicator which shows the strength in the labour market in Cairns is very gradually starting to ease.



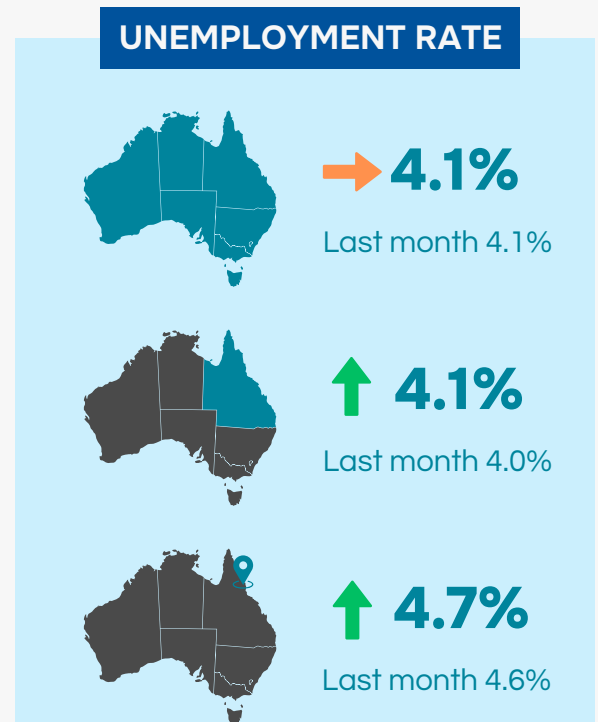
Credit: Tourism Tropical North Queensland





## Unemployment

The April Trend unemployment rate in Cairns has risen to 4.7%, after a significant revision to the previous month from 4.1% to 4.6%. Given the signs of a slight easing in the labour market at the National and State level this does not come as a big surprise. Indeed, we would not be shocked to see the region's unemployment rate climb towards 5.0% in coming months but we need to bear in mind that such a rate is still very low by historical standards.

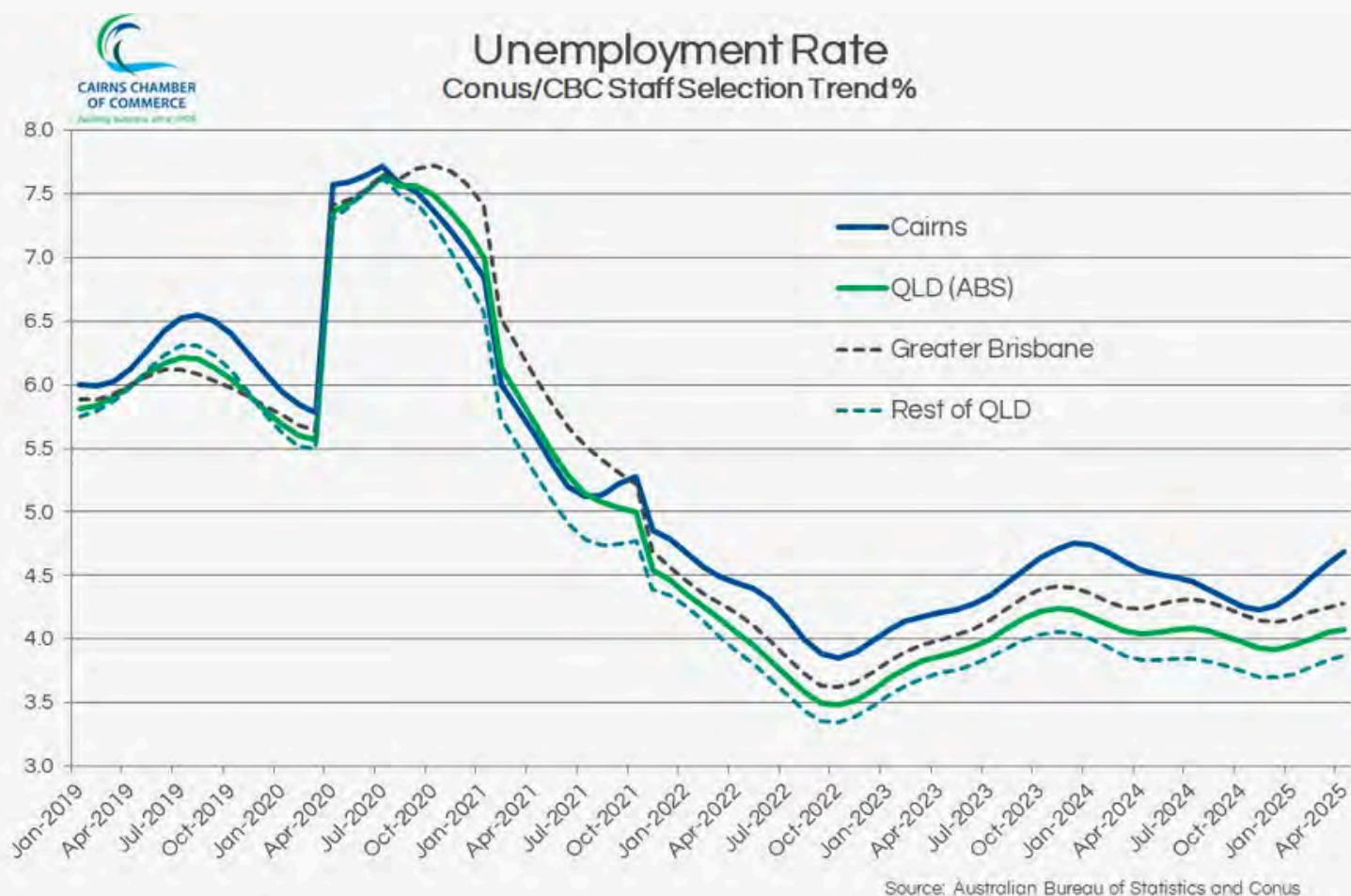


The Small Area Labour Market (SALM) data from the Dept of Employment is the only reliable indicator of unemployment rates at a more granular level in the region. The most recent data (to Dec 2024) shows all sub-regions within the broader Cairns area have enjoyed the gradual decline in unemployment rates seen since COVID with Cairns-North the standout.



Queensland's Trend unemployment rate edged slightly higher to 4.1% in April, after the March figure was revised up to 4.0% from 3.9%. Hours worked per capita also fell this month, although the participation rate remained unchanged. As we have been noting for a few months, there are clear signs that the labour market is gently easing but it remains true that conditions are historically tight and the unemployment rate is at low levels.

The national Trend unemployment rate was stable at 4.1% in April (after March was revised up to 4.1% from 4.0%) and has been remarkably stable at either 4.0% or 4.1% for each of the past 14 months. We have been commenting for months that the expectations from both the Treasury and Reserve Bank are that the unemployment rate will likely drift towards 4.25%-4.5% in the second half of this year. This month's data certainly supports that projection.





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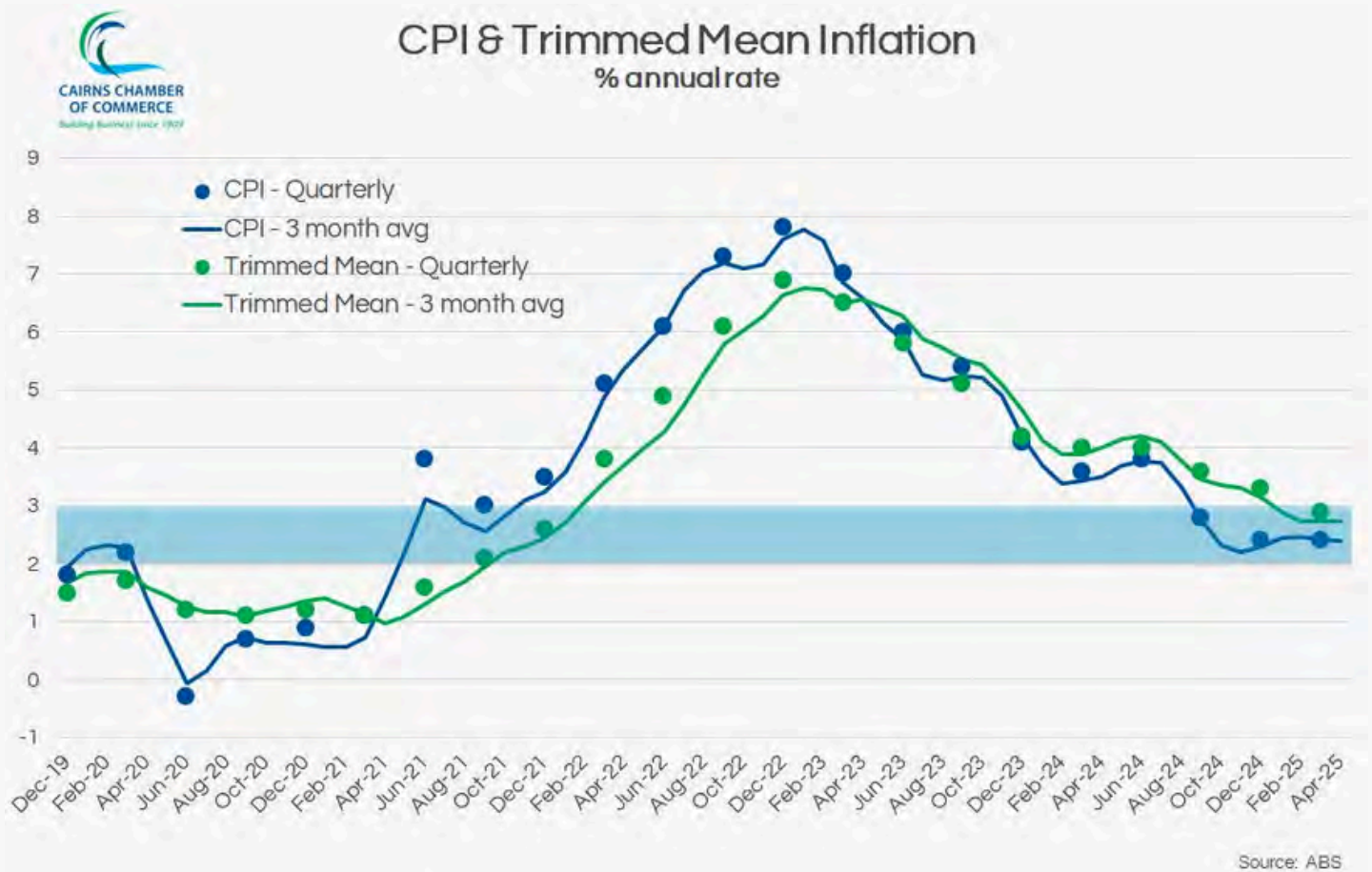
*Regional Australians Growing Regional Australia*



# INFLATION & INTEREST RATES

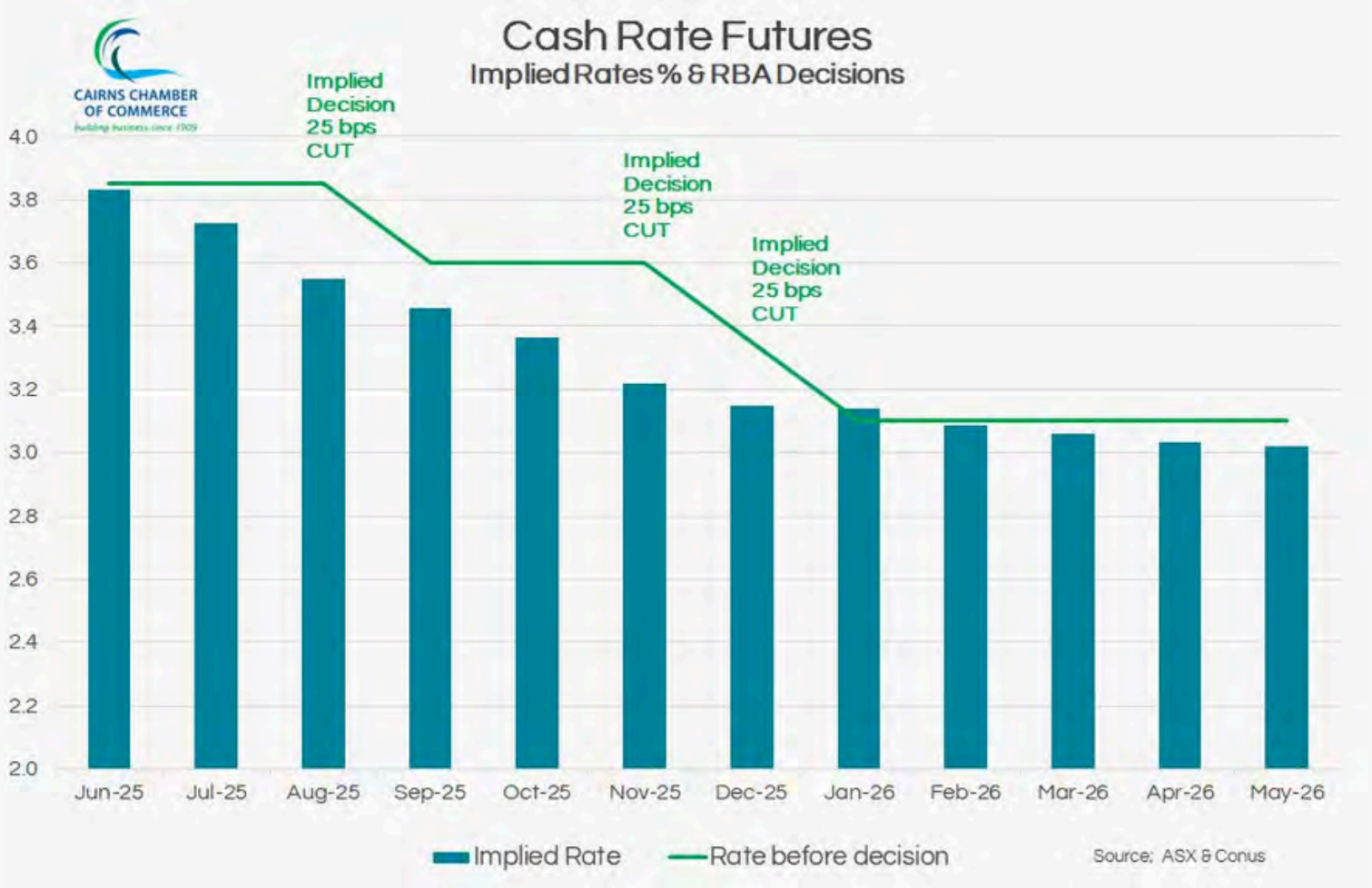
The RBA, at their meeting on May 20<sup>th</sup>, cut the Cash Rate target by 25 bps to 3.85%. Given recent moves in inflationary data and the uncertainty caused by the US on-again-off-again tariff decisions this had been widely anticipated, and the futures market is pricing in another 75 bps of cuts to come by year-end. This is a slightly more hawkish tone than we noted last month, soon after Trump's 'Liberation Day' announcements, but the reality will hinge crucially on what happens at the end of the 90-day tariff pause and further ongoing trade negotiations (such as the sudden announcement, and immediate pause, of 50% tariffs on the EU). The markets, and the RBA, are taking a precautionary stance in the face of such wild uncertainty.





The RBA are still expecting inflation to settle 'around' the middle of their 2-3% target range and for the unemployment rate to 'stabilise a bit below 4.5%'.

The most recent monthly inflation data (for April) showed headline 3-month average inflation stable within the 2-3% target range (2.4%), while core 3-month average Trimmed Mean inflation remains unchanged towards the top of the range at 2.7%. This data provides scope for the RBA to move rates lower should global uncertainties require but certainly does not suggest they have any urgency to do so.



Credit: Tourism Tropical North Queensland





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## 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.

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# BUILDING APPROVALS

## TREND APPROVALS

↓ **94**  
Mar 2025

## TREND RATE OF APPROVALS

↑ **9.5%**  
year on year

Over the past few months we have been seeing the Trend building approvals figure for the region settle at a level just below 100 per month. In March that figure sat at 94. While this is some improvement from recent lows of 85, it is still well below the level we would need to see to make a material impact on the chronic accommodation shortage the region is experiencing.

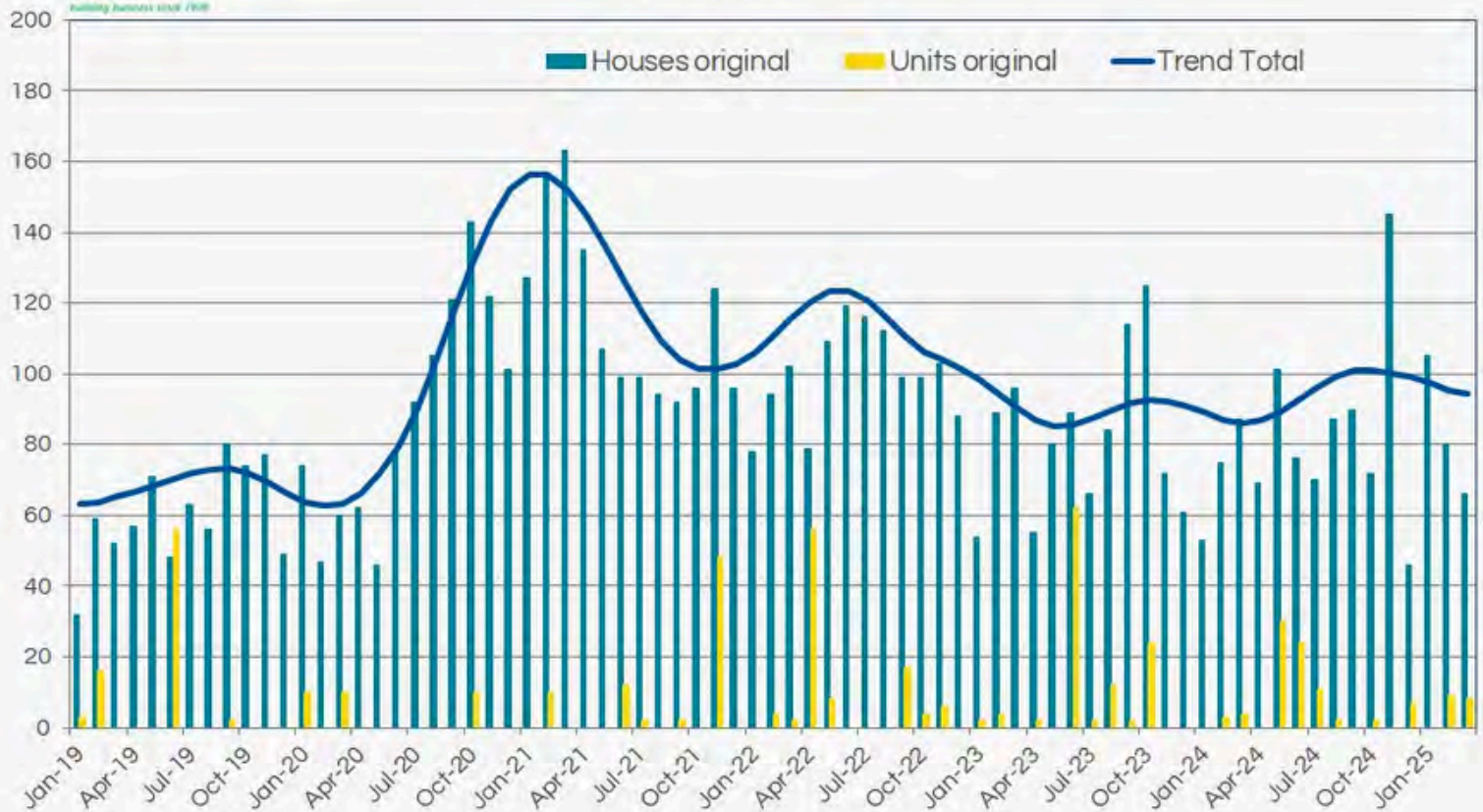
While approvals in Queensland have also been steadily declining over recent months the fact that the annual growth rate in Cairns (+9.5%) is now well below the growth rate at both the national (+14.7%) and State (+11.2%) levels merely highlights the overall weakness.

Until we see an extended period of elevated approvals well above 100 per month we cannot expect to see any easing in the region's accommodation shortage; and we must also bear in mind that actual builds will lag the approvals by anything from 6 to 18 months.





## Cairns Building Approvals original & Conus Trend



Source: Conus based on Australian Bureau of Statistics

Credit: Tourism Tropical North Queensland







# REAL ESTATE

After a brief pause median house prices have once again hit a new high in May (\$690,000) while unit prices remain stable close to record highs. Combined property prices across Cairns over the past three years have grown at an annual rate of 16.4%, which equates to an increase of 58% over that time.





## MEDIAN PRICE



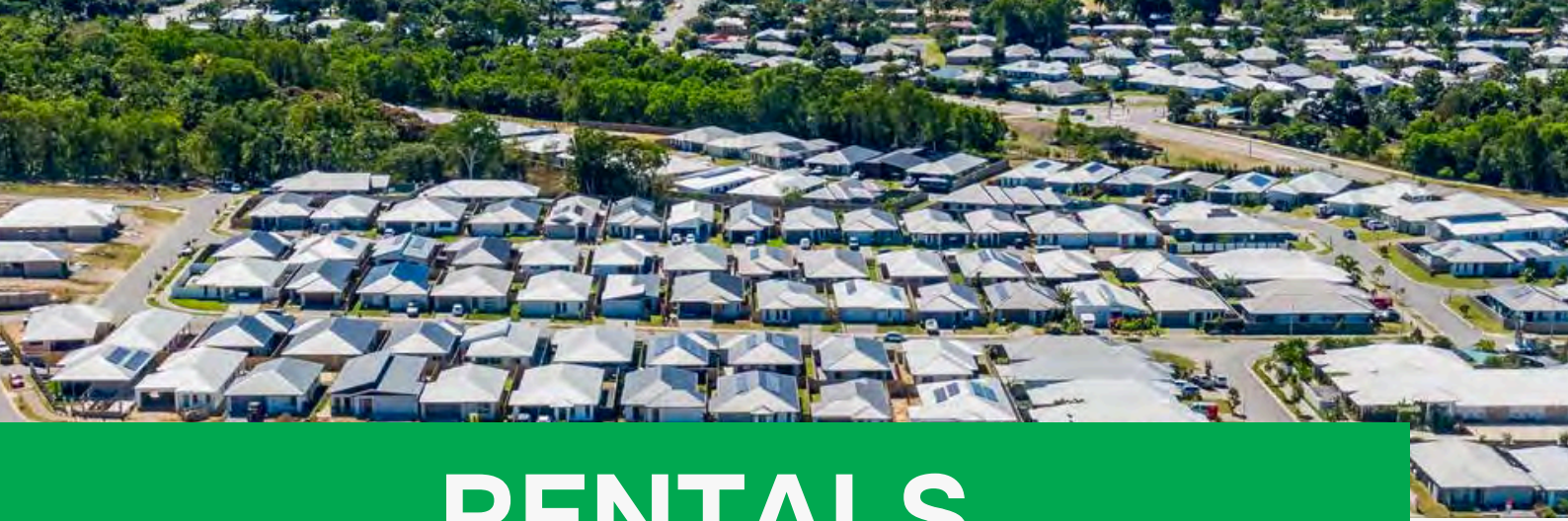
Unit  
**\$395,000**  
 + 14% y/y



House  
**\$690,000**  
 + 19% y/y

Interest rates have started to fall and look set to fall further (see Inflation & Interest Rates section) which we might reasonably expect to be reflected in ongoing real estate price strength. At this stage in the cycle there appears no reason to anticipate prices to move in any other direction than up.






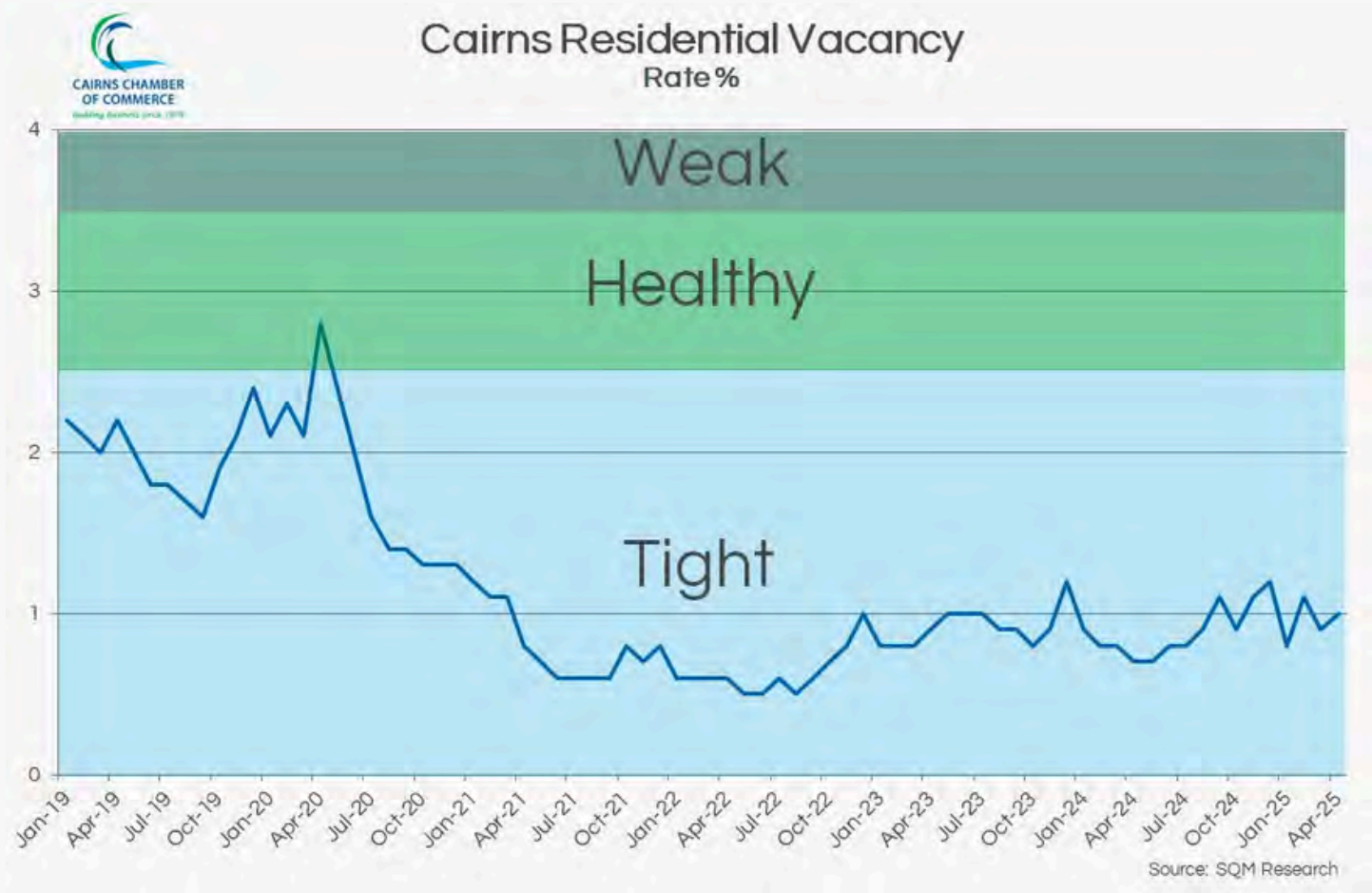
# RENTALS

The previous ramp up in rents has eased again this month, indeed it is starting to look as if unit rentals have seen a material correction. Even though the rental vacancy rate remains in the 1% region (indicating a very tight rental market) it is certainly true that there has been a very slight easing in the rate over the past 6 months.

VACANCY RATE

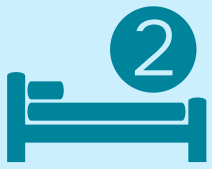
 **1.0%**

Previous month 0.9%





### MEDIAN RENTALS



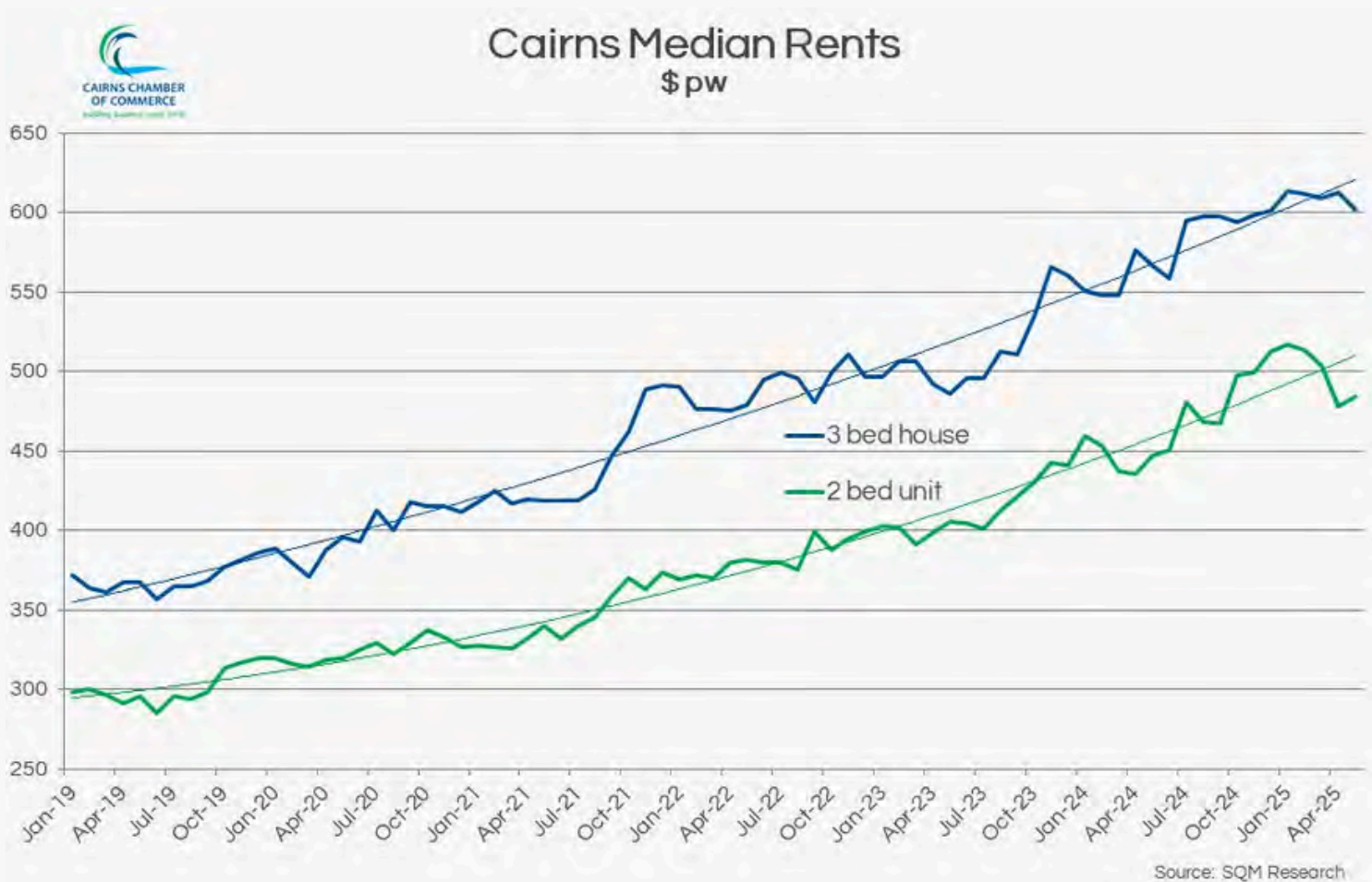
2-bed unit  
**\$485 p/w**  
 + 8% y/y



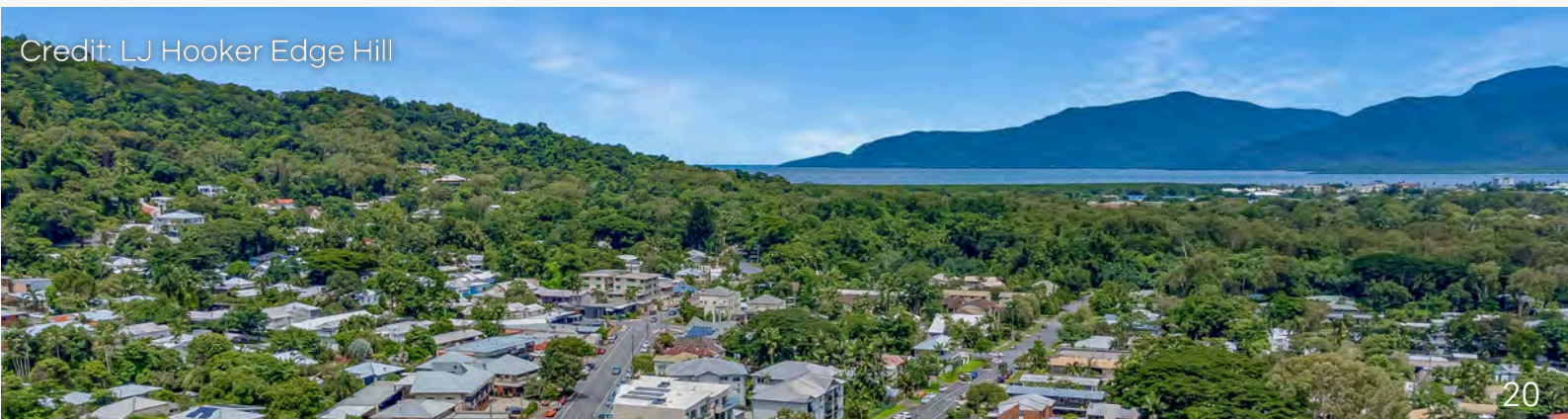
3-bed house  
**\$602 p/w**  
 + 6% y/y

If we consider the average rate for the past 6 months compared to the previous 6-month period it has edged up from 0.86% to 1.01%; hardly a large move but certainly noticeable and perhaps enough to moderate rental increases.

Nevertheless, both house and unit rental rates remain 6-8% higher than a year ago.




Credit: LJ Hooker Edge Hill







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# TOURISM

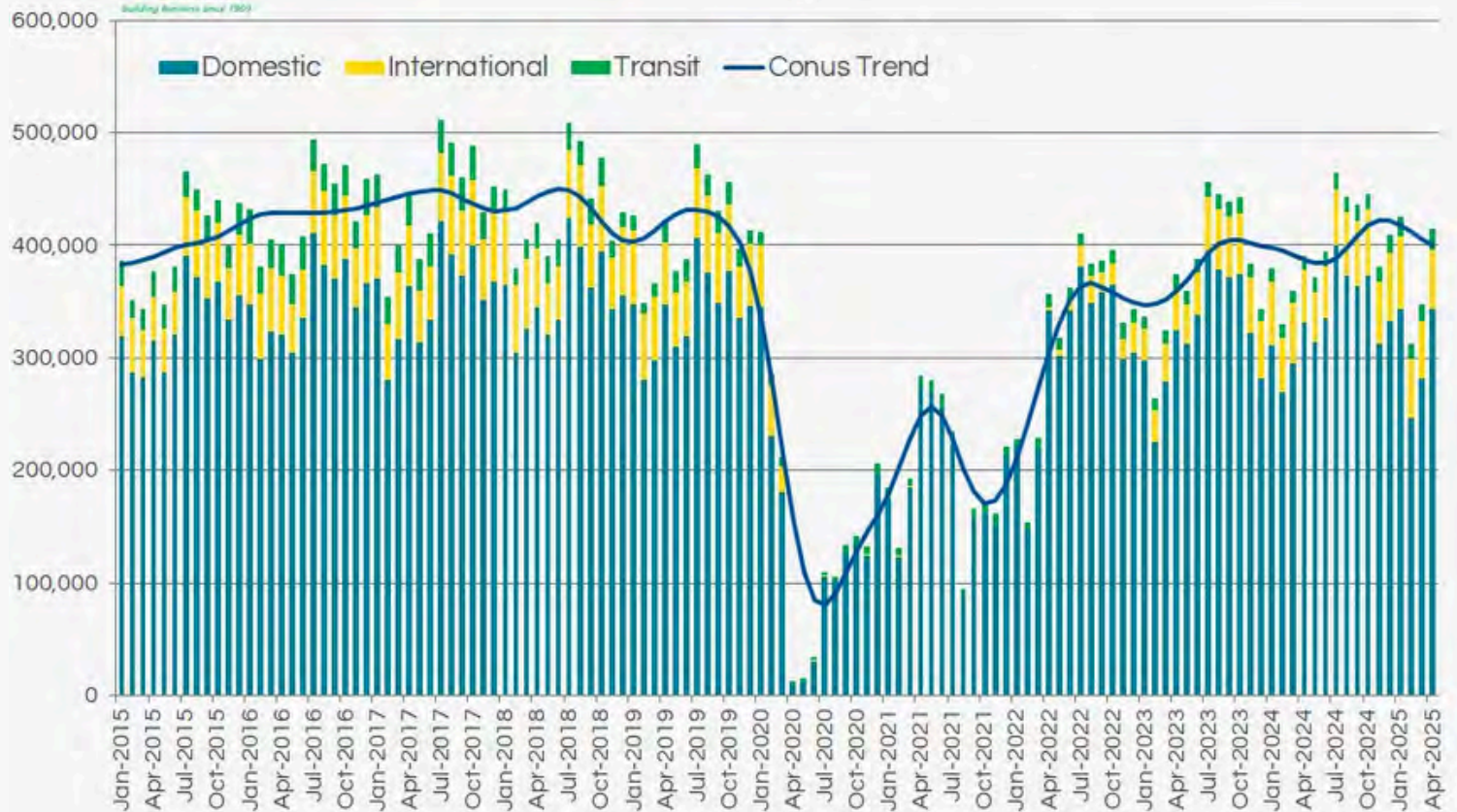
April saw another healthy increase in passenger numbers through Cairns Airport. However, we should note that the seasonally adjusted Trend series is still moving a little lower which suggests that the good April numbers were being largely driven by seasonal factors (such as the late date for Easter this year).

Over the past 12 months international passengers through the Airport have exceeded 650,000 for the first time since February 2020 although the pace of growth has fallen below 10% p.a. for the first time since the post-COVID recovery began.

The new flights to Nadi on Fiji Airways (and the associated connections to the west coast of the USA), and to Christchurch on Jetstar both launched in April but at this stage they do not appear to have impacted passenger numbers to any great extent; we may have to wait for data from May to get a full month of figures.



## Cairns Airport Total Passengers monthly



Source: Cairns Airport & Conus

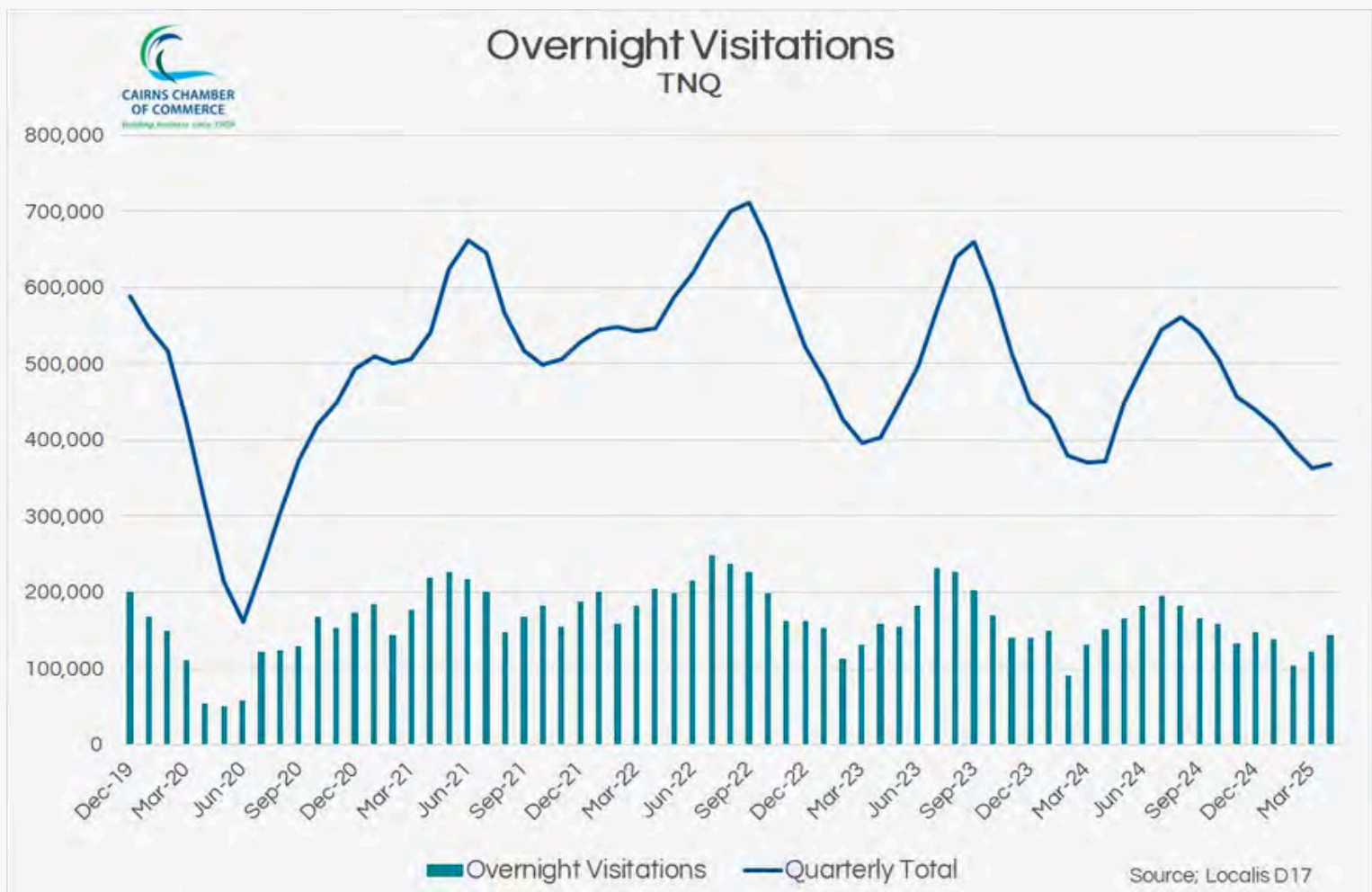
Credit: Bang Media



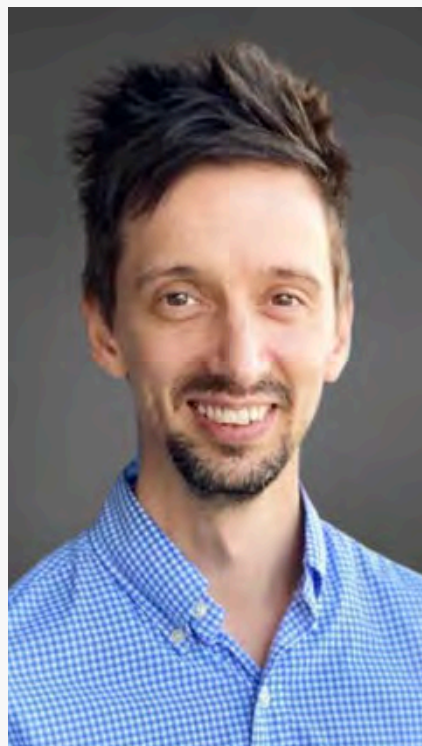


While we will not see the official Tourism Research Australia tourism expenditure data for the March quarter until late June, our own models (based on a number of more-timely leading indicators) are suggesting that domestic expenditure might have fallen a little in the year to March (down from \$3.28 billion in Dec 2024 to \$3.19 billion in Mar 2025) while international tourism increased slightly (from \$981 million to \$1 billion). The net result would therefore be a very small decline of \$70 million for the year.

Data for the number of overnight visitations to the region appears to confirm this, with numbers for the quarter to March at a similar, but slightly lower, level to the same time last year.



# A WORD FROM OUR SPONSORS



“ Surprisingly, interest rate cuts are not the main topic of conversation with our clients right now. The hot topic is the election outcome and what this means for the business community. Regardless of their political preferences though it remains business as usual in the community. We are seeing a large volume of end of financial year transactions again showing the business and investor communities are active and optimistic. Tax planning conversations are also showing that our clients broadly, have had another strong year of profitability and expect the same again next financial year. The probable reintroduction of the proposed Division 296 superannuation changes (i.e. tax on unrealised profits) are also very topical with our high net worth clients. The outcome of most of our conversations to date on this have been to “wait and see” what the reintroduced legislation looks like before taking permanent action. ”

**Michael Wilson**  
Partner, PVW Partners

“ Thank you, Pete Faulkner, for another insightful report into the Cairns economy using data and information for April, including some interesting information released regarding our region’s Gross Regional Product. Fascinating to know that over the past 4 years the Cairns’ GRP has gone up by 17.3%. From a legal perspective, a thriving economy translates to greater opportunities and evolving legal needs across our region’s many and diverse sectors. Our firm is committed to supporting this growth by providing expert counsel and strategic guidance to help businesses navigate the opportunities and challenges that lie ahead. ”

**Rhiannon Saunders**  
Managing Director, WGC Lawyers



“ Stock levels remain tight across the Cairns region, maintaining upward pressure on prices. The Reserve Bank of Australia’s recent 25-basis point rate cut, returning the cash rate to 3.85%, offers welcome relief for mortgage holders and is expected to strengthen buyer confidence as we head into winter. While affordability remains a challenge, tight supply, population growth, and improving serviceability point to a steady market ahead. Five years on from COVID, regional Queensland remains above pre-pandemic levels. Cairns continues to attract buyers seeking value, space, and lifestyle —key drivers during the pandemic that remain relevant in today’s affordability-conscious market. ”

**Nadine Edwards**  
Director, LJ Hooker Cairns Edge Hill





“ 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

To Book Your Tickets, Visit [www.cairnschamber.com.au/events](http://www.cairnschamber.com.au/events)

JUNE

**13**  
JUNE

## Seminar - Understanding Your Insurance Policy

9:45am - 11:00am

Cairns Regional Council, Civic Reception Room

**17**  
JUNE

## June Business Luncheon - AI in Business: Harnessing Innovation and Improving Productivity, whilst Mitigating Risks

11:30am - 2:00pm

Pullman Reef Hotel Casino

JULY

**1**  
JULY

## Luncheon | 2025 State Budget Address by the Hon David Janetzki MP, Treasurer of Queensland

11:30am - 2:00pm

Cairns Convention Centre

**29**  
JULY

## July Business Luncheon - Cairns Economic Outlook

11:30am - 2:00pm

Hilton Cairns

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